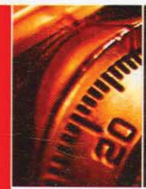
ANNUAL REPORT 2007



SG-SSB

SG-SSB LIMITED

ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

OUR MISSION STATEMENT

Our **Mission** is to create the
Preferred Banking Institution,
which employs Professionalism, Team Spirit and
Innovation to provide **quality** products and
services that best satisfy the needs
of our **Customers.**

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 28th Annual General Meeting of SG-SSB Limited will be held at the Accra International Conference Centre, on Wednesday, 26th March, 2008 at 10.00 a.m. to transact the following business:

1. To receive and adopt the Reports of the Directors, Auditors and the Financial Statements for the year ended 31st December, 2007.
2. To declare a final dividend for the period ended 31st December 2007.
3. To re-elect Directors.
4. To approve Directors' fees.
5. To authorise the Directors to fix the remuneration of the Auditors.

To pass the following as Special Resolution:

6. "That the Company be and is hereby authorized in accordance with its Regulations and subject to Section 61 & 62 of the Companies Code 1963 (Act 179) to purchase its ordinary shares up to a maximum of ten per cent (10%) of the number of issued shares".
7. To transact any other business appropriate to be dealt with at an Annual General Meeting.

Dated this 12th day of February, 2008.

BY ORDER OF THE BOARD

ANGELA NANANSAA BONSU
THE SECRETARY

NOTE

A member of the Company entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of him. A Proxy need not be a member. A form of Proxy is attached and for it to be valid for the purpose of the meeting it must be completed and deposited at the offices of the Registrars, NTHC Limited, Martco House, No. D 542/4, Okai Mensah Link, Adabraka, Accra. P. O. Box 9563, Airport-Accra not less than 48 hours before the appointed time of the meeting.

GENERAL INFORMATION

Board of Directors

Philippe Vigué (Chairman)	Appointed Chairman on 24th July 2007
Alain Bellissard (Managing)	
Alain Hourcade (Deputy Managing)	
Bernard Buyse (Finance & Administration)	Resigned on 4th July 2007
Gilles Louvel (Risk & Legal)	Appointed on 17th September 2007
Gérald Lacaze	
Michel Miaille	
Kofi Ampim	
Kwaku Osafo	
Pierre Wolmarans	
Theresa Ntim	
Ambassador Fritz Kwabena Poku	Appointed on 26th February 2007

Company Secretary

Angela Nanansaa Bonsu
SG-SSB Limited
P.O. Box 13119
Accra
Ghana

Registered Office

C796 A/3 Asylum Down
Ring Road Central, Accra
P.O. Box 13119
Accra
Ghana

Auditors

Ernst & Young
Chartered Accountants
G15 White Avenue
Airport Residential Area
P.O. Box KA 16009
Airport-Accra, Ghana

Registrars

NTHC Limited
Martco House
P.O. Box KA 9563
Airport, Accra
Ghana

Country of Incorporation

Ghana, Accra

Holding Company

SG Financial Services Holding, France

Ultimate Holding Company

Société Générale, incorporated in France

PROFILE OF THE BOARD OF DIRECTORS

Philippe Vigué

Appointed Chairman of the Board of Directors, in July 2007. He holds a Licence in Law and joined Société Générale in 1971. He worked in various capacities including General Inspection, Head of Central Risk Control Department, Area Manager, Managing Director Société Générale, Canada. He is currently the Deputy Head of International Retail Banking ("BHFM") and supervises 30 subsidiaries of BHFM. He joined the Board of Directors on 25th June, 2004

Alain Bellissard

He is the Managing Director of the Bank. He graduated from the Institute of Politics de Grenoble and has an award from Chevalier de l'Ordre National de Merite and Conseiller de Commerce Extérieur de la France. He is an eminent Banker with several years banking experience in the Société Générale Group. He has held various positions in France, Nigeria, Cameroon, the Republic of Congo, Japan, Korea and Hong Kong. He joined the Board of Directors of the Bank on 13th November, 2006.

Alian Hourcade

He is the Deputy Managing Director of the Bank. He holds a Masters in Law. He joined Société Générale in 1981 and has worked in different branches in France and abroad in various positions ranging from Account Manager, Corporate Supervisor & Commercial. He joined the Board of Directors on 23rd January, 2006.

Gilles Louvel

He is the Director for Risk and Legal Division of the Bank. He holds a Masters in Economy. He joined Société Générale in 1973 and worked in the Credit Department and International Division of Société Générale. He also held the following positions: Deputy Manager Société Générale, Manama, State of Bahrain; Deputy Head of Corporate Banking, Société Générale, La Havre, France; Head of Corporate Banking Société Générale, Rueil Malmaison France; and Head of Corporate Banking Société Générale, Paris, La Défense, France. He joined the Board of Directors on 17th September 2007.

Gérald Lacaze

He holds an LLM & PhD in Law. Joined Société Générale in 1978 and is currently the Managing Director of Société Générale Algeria. He is a director of several Société Générale subsidiaries. He joined the Board of Directors of the Bank on 26th March, 2003.

Kofi Ampim

He holds BBA Degree and a Masters in International Business and Finance. He is an Investment Banker and a director of Total Oil Company. He is also the Chairman for Pan African Resources Development Company Limited, Accra and New York. He joined the Board of Directors on 26th March, 2003.

Michel Miaille

He holds Bachelor's degree in Law. Joined Société Générale in 1971. He was until recently the Managing Director of Société Générale de Banques Cote d'Ivoire. He joined the Board of Directors on 26th March, 2003.

Kwaku Osafo (Dr.)
He holds a Ph.D. in applied Economics, a Masters in Economics, an MBA in Finance, an Msc in Irrigation and Water Resources and a Bsc in Agricultural Engineering. He is an experienced engineer, economist, financial analyst and management specialist with over thirty-three years international experience. He was a World Bank Expert and an Economic Advisor to the nineteen Member countries of the Common Market for Eastern and Southern Africa (COMESA) He joined the Board of Directors on 26th June, 2003

Pierre Wolmarans
He holds LLB and B Com (Law, Economics and Accountancy 3A) and is an Attorney by profession. He joined Société Générale in 1990. He is presently the Chief Executive for Société Générale Corporate and Investment Bank, Southern Africa and Indian Ocean Region, Johannesburg. He joined the Board of Directors on 7th February, 2005.

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

Ambassador Fritz Kwabena Poku
He holds BA (Hons) French, Diploma in Public Administration and Management, a Certificate des Etudes Francaises from the University of Abidjan and BL from the Ghana Law School. He is the Chief Executive Officer of CDAS Limited, a consulting business on governmental relations, investment and diplomatic advisory services. He is a Retired Career Diplomat with 36 years experience. A French Scholar, a Barrister at Law, a member of the Ghana Bar Association and an Honorary member of the American Bar Association. He joined the Board of Directors on 26th February, 2007.

BOARD OF DIRECTORS

Philippe Vigué

Alain Bellissard
(Managing)

Alain Hourcade
(Deputy Managing)

Gilles Louvel
(Risk & Legal)

Kofi Ampim

Michel Miaille

Kwaku Osafo

Theresa Ntim (Mrs.)

Pierre Wolmarans

Ambassador
Fritz Poku

Gérald Lacaze

CHAIRMAN'S STATEMENT

Dear Shareholders,

I warmly welcome you to the 28th Annual General Meeting of SG-SSB Limited. I am indeed honoured to address you for the first time as Chairman of the Board and present to you the Annual and Financial Statements of your Bank for the Financial Year ended 31st December 2007.

Economic Environment

The world economy in 2007 was dominated by surging oil prices and the fallout from the sub-prime mortgage crisis in the US with the associated losses on banks' balance sheets. Consequently, growth in the United States economy and other advanced economies slowed down considerably in the fourth quarter of 2007. However, growth in emerging markets and developing economies was robust and largely ameliorated the effect of the slowdown in economic growth of the advanced economies on the world economy.

Locally, in spite of the challenges of the energy crisis and the subsequent load-shedding, rises in fuel prices as a result of the increases in crude oil prices on the international market, output was robust and the economy remained strong.

The country's terms of trade declined from 38.09 in December 2006 to 31.38 in December 2007. Price of cocoa at the end of the year 2007 was $2,293.00 per metric tonne representing 25.5% increase. Gold ended the year 2007 at a price of $831.16 per ounce up by 23.8% compared to the price as at the end of December 2006. Crude oil price also surged by 35.3% and ended the year at $94.40 per barrel.

Inflation which stood at 10.9% at the beginning of the year, declined to 10.2% at the end of the first quarter due to tight monetary and fiscal policies. It started an upward movement from the third quarter and stood at 12.7% as a result of the effect of high crude oil prices, increases in tariffs of utilities and food prices.

Due to rising inflationary expectations, the Bank of Ghana increased its Prime Rate from 12.5% from the beginning of the year to 13.5% during the fourth quarter. Consequently, the average base rate of banks was increased by 29 basis points during the last quarter ending the year within the range of 18.0 – 21.5 percent. On the market, the yield on the various securities showed mixed reaction with an increase in the short dated securities and a decline in the long dated securities. The 91 day Bill increased by 0.76 percentage points while the 182 day Bill increased by 0.42%. The 1 year fixed note on the other hand fell by 0.50 percentage points year on year while the 2 year Fixed Note declined by 0.70%.

The nominal bilateral exchange rates of the Ghana cedi against the major international currencies, i.e. the United States Dollar, the Pound Sterling and the Euro demonstrated that the Ghana Cedi lost some grounds. The Ghana cedi cumulatively depreciated against all three core currencies by 4.05, 10.36 and 17.59 percent respectively.

Operational Results

Your Bank recorded a Net Profit Before Tax of GH¢ 15,576,794 from which taxation and national reconstruction levy of GH¢ 3,987,678 was deducted giving a Net Profit After Tax of GH¢ 11,589,116. Net Banking Income increased by 12% and Current Operating Expenses grew by 18%. Shareholders Funds increased from GH¢ 57361,488 to GH¢ 58,424,630 representing an increase of 2%.

Dividend

An interim dividend of GH¢ 0.03 per ordinary share was paid during the year. The Board of Directos recommend the payment of a final dividend of GH¢ 0.03 per ordinary share in existence as at 31st December 2007, making a total cash dividend of GH¢ 0.06 for the year.

Share Performance

At the start of 2007 our share price was GH¢0.60 and by the end of 2007 our share price had increased to GH¢1.20 as at December 2007, making SG-SSB stock the best performing on the Ghana Stock Exchange.

Board of Directors

During the year Mr. Gerald Lacaze stepped down as Chairman of the Board on being seconded to SG Algeria. He remains a Director of the Bank. Mr Bernard Buyse resigned from the Board and has relocated to another SG Subsidiary. We thank him for his immense contribution to the development of the Bank. Mr Gilles Louvel on the recommendation of the Directors and with the approval of the Bank of Ghana has been appointed a Director. As required by the Regulations of the Bank he will be seeking re-election as a Director.

Corporate Governance

Your Bank is committed tc and respects the standards of good corporate governance, which include transparency, accountability and the rights of all stake holders. The Continuing Listing Requirements of the Stock Exchange, the Securities and Exchange Commission Regulations and the Banking Act provide us with the regulatory framework for ensuring effective corporate governance.

Outlook for 2008

In spite of 2008 being an election year, the outlook for Ghana is favourable with the current political stability. The economy remains sound and the environment positive due to the pursuance of prudent and appropriate micro economic policies of the government. Your Bank will continue to look for innovative ways of maintaining profitable margins and growth of our fee income activities. We will continue to seek out ways to strengthen and develop our operations and I am confident about the future.

Appreciation

On behalf of the Board, I wish to express my sincere gratitude to the shareholders for your continued support. I would also like to thank our customers and clients for their priceless support during the year. Finally, I wish to thank the hard working Management and staff for their professionalism, dedication and commitment.

PHILIPPE VIGUÉ
CHAIRMAN

MANAGING DIRECTOR'S REVIEW

Another challenging but successful year has just ended and it is my responsibility to report on the operational activities and achievements of your Bank in 2007. The energy crisis in the country, an increase in utility fees, and the world oil crisis were the main challenges the Bank had to contend with resulting in the increase in expenses. Notwithstanding the challenges mentioned above, your Bank maintained its profitable growth strategy.

2007 Operating Results

Your Bank recorded a Net Profit before Taxation of GH¢ 15,576,794 from which taxation and national reconstruction levy of GH¢ 3,987,678 was deducted giving a Net Profit after Tax of GH¢ 11,589,116. Net Banking Income increased by 12% and Current Operating Expenses grew by 18%. Shareholders Funds increased from GH¢ 57,361,488 to GH¢ 58,424,630 representing an increase of 2%.

Review of Operations for 2007

- Efficient Growth in Treasury
- Positive Evolution in Business Banking
- Progressive Growth at the International Business Centre
- Strong Growth in Retail Banking
- An Effective System of Risk Management
- Sustained Developments in Organisation & Human Resources

Efficient Growth in Treasury

Interest Rates and Investments

2007 saw a strong growth in the loan portfolio with a trade off in Treasury investments, in line with the bank's focus for the year. As in previous years, interest rates continued down for the first ten months at a much paced rate. Thereafter there was an upward accent in line with underlying inflationary trends. Strategies for investment and management of short term funds had to be fluid to take advantage of opportunities in the market, in the face of declining volumes and yields. Your Bank extended the maturities of its short term money market deposits. This resulted in stable interest income for the year. Your Bank maintained its position of not actively trading its

Liquidity

The Treasury Department efficiently managed its short term funds, meeting Bank of Ghana requirements and making income by being net lender to the market. A funding line was arranged with European Investment Bank to enable the bank fund medium term projects in foreign currency, in addition to existing ones with Proparco and Société Générale in Paris.

Foreign Exchange

The period was marked by increased total volumes by 38.64%. Inter-bank activity was very strong with turnover growing by 66.44%, and accounting for 18.84% of total volume compared to 14.95% of total volumes for 2006. The increased activity compensated for squeezed margins such that foreign exchange income increased by 38.7%.

Positive Evolution in Business Banking

The Business Banking Department of your Bank is responsible for relationships covering Multi-Nationals, Large Local Corporate customers and Small & Medium Enterprises ("SME"). The year 2007 witnessed positive evolutions in the lending and deposit mobilization activities of the Division.

Credits to business customers increased by 44.7% over the year 2006 position. The growth was fuelled by exposures to Multinationals and large Local corporate businesses, particularly in the ICT, Real Estate/Construction, Manufacturing and Cocoa sectors as well as the SME market. Your Bank's commitment to the development of Ghana's economy was underscored by the active role it played towards the success of Société Générale and its partner lenders, regarding the $900m syndication for the 2007/2008 Cocoa season.

The increased financing support to the SME market segment recorded in 2007 would be built upon in 2008. Outstanding credits grew by 20% in 2007. The segment is considered a major strategic business portfolio and, therefore, in 2008, your Bank will increase lending to the sector which will be combined with aggressive marketing, improved customer care and contact, as well as monitoring to sustain portfolio quality.

Deposit Mobilization

The Division recorded a 39% increase over the year in deposits made by its business customers as a result of increased marketing activity and competitive offers to clients. These new deposits came from new relationships established and existing customers.

Leasing Activities

Your Bank established a Finance Lease operation in the last quarter of 2007 which would improve financial support to business and retail customers to stimulate economic growth and profitability. The Finance Lease operations will provide attractive packages for both existing and prospective customers and would offer immense opportunity to the Bank and customers.

Progressive Growth at the International Business Centre

The International Business Centre ("IBC") is the hub of international business activities. Its performance for the year 2007 witnessed a significant improvement over in the previous year. Improvements in the operational activities of the IBC were exceeded by 31.7%.

Trade Finance

The IBC maintained the expectations of Trade Finance clients by offering them superior products and services to beat their transactional deadlines. It recorded a growth in both volumes and values, over the previous year's figures.

