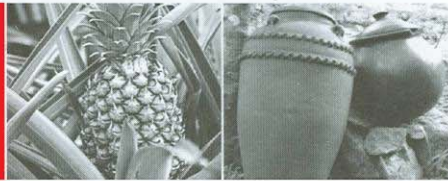


**ANNUAL REPORT**



**2008**

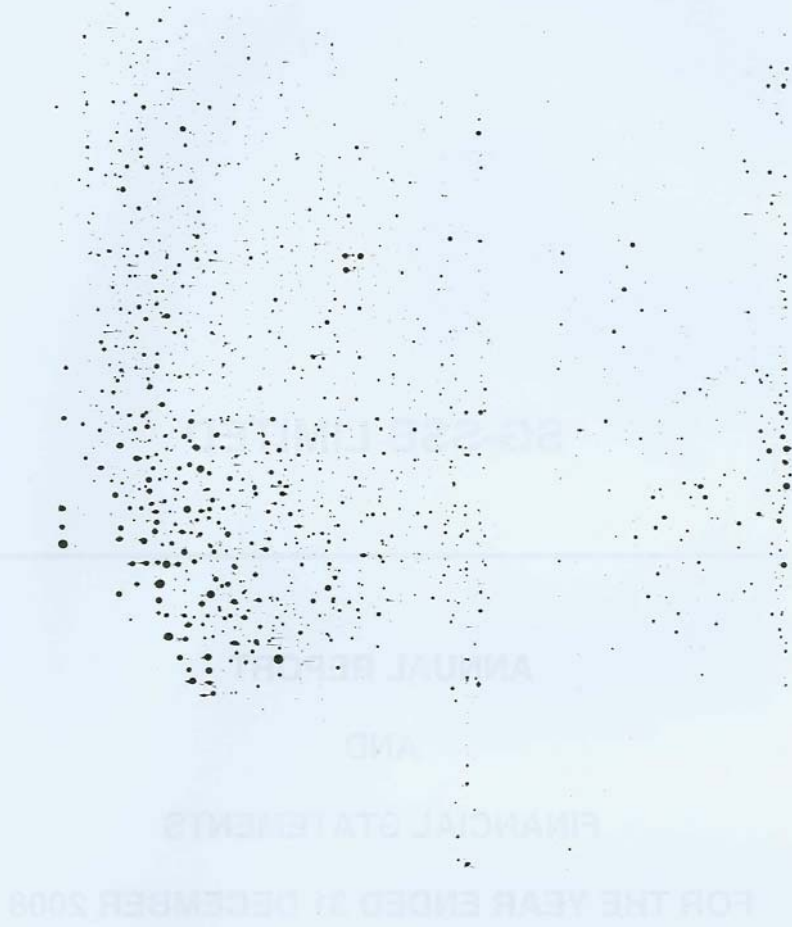


**SG-SSB LIMITED**

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**ANNUAL REPORT  
AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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## 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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**TABLE OF CONTENTS**

	<b>Page</b>
Notice of Annual General Meeting	7
General Information	9
Pictures of the Board of Directors	10
Profile of the Board of Directors	11
Chairman's Statement	13
Managing Directors Review	16
Financial Highlights	21
Directors Report	22
Statement of Directors responsibilities in relation to the Director's Report and the Financial Statements	25
Independent Auditors Report	26
Income Statement	28
Balance Sheet	29
Cash-flow Statement	30
Statement of Changes in Equity	31
Notes to Financial Statements	32
Branches Network	66
Branch References	67
Profile of Société Générale Group	69
Société Générale Correspondents in West Africa	70
Correspondent Banks	71
Proxy Form	73
Board Resolutions	75

TABLE OF CONTENTS

1. Introduction

2. Financial Statements

3. Management Discussion and Analysis

4. Corporate Governance

5. Environmental and Social Reporting

6. Appendix

7. Glossary

8. Index

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 29th Annual General Meeting of SG-SSB Limited will be held at the Accra International Conference Centre, Castle Road, Osu, Accra on Wednesday, 25th March, 2009 at 11.00 a.m. to transact the following business:

### ORDINARY BUSINESS

Ordinary Resolutions

1. To receive and adopt the Reports of the Directors, Auditors and the Financial Statements for the year ended 31st December, 2008.
2. To re-elect Directors.
3. To approve Directors' fees.
4. To authorise the Directors to determine the remuneration of the Auditors.


### SPECIAL BUSINESS

To pass the following as Special Resolutions:

5. That the Company be and is hereby authorised in accordance with its Regulations and the Companies Code 1963 Act 179 increase its stated capital to meet the minimum capital requirement of Ghc60 million set by the Bank of Ghana through a Rights and Bonus issue.
6. That the Company be and is hereby authorised in accordance with its Regulations to transfer from its income surplus account to stated capital.
7. That the Company be and is hereby authorised to amend its Regulations to allow for the issuance of and or conversion to dematerialised securities.