The transaction value recorded was 29.6% and transaction volume achieved a 20% increase over the 2006 figures respectively.

Export Transfers
Export Transfers recorded a 28.4% increase in transaction values over the previous year's performance. This exceeded the budget estimates of a 20% growth. The transaction volumes improved by 9.8% over the previous year's figures.

Import Documentary Collections sector achieved a 14% increase in transaction values over the 2006 figures. The volume of transactions improved by 3.2% over the 2006 figures.

Prepayments saw a positive u-turn from the 20% drop suffered by this sector in 2006 to a 45.9% improvement in its transaction values. It recorded a 31.2% increase in its transaction volumes over the previous year's activities.

Letters of Credit
Credit dealings experienced an improvement over the previous year's performance. The transaction values registered a 186.7% increase over the previous year's figures. This was as a result of a significant increase in volumes by 26.7% over the 2006 figures. IBC's import letters of credit transactions witnessed a 0.89% dip. This compares favourably to the 10% dip recorded in the previous year's activities. Draft Payments transactions achieved a 4.5% increase in transaction values over the 2006 figures.

Commission and Fees exceeded the previous year's figure by 31.7%. In all, the centre's transaction values achieved a 28% increase over the previous year's activities. Transaction volumes also recorded an average increase of 15%.

Strong Growth in Retail Banking

Retail Credits
Your Bank continued to increase its loan to retail customers under the Relief Credit, Auto Loan, the institutional loan and the newly introduced school fees scheme, all designed to satisfy the needs of employees of companies, ministries, government departments and agencies and also the public and private enterprises resulting in a growth of 62% in consumer loans. Retail Deposits also experienced an increase of 9.28% over the previous year.

Launching of New Products
In line with your Bank's strategy of innovation, the Bank launched a number of new products in 2007, the most significant being the Student Account, My first Account, Sikamail, School fees Loan, and Consumer Appliance Loan.

An Effective System Of Risk Management

The policy of active risk management continued in 2007. The quality of credit appraisal was maintained at a high level and the trend is expected to continue. Also, the level of monitoring increased as a result of the implementation of new daily reports, coupled with appropriate procedures to facilitate their introduction and use.

Your Bank's credit portfolio experienced a high level of provisioning throughout the year. There were varying reasons for this development, some of which were linked to the development of the credit portfolio, more specifically in favour of the individuals where higher provisions were required from a statistical risk view point. Other reasons were IT-system-related; proper amendments have been undertaken to reduce their effect progressively. It is expected that the increased level of monitoring now assisted by newly developed daily reports, will help improve the situation. Additionally, intensified weekly portfolio reviews, organized by the Risk Division with relationship managers will promote proactive measures, which should improve the portfolio quality.

Your Bank experienced some operational losses in the year. This was due to suits which the Bank experienced in the year and which had to be settled. In all the cases corrective measures aimed at minimizing or eliminating the conditions which allowed the losses to occur have been put in place.

The Risk Division will continue to work with all stakeholders to ensure that procedures are reviewed, improved and implemented to forestall losses as much as possible. Awareness and management of operational risk would be improved in order to control the situation.

In 2007, a Risk and Control Self Assessment was performed to assess the intrinsic risk of the Bank and the efficiency of the controls in place, and a mapping of the residual risk was drawn. An action plan was designed to address the various risks, and Key Risk Indicators were implemented to measure the evolution of the situation. Also in 2007, the Operational Risk Committee was set up. The committee is charged with reviewing all aspects of operational risk management in the Bank, and to make proposals and follow up on implementation of action plans. An Operational Risk Desk is to be set in 2008 to coordinate the activities bank-wide. It is expected that losses attributed to operational risk will be minimized through active involvement of all stakeholders when the desk is fully operational.

Sustained Development in Organization & Human Resources

Projects Management

Your Bank successfully started and completed the New Cedi Redenomination Project during the scheduled time with minimum problems. Other projects deployed were a Provisioning Project; the CADI.Net Project; the Visa Business Cards Project; the Centralised Clearing Project; the Sikamail Project and a Recoveries Management Project.

A major project termed "AKOBEN" kicked off in November 2007 and is expected to be completed by the first quarter of 2009. The Project will enable the current banking application migrate from Flexcube, an Iflex software, to the Delta software which is deployed in most of the Société Générale's subsidiaries worldwide.

Human Resource Management

The year under review saw the implementation of the New Reclassification Scheme which, sought to harmonize the grading and banding structures that existed in the Bank, and to correct distortions and anomalies inherent in those systems.

Management-Unions relationship improved through the drafting and discussion of the Collective Bargaining Agreement with the Professional & Managerial Staff of the senior staff and the Local Union.

Training Services

2007 was a year full of activity for SG-SSB employee's training program. The two learning centres located in Accra North, Industrial Area and Kumasi helped to go beyond the targets defined in the 2007 training action plan.

From a target of 22,208 hours as defined in the Annual training plan, the Department achieved 23,798 hours of training. Out of a total number of 698 employees as at 31st December 2007, 542 employees were trained at least once in the year 2007. Therefore, 80% of employees were trained in 2007. 70% of the total training hours were trainings on support function job and 30% on sales. 75 categories of trainings were organized within the year. A total of 1373 employees attended the various categories of training during the year under review.

Permanent Supervision

In 2007 the Permanent Supervision Team defined and implemented the Permanent Supervision process within the Bank. The process was launched within the Branch Network during the first part of the year. A user guide, with control procedures and models of forms to be used were provided for each Branch. Further, adequate training was organized for the Heads of Departments and Branch Managers, the Deputy Branch Managers and other employees.

Compliance Monitoring

To comply with International standards requirements, the Bank formalized a permanent compliance monitoring system through the establishment of an appropriate Department. Dedicated resources and specific procedures were designed to guard against the risk of non compliance. Preservation of the Bank interests against anti money laundering was reinforced and sophisticated money laundering monitoring tools were used to trace the large value transactions to help curb the activities of money launderers.

To emphasize the significance of the fight against Money Laundering and Terrorism financing, employees at the Branches received dedicated training on Anti-Money Laundering issues and reporting.

In 2007, procedures were reviewed and approved to ensure that operational risks were reduced to the minimum while improving performance. Your Bank now has an adequate number of written and approved procedures covering all entities of the Bank.

Service Quality

To continually improve Service Quality, Branch staff were trained on Customer Care, Marketing & Selling skills to refresh their minds on customer service and improve their skills at delivering quality service to customers under challenging circumstances.

The "Quality of Service Suggestion Scheme' was re-launched to encourage team spirit and staff participation in the improvement of the quality of service offered to customers. Customer Complaints and Enquiries were addressed. The performance of branches and helpdesk were monitored through reports to assess performance according to the standards adopted by the Bank. Management was informed on a monthly basis of the level of customer service, at the branch level and throughout the Bank to enable effective decisions to be taken on customer service to create value for shareholders.

Corporate Citizen

Your Bank a good corporate entity supports the community in which it operates to demonstrate corporate social responsibility and good corporate citizenship. As a corporate brand your Bank cares about the plight of the communities in which it operates. Of particular importance and worth mentioning were the floods that occurred in the Northern Region of Ghana in 2007, which were classified as a National disaster. Your Bank made a presentation via the Ghana Association of Bankers to the flood victims. The said amount was based on the number of employees in the Bank which was multiplied by a figure agreed by the Banking Industry.

Prospects for 2008

Your Bank will in the coming year create lasting value for its shareholders, clients and employees. It will achieve this with higher sales, more active accounts, an increased loan portfolio and an improvement in operating standards. These strategies will achieve an increased net result. However, to protect shareholders interest your Bank will contain expenses and cost control in the coming year but will make the necessary investment and improve its technical infrastructure, the Branch Network and products according to the needs of customers and explore every avenue of new potential business.

Acknowledgement

May I express my profound appreciation to the Board of Directors for their guidance and the strong support it gave Executive Management in running the Bank. My gratitude also goes to employees in general for their hard work and dedication to duty. To our loyal customers I can only say thank you for your loyalty and trust.

Thank you.

ALAIN BELLISSARD
MANAGING DIRECTOR

FINANCIAL HIGHLIGHTS

The Directors in submitting to the shareholders the financial statements of the Bank for the year ended 31 December 2007 report as follows:-

Results	2007 GH¢	2006 GH¢
The Bank recorded a net profit before taxation of	**15,576,794**	14,320,355
From which is deducted taxation and national reconstruction levy of	**3,987,678**	4,420,049
Giving a net profit after taxation of	**11,589,116**	9,900,306
From which is deducted final dividend paid of	**6,388,074**	6,388,074
And an interim dividend of	**4,137,900**	-
Leaving a balance of	**1,063,142**	3,512,232
From which there were transfer to statutory reserve of	**1,448,640**	1,243,000
Leaving a (loss) / profit for the year after taxation, dividend and transfer to statutory reserve of	**(385,498)**	2,269,232
When added to the opening balance on the Income surplus account as of 1 January 2007 of	**27,694,740**	18,870,900
And adjusting it with an IFRS adjustment of	**-**	6,554,608
It leaves a closing balance on the income surplus account of	**27,309,242**	27,694,740

REPORT OF DIRECTORS

Nature of Business

There has been no change in the nature of the business of the Bank. The Bank is a public company under the provisions of the Companies Code 1963, (Act 179) and is listed on the Ghana Stock Exchange.

Holding Company

Société Générale through its wholly owned investment subsidiary SG Financial Services Holding, owns 51% of the issued capital of the Bank, thus making SG-SSB Limited, a subsidiary of Société Générale.

Stated Capital

The Bank has complied with the minimum stated capital requirement for universal banking as directed by the Bank of Ghana.

Board of Directors and Senior Management

Re-Election of Directors

In accordance with Section 88 (1) of the Regulations of the Bank, Messrs Pierre Wolmarans, Kofi Ampim, Michel Miaille and Dr Osafo retire by rotation and being eligible; offer themselves for re-election as directors.

Mr. Gilles Louvel who was appointed as a director during the year and retiring in accordance with Section 72 (1) of the Regulations, being eligible offers himself for re-election.

Pierre Wolmarans

He holds an LLB and B Com (Law, Economics and Accountancy 3A). He is an attorney by profession and joined Societe Generale as a senior manager in 1990. He is presently the Chief Executive for Societe Generale Corporate & Investment B Southern Africa and Indian Ocean Region (SGCIB) Johannesburg.

Kofi Ampim

He holds a BBA Degree in International Business and Finance. He is an Investment Banker and is a director of Total Oil Company. He is also the Chairman for PanAfrican Resources Development Company Limited, Accra and New York.

Michel Miaille

He holds a Bachelor's degree in law. He joined Societe General in 1971. He was until recently the Managing Director of Societe Generale de Banques Cote d'Ivoire.

Kwaku Osafo (Dr.)

He holds a Ph.D. in applied Economics, a Masters in Economics, an MBA in Finance, an Msc in Irrigation and Water Resources and a Bsc in Agricultural Engineering. He is an experienced engineer, economist, financial analyst and management specialist with over thirty-three years international experience. He was a World Bank Expert and an Economic Advisor to the nineteen Member countries of the Common Market for Eastern and Southern Africa (COMESA).

Gilles Louvel

He holds a Masters degree in Economics. Until his appointment as an Executive Director, he was the General Manager for Risk & Legal Division of the Bank. He is a seasoned Banker with 34 years banking experience in the Société Générale Group. He has held various positions in the Group ranging from Deputy Manager, Deputy Head of Corporate Banking and Head of Corporate Banking.

Directors' Interest

Two directors holding office at the end of the year owned 1,110 and 720 shares of the Bank.
None of the other directors had any interest in the shares of the Bank's subsidiary at any time during the year.
None of the directors had a material interest in any contract of significance with the Bank during the year.

Dividends

The directors recommend the payment of a dividend of GH¢ 0.060 per share (2006: GH¢ 0.045) for the year ended 31 December 2007.

The directors also approved the payment of an interim dividend of GH¢0.029038 per share.

Auditors

In accordance with Section 134 (5) of the Companies Code, 1963, Ernst & Young has agreed to continue in office as the Bank's auditors.

A resolution to authorize the directors to determine their remuneration for the year ended 31 December 2007 will be proposed at the Annual General Meeting.

Bonus Shares

There has been no proposal for issue of bonus shares during the year under review (2006: 71,250,000).

Substantial Shareholders

Details of the Bank's twenty largest shareholders are disclosed in Note 55 to the financial statements.

Corporate Governance

SG-SSB Limited respects the standards of good corporate governance, which include transparency, accountability and rights of all its stakeholders.

Audit Committee

In line with its corporate governance principles, the Board has an audit committee made up of the following non-executive directors:

Philippe Vigué	-	Chairman
Michel Miaille	-	Member
Theresa Ntim	-	Member
Kofi Ampim	-	Member
Dr. Kwaku Osafo	-	Member
Ambassador Fritz K. Poku	-	Member

This committee reviews and makes recommendations to the Board on all aspects of the audit and financial reporting processes.

In attendance at Audit Committee meetings are the Managing Director, Deputy Managing Director, Director of Finance and Administration, the General Inspector, SG Supervisor for Ghana, and where necessary, the Bank's External Auditors.

Compliance with Securities and Exchange Commission Regulations

The Bank has complied with the regulations of the Securities and Exchange Commission (L.I. 1728 Regulation 61) and has submitted to the Commission as requested, two (2) reports of the Audit Committee for the year 2007. The Audit Committee held three meetings during the year under review.

In fulfilment of the Securities and Exchange Commission requirements, we present a summary of the reports so submitted:

- Report on an overview and review of the Inspection Department and its functions.
- Report that Permanent Supervision was introduced in the Bank to ensure continuous monitoring of operational activities.
- Confirmation that anti money laundering procedures have been introduced.
- Confirmation that a disaster recovery policy is in place.
- Confirmation that checks are in place to prevent fraud cases perpetuated against the Bank.
- Inspection Reports on Branches submitted.

The External Auditors submitted their audit plan for the year and concluded that the audit approach will be risk based and control focused and that the audit will be in accordance with International Standards on Auditing.

BY ORDER OF THE BOARD

....
CHAIRMAN
(Philippe Vigué)

....
MANAGING DIRECTOR
(Alain Bellisard)

ACCRA
12 February 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS.

The Companies Code, 1963 (Act 179) requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss for that year.

In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies in accordance with International Financial Reporting Standards and to apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures, disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for the preparation of the Financial Statements in accordance with the International Financial Reporting Standards and ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Code 1963 (Act 179). They are also responsible for safeguarding the assets of the company and hence for taking steps for the prevention and detection of fraud and other irregularities, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material mistatements.

The above statement, which should be read in conjunction with the report of the Auditors, sets out on page 25 and 26, is made with the view to distinguishing for shareholders the respective responsibilities of the Directors and the Auditors in relation to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SG-SSB LTD

Report on the Financial Statements

We have audited the accompanying financial statements of SG-SSB Limited, which comprise the balance sheet as of 31 December 2007, the statements of income and cash flow and statement of change in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and Companies Code, 1963 (Act 179). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of SG-SSB Limited as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and Ghana Companies Code, 1963 (Act 179).

Report on Other Legal and Regulatory Requirements

The Ghana Companies Code, 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii. In our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and

iii. The balance sheet, profit and loss and income surplus accounts of the company are in agreement with the books of account.

Ernst & Young

Ernst & Young
Chartered Accountants
Accra

Date: 12th February 2008

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007	2006
		GH¢	GH¢
Revenue	4	64,976,372	59,127,755
Interest & similar Income	5	42,351,021	39,908,800
Interest & similar charges	6	(7,740,093)	(8,378,026)
Net Interest Income		34,610,928	31,530,774
Fees & Commission Income	7	18,400,555	17,762,555
Net gains and losses on financial assets and liabilities	8	-	78,850
Other operating Income	9	4,812,288	2,366,300
Total Operating Income		57,823,771	51,738,479
Credit Loss expenses	10	(5,448,705)	(3,715,035)
Net Operating Income		52,375,066	48,023,444
Staff Cost	11	(19,640,880)	(16,266,100)
Depreciation	28	(2,599,131)	(1,583,560)
Amortisation	29	(148,835)	(904,840)
Impairment loss on Financial Assets	12	-	(1,209)
Other Operating Expenses	13	(14,409,426)	(14,947,380)
Total Operating Expenses		(36,798,272)	(33,703,089)
Profit before tax		15,576,794	14,320,355
Income tax expenses	14	(3,987,678)	(3,630,020)
National Reconstruction Levy	15	-	(790,029)
Net Profit		11,589,116	9,900,306
Attributable to:			
Equity holders of the Bank (transfer to Income Surplus)		11,589,116	9,900,306
Minority Interest			
Total		11,589,116	9,900,306
Earnings Per Share:			
Equity Shareholders of the Bank			
Basic (GH¢)	17	0.0813	0.0695

The attached notes 1 to 56 form an integral part of these financial statements

INCOME SURPLUS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 GH¢	2006 GH¢
Balance as at 1 January	**27,694,740**	25,449,934
IFRS Adjustments	**-**	(24,426)
Profit for the year attributable to equity holders	**11,589,116**	9,900,306
Profit Available for appropriation	**39,283,856**	-
Transfer to statutory reserve fund	**(1,448,640)**	(1,243,000)
Dividend	**(10,525,974)**	(6,388,074)
Balance at 31 December	**27,309,242**	27,694,740

The attached notes 1 to 56 form an integral part of these financial statements

BALANCE SHEET AS OF 31 DECEMBER 2007

	Notes	2007 GH¢	2006 GH¢
Assets			
Cash in hand and cash balances with Bank of Ghana	18	**36,237,220**	33,651,063
Due from Banks & other Financial Institutions	19	**57,937,231**	64,713,026
Financial Investments (Government Securities)	20	**83,237,133**	102,362,042
Loans & Advances	21	**212,444,163**	141,648,623
Investment in other securities/Available for sale	23	**18,514**	51,040
Other Assets	25	**9,145,849**	3,637,117
Current tax : Assets	26	-	649,300
Property, plant & equipment	28	**18,422,727**	19,120,751
Intangible Assets	29	**413,990**	277,376
Total Assets		**417,856,827**	366,110,338
Liabilities			
Customer Deposits	30	**279,740,749**	236,604,626
Due to banks & other financial institutions	31	**48,141,379**	48,329,367
Interest Payables & Other liabilities	32	**30,515,047**	22,570,257
Current tax : liabilities	26	**69,105**	-
Deferred tax: liabilities	27	**965,917**	537,700
National reconstruction levy	15	-	706,900
Total Liabilities		**359,432,197**	308,748,850
Equity			
Shareholders Fund			
Stated Capital	34	**7,000,000**	7,000,000
Share Deals Account	35	**2,943,755**	2,943,755
Capital Surplus	36	**9,232,693**	9,232,693
Income Surplus Account		**27,309,242**	27,694,740
Regulatory general credit risk	37		
Statutory Reserve Fund	38	**11,938,940**	10,490,300
Total Shareholders fund		**58,424,630**	57,361,488
Minority Interest	-	-	-
Total Equity		**58,424,630**	57,361,488
Total Liabilities & Equity		**417,856,827**	366,110,338

Signed on behalf of the Board on 12 February 2008 by:

....

MANAGING DIRECTOR **CHAIRMAN**

The attached notes 1 to 56 form an integral part of these financial statements

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 GH¢	2006 GH¢
Operating Activities			
Operating profit before taxation		**15,576,794**	14,320,355
Adjustments for:			
Depreciation		**2,599,131**	2,401,226
Amortization		**148,837**	87,174
Dividend from investments		**-**	(2,800)
Profit on sale of investments		**-**	(9,900)
Profit on sale of property, plant and Equipment		**(8,467)**	(909,900)
Other non-cash movement		**1,879,458**	19,208
Operating profit before working capital changes		20,195,753	15,905,363
Increase in other assets		**(5,508,732)**	(1,321,800)
Increase in other liabilities		**7,961,944**	1,633,300
Increase in customer deposits		**43,136,123**	58,046,000
Increase in loans and advances to customers		**(72 692 152)**	(17,548,400)
Decrease in Government Securities/borrowings		**19,124,909**	3,708,800
Amount due to banks and other financial institutions		**(187,988)**	-
Cash from operations		**12,029,857**	60,423,263
Tax paid		**(2,841,056)**	(3,280,600)
National reconstruction levy paid		**(706,900)**	(540,800)
Net cash flow from operating activities		**8,481,901**	56,601,863
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(1,906,192)**	(3,211,000)
Purchase of intangible assets		**(285,449)**	-
Proceeds from sale of property, plant and equipment		**13,550**	1,554,600
Increase in invesments and Government securities		**32,526**	(3,798,500)
Proceeds from sale of investments		-	10,000
Dividend received		-	2,800
Net cash used in investing activities		**(2,145,565)**	(5,442,100)
FINANCING ACTIVITIES			
Dividend paid		**(10,525,974)**	(6,916,374)
Net cash used in financing activities		**(10,525,974)**	(6,916,374)
Increase /(Decrease) in cash & cash equivalents		**4,189,638**	44,243,389
Cash & cash equivalents as at 1 January		**98,364,089**	54,120,700
Cash & cash equivalents as at 31 December	43	**94,174,151**	98,364,089

The attached notes 1 to 56 form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

2007

	Stated Capital	Income Surplus	Capital Surplus	Share Deals Account	Statutory Reserve Fund	Total	Total Equity holders of the Bank
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance as of 1 January 2007	**7,000,000**	**27,694,740**	**9,232,693**	**2,943,755**	**10,490,300**	**57,361,488**	**57,361,488**
IFRS Transitional adjustments	-	-	-	-	-	-	-
Net profit for the year	-	**11,589,116**	-	-	-	**11,589,116**	**11,589,116**
Gains on Revaluation	-	-	-	-	-	-	-
Dividend paid	-	**(10,525,974)**	-	-	-	**(10,525,974)**	**(10,525,974)**
Transfer to statutory reserve	-	**(1,448,640)**	-	-	**1,448,640**	-	-
Balance as of 31 December 2007	**7,000,000**	**27,309,242**	**9,232,693**	**2,943,755**	**11,938,940**	**58,424,630**	**58,424,630**

2006

	Stated Capital	Income Surplus	Capital Surplus	Share Deals Account	Statutory Reserve Fund	Total	Total Equity holders of the Bank
Balance as of 1 January 2006	7,000,000	25,449,934	1,653,854	2,943,755	9,247,300	46,294,843	39,715,809
IFRS Transitional adjustments	-	(24,426)	-	-	-	(24,426)	6,554,608
Net profit for the year	-	9,900,306	-	-	-	9,900,306	9,900,306
Gains on Revaluation	-	-	7,578,839	-	-	7,578,839	7,578,839
Dividend paid	-	(6,388,074)	-	-	-	(6,388,074)	(6,388,074)
Transfer to statutory reserve	-	(1,243,000)	-	-	1,243,000	-	-
Balance as of 31 December 2006	7,000,000	27,694,740	9,232,693	2,943,755	10,490,300	57,361,488	57,361,488

MI= Minority Interest

The attached notes 1 to 56 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

1.1 Nature of Company

SG-SSB limited (the Bank) is a limited liability company incorporated in Ghana under the Companies Code 1963, Act 179. The company is domiciled in Ghana with its registered office at C796 A/3 Asylum Down, Ring Road Central, Accra.

The company is authorised and licensed to carryout the business of banking and provides retail banking, corporate banking, investment banking and other financial intermediaries and specialized financing activities such leasing and consumer credits through its branches and divisions across Ghana. The principal activities of the Bank are described in the Directors' Report. Societe General (Group), a bank incorporated in France, is the ultimate parent of the Bank.

The Bank is listed on the Ghana Stock Exchange (GSE). This has enabled the equity shares of the Bank to be traded publicly on the GSE.

1.2 Authorisation for publication

The financial statements of the Bank for the year ended 31 December 2007 were authorised for issue in accordance with a resolution of the directors on 12 February 2008.

1.3 Compliance with IFRS

The financial statements of the Bank for the year ended 31 December 2007 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants, Ghana and in force at that date. The standards comprise IFRS 1 to 8 and International Accounting Standards (IAS) 1 to 41, as well as the interpretations of these standards as applicable as at 31 December 2007.

1.4 First time adoption of IFRS

In accordance with the requirements of the Bank of Ghana, the Securities and Exchange Commission (SEC) and the Institute of Chartered Accountants, Ghana (ICAG), SG-SSB has applied International Financial Reporting Standards ('IFRS') in its financial statements for the year ended 31 December 2007. The rules for first time adoption of IFRS are set out in IFRS 1 'First-time Adoption of International Financial Reporting Standards' which requires IFRS accounting policies to be applied on a retrospective basis with certain exceptions and exemptions. On 1 January 2006, the date of transition, the opening IFRS balance sheet position was determined in accordance with IFRS 1. Major changes to the Bank's accounting policies following the adoption of IFRS are highlighted under Note 1.5. All disclosures relating to the transition to IFRS are contained in Note 51.

1.5 Changes in accounting policies

The accounting policies adopted under IFRS are consistent with those of the previous financial year except that the adoption of certain standards and interpretations noted below called for a revision in existing accounting policies and also affected the Bank's financial position as reported under the Ghana Accounting Standards in 2006. The effects of these changes are included in Note 51. Other disclosures are shown throughout the financial statements.

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

- **IFRS 5** Non current Assets held for sale and discontinued operations
- **IFRS 7** Financial Instruments: Disclosure
- **IAS 1** Presentation of Financial Statements
- **IAS 12** Income Taxes
- **IAS 16** Property, Plant and Equipment
- **IAS 18** Revenue Recognition
- **IAS 27** Consolidated and Separate Financial Statements
- **IAS 32** Financial Instruments: Presentation
- **IAS 37** Provisions, Contingent Liabilities and Contingent Assets
- **IAS 38** Intangible Assets
- **IAS 39** Financial Instruments: Recognition and Measurement

1.5.1 IFRS 5 Non current Assets held for sale and discontinued operations

Under this standard, the value of all non-current assets which management intends to realize through sale are classified as a separate line as 'non current assets held for sale' and are not depreciated.

1.5.2 IFRS 7 Financial Instruments: Disclosures

The standard is related to disclosure requirements for financial instruments and replaces IAS 30 (Disclosures in the Financial Statements of Banks and Similar Financial Institutions) and elements of IAS 32 (Financial Instruments: Presentation). Adoption of this standard has slightly changed the format of disclosure presented when the Bank reported under Ghana accounting standards. The new disclosures are included throughout the financial statements.

1.5.3 IAS 1 Presentation of Financial Statements

This amendment requires the Bank to make new disclosures to enable users of the financial statements to evaluate the Bank's objectives, policies and processes for managing capital. These new disclosures are shown in Note 49.

1.5.4 IAS 16 Property, Plant and Equipment

The Bank has elected to adopt the revalued amounts of property, plant and equipment as determined in 2006 and reported under the Ghana Accounting Standards as deemed cost on the date of transition to IFRS. The Bank has also adopted to comply with the recommendation under IAS 16 to disclose the total amount of all PPE items that are fully depreciated but in use by the Bank. All necessary adjustments have been made and adjusted through the retained earnings/income surplus accounts.

1.5.5 IAS 18 Revenue Recognition

Prior to the adoption of IFRS, the Bank recognises Interest Income and Interest Expense using contractual interest rate. Loan origination fees are also recognised at the time of the contract. Under IFRS, Interest income and interest expense are recognized using the effective interest method as set out in IAS 39. The application of this standard has resulted in the deferral of certain loan and borrowing origination fees to be amortised over the term of the related loans or borrowings. The effect of this policy is included in the notes relating to the transition.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

1.5.6 IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Before the adoption, proposed dividends are recognised as liability at year end. In the IFRS regime, dividends on ordinary shares are recognised as a deduction from equity in the period in which they are declared to the shareholders.

1.5.7 IAS 38 Intangible Assets

As of 1 January 2006, the Bank adopted the amendments to IAS 38 and has therefore reclassified capitalised software cost as a separate line item "Intangible Assets" on the balance sheet. Capitalised software cost used to be included in property, plant and equipment. This did not have any impact on the financial statements during the IFRS transition.

1.5.8 IAS 39 Financial Instruments: Recognition and Measurement

The bank has adopted the classification and measurements of financial instruments as contained in IAS 39.

1.6. Relevant Standards, Amendments & Interpretations that have been issued but not yet effective

Title of Standard	Accounting Standard	Nature of impending changes	Effective date
IFRIC 7	Applying the restatement approach under IAS 29 Financial Reporting in Hyperinflationary Economics	Financial statement whether based on historical cost approach or current cost approach are useful only if they are expressed in terms of the measuring unit current at the balance sheet date.	1 March 2006

1.7 Standards, Amendments & Interpretations effective in 2007 but not relevant:

Title of Standard	Accounting Standard	Nature of impending changes	Effective date
IAS19	Employee benefits - Actuarial gains and losses	IAS 19 prescribes the accounting and disclosure for employee benefits plan.	1 January 2006
IAS21	Amendments - The effect of changes in foreign exchange rates.	The notion of reporting currency has been replaced with two notions ie functional currency and the presidential currency	Period beginning on or after1 January 2005
IAS39	Amendment Cash flow hedge Accounting of forecast intra group transaction. Financial instrument.	The portion of the gains or loss on the hedging instrument that is determined to be effective hedge shall be recognised directly through the statement of change in equity and the effective portion of the gains or loss on the hedging instrument shall be recognised in profit or loss.	Period beginning on or after1 January 2006
IFRIC 5 (AC438)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds.	This deals with how a contributor should account for interest in a fund and when a contributor has an obligation to make additional contribution.	1 January 2006.

Title of Standard	Accounting Standard	Nature of impending changes	Effective date
IFRIC 6 (AC 439)	Liabilities arising from participating in a Specific Market - Waste Electricial and Electronic Equipment.	What constitute the obligating event in accordance with paragraph 14(a) of IAS 37 for the recognition of a provision for wast management costs.	1 December 2005

1.8 Interpretations/amendments to existing standards that are not yet effective and not early adopted

Title of Standard	Accounting Standard	Nature of impending changes	Effective date
IAS 23	Borrowing costs.	Borrowing costs include interest on bank overdrafts and borrowings , amortisation of discounts or premiums on borrowings, amortisation of ancilliary costs incurred in the arrangements of borrowings, finance charges on finance leases and exchange differences on foreign currency borrowings where they are regarded as an adustment to interests costs.	2009

1.9 Redenomination

During the year 2007, the Bank of Ghana which is the central bank of Ghana, redenominated the Ghana Cedis (¢) to New Ghana Cedis (GH¢) at 10,000 to GH¢ 1. All differences resulting from the redenomination are included in operating cost or income.

1.20 Derecognition of Subsidiary – SSB Investments Company Limited

SSB Investments Company Limited, a company incorporated in Ghana to manage the equity investments of the Bank, is a wholly owned subsidiary of the Bank. Under Ghana Accounting Standards, The Registrar of Companies has granted a waiver under Section 127 (3) (b) (iv) of the Companies Code 1963, (Act 179) of the requirements for the consolidation of the accounts of the Bank with that of the subsidiary. During IFRS, The Company has been derecognised as it has no value.

NOTES TO THE FINANCIAL STATEMENTS -CONTINUED

2. Summary of significant accounting policies

The significant accounting policies applied by SG-SSB Limited in the preparation of the financial statements are set out below.

2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis, except for available-for-sale investments and financial assets and financial liabilities held at fair values through profit or loss, that have been measured at fair value.