Dated, this 13th day of February, 2009.

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

Bernard David (Chairman)	Appointed 29th May 2008
Alain Bellissard (Managing)	
Alain Hourcade (Deputy Managing)	
Gilles Louvel (Risk & Legal)	
Philippe Vigue	Resigned 17th April 2008
Gérald Lacaze	Resigned 17th April 2008
Michel Mialle	
Kofi Ampim	
Kwaku Osafo	
Pierre Wolmarans	
Theresa Ntim	
Ambassador Fritz Kwabena Poku	
Patrick Le Buffe	Appointed on 29th May 2008

### 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

Societe Generale, incorporated in France

**THE BOARD OF DIRECTORS**



**Bernard David**  
*(Chairman)*



**Alain Bellissard**  
*(Managing)*



**Alain Hourcade**  
*(Deputy Managing)*



**Gilles Louvel**  
*(Risk & Legal)*



**Kofi Ampim**  
*(Non Executive Member)*



**Michel Miaille**  
*(Non Executive Member)*



**Kwaku Osafo (Dr.)**  
*(Non Executive Member)*



**Pierre Wolmarans**  
*(Non Executive Member)*



**Teresa Ntim (Mrs)**  
*(Non Executive Member)*



**Patrick Le Buffe**  
*(Non Executive Member)*



**Ambassador Fritz Kwabena Poku**  
*(Non Executive Member)*

## PROFILE OF THE BOARD OF DIRECTORS

### **Bernard David**

He was appointed Chairman of the Board of Directors, in May 2008. He holds a Bachelors Degree in Economic Sciences and a Masters in Economic Sciences obtained in 1976 from the Economy & Finance Section of the Institute d Etudes Politiques, Paris, France. His career with Societe Generale spans over 30 years serving in different capacities in the Inspection Division, Individual Customers & Securities Division, Retail Banking division, Products & Markets Division, Private Banking and International Retail Banking Division. He is currently the Deputy Head of the International Retail Banking Division (BFHM). He joined the Board of Directors on 29th May 2008.

### **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.

### **Alain Hourcade**

He is the Deputy Managing Director of the Bank. He holds a Masters degree 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 degree 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 in Societe Generale as Deputy Manager, Manama, State of Bahrain; Deputy Head of Corporate Banking, Le Havre, France; Head of Corporate Banking Société Générale, Rueil Malmaison France; and Head of Corporate Banking, Paris, La Défense, France. He joined the Board of Directors on 17th September 2007.

### **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. He 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 Ph. D in applied Economics, M.A. in Economics, M.B.A. in Finance, M.Sc in Irrigation and Water Resources and B.Sc in Agricultural Engineering. He is an experienced Engineer, Economist, Financial Analyst and Management Specialist with over thirty years experience. 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.

**Teresa Ntim (Mrs)**

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

**Ambassador Fritz Kwabena Poku**

He is a Barrister at Law and holds a BA (Hons) French and a Certificat des Etudes Francaises respectively from the Universities of Ghana and Abidjan. In addition he holds a Diploma in Public Administration and Management. A retired Career Diplomat with over 36 year's experience, he is the Chief Executive Officer of GDAS Consult, a consulting business on governmental relations, investment and diplomatic advisory services. He is currently the Chairman of the Board of Directors of FOCOS (Ghana). He joined the Bank's Board of Directors on 26th February 2007.

**Patrick Le Buffe**

He holds a Professional Banking Certificate and his career spans over 14 years with Société Générale serving in different capacities as an Inspector, Head of Back Office, Société Générale at SG Morocco, Managing Director of Société Générale de Banque aux Antilles (French West Indies) He is currently assigned as a Director of African, Mediterranean and Overseas Region at the Retail International Banking Division (BHFIM). He joined the Board of Directors on 29th May 2008.

## CHAIRMAN'S STATEMENT

### INTRODUCTION

Ladies and Gentlemen, it gives me great pleasure to welcome you to the 29th Annual General Meeting of SG-SSB Limited and to present to you the Annual and Financial Statements of your Bank for the year ended 31st December 2008. Our financial performance remained strong within the context of an increasingly competitive environment.



### ECONOMIC ENVIRONMENT

In 2008, the sub-prime mortgage crisis which started a few years back continued during the year and caused turbulence in financial markets especially, in the advanced countries. Major financial institutions had their capital wiped off and this led to a credit crunch. Subsequently, the economy of the major advanced countries ran into recession. Central Banks particularly, the American Federal Reserve Board had to cut interest rates to boost demand and also put up financial packages to save distressed banks and other financial institutions.