The financial statements are presented in New Ghana Cedis [GH]. No values have been rounded except when otherwise indicated.

2.2 Statement of compliance

The financial statements of the Bank have been prepared in accordance with IFRS as adopted by the Institute of Chartered Accountants Ghana (ICAG).

2.3 Functional and Presentation currency

The financial statements are presented in New Ghana Cedis(GH¢), which is the functional and presentational currency of the Bank.

2.4 Foreign Currencies Transactions

Transactions denominated in foreign currencies are recorded in the functional currency using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the b alance sheet date.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement under the heading "Other Operating Income" or "Other Operating Expenses".

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in equity.

The effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the cash flow statement as part of the reconciliation of cash and cash equivalents at the beginning and end of the period. This amount is presented separately from cash flows from operating, investing and financing activities and includes the differences, if any, had those cash flows been reported at end of period exchange rates.

Reference rate

The transaction rates used are the average of the buying and selling of the underlying inter-bank foreign exchange rate as quoted by the Association of Bankers-Ghana.

NOTES TO THE FINANCIAL STATEMENTS -CONTINUED

2.5 Segment reporting

The Bank has only one segement banking business and only operates in Ghana and thus as per IAS 14, it is not necessary for it to prepare additional segement information.

2.6 Property, plant and equipment

The Bank recognises an item of property, plant and equipment as an asset when it is probable that future economic benefits will flow to it and the amount meets materiality threshold set by the Bank

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is provided on the depreciable amount of each component on a straight-line basis over the anticipated useful life of the asset. The depreciable amount related to each asset is determined as the difference between the cost and the residual value of the asset. The residual value is the estimated amount, net of disposal costs that the Bank would currently obtain from the disposal of an asset in similar age and condition as expected at the end of the useful life of the asset. No depreciation is provided on land.

The current annual depreciation rates for each class of property, plant and equipment are as follows:

• Land and buildings	3.00%
• Furniture and equipment	20.00%
• Computer	33.33%
• Household furniture	25.00%
• Motor vehicles	33.33%

Costs associated with routine servicing and maintenance of assets are expensed as incurred. Subsequent expenditure is only capitalised if it is probable that future economic benefits associated with the item will flow to the Bank.

The carrying values of property and equipment are reviewed for indications of impairment annually, or when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognized.

Residual values, useful lives and methods of depreciation for property and equipment are reviewed, and adjusted if appropriate, at each financial year end.

NOTES TO THE FINANCIAL STATEMENTS -CONTINUED

2.7 Intangible Assets Computer

Costs incurred to acquire and bring to use specific computer software licenses are capitalised and amortised on the basis of the expected useful lives using the straight line method. Maximum useful live ranges between 4 and 5 years

2.8 Provisions (a) General

The Bank recognises provisions when it has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Bank expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Contingent liabilities and contingent assets are not recognised in the financial statements.

2.9 Employee benefits

The Bank contributes to two defined contribution schemes (the Social Security Fund and the Provident Fund) on behalf of employees.

(a) Social Security Contributions

This is a national pension scheme under which the Bank pays 12.5% of qualifying employees' basic monthly salaries to a state managed Social Security Fund for the benefit of the employees. All employer contributions are charged to the income statement as incurred and included under staff costs.

(b) Provident Fund

This is SG-SSB specific defined contribution schemes under which the Bank contributes 10% of qualifying employees' basic monthly salaries to a fund managed by a trustee on behalf of, and for the benefit of the employees. All employer contributions are charged to the income statement as incurred and included under staff costs.

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

2.10 Non-current assets held for sale

Non-current assets whose carrying amount will be recovered principally through a sale transaction rather than through continuing use are classified as held for sale. Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell and are not depreciated.

2.11 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria are met before revenue is recognised:

(a) Interest income & expense

Interest income and expense are recognised in the income statement for all interest-bearing financial instruments measured at amortised cost, including loans and advances, as interest accrues using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

The effective interest rate is calculated on initial recognition of the financial asset or liability, estimating the future cash flows after considering all the contractual terms of the instrument but not future credit losses. The calculation includes all amounts for processing and commitment fees paid or received by the Bank that are an integral part of the overall return, direct incremental transaction costs related to the acquisition, issue or disposal of a financial instrument and all other premiums or discounts.

Where a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(b) Commissions and fees

The Bank earns commission and fees from a diverse range of services provided to its customers. Fee income is accounted as follows:

- Income earned on execution of discrete act (such as funds transfers, special clearing and fees arising from negotiating transaction with third parties) is recognized as revenue when the act is completed.
- Income earned from the provision of services (such as request for special statements, safe custody, COTs and advisory services) is recognized as revenue as the services are provided.
- Income which forms an integral part of the effective interest rate of a financial instrument (such as commitment and processing fees on corporate loans) is recognized as an adjustment to the effective interest rate.

(c) Dividends

Revenue is recognised when the Bank's right to receive the dividend is established.

(d) Rental income

Rental income is recognised on accrual basis.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2.12 Income tax

Income tax in the profit or loss for the year comprises current tax and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in shareholders' equity, in which case it is recognized in shareholders equity.

(a) Current income tax

Current tax is the tax expected to be payable under the Internal Revenue Act, on the taxable profit for the year, calculated using the tax rates enacted or substantially enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset when the Bank intends to settle on net basis and the legal right to set-off exists.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

(b) Deferred income tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are generally recognized for all taxable temporary difference and deferred tax assets are recognized to the extent it is probable that future taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated using the rate expected to apply in the period in which the assets will be realized or the liabilities settled. Differed tax assets and liabilities are offset when they arise in the same tax reporting entities and relate to income taxes levied by the same taxation authority, and when a legal right to set off exits in the entity.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

(c) Value Added Tax -VAT

- Revenues, expenses and assets are recognised net of the amount of VAT except: where the value added tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the Internal revenue Service is included as part of receivables or payables in the balance sheet.

2.13 National Reconstruction Levy

Under the National Reconstruction Levy Act, 2001 (Act 597) of Ghana, all companies are required to pay a levy ranging between 2.5% and 7.5% of their profit before tax towards national reconstruction. The amount charged in the financial statements are the reasonable estimates made in line with the provisions of the law applicable to the Bank. The law has been repealed with effect from January 2007.

NOTES TO THE FINANCIAL STATEMENTS -CONTINUED

2.14 Financial instruments -Initial recognition and subsequent measurement

(a) Date of recognition

Purchases and sale of financial instruments that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date, i.e. the date the Bank commits to purchase or sell the asset.

(b) Initial recognition of financial instruments

Financial instruments are initially recognised at their fair value, plus in the case of financial assets or financial liabilities not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

(c) Available for sale assets

Debt securities including investments in money market and equity shares, other than those classified as trading securities or at fair value through profit or loss, are classified as available-for-sale and recognised in the balance sheet at their fair value.

Available for sale financial assets are measured at fair value on the balance sheet, with gains and losses arising from changes in the fair value of investments recognised directly in equity, until the financial asset is either sold, becomes impaired or matures, at which time the cumulative gain or loss previously recognised in equity is recognised in the income statement.

Interest calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Bank's right to receive payment is established.

If an available for sale instrument is determined to be impaired, the respective cumulative losses previously recognised in equity are included in the income statement in the period in which the impairment is identified. Impairment losses on available for sale equity instruments are reversed directly through equity and not through income.

(d) Held-to-maturity assets

Held-to-maturity assets are non-derivative financial instruments with fixed or determinable payments and maturity dates. Financial assets including Government of Ghana Index Linked Bond that the Bank has the positive intent and ability to hold to maturity are classified as held-to-maturity and are measured at amortised cost using the effective interest method, less impairment losses.

(e) Loans and advances

Loans and advances to banks and customers are accounted for at amortised cost using the effective interest method, except those which the Bank intends to sell in the short term and which are accounted for at fair value, with the gains and losses arising from changes in their fair value reflected in the income statement.

Loans and advances are initially recognised when cash is advanced to the borrowers at fair value, inclusive of transaction costs.

Subsequent to initial recognition, loans and advances to banks and customers are stated on the balance sheet at amortised cost using the effective interest method less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

(f) Financial liabilities

Financial liabilities are classified as non-trading, held for trading or designated as held at fair value through profit and loss. Non-trading liabilities are recorded at amortised cost applying the effective interest method. Held for trading liabilities or liabilities designated as held at fair value through profit and loss, are accounted for as indicated above.

(g)Determination of Fair Value of Financial instruments

i: Availability of active market

The fair value of a financial instrument traded in active markets such as the Ghana Stock Exchange (GSE) at the balance sheet date is based on their quoted market price without any deduction of transaction costs.

ii:: Non-availability of active market

Where market prices are not available, the Bank establishes a fair value by using valuation techniques. These include the use of recent arm's-length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and other valuation techniques commonly used by market participants. For private equity investments that are not publicly traded, management uses comparisons to similar companies, relevant third party arm's length transactions and other information specific to the investment.

(h) Derecognition of financial assets and liabilities

A financial asset or a portion thereof, is derecognized when the Bank's rights to cash flows has expired; or when the Bank has transferred its rights to cash flows relating to the financial assets, including the transfer of substantially all the risk and rewards associated with the financial assets or when control over the financial assets has passed.

A financial liability is derecognized when the obligation is discharged, cancelled or expired.

2.15 Impairment of financial assets

(a) Framework for impairing financial assets

At each balance sheet date the Bank assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a financial asset or group of financial assets has become impaired. Evidence of impairment may include indications that the borrower or group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, or the fact that the debt is being restructured to reduce the burden on the borrower.

(b) Loans and Advances and due from banks & other financial institutions

For loans and advances to customers and amounts due from banks and other financial institutions carried at amortised cost, the Bank first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an Allowance Account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset.

Loans together with the associated allowances are written off when there is no realistic prospect of future recovery and all collaterals have been utilised or has been transferred to the Bank and all the necessary procedures have been completed. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the 'Credit loss expense'.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

For the purposes of collective evaluation of impairment, financial assets are grouped on the basis of the Bank's internal credit grading system that considers credit risk characteristics, such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

(c) Available-for-sale financial assets

For available-for-sale financial investments, the Bank assesses at each balance sheet date whether there is objective evidence that an investment or group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement) is removed from equity and recognised in income statement. Impairment losses on equity investments are not reversed through the same income statement. Increases in fair value after impairment are recognised directly in equity.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. Interest continues to be accrued at the original effective interest rate on the reduced carrying amount of the asset and is recorded as part of 'Interest and similar income'. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

2.17 Regulatory General Credit Loss Risk Reserve

(a) Loans & Advances

To cater for any shortfall between the Bank of Ghana's credit loss provision requirements and loans and advances impairments based on IFRS principles, a transfer is made from distributable to non-distributable reserves in the income surplus account, being the regulatory general risk reserve. The non-distributable regulatory general credit risk reserve ensures that minimum regulatory provisioning requirements as established by the Bank of Ghana are maintained.

(b) Contingent liabilities

To cater for any shortfall between the Bank of Ghana's general provision requirements for contingent liabilities such as letters of credit and impairments/provisioning principles based on IFRS, a transfer is made from distributable to non-distributable reserves in the income surplus account, being the regulatory general risk reserve. The non-distributable regulatory general credit risk reserve ensures that minimum regulatory provisioning requirements as established by the Bank of Ghana are maintained

2.18 Employees share arrangement

As part of group policy, the Bank has purchased a number of its own shares to be allocated to its employees. Shares not yet allocated to employees are classified as treasury shares and do no rank for dividend. The number of shares held under this arrangement is 600,348 (2006: 600,348)

2.19 Dividend

Dividends declared are treated as an appropriation of profit in the year of approval while dividends proposed are disclosed as a note to the financial statements.

2.20 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with up to three months' maturity from the date of acquisition, including: cash and non-restricted balances with the central bank of Ghana, treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks and short-term government securities.

3 Significant Accounting Estimates, Assumptions & Judgements

In preparation of the financial statements, the Bank makes estimations and applies judgment that could affect the reported amount of assets and liabilities within the next financial year. Key areas in which judgment is applied include:

3.1 Fair value of Unquoted Equity Instruments

The unquoted equity instruments have been valued based on the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics. This valuation requires the Bank to make estimates about expected future cash flows and discount rates, and hence they are subject to uncertainty.

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

3.2 Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3.3 Impairment of Financial Assets

The Bank makes an allowance for unrecoverable loans and receivables, held-to-maturity investments and available for sale financial assets when there is objective evidence that the carrying amount may not be recoverable. Significant management judgment is required to determine when objective evidence of impairment exists, and also in estimating future cash flows from the assets.

3.4 Impairment of Non Financial Assets (including PPE)

The Bank assesses at least at each financial year end whether there is any evidence that non financial assets (including PPE) may be impaired. Where indicators of impairment exists, an impairment test is performed. This requires an estimation of the 'value in use' of the asset or the cash-generating units to which the asset belong. Estimating the value in use amount requires management to make an estimate of the expected future cash flows from the asset or the cash generating unit and also to select a suitable discount rate in order to calculate the present value of those cash flows.

Notes to the financial statements –Continued

4. Revenue

		2007	2006
		GH¢	GH¢
Interest and similar income	5	**42,351,021**	39,908,800
Fee & commission income	7	**18,400,555**	17,378,026
Other income		**4,224,796**	1,840,929
		64,976,372	59,127,755

5. Interest and similar income

	2007	2006
	GH¢	GH¢
Cash & short term funds	**2,790,301**	1,515,385
Investments securities (6a)	**14,764,400**	16,287,777
Loans & advances	**24,796,320**	22,105,638
	42,351,021	39,908,800

5 (a). Investment Securities

	2007			2006		
	HTM[1]	AFS[2]	Total	H TM	AFS	Total
	¢m	m	m	¢m		¢m
Bank of Ghana/Treasury bills		**14,764,400**	**14,764,400**	–	16,260,077	16,260,077
Other securities		–	–	–	27,700	27,700
		14,764,400	**14,764,400**		16,287,777	16,287,777

HTM[1] = Held to maturity
AFS[2] = Available for sale

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

6. Interest and similar charges

	2007 GH¢	2006 GH¢
Savings Accounts	3,927,431	1,754,900
Current Accounts	583,277	1,662,328
Borrowings	3,229,385	4,960,798
	7,740,093	8,378,026

7. Fees & commission income

	2007 GH¢	2006 GH¢
Fees & Commission	18,400,555	17,762,555
	18,400,555	17,762,555

8. Net Gains and Losses on Financial Assets and Liabilities

	2007 GH¢	2006 GH¢
Held to maturity Investments	-	78,850
	-	78,850

8. (a) Others

	2007 GH¢	2006 GH¢
Appreciation in Government of Shares and Index linked bonds	-	68,950
Profit on sale of investment Government of Shares and Index linked bonds	-	9,900
	-	78,850

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

9. Other operating income

	2007 GH¢	2006 GH¢
Dividend from available for sale investments	-	2,800
Bad debt recoveries	2,297,610	917,400
Profit on sale of fixed PPE	587,493	909,900
	1,927,185	536,200
	4,812,288	2,366,300

10. Credit loss expenses

	2007 GH¢	2006 GH¢
Specific provision	246,807	1,262,300
General provision	5,201,898	2,452,735
	5,448,705	3,715,035

11. Staff Costs

	2007 GH¢	2006 GH¢
Salaries, bonuses & staff allowances	10,428,822	10,223,500
Social Security Fund Contribution	1,293,480	966,200
Provident Fund Contributions	915,933	785,700
Other Employee Costs (excluding training)	7,002,645	4,290,700
	19,640,880	16,266,100

The average number of persons employed by the Bank during the year was 705 (2006: 714).

12. Impairment loss on financial assets

	2007 GH¢	2006 GH¢
Shares, bonds revaluation	-	1,209
	-	1,209

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

13. Other operating expenses

	2007 ¢m	2006 ¢m
Directors' & Key Management Emoluments (14a)	**143,063**	149,700
Donation	**57,474**	84,700
Advertising and marketing	**273,468**	916,600
Training	**278,892**	199,000
Auditors Remuneration(13b)	**62,927**	57,100
Others	**13,593,602**	13,540,280
	14,409,426	14,947,380

13(a) Directors' & Key Management Emoluments

The aggregate remuneration of directors and key management personnel during the year was as follow:

	2007 GH¢	2006 GH¢
Fees	**70,052**	149,700
Director's Expenses	**73,011**	-
Salaries & Other Benefits(3)	**614,333**	-
	757,396	149,700

13 (b) Auditors' Remuneration

Auditor's remuneration in relation to statutory audit amounted to GH 62,927 (2006: GH 57,100).

	2007 GH¢	2006 GH¢
Audit Services		
- Statutory audit	**62,927**	57,100
Total Audit Services	**62,927**	57,100
Other Services	**-**	-
Total fees paid to Ernst & Young	**62,927**	57,100

The description of the type of services included within the categories of listed above are shown below:

3 Key management of the Bank consists of ranks from General manager and above

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

- Audit related regulatory reporting services include services for assurance and other services that are reasonably related to the performance of the audit or review of financial statements, including review of IFRS conversions and interim review.
- Further assurance services include services for advice on accounting matters reporting on internal control not connected with the financial statements.

14. Income Tax

Analysis of charge for the year

	Notes	2007 GH¢	2006 GH¢
Current tax	26	**3,559,461**	3,649,620
		3,559,461	3,649,620
Deferred tax		**428,217**	(19,600)
Charge to Income	27	**3,987,678**	3,630,020

The tax charge on the profit is based on Ghana's corporate tax rate of 25% (2006: 25%)

Factors affecting the tax charge for the year

A reconciliation of the charge that would result from applying the standard Ghana corporation tax rate to profit before tax to tax charge for the year is given below:

	GH¢
Profit before tax	**15,576,749**
Tax charge thereon at Ghana corporation tax rate of 25%	**3,894,199**
Factors affecting tax charge:	
Tax effect of items not deductible for tax purposes	**1,255,014**
Items of different tax rates	**27,960**
Net tax effect of disposal and unrealised gains	**(1,617,712)**
Tax on current profit as stated	**3,559,461**
Other taxes/deferred tax	**428,217**
Tax on profit as per the financial statements	**3,987,678**
Effective Tax Rate	**26%**

NOTES TO THE FINANCIAL STATEMENTS -CONTINUED

15. National Reconstruction Levy

	Balance 01-01-06	Charge for the year	Payments/ Tax credits During the Year	Balance 31-12-07
	GH¢	GH¢	GH¢	GH¢
Up to December 2005	(457,700)		457,700	-
2006	(249,200)	-	249,200	-
2007	-	-	-	-
	706,900	-	706,900	-

16. Dividend Tax

All deductions made were paid during the year

17. Earnings per share

Basic earnings per share:

Basic earnings per share is calculated by dividing the profit after tax for the period attributable to the equity holders of the Bank by the weighted average number of ordinary shares outstanding, after deducting the weighted average number of treasury shares, held during the period.

	2007	2006
Profit attributable to shareholders of the Bank (GH¢)	11,589,116	9,900,306
Weighted average number of outstanding ordinary shares	142,500,000	142,500,000
Earnings Per Share	GH¢ 0.0813	GH¢ 0.0695

18. Cash on hand and cash balances with Bank of Ghana

	2007	2006
	GH¢	GH¢
Cash on hand	15,201,631	9,572,809
Balances with bank of Ghana	21,035,589	24,078,254
	36,237,220	33,651,063

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

19. Due from banks & other financial institutions

	2007 GH¢	2006 GH¢
NOSTRO account balances	**28,209,528**	14,115,780
Items in course of collection	**18,727,703**	11,023,346
Placements with other banks	**11,000,000**	39,573,900
	57,937,231	64,713,026

20. Financial investments/Government securities

	2007 H TM GH¢	2007 AVFS GH¢	2007 Total GH¢	2006 H TM GH¢	2006 AVFS GH¢	2006 Total GH¢
Bank of Ghana Securities	-	**83,237,133**	**83,237,133**	-	102,362,042	102,362,042
		83,237,133	**83,237,133**		102,362,042	102,362,042

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

21. Loans & Advances

(a) Analysis by type of products

	2007 GH¢	2006 GH¢
Overdrafts	**95,408,114**	66,227,302
Term Loans	**123,811,626**	80,383,713
Export bill	**151,139**	213,397
Staff Loan	**7,186,658**	7,040,973
Gross loans & Advances	**226,557,537**	153,865,385
Interest in suspense	**(4,815,814)**	(4,567,962)
Less: Allowances for impairments -Note 22	**(9,297,560)**	(7,648,800)
Total	**212,444,163**	141,648,623

All loans have been written down to their estimated recoverable amount. Unrecognised interest related to such loans amounted to GH¢ 4,815,813 (2006: GH¢ 4,567,962)

Other statistics	**2007**	**2006**
i: Loan Loss Provision Ratio	**4%**	8%
ii: Gross Non-Performing Loan ratio	**7.7%**	10%
iii: 50 Largest exposure (Gross Funded Loan & Advances) to Total Expenditure	**51.3%**	79%

(b) Analysis by Business Segment

	2007 GH¢	2006 GH¢
Agriculture, forestry and fishing	**39,481,269**	22,470,602
Mining and Quarrying	**8,612,209**	3,573,300
Manufacturing	**40,444,195**	30,751,000
Construction	**6,461,900**	7,913,683
Electricity, gas and water	**1,444,376**	853,200
Commerce & Finance	**39,510,766**	36,846,600
Transport, Storage & Communication	**14,069,148**	7,458,100
Services	**48,864,936**	26,802,100
Miscellaneous	**27,668,738**	17,196,800
	226,557,537	153,865,385

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

(c) Analysis by type of Customer

	2007 GH¢	2006 GH¢
Individual	78,605,507	42,623,500
Private Enterprise	109,835,229	85,265,400
Public Enterprise	28,345,895	18,933,100
Government Departments & Agencies /	2,583,761	2,385
Staff	7,187,145	7,041,000
	226,557,537	153,865,385

22. Provisions for Allowances Account

	2007 GH¢	2006 GH¢
Balance at 1 January	7,648,800	7,093,300
Increase in impairment	5,548,705	3,715,000
Charge offs/Recoveries	(3,899,945)	(3,159,500)
Balance 31 December	9,297,560	7,648,800

23. Investments in other securities/Available for sale

	2007 Available for Sale GH¢	2007 FVTPL GH¢	2007 Total GH¢	2006 Available for Sale GH¢	2006 FVTPL GH¢	2006 Total GH¢
Listed Equities	-	-	-	30,526	-	30,526
Unlisted Equities	18,514	-	18,514	20,514	-	20,514
	18,514	-	18,514	51,040	-	51,040

24. Investment in Subsidiaries

Principal subsidiary undertakings of SG-SSB Limited

Name of Subsidiary	Country of incorporation	SG-SSB's Interest in Equity	Value GH¢
SSB Investment Company Limited	Ghana	100%	Nil
Vacum Salt Products Limited	Ghana	10%	514
Accra City Hotels Limited	Ghana	20%	18,000
Consolidated Discount House Limited	Ghana	12.9%	-

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

25. Other Assets

	2007 GH¢	2006 GH¢
Stationery & consumable stocks	**24,142**	33,379
Prepayments & sundry debtors	**8,800,489**	3,445,378
Accrued income	**321,218**	158,360
Total	**9,145,849**	3,637,117

26. Current tax: (Assets)/ Liabilities

	Balance 01-01-07	Charge for the year	Payments/ credits during the Year	Balance 31-12-07
	GH¢	GH¢	GH¢	GH¢
Up to December 2005	(1,018,300)	–	–	**(1,018,300)**
2006	369,000	–	–	**369,000**
2007		3,559,461	(2,841,056)	**718,405**
	(649,300)	3,559,461	(2,841,056)	**69,105**

27. Deferred tax: Liabilities

The balance is derived as follow:	2007 GH¢	2006 GH¢
Balance 1 January	**537,700**	557,300
Applied to current year	**428,217**	(19,600)
Balance 31 December	**965,917**	537,700

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

28. Property, Plant & Equipment

Cost or Valuation	Land and Buildings	Computers	Furniture & Equipment	Motor Vehicles	Assets in Course of Construction	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance as of 1 January 2007	16,922,930	6,320,732	3,429,600	1,497,800	48,600	28,219,662
Additions	288,810	907,533	698,841	–	11,008	1,906,192
Disposals & other adjustments			(5,518)	(14,302)	–	(19,820)
Balance as of 31 December 2007	17,211,740	7,228,265	4,122,923	1,483,498	59,608	30,106,034
Depreciation						
Balance as of 1 January 2007	1,387,635	4,763,930	1,814,475	1,132,873	–	9,098,913
Charge for the year	753,090	938,056	613,850	294,135	–	2,599,131
Disposals & other adjustments	–	–	(435)	(14,302)	–	(14,737)
Balance as of 31 December 2007	2,140,725	5,701,986	2,427,890	1,412,706	–	11,683,307
Net Book Value 31: 12: 2007	15,071,015	1,526,279	1,695,033	70,792	59,608	18,422,727
Net Book Value 31: 12: 2006	15,535,295	1,556,803	1,615,125	364,928	48,600	19,120,751

The total value of property, plant and equipment items that are fully depreciated but still in use by the company amount to GH¢ 6,198,800 (2006 GH¢ 5,320,000)

NOTES TO THE FINANCIAL STATEMENTS -CONTINUED

29. Intangible assets

	2007 GH¢	2006 GH¢
Computer software		
Cost / Valuation		
Balance 1 January	**1,771,169**	1,578,054
Additions	**285,449**	193,115
Balance 31 December	**2,056,618**	1,771,169
Amortisation		
Balance 1 January	**1,493,793**	588,953
Charge for the year	**148,835**	904,840
Balance 31 December	**1,642,628**	1,493,793
Net Balance 31 December	**413,990**	277,376

30. Customer Deposits

(a) Analysis by type of Deposit

	2007 GH¢	2006 GH¢
Term deposits	**14,286,767**	18,233,890
Saving accounts	**75,904,220**	65,703,766
Current accounts	**189,549,762**	152,666,970
	279,740,749	236,604,626

(b) Analysis by type of Customer

	2007 GH¢	2006 GH¢
Financial Institutions	**8,324,581**	7,265,600
Individuals and other private enterprise	**230,437,273**	190,404126
Government departments and agencies	**4,770,268**	4,930,000
Public enterprises	**20,722,704**	21,598,400
Others	**15,485,923**	12,406,500
	279,740,749	236,604,626

(c) 20 large depositors to total deposit ratio is 22% (2006:18%)

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

31. Due to banks and other financial institutions

	2007 GH¢	2006 GH¢
Borrowings-Repurchase agreement	**33,578,640**	45,318,849
Borrowings-Credit line	**2,805,651**	2,267,750
Export Development and Investments Fund	—	236,900
European International Bank	**11,251,220**	—
Ghana Private Sector development Fund	**505,868**	505,868
	48,141,379	48,329,367

Repurchase agreements
Borrowings under repurchase agreements, which are in local and foreign currencies, are made with various institutions. Interest on the local currency borrowings is payable at rates varying between 7% and 16% whilst that on the foreign currency borrowings is between 2.5% and 4.3%. The local currency borrowings are secured by the Bank's holdings of Government of Ghana Treasury Bills.

Credit line
The Credit Line is a non-revolving credit facility for a maximum amount of US$10 million. Drawdown is in the form of tranches and each tranche carries a floating rate of interest as requested by the borrower.

Export Development and Investment Fund (EDIF)
The Export Development and Investment Fund was set up by the government to provide credit facilities to operators in the export sector through designated financial institutions. The loan balance represents customers who secured the facility through the Bank.

European International Bank (EIB)
This is an amount contracted from European International Bank (EIB) at 5.41%.

32. Other liabilities

	2007 GH¢	2006 GH¢
Creditors	**2,612,079**	6,929,000
Other creditors & provisions	**26,705,322**	15,106,900
Accruals	**900,126**	490,697
Deferred Income (Note 33)	**297,520**	43,660
	30,515,047	22,570,257

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

33. Deferred Income

	2007 GH¢	2006 GH¢
Balance b/f	**43,660**	-
Loan origination fees deferred current year	**271,014**	48,898
Transfer to income	**(17,154)**	(5,238)
Balance 31 December	**297,520**	43,660

34. Stated Capital

a. Authorised Ordinary Shares

	2007 GH¢	2006 GH¢
Number of Ordinary shares of no par value	**500,000,000**	500,000,000

b. Issued and fully paid Ordinary Shares

	2007 Number	2007 Amount GH¢	2006 Number	2006 Amount GH¢
Issued ordinary shares for cash	**17,950,000**	**72,500**	17,950,000	72,500
Transfer from Income surplus/capitalization issue	**50,010,000**	**527,500**	50,010,000	527,500
Other than for cash	**3,290,000**	**6,400,000**	3,290,000	6,400,000
Bonus issue	**71,250,000**		71,250,000	
	142,500,000	**7,000,000**	142,500,000	7,000,000

There are 600,348 treasury shares (2006: 600,348) representing the remaining share bought unde employees share ownership scheme. There are no calls or instalments unpaid on any shares (2006: Nil)

35. Share Deals Account

	2007 GH¢	2006 GH¢
Balance 1 January	**2,943,755**	2,943,755
Proceeds from sale of treasury shares		
Balance at 31 December	**2,943,755**	2,943,755

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

36. Capital Surplus

	2007 GH¢	2006 GH¢
Balance 1 January	**9,232,693**	9,232,693
Proceeds from sale of treasury shares	-	-
Balance at 31 December	**9,232,693**	9,232,693

This represents the surplus arising on the revaluation of certain leasehold land and buildings

37. Regulatory Credit Risk

This provision is made so the Bank will be compliant with the requirement of Bank of Ghana's provision on loans classified as 'current' and contingent liabilities. No difference emanated from current calculation using Bank of Ghana's provisioning guideline and the requirements of IFRS.

38. Statutory Reserves

The transfer to Statutory Reserve Fund represents 12.5% of the Bank's net profit after tax and before dividend. The transfer is in compliance with Section 29 of the Banking Act, 2004, (Act 673).

	2007 GH¢	2007 GH¢
Balance 1 January	**10,490,300**	9,247,300
Transfer from current profit	**1,448,640**	1,243,000
Balance at 31 December	**11,938,940**	10,490,300

39. Dividend proposed and paid

	2007 GH¢	2006 GH¢
Equity dividend on ordinary shares:		
Final divided for 2006. **GH¢ 0.0450** (2005: GH¢ 0.0387)	**6,388,074**	5,514,750
First dividend for 2007 **GH¢ 0.0290.** (2006: Nil)	**4,137,900**	-
Total Dividend paid	**10,525,974**	5,514,750
Proposed for approval at Annual General Meeting (Not recognised as liability as at 31 December)	**6,412,500**	6,412,500

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

40. Related Party Transaction/Disclosures

(a) Nature of transaction and volumes

A number of banking transactions were entered into with related parties in the normal course of business. These include loans and placements. These transactions were carried out on commercial terms and at market rates. The balances remaining on related party transactions at the end of the year are as follows:-

	Loan	Placements
	GH¢	GH¢

(a) Other related party balances

	2007	2006
	GH¢	GH¢
Staff loans	**7,186,568**	7,041,000
Placements as of 31 December	**3,644,680**	17,951,200
Nostro account balances as of 31 December	**19,017,397**	8,201,600
Borrowings as of 31 December	**8,083,100**	10,922,400

(b) Compensation to key management of the Bank

Compensations paid to key management personnel of the bank are those disclosed under directors' emolument. No compensation was paid to keyss management personnel with regards to, short term employment benefits, post-employment pension and share-based payments

(c) Loans to Directors

There were no loans to directors during the period.