The high and unstable oil price which reached a peak of US\$141 per barrel was a major destabilizing factor in the world economy, especially the developing ones. Coupled with this were the high food prices which caused economic and social unrest in both poor and rich countries.

Locally, the global financial crisis did not have much adverse impact on the Ghanaian economy due partly to the mitigation pact put in by the Government to stem significant rise in imported food prices. However, as a result of the surges in the world oil prices, fuel prices had to be increased on several occasions. This had a rippling effect on prices of commodities as transport fares were adjusted to reflect the increases in fuel prices.

The prices of the country's major exports were favourable in 2008. The average price of cocoa increased by 29%; from US\$2,055 per tonne in 2007 to US\$2,660 per tonne in 2008. Gold prices moved up by 4.5% from an average of US\$878 per troy oz to US\$840 per troy oz. On the downside, oil prices rose from an average of US\$94 per barrel in 2007 to US\$96 per barrel in 2008, an increase of 2.7%.

In spite of the above mentioned external shocks of surges in the global oil price, the Ghanaian economy remained robust due to the pursuance of tight macro-economic and fiscal policies by the Government.

The value of the Ghana cedi in relation to the major international currencies in 2008 was not very stable especially during the last quarter of the year. The value of the cedi in relation to the US dollar on the inter-bank market depreciated by 22% from GH¢0.95 to \$1.00 at the end of 2007 to GH¢1.21 at the end of 2008. It also depreciated in relation to the Euro by 17.53%. The Ghana cedi however, appreciated by 9% in relation to the Pound Sterling.

Inflation year-on-year, which was 13% at the beginning of the year, peaked at 18% in June 2008 mainly as a result of the pass through effect of the increases in fuel prices coupled with increases in utility tariffs. Inflation eased a bit from July but increased again in December 2008 to 18% from 17% as at end November 2008.

In line with rising inflationary expectations, the Bank of Ghana Prime Rate which was 13.5% at the beginning of 2008 was increased by 350 basis points to 17% by the end of the year. Consequently, the yield on government securities increased during the year. The yield on the 91-Day Treasury Bill (the benchmark rate), increased by 1,405 basis points from 11% at the beginning of the year to 25% at the end of December 2008. Consequently, the average base rate quotations of banks were revised upwards.

#### **OPERATIONAL RESULTS**

Your Bank recorded a Net Profit before Taxation of GH¢ 21,867,388 from which taxation of GH¢6,345,691 was deducted giving a Net Profit after Tax of GH¢15, 521,697. Net Banking Income increased by 23.4% and Operating Expenses grew by 17.10%. Shareholders Funds increased from GH¢58,424,630 to GH¢69,671,327 representing an increase of 19.25%.

#### **SHARE PERFORMANCE**

At the start of 2008 our share price was GH¢1.20 and by the end of 2008 our share price had increased to GH¢1.35.

#### **BANK OF GHANA'S DIRECTIVE ON MINIMUM CAPITAL REQUIREMENT**

The Bank of Ghana in 2008 issued a Notice on meeting the Minimum Capital Requirements that it had revised the minimum capital requirement for obtaining a Class 1 banking licence (universal banking) to Gh¢60 million. Your Bank having a foreign majority share ownership has therefore to meet the minimum capital requirement for obtaining a Class 1 banking license by 31st December 2009. It is proposed that the preferred option for your Bank be a combination of a Rights and Bonus Issue.

#### **AUTOMATION OF THE GHANA STOCK EXCHANGE**

The automation of the Ghana Stock Exchange ("GSE") which commenced in the year 2008 was undertaken to increase the efficiency of the market, increase liquidity, enhance the Ghana Stock Exchange competitiveness and attract investors and issuers. In this vein the GSE Securities Depository Company was established and began operations on November 14 2008. This was done in accordance with Section 12(2) of the Central Securities Depository Act 2007 (Act 733) and is only the first of the various steps to be taken in the Ghana Stock Exchange's quest to make the transition from the use of paper share certificates to electronic book entry securities. Section 12 (1) (a) and (b) of the Act provides that an issuer of securities to the public may issue a security in uncertified or dematerialised form with it is authorised in its regulations and authorised by a resolution of its Board of Directors. Further that an issuer may convert a certified security into an uncertified security where it is authorised in its regulations and by a resolution of its Board of Directors.

In pursuance of this the Council of the Stock Exchange decided that as a next step, all listed companies are to amend their company regulations at their next Annual General Meeting in 2009 to allow for the issuance of and or conversion to dematerialised securities. The Council of the Stock Exchange also decided that with effect from January 2009 all new or additional securities being listed should be electronic securities that have been admitted into the GSE Securities Depository.