(d) Controlling Relationship

Société Générale (SG) is related by virtue of its ultimate (100%) controlling interest in SG Financial Services Holding, which has significant controlling shareholding in SG-SSB Limited.

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

41. Contingencies

To meet the financial needs of customers, the Bank enters into various commitments and contingent liabilities. Even though these liabilities may not be recognised on the balance sheet, they do contain credit risk and are therefore part of the overall risk of the Bank. Total outstanding commitments and contingents liabilities are as follows.

	2007	2006
	GH¢	GH¢
Financial guarantees	**28,032,675**	25,860,600
Letters of credit & Others	–	–
	28,032,675	25,860,600
Commitments	–	–
Undrawn commitments, Others	–	–

i: **Undrawn Commitments to lend:**
Nill

ii: **Legal Claim:**

The Bank's lawyers have estimated that the maximum liability from possible legal actions against the Bank may amount to GH 1,585,700 (2006: GH 420,000).

iii: **Commitment of capital expenditure:**
Commitments for capital expenditure at the year end were nil (2006: nil).

42. Events after the balance sheet date

There were no major events after the balance sheet date that materially changed the Bank's position.

43. Cash and cash equivalents

The nature and fair value of collaterals held by the Bank as securities against its major Loans and Advances are shown below:

	2007	2006
	GH¢	GH¢
Cash on hand	**15,201,631**	9,572,809
Balances with Bank of Ghana	**21,035,589**	24,078,254
Nostro Accounts balances	**28,209,528**	14,115,780
Placements and items in course of collection	**29,727,703**	50,597,246
	94,174,451	98,364,089

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

44. (a) Analysis of financial assets and liabilities by measurement bases (2007)

Financial assets and liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Notes 2 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the balance sheet by class of financial instrument to which they are assigned, and therefore by the measurement basis:

	Designated at fair value through Profit & loss GH¢	Held to maturity Securities GH¢	Available-for-sale securities GH¢	Loans and receivables GH¢	Financial assets & liabilities at mortised cost GH¢	Total GH¢
Cash and cash balances with Bank of Ghana					36,237,220	36,237,220
Due from other banks & Financial Institutions					57,937,231	57,937,231
Financial Investments/Government Securities			83,237,133			83,237,133
Loans & Advances				212,444,163		212,444,163
Equity Investments (available for sale)			18,514			18,514
Other Assets					9,145,849	9,145,849
Total financial Assets			83,255,647	212,444,163	103,320,300	399,020,110
Total non-financial assets						18,836,717
Total Assets						417,856,827
Customer Deposits					279,740,749	279,740,749
Due to Banks & other Financial Institutions					48,141,379	48,141,379
Taxation					1,035,022	1,035,022
Interest Payables & Other liabilities					30,515,047	30,515,047
Total financial liabilities					359,432,197	359,432,197
Total non-financial liabilities						58,424,630
Total liabilities and shareholders fund						417,856,827

45. (b) Analysis of financial assets and liabilities by measurement bases (2006)

	Designated at fair value through Profit & loss	Held to maturity Securities	Available-for-sale securities	Loans and receivables	Financial assets & liabilities at mortised cost	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Cash and cash balances with Bank of Ghana					33,651,063	33,651,063
Due from other banks & Financial Institutions					64,713,026	64,713,026
Financial Investments/Government Securities			102,362,042		0	102,362,042
Loans & Advances				141,648,623	0	141,648,623
Equity Investments (available for sale)			50,940		0	50,940
Other Assets					3,637,217	3,637,217
Current tax assets					649,300	649,300
Total financial Assets			**102,412,982**	**141,648,623**	**102,650,606**	
Total non-financial assets						19,398,127
Total Assets						**366,110,338**
Customer Deposits					236,604,626	236,604,626
Due to Banks & other Financial Institutions					48,329,367	48,329,367
Interest Payables & Other liabilities					22,570,257	22,570,257
Tax					1,244,600	1,244,600
Total financial liabilities					**308,748,850**	**308,748,850**
Total non-financial liabilities						57,361,488
Total liabilities and shareholders fund						**366,110,338**

46. Fair value of financial Instruments

The fair values of the Bank's financial instruments that are carried in the financial statements approximate the carrying amount as of December 2007. (December 2006 reflect the same condition).

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

47. Maturity Analysis of the assets and liabilities - 2007

The table shows a summary of assets and liabilities analysed according to when they are expected to be recovered or settled.

2007	Total GH¢	Below 3 months GH¢	3-6 months GH¢	6-12 months GH¢	Above 1 year GH¢
Assets					
Cash and balances with Bank of Ghana	36,237,220	36,237,220	-	-	-
Financial investments (Government securities)	83,237,133	28,237,133	8,500,000	16,500,000	30,000,000
Due from other banks and financial institutions	57,937,231	53,705,803	4,231,428	-	-
Investment in other securities (available for sale)	18,514	-	18,514	-	-
Loans and advances to customers	212,444,163	47,938,865	13,075,764	57,066,197	94,363,337
Other assets (including tax assets)	9,145,849	1,755,506	5,058,676	2,331,667	-
Property, plant and equipment	18,422,727	251,282	1,389,660	1,222,137	15,559,648
Intangible assets	413,990				413,990
Total assets	417,856,827	168,125,809	32,274,042	77,120,001	140,336,975
Liabilities					
Customer deposits	279,740,749	104,797,232	54,534,237	37,463,324	82,945,956
Due to banks and other financial institutions	48,141,379	40,000,000	8,141,379	-	-
Other liabilities	30,515,047	18,312,150	6,763,445	5,413,530	25,922
National Reconstruction Levy (NRL)/taxation	1,035,022	69,105	-	-	965,917
Total liabilities	359,432,197	163,178,487	69,439,061	42,876,854	83,937,795
Net liquidity gap	58,424,630	4,947,322	(37,165,019)	34,243,147	56,399,180
Net liquidity gap December 2006	59,814,000	45,581,700	(21,087,500)	(17,981,000)	53,300,900
Contingent liabilities	30,142,614	27,694,319	2,448,259		

The table above summarises assets and liabilities of the Bank into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturing date.

The matching and controlled mismatching of the maturity and interest rate of assets and liabilities are fundamental to the management of the Bank. It is unusual for banks ever to be completely matched since business transacted is often of uncertain terms and different types. An unmatched position potentially enhances profitability, but also increases the risk of losses.

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

48. Currency Exposure

Banks take on foreign currency exchange rates exposure on their financial position and cash flows. The table below summarises the Bank's exposure to foreign exchange rate risks at year-end. The amounts stated in the table are the cedi equivalent of the foreign currencies

	US$	GBP	EURO	Others	TOTAL 2007	TOTAL 2006
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Assets						
Cash and balances with Bank of Ghana	588,618	445,836	361,042	-	**1,395,496**	233,369
Due from other banks and financial institution	10,896,813	5,484,425	10,384,449	1,443,841	**28,209,528**	104,117
Other Assets	4,324,514	523,487	1,297,780	-	**6,145,781**	10,345
Loan and Advances to customers	52,815,399	223	13,724,141	-	**66,539,763**	465,227
Total Assets	68,625,344	6,453,971	25,767,412	1,443,841	**102,290,568**	813,058
Liabilities						
Due to Customers	35,947,643	18,758,912	23,824,917	6,252,971	**84,784,443**	609,659
Other Liabilities	1,318,211	199,239	453,264	-	**1,970,714**	8,729
Due to Other banks and financial Institutions	-	-	-	-	-	113,699
Total Liabilities	37,265,854	18,958,151	24,278,181	6,252,971	**86,755,157**	732,087
Net on balance sheet position	31,359,489	(12,504,180)	1,489,231	(4,809,130)	**15,535,411**	80,971

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

49. Capital

(a) Capital Definition

The Bank's capital, ordinarily referred to as shareholders fund comprises stated capital raised through offering of shares of the company, share deals account, retained earnings including current year profit and various reserves the company is statutorily required to maintain. As a bank, it also has the regulatory capital as defined below.

(b) Regulatory Capital

Regulatory capital consist of Tier 1 capital, which comprises share capital, share deals account, retained earnings including current year profit, foreign currency translation and minority interests less accrued dividend, net long positions in own share and goodwill. Certain adjustments are made to IFRS-based result and reserves, as prescribed by the Central Bank of Ghana. The other component of regulatory capital is Tier 2 capital which includes revaluation reserves.

(c) Capital management

The primary objectives of the Bank's capital management are to ensure that the bank complies with externally imposed capital requirement by Bank of Ghana and that the bank maintains a strong credit rating and healthy capital ratios in other to support its business and to maximise shareholders value. The Bank manages its capital structure and, makes adjustment to it in the light of changes in the economic conditions and the risk characteristics of its activities. In other to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payments to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

(d) Capital adequacy

The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision and adopted by the Bank of Ghana. The capital adequacy ratio of the Bank as of 31 December 2007 is shown below:

		2007		2006
	Actual	**Required**	**Actual**	**Required**
	GH¢	**GH¢**	**GH¢**	**GH¢**
Tier 1 capital	**7,000,000**	**7,000,000**	7,000,000	7,000,000
Other Capital	-	-	-	-
Total capital	**7,000,000**	**7,000,000**	7,000,000	7,000,000

(e) Compliance status of externally imposed capital requirement

During the past year SG-SSB had complied in full with all its externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

50. Financial Instruments / Risk management

The Board is responsible for determining the long-term strategy of the Bank, the markets in which it operates and the level of risk undertaken. Responsibility for implementing the risk policy of the Bank is delegated to the Managing Director. He is responsible for ensuring that the risks within the business are identified, assessed, controlled and monitored and that controls and procedures comply with policies approved by the Board and which are documented in various manuals and handbooks.

Financial Risk Management Policies and Objectives Specific

- **Credit risk.**

Credit risk arises from extending credit in all forms in the Bank's banking and treasury activities, where there is a possibility that counterparty may default. The credit policy and credit manual provide for the control and daily monitoring of all exposures, delegated sanctioning authorities and periodic credit appraisals. The management of this risk is significantly impacted through monitoring of concentration. The level of concentration in the Bank's portfolio is shown in Note 21.

- **Liquidity risk.**

Liquidity risk arises from the mismatch of the timing of cash flows relating to assets and liabilities. The liquidity policy of the Bank is approved by the Board under guidelines issued by the SG-SSB and monitored daily to ensure that its funding requirements can be met at all times and that a stock of high quality liquid assets is maintained. The sources and maturities of assets and liabilities are closely monitored to avoid any undue concentration. A substantial portion of deposits is made up of current, savings and call accounts.

- **Market risk:**

Market risk is the risk of losses being incurred as a result of adverse movements in interest or exchange rates and arises in the Bank's treasury activities. Market risk is controlled by interest mismatch and foreign currency open position limits approved by the Executive Committee of the Bank and monitored daily. The foreign currency exposure analysis of the Bank is shown in Note 48

- **Operational Risk:**

Operational risk 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 interruption. 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. Operational procedures are documented in an Operations Manual.

NOTES TO THE FINANCIAL STATEMENTS –CONTINUED

51. Transition to IFRS

SG-SSB reported under Ghana Accounting Standards (Ghana GAAP) in its previous published financial statements up to 31 December 2006. The Bank adopted IFRS in 2007 and the following are the significant effects of applying IFRS1:

Note (1) shows summary of policy implication and changes as a result of adopting IFRS

Note (2) is analysis showing a reconciliation of net assets and profits as reported under the Ghana GAAP as at 31 December 2006 to the revised net assets and profits reported under IFRS in these financial statements.

Note (3) presents a reconciliation of Net Assets under Ghana GAAP to IFRS at the transition date for the Bank 1 January 2005.

(1) Transition to IFRS: Significant differences between the Bank's Ghana GAAP accounting policies applied in its 2006 financial statements and IFRS accounting policies

No.	Ghana GAAP (also as IAS)	IFRS
(a)	**Presentation of financial statement** Prior to the adoption, the Bank had applied IAS 30 in presenting financial statements. The Presentation also conforms to the Bank of Ghana's guideline for presentation of financial statements of Banks in Ghana	IAS 30 has been superseded. The Bank has applied the liquidity model under IAS 1 for presentation and meets all the disclosure requirements of the Bank of Ghana. Functional currency and presentational currencies are required to be disclosed.
(b)	**Basis of accounting** The Bank prepares its financial statements under the historical cost convention as modified by the revaluation of fixed assets.	Under IFRS, the Bank prepares its financial statements under historical cost basis, except for investment properties, available-for-sale investments, financial assets and financial liabilities held at fair values through profit or loss, that have been measured at fair value. IFRS also requires the disclosure of functional currency and presentational currencies. These are disclosed in a note in the financial statements as 'Cedis' GH¢

No.	Ghana GAAP (also as IAS)	IFRS
(c)	**Consolidation** Ghana GAAP requires consolidation of entities controlled by the reporting entity. Control is the ability to direct the financial and operating policies of an entity. The Bank obtained clearance from the Registrar of Companies not to consolidate its subsidiary SSB Investment limited.	IFRS requires that all entities controlled by the Group to be consolidated together with special purpose entities (SPEs) where the substance of the relationship between the reporting entity and the SPE indicates that it is controlled by the reporting entity. In substances, SSB investment has no value and has therefore not been consolidated.
(d)	**Interest Income** The Bank recognises interest using contractual terms of the underlying assets. The recognition of interest income ceases when the payment of interest or principal is in doubt, and does so automatically if principal or interest payments are 90 or more days late. Any interest previously accrued but not received on a loan placed on non-accrual basis is reversed. Interest is included in income thereafter only when it is received. Loans are returned to the accrual basis only when doubt about collectibility is removed and when the outstanding arrears of interest and principal are received.	Interest income and expense are recognised in the income statement for all interest-bearing financial instruments, including loans and advances, as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The effective interest rate is calculated on initial recognition of the financial asset or liability, estimating the future cash flows after considering all the contractual terms of the instrument but not future credit losses. The calculation includes all amounts for processing and commitment fees paid or received by the Bank that are an integral part of the overall return, direct incremental transaction costs related to the acquisition, issue or disposal of a financial instrument and all other premiums or discounts. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan. Where a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

No.	Ghana GAAP (also as IAS)	IFRS
(e)	**Fee Income** All loan fees are credited to income immediately regardless of whether the facility is approved or not.	Fees that are part of effective interest are deferred and amortised over the tenure of the loan. Commissions and fees include fees earned from providing advisory services as well as portfolio management and unapproved loans on which fees have been paid. All such commissions and fees are recognised as revenue when the related services are performed. Fees and commission income are only recognised when they can be estimated reliably.
(f)	**Foreign Currency** Assets and liabilities denominated in foreign currencies are translated into cedis at exchange rates ruling at the end of the year. Gains and losses resulting from foreign currency translation or exchange are included in the profit and loss for the year.	Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement under the heading "Other Operating Income or Other Operating Expenses. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in equity. The effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the cash flow statement as part of the reconciliation of cash and cash equivalents at the beginning and end of the period. This amount is presented separately from cash flows from operating, investing and financing activities and includes the differences, if any, had those cash flows been reported at end of period exchange rates.

No.	Ghana GAAP (also as IAS)	IFRS
(g)	**Investments** Investments are held for purposes of both trading and investments. Investments are included in the balance sheet at the lower of cost and net realizable value. Gains and losses on the sale of investment securities are shown separately in other operating income or expenses where applicable. Bills discounted and securities with a fixed redemption date which are purchased with the intention of being held to maturity are stated at amortised cost. The premium or discount is amortised over the period to redemption and disclosed separately in interest income.	The Bank's treatment under IFRS is similar to those under Ghana GAAP except that Government securities have been reclassified into Held to maturity categories of financial instruments in line with IAS 39. There was no impact on the financial position of the Bank as a result of the adoption of IFRS.
(h)	**Loans and Advances** Loans and Advances are stated in the balance sheet at the amount of principal and interest outstanding less any provision for bad and doubtful debts and interest held in suspense. The interest is based on the interest stated in the contractual provisions of the loan. Advances are analysed between the total amount outstanding and provision in a note to the financial statements.	Under IFRS Advances are stated in the balance sheet at amortised cost which is the amount at which the loans and advances are measured at initial recognition, less principal repayment and plus or minus any unamortized original premium or discount using the effective interest rate. Advances are analysed between the total amount outstanding and impairment loss and regulatory general credit risk in a note to the financial statements.
(i)	**Provisions for bad and doubtful debts.** Under Ghana GAAP, provisions for bad and doubtful debt are made under rules established by Bank of Ghana. Provisions for bad and doubtful debts are made, having regard to both specific and general risks Provisions made during the year (less amounts released and recoveries of loans previously written off) are charged as separate amounts in the profit and loss account. Loans are written off when the extent of the loss has been confirmed	IFRS require impairment losses on financial assets carried at amortised cost to be measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. There is no concept of specific and general provision – under IFRS impairment is assessed individually for individually significant assets but can be assessed collectively

No.	Ghana GAAP (also as IAS)	IFRS
		for other assets and recorded through the allowances account. Once an impairment loss has been recognised on a financial asset or group of financial assets, interest income is recognised on the carrying amount using the rate of interest at which estimated future cash flows were discounted in measuring impairment. Any difference between impairment under IFRS and the provision for bad and doubtful debt using Bank of Ghana criteria is described as provision for regulatory general credit risk rate and transferred from distributable profit to undistributable profit through the Income Surplus account.
(j)	**Cash flow statements** Cash comprises cash and balances with central banks and loans and advances to banks repayable on demand. Under Ghana GAAP, cash flows are classified under three main headings namely: Operations, Investments and Financing activities.	Cash and cash equivalents comprise cash on hand and demand deposits with banks together with short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Under IFRS, cash flows are classified into operating, investing and financing activities. Notes showing what the Bank designate as cash & cash equivalents for cash flow purposes have been added.
(k)	**Financial instruments: financial assets** Loans are measured at cost less provisions for bad and doubtful debts. Debt securities and equity shares intended for use on a continuing basis in the Bank's activities are classified as investment securities and are stated at cost less provision for any permanent diminution in value. Other debt securities and equity, shares are carried at fair value.	Under IAS 39, financial assets are classified into held-to -maturity; available-for-sale; held-for-trading; designated as at fair value through profit or loss; and loans and receivables. Financial assets classified as held-to-maturity or as loans and receivables are carried at amortised cost. Other financial assets are measured at fair value. Changes in the fair value of available-for-sale financial assets are reported in a separate component of shareholders' equity. Changes in the fair value of financial assets held-for-trading or designated as at fair value are taken to profit or loss. Financial assets can be classified as held-to-maturity only if they have a fixed maturity and the reporting entity has the positive intention and ability to hold to maturity. Trading financial assets are held for the purpose of selling in the near term. IFRS allows any financial asset to be designated as at fair value through profit or loss on initial recognition. Unquoted debt financial assets that are not classified as held-to-maturity, held-for-trading or designated as at fair value through profit or loss are categorised as loans and receivables. All other financial assets are classified as available-for-sale.

No.	Ghana GAAP (also as IAS)	IFRS
(l)	**Financial instruments: financial liabilities** Under previous GAAP, the Bank's short positions in securities and trading assets are carried at fair value; all other financial liabilities are recorded at amortised cost.	IAS 39 requires all financial liabilities to be measured at amortised cost except those held-for-trading and those that were designated as at fair value through profit or loss on initial recognition. This posed only disclosure responsibility on the Bank.
(m)	**Liabilities and equity** Under Ghana GAAP, The Bank classified all shares as shareholders' funds under stated capital. An analysis of shareholders' funds between equity interests is given.	Under IFRS, instruments are classified between equity and liabilities in accordance with the substance of the contractual arrangements. A non-derivative instrument is classified as equity if it does not include a contractual obligation either to deliver cash or to exchange financial instruments with another entity under potentially unfavourable conditions, and, if the instrument will or may be settled by the issue of equity, settlement does not involve the issue of a variable number of shares.
(n)	**Effective interest rate and lending fees** Under previous GAAP used by the SG-SSB, loan origination fees are recognised when received unless they are charged in lieu of interest.	IAS 39 requires the amortised cost of a financial instrument to be calculated using the effective interest method. The effective interest rate is the rate that discounts estimated future cash flows over an instrument's expected life to its net carrying value. It takes into account all fees and commitments paid that are an integral part of the yield, transaction costs and all other premiums and discounts. On implementation of IAS 39, the carrying value of financial assets was reduced by 437 million with no impact on financial liabilities.
(o)	**Loan impairment** Under Ghana GAAP, provisions for bad and doubtful debts are made using guideline set by Bank of Ghana so as to record impaired loans at their ultimate net realizable value. Specific provisions are established against individual advances. General provision covers advances impaired at the balance sheet date but which have not been identified as such. Interest receivable from loans and advances is credited to the income statement as it accrues unless there is significant doubt that it can be collected.	IFRS require impairment losses on financial assets carried at amortised cost to be measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. There is no concept of specific and general provision – under IFRS impairment is assessed individually for individually significant assets but can be assessed collectively for other assets. Once an impairment loss has been recognised on a financial asset or group of financial assets, interest income is recognised on the carrying amount using the rate of interest at which estimated future cash flows were discounted in measuring impairment.

No.	Ghana GAAP (also as IAS)	IFRS
(p)	**Fixed Assets** These are stated at cost or valuation less accumulated depreciation. Depreciation is computed using the straight-line method so as to write off the cost or valuation over the estimated useful lives at specified rates.	There is only one criterion for recognizing PPE item. IFRS1 required the use of deemed cost during transition and componentization of PPE items for depreciation purposes. No significant changes resulted from the transition to IFRS.
(q)	**Taxation** Under the Ghana GAAP, (i) The Bank provides for income taxes at current rates on its taxable profits. (ii) Provision is made for deferred taxation only to the extent that it is probable that a liability or asset will crystallize in the foreseeable future.	Under IFRS, deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is calculated using the rate expected to apply in the period in which the assets will be realized or the liabilities settled. Also deferred tax is provided on fixed asset revaluations and on taxable gains and losses on fixed asset sales rolled over into the tax cost of replacement assets.
(r)	**Accounting for Related party disclosure** Disclosure limited to companies code requirements.	More disclosure is required under IFRS.
(s)	**Segmental reporting** Reporting on segmental information was not mandatory.	This has become a requirement for listed companies. The Bank is yet to decide on appropriate basis of segmentation, possibly Corporate banking, Retail banking and SME banking.
(t)	**Dividend** Dividends proposed are treated as an appropriation of profit and accounted for as a liability in the year proposed by the directors.	Under IFRS, dividends declared are treated as an appropriation of profit in the year of approval while dividends proposed are disclosed as a note to the financial statements. The adoption of IFRS resulted in reversal of all proposed dividend back to retained earnings from liabilities.

(2) Reconciliation of Profit previously reported under Ghana Accounting Standards to that reported at IFRS as at 31 December 2006

IAS HEADINGS	Notes	IAS Balance 31 DEC 2006 GH¢	Adjustments GH¢	IFRS Balance 31 DEC 2006 GH¢	PROPOSED IFRS HEADINGS
Interest income	a	(39,972,512)	63,712	(39,908,800)	Interest & Similar Income
Interest expense		8,378,026	–	8,378,026	Interest & Similar Charges
Net Interest Income		(31,594,486)	63,712	(31,530,774)	Net Interest Income
Fee and commission income	b	(17,811,477)	48,922	(17,762,555)	Net fee & commission income
	c	–	(78,850)	(78,850)	Gain less losses on financial transactions/investments
Other operating income	d	(2,376,200)	9,900	(2,366,300)	Other operating Income
Operating Income		(51,782,163)	43,684	(51,738,479)	Total operating income
Charge for bad and doubtful debts		3,715,035		3,715,035	Credit loss expense
		(48,067,128)	43,684	(48,023,445)	Net operating income
Operating expenses	e	31,226,182	(31,226,182)	–	
Staff cost	e	–	16,266,100	16,266,100	Staff cost
Depreciation of PPE	e	–	1,583,560	1,583,560	Depreciation of PPE
Amortisation of intangible assets	e	–	904,840	904,840	Amortisation of intangible assets
Impairment of financial assets	e	–	1,209	1,209	Impairment of financial assets
Other operating expenses	e	–	12,470,473	12,470,473	Other operating expenses
Total operating expenses		31,226,182	–	31,226,182	Total operating expenses
		(16,840,946)	43,684	(16,797,262)	Operating profit
Profit before exceptional items & tax expenses		(16,840,946)	43,684	(16,797,262)	Profit before exceptional items & tax expenses
Exceptional item		2,476,907	–	2,476,907	Exceptional item
		(14,364,039)	43,684	(14,320,355)	Profit before tax expenses
National reconstruction levy		790,029	–	790,029	National reconstruction levy
Taxation		3,630,020	–	3,630,020	Tax expenses
Profit after tax		(9,943,990)	43,684	(9,900,306)	Net profit for the year
	f	–	–	(0.0695)	Earnings per share:

(3) Reconciliation of net assets as reported under the Ghana GAAP as of 31 December 2006 to the revised net assets and profits reported under IFRS in these financial statements.

IAS HEADINGS	Notes	31 DEC 2006 GH¢	Adjustment GH¢	31 DEC 2006 GH¢	PROPOSED IFRS HEADINGS
Assets					Assets
Cash and balances with Bank of Ghana	g	30,493,356	3,157,707	33,651,063	Cash and balances with Bank of Ghana
Government securities		102,362,042		102,362,042	Government securities
Due from other banks and financial institutions		67,870,733	(3,157,707)	64,713,026	Due from other banks and financial institutions
Investment in other securities	h	-	51,040	51,040	Available for sale investments
Loans and advances to customers		141,648,623	-	141,648,623	Loans and advances to customers
Investment in subsidiary	h	51,040	(51,040)	-	
Other assets		3,637,117		3,637,117	Other assets
Taxation	i	-	649,300	649,300	Current tax Assets
Property, plant and equipment	j	19,398,126	(277,375)	19,120,751	Property, plant and equipment
Intangible assets		-	277,376	277,376	Intangible assets
Total Assets	k	365,461,037	649,301	366,110,338	Total Assets
					Liabilities & Shareholders Fund
Customer Deposits		(236,771,136)	166,510	(236,604,626)	Customer Deposits
Due to banks and other financial institutions	L	(48,329,367)	-	(48,329,367)	Due to banks and other financial institutions
Other liabilities		(28,939,096)	6,368,839	(22,570,257)	Interest payable and Other liabilities
					Dividend payable
Taxation	i	(595,300)	(649,300)	(1,244,600)	
Total Liabilities		(314,634,899)	5,886,049	(308,748,850)	Total Liabilities
Shareholders' Funds					Shareholders' Funds
Stated capital		(7,000,000)	-	(7,000,000)	Stated capital
Share deals account		(2,943,755)	-	(2,943,755)	Share deals account
Capital surplus		(9,232,693)	-	(9,232,693)	Capital surplus
Income surplus account	m	(21,159,390)	(6,535,350)	(27,694,740)	Income surplus account
Statutory reserve		(10,490,300)	-	(10,490,300)	Statutory reserve
Provision for Regulatory General Credit Risk			-	-	Provision for Regulatory General Credit Risk
Total equity/Shareholders Fund		(50,826,138)	(6,535,350)	(57,361,488)	Total equity/Shareholders Fund
Total liabilities & Shareholders' fund		(365,461,037)	(649,301)	(366,110,338)	Total liabilities & Shareholders' fund

Notes

(a) The amendment to interest receivable is made in line with IAS 39 which requires recognition of interest on financial instruments measured at amortised cost using the effective interest rate. The adjustments represent part of the fee & commission income that are recognised now as part of effective interest rate.

(b) Loan origination fees in the form of processing fees and commitment fees are required to be deferred over the life of the related loan and released on an effective interest rate basis. This amendment represents the difference between loan origination fees originally recognised under the previous GAAP and those currently recognised under IFRSs. The adjustment (GH¢ 488,983) represents amount to be deferred (to be amortised in future) of which GH¢ 5,238 has been calculated to be part of the effective interest income and included in income as noted in (a).

(c) Gains and losses on financial assets were included in other operating expenses. Following the implementation of IFRS leading to the reclassification of items on the balance as influenced by IAS 37 and IFRS 7, gains and losses on financial assets have been reclassified and disclosed separately in line with IFRS.

(d) This is adjustment to reverse gain on sale of investment included in interest income in error.

(e) Previously, expenses could be presented using a mixture of Nature and Functions classification. Under IFRS, entities are allowed to classify expenses either by Nature or Function. The adjustments represent the reclassification of the 2006 amounts for operating expenses into their appropriate nature (applicable to the Bank) in line with IFRS.

(f) IFRS now require net profit for the year to be allocated between share holders of the bank and minority shareholders. Also IFRS require all publicly traded companies to disclose per share earnings on the face of their financial statements.

(g) This is adjustment to correct foreign account balance with Bank of Ghana (Central bank) included in Nostro Account.

(h) It is adjustment to derecognized investment in subsidiary that has no value and recognizes invest in equity securities wrongly booked against investment in subsidiaries. Thus the adjustments to reclassify Investment in other securities including investment in subsidiaries into their prescribed headings under IFRS- Available for Sale Investments. Specifically the adjustments is required to disaggregate investments in subsidiary into specific components for appropriate treatment and presentation under IFRS.

(i) Adjustment to reclassify current tax from deferred tax assets and liabilities for presentation purposes.

(j) Adjustment to reclassify intangible assets (computer software) from property, plant and equipment.

(k) Adjustments to re-classify accumulated dividend on SG-SSB shares bought by the Bank to be allotted to employees in the future to retained earnings. The shares are now disclosed as treasury shares.

(l) Adjustments required to reverse proposed dividends from other liabilities which are not allowed under IFRS.

(m) The retained earnings at 1 January 2006 have altered as follows: See note 52 below

52. Reconciliation Income surplus balance

The Retained Earnings balances affected as follow:	**GH¢**
Balances 31 December 2005	18,870,900
Reversal of proposed dividend not qualifying as liability under IFRS	6,412,500
Reversal- Value & dividend on SG-SSB own share for future employees in deposits	166,534
Others	
Balances as restated 1 January 2006	**25,449,934**

53. Reconciliation of Opening balance sheet - 31 December 2005 to 1 January 2006

IAS Headings ASSETS	IAS Balance 31-Dec-05 GH¢	GH¢	IFRS Balance 1-Jan-06 GH¢	PROPOSED IFRS Headings ASSET
Cash and balances with Bank of Ghana	28,117,715	-	28,117,715	Cash and balances with Bank of Ghana
Government securities	98,336,197	-	98,336,197	Government securities
Due from other banks and financial institutions	26,002,955	-	26,002,955	Due from other banks and financial institutions
Investment in other securities	227,307	-	227,307	Investment in other securities
Loans and advances to customers	124,100,282	-	124,100,282	Loans and advances to customers
Investment in subsidiary	51,140	(51,140)	-	Investment in subsidiary
Available for sale investments	-	51,140	51,140	Available for sale investments
Other assets	2,312,328	-	2,312,328	Other assets
Taxation	560,708	-	560,708	Taxation
Property, plant and equipment	11,744,176	(171,435)	11,572,741	Property, plant and equipment
Intangible assets	-	171,435	171,435	Intangible assets
TOTAL ASSETS	291,452,808		291,452,808	TOTAL ASSETS
LIABILITIES				Liabilities & Shareholders Fund
Customer deposits	(178,725,074)	166,534	(178,558,540)	Customer deposits
Due to banks and other financial institutions	(44,620,534)	-	(44,620,534)	Due to banks and other financial institutions
Other liabilities	(27,834,101)	6,412,500	(21,421,601)	Other liabilities
Deferred taxation	(557,300)		(557,300)	Deferred taxation
TOTAL LIABILITIES AND SHAREHOLDERS' FUND	(251,737,009)	6,579,034	(245,157,975)	TOTAL LIABILITIES SHAREHOLDERS' FUNDS
Stated capital	(7,000,000)	-	(7,000,000)	Stated capital
Share deals account	(2,943,755)	-	(2,943,755)	Share deals account
Capital surplus	(1,653,828)	-	(1,653,828)	Capital surplus
Income surplus account	(18,870,900)	(6,579,034)	(25,449,934)	Income surplus account
Provision for Regulatory General Credit Risk	-	-	-	Provision for Regulatory General Credit Risk
Statutory reserve	(9,247,316)	-	(9,247,316)	Statutory reserve
Total Shareholders' Funds	(39,715,799)	(6,579,034)	(46,294,833)	Total Shareholders' Funds
TOTAL LIABILITIES AND SHAREHOLDERS' FUND	(291,452,808)	-	(291,452,808)	**TOTAL LIABILITIES AND SHAREHOLDERS' FUND**

NOTES TO THE FINANCIAL STATEMENTS -CONTINUED

54. Analysis of shareholding

Category	Number of shareholders	Number of shares	Percentage holding %
1 – 1,000	28,003	5,312,372	3.72
1,001 – 5,000	2,591	4,884,149	3.43
5,001 – 10,000	310	1,905,412	1.34
Over 10,000	243	130,398,067	91.51
	31,147	**142,500,000**	**100.00**

55. Twenty Largest shareholders

	Shareholders	Number of holdings	Percentage holding %
1.	SG Financial Services Holding	72,675,000	51.00
2.	Social Security & National Insurance Trust	30,795,118	21.61
3.	Daniel Ofori	11,023,116	7.74
4.	BBGN Re Epack Investment Fund Ltd	3,011,601	2.11
5.	SSNIT SOS Fund	1,353,392	0.95
6.	STD Bank Nom. (Tul) (Pty) Ltd	1,030,000	0.72
7.	SAS/Amenuvor Gideon	856,484	0.60
8.	Sam Esson Jonah	500,000	0.35
9.	Teachers' Fund	400,200	0.28
10.	BBGN/Unilever Gh Managers Pension Fund	400,000	0.28
11.	BBGN/SSB Eaton Vance	370,000	0.26
12.	BBGN/ELAC Shareholders Fund	315,032	0.22
13.	Strategic African Securities	297,162	0.21
14.	State Insurance Corporation	285,000	0.20
15.	MIHL/Boachie Adjei Oheneba H.	264,050	0.19
16.	Ghana Reinsurance Organisation	250,000	0.18
17.	BBGN/Unilever Gh. Provident Fund.	240,090	0.17
18.	Equity Focus	205,159	0.14
19.	Wienco Ghana Limited	200,000	0.14
20.	Ghana Union Assurance Co. Ltd.	200,000	0.14
	TOTAL	**124,671,404**	**87.49**

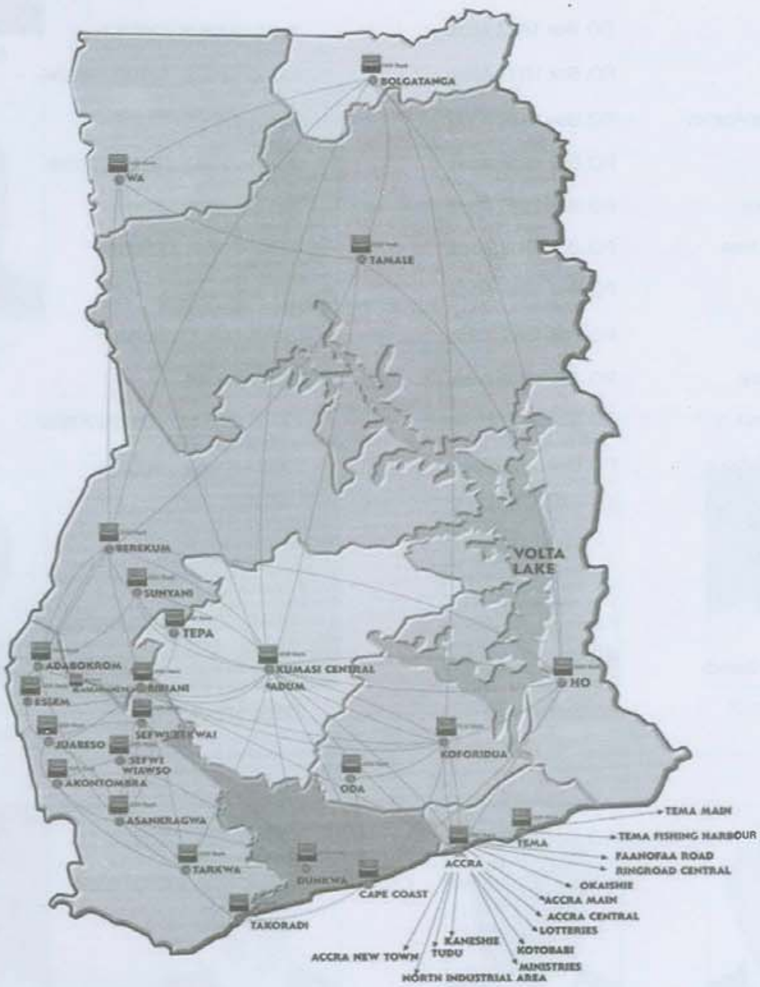
The 20 largest shareholders held 87.49% of the Bank's shares as of 31 December 2007 (2006: 86.94%).

56. Directors Shareholdings

Directors	Shareholdings
Mrs Theresa Ntim	720
Ambassador Fritz K. Poku	1,100

SG-SSB's BRANCH NETWORK IN GHANA

The entire Bank's 36-branches nationwide are linked up by VSAT/Radio to facilitate easy and quick access to our banking services.



BRANCH ADDRESSES

Name of Branch	Address	Phone No.	Fax No.
Greater Accra			
Accra Main	P.O. Box 13119, Accra	233 21 223375/ 222136/911022/ 911021/911014/911019	233 21 222136
Accra New Town	P.O. Box K444, Accra New Town	233 21 228512 / 228582 / 248054	233 21 228512 /250321
Faanofaa	P.O. Box 13119, Accra	233 21 222545 / 220754	233 21 222545
Kaneshie	P.O. Box 13119, Accra	233 21 681372 / 676128 / 682745	233 21 682846
Kaneshie Market Agency	P.O. Box 13119, Accra	233 21 227166 / 222367	233 21 227166
Kotobabi	P.O. Box 13119, Accra	233 21 221847/ 248053/228856	233 21 221847
Lotteries Agency	P.O. Box 13119, Accra	233 21 667370 / 672610	233 21 668651 /672620
North Industrial Area	P.O. Box 13119, Accra	233 21 229811 / 222139	233 21 229811
Okaishie	P.O. Box 13119, Accra	233 21 666898/662458	233 21 666898
Premier Towers	P.O. Box 13119, Accra	233 21 668650 / 667146 /682207-11	233 21 667147
Ring Road Central	P.O. Box 13119, Accra	233 21 228381	233 21 228381
Tema Main, Comm. 2	P.O. Box Co 2885 Tema	233 22 202558 / 206495/201962	233 22 201960 /202558
Tema Fishing Harbour	P.O. Box Co 668Tema	233 22 204462 / 202288	233 22 204462
Tudu	P.O. Box 13119, Accra	233 21 671462 / 663907	233 21 671462
Ashanti Region			
Adum	P.O. Box 4542, Kumasi	233 51 25379 / 25729 / 32773	233 51 25379
Kumasi Central Branch	P.O. Box 4542, Kumasi	233 51 24418 / 23075 / 22602 /80722 /80723 /80727/80728	233 51 24418
Tepa	P.O. Box 74, Tepa	233 51 47101/47102	N/A
Brong Ahafo			
Berekum	P. O. Box 49, Berekum	233 642 22261/22612 233 642 22261	
Sunyani	P.O. Box 1131, Sunyani	233 61 27124 / 27050 / 27266	233 61 27124
Central Region			
Cape Coast	P.O. Box 1019, Cape Coast	233 42 32159 / 32406 / 32355	233 42 32406
Dunkwa	P.O. Box 64, Dunkwa	233 372 28393/28665	233 372 28665

BRANCH ADDRESSES

Name of Branch	Address	Phone No.	Fax No.
Eastern Region			
Akim Oda	P.O. Box 325, Akim Oda	233 882 2188/2776	233 882 2188
Koforidua	P.O. Box 987, Koforidua	233 81 22236 / 22778	233 81 22778
Northern Region			
Tamale	P.O. Box 192, Tamale	233 71 22139/22722/23254 /23437	233 71 22139
Upper East Region			
Bolgatanga	P.O. Box 344, Bolgatanga	233 72 23305/23139/22064	233 72 22064
Upper West Region			
Wa	P.O. Box 240, Wa	233 756 22147 / 22155	233 756 22147
Volta Region			
Ho	P.O. Box HP-360, Ho	233 91 26651 / 28053	233 91 28053
Western Region			
Adabokrom	P.O. Box 189, Sefwi Wiawso	N/A	N/A
Akontombra	P.O. Box 11, Akontombra	N/A	N/A
Asankrangwa	P.O. Box 57, Asankrangwa	233 392 22023 / 031 27354	233 392 22023
Asempaneye	P.O. Box 189, Sefwi Wiawso	N/A	N/A
Bibiani	P.O. Box 58, Bibiani	N/A	N/A
Essam	P.O. Box 189, Sefwi Wiawso	N/A	N/A
Juaboso	P.O. Box 12, Juaboso	N/A	N/A
Sefwi Bekwai	P.O. Box 15, Sefwi Bekwai	N/A	N/A
Sefwi Wiawso	P.O. Box 189, Sefwi Wiawso	233 51 21801	233 51 21801
Tarkwa	P.O. Box 219, Tarkwa	233 362 20951 / 20538	233 392 20950
Takoradi	P.O. Box 660, Takoradi	233 31 24660 / 22888	233 31 24660

PROFLE OF THE SOCIÉTÉ GÉNÉRALE GROUP

SG-SSB is a subsidiary of Société Générale which is one of the leading financial services groups in the euro zone. A dynamic Group, enjoying strong growth. A Group benefiting from the rich diversity of its staff employing 103,000 employees representing 114 nationalities and a presence in 76 countries.

Retail Banking and Financial Services

The Group serves over 19 million customers in France and abroad. In respect of Global Investment and Management Services, Société Générale ranks among the main euro-zone banks with Eur 386 billion of assets under management and over Eur 2,000 billion of assets under custody.

Corporate and Investment Banking

SG Corporate and Investment Banking is one of the European and global leaders in euro capital markets, derivatives and structured finance.

The Groups profitable growth strategy is based on a balanced portfolio of activities, powerful growth drivers and a strong innovative capacity geared towards client service. Société Générale features in five main sustainable development indices. It is rated AA with a positive outlook by Standard & Poors; Aa2 by Moody's and AA by Fitch.

International Branch Network map

SOCIÉTÉ GÉNÉRALE IN WEST AFRICA

In Africa, SG-SSB's relationship with Société Générale puts at your service, 12 subsidiaries out of which 8, Senegal, Cote d'Ivoire, Guinea, Equatorial Guinea, Benin, Chad and Cameroon, are in West Africa.

CORRESPONDENT BANKS

U.S Dollar Zone

1. Société Générale
   1221 Avenue of the Americas
   New York, N.Y 10020
   USA

2. Citibank NA
   Citibank West Africa
   19th Floor Zone 1
   11 Wall Street
   New York 10043
   USA

3. American Express Bank Ltd
   New York Agency
   P.O Box 740
   New York, N.Y 10008
   USA

4. HSBC Bank PLC
   P.O Box 181
   27-32 Poultry
   London, EC2P 2BX
   U. K.

Pound Sterling Zone

1. Citibank London
   Citibank House
   336 Strand
   London, WC2R 1HB
   U .K.

Euro Zone

1. Société Générale
   29 Boulevard
   Haussman 75009
   Paris, France

2. Banco Popolare Di Verona E Novara
   Head Office
   Piazza Nogara, 2
   I 37121 Verona
   Italy

3. BHF-Bank
   Bockenheimer Landstr. 10
   60323 Frankfurt/Main
   Germany

Swiss Francs Zone

1. Société Générale Zurich
   Sihlquai
   CH-8031
   Switzerland

CFA Zone

1. Société Générale de Banques
   en Cote d'Ivoire
   5 et 7 Avenue Joseph Anoma
   01 BP 1355
   Abidjan 01, Cote d'Ivoire

2. The Royal Bank of Scotland
5th Floor Premier Place
2 Devonshie Square
London EC2M 4XB
U. K.

2. Société Générale
de Banques au Burkina
BP 585 Rue du Marche 4
Ouagadougou 1
Burkina Faso

3. Société Générale de Banques
au Benin
Avenue Clozel
01 BP 585 Cotonou
Benin

General Correspondent

1. Nigeria International Bank
A member of Citigroup
1 Idowu Taylor Street
Victoria Island
P .O .Box 6381
Lagos ,Nigeria

2. BHF-Bank
Bockenheimer Landstr. 10
60323 Frankfurt/Main
Germany

3. ING Financial Institutions
Avenue Marnix 24
1000 AV Brussel
Belgium

4. Ghana International Bank
69 Cheapside
P O Box 77
London EC2P 2 BB
.U .K

5. ABSA Corporate & Merchant Bank
ABSA Towers North (2W2)
180 Commissioner Street
Johannesburg 2001
P. O. Box 1932
Johannesburg 2000 South Africa

PROXY FORM

I/We..
(Block Capital Please)

of..

being member/members of SG-SSB Ltd, hereby appoint

....
(insert full name)

of..

(or failing him the duly appointed Chairman of the meeting) as my/our Proxy to vote for me/us at the Annual General meeting to be held on Wednesday 26th March 2008 at 10.00 a.m. and at every adjournment thereof):

Please indicate with an X in the spaces below how you wish your votes to be cast.

	RESOLUTION	FOR	AGAINST
1	To receive the Accounts		
2	To declare the final dividend as recommended		
3	To re-elect Pierre Wolmarans as a Director		
4	To re-elect Kofi Ampim as a Director		
5	To re-elect Michel Miaille as a Director		
6	To re-elect Kweku Osafo as a Director		
7	To re-elect Gilles Louvel as a Director		
8	To approve Directors' fees		
9	To authorize the Directors to fix the Auditors' fees		
10	To authorise the Company to purchase its own shares		

Signed this .... day of 2008

Shareholder's Signature..

THIS PROXY FORM SHOULD NOT BE SENT TO THE REGISTRAR IF THE MEMBER WILL BE ATTENDING THE MEETING

NOTES:

1. A member (Shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by proxy. The above proxy form has been prepared to enable you exercise your vote if you cannot personally attend.
2. Provision has been made on the form for the Chairman of the Meeting to act as your proxy but, if you wish, you may insert in the blank space* the name of any person whether a Member of the company or not, who will attend the meeting and vote on your behalf instead of the Chairman of the Meeting.
3. In the case of joint holders, each holder should sign.
4. If executed by a corporation, the proxy form should bear its common seal or be signed on its behalf by a Director.
5. Please sign the above proxy form and post it so as to reach the address shown overleaf not later than 48 hours before the appointed time of the meeting.
6. The proxy must produce the Admission Card sent with the notice of the meeting to obtain entrance to the meeting.

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