The amendment of the Regulations of listed companies in compliance with the Ghana Stock Exchange's request will enhance the rate at which securities are placed in the depository, make more efficient and less cumbersome keeping of shareholding records and ultimately improve liquidity in the capital market. The Board is therefore recommending that Members support the proposed amendment. We encourage all

shareholders to contact their stockbroker with their share certificates and have their certificates placed in the GSE Securities Depository.

#### **BOARD OF DIRECTORS**

During the year, Mr Philippe Vigue stepped down as Chairman of the Board on retiring from Societe Generale. Also Mr Gerald Lacaze resigned from the Board. I would like to pay richly deserving tributes to the Directors who retired during the year for their invaluable service. Messrs David and Le Buffe on the recommendation of the Directors and with the approval of Bank of Ghana were appointed as Directors of the Bank during the year. As required by the Regulations of the Company they will be seeking re-election as Directors.

#### **CORPORATE GOVERNANCE**

Your Bank respects the highest standards of corporate governance by maintaining corporate policies and standards designed to encourage good and transparent corporate governance, avoid potential conflicts of interest and promoting ethical business practices. The Continuing Listing Requirements of the Stock Exchange, the Securities and Exchange Commission Regulations and the Banking Acts provide your Bank with the regulatory framework for ensuring effective corporate governance.

#### **OUTLOOK FOR 2009**

The year 2009 brought in a new President who would be looking after the country for the next 4 years and also promisingly the confirmation that the oil find in Ghana could lead to a different and better environment for the whole country. The year 2009 holds a lot of promise for the country as well as your Bank. We will, therefore, continue to deepen stakeholder relationships by effectively liaising with our customers, communities, and our regulators. We will continue to work with the Central Bank to strengthen the regulatory framework.

#### **APPRECIATION**

On behalf of the Board of Directors, I would like to express my sincere gratitude to Management and staff at all levels, for their contribution to the robust, profitable growth and strong profits we made in 2008. I also wish to extend my appreciation to shareholders and our customers for the firm confidence and support demonstrated. I am confident that together we can continue to build SG-SSB into a Preferred Banking Institution which employs Professionalism, Team Spirit and Innovation resulting in a more profitable business of which we can all be proud.

Thank you for your support.



**BERNARD DAVID**  
**CHAIRMAN**



## MANAGING DIRECTOR'S REVIEW

All too soon another year has come to an end and it is time to report on your Bank's operational activities during the period under review. In the year 2008 your Bank pursued its objective of making SG-SSB the Preferred Bank. To achieve these goals we adopted strategies aimed at increasing our profitability and productivity and controlling expenses resulting in robust and profitable growth in the year 2008.



### 2008 OPERATING RESULTS

Your Bank recorded a Net Profit before Taxation of GH¢ 21,867,388 from which taxation of GH¢6,345,691 was deducted giving a Net Profit after Tax of GH¢15,521,697. Net Banking Income increased by 23.4% and Operating Expenses grew by 17.10%. Shareholders Funds increased from GH¢58,424,630 to GH¢69,671,327 representing an increase of 19.25%. The key figures and results prove that we are a solid Bank.

### REVIEW OF OPERATIONS FOR 2008

- Comprehensive Risk Management
- Implementation of Major Projects at Organisation Support
- Active Human Resources Management
- Sustained Growth and Effective Controls at Treasury
- Sound Performance at the International Business Centre
- Aggressive Growth at the Business Banking Department
- Continued Implementation of Retail Banking Strategy

### COMPREHENSIVE RISK MANAGEMENT

The Risk Division was expanded in 2008, further enhancing its oversight role over the activities of your Bank. The functions of Permanent Supervision, Compliance, Anti-Money Laundering and Business Continuity Planning coordination were added to the Division. This change gave the Division a wider scope in coordinating and implementing monitoring activities Bank-wide. These additions will help improve the overall effectiveness of the Division.

The policy of active risk management continued in 2008. The quality of credit risk assessment continued to be maintained at a high level throughout the year. The Operational Risk Committee met quarterly during the year and reviewed changes in your Banks risk exposure, control environment as well as monitoring any preventive or corrective actions initiated.

The year 2008 saw the Legal Department of your Bank continue with its core objective of safeguarding your Bank's legal interests with greater coordination between the Risk and Legal Departments with the undertaking of joint projects. The Legal Committee of the Bank was also re-launched.

#### **IMPLEMENTATION OF MAJOR PROJECTS AT ORGANIZATION SUPPORT**

The year 2008 saw the launching of a major project by your Bank by called the "AKOBEN". This project will enable the current banking application migrate from Flexcube an iflex software, to the Delta software which is deployed in most of the Societe General subsidiaries.

The Delta Payroll system and Delta fixed Assets system were initiated during the year under review to be completed by the first quarter of 2009. This strategic change is in line with harmonizing the various existing systems with that of Societe General Group worldwide.

Your Bank also partook in the e-zwich project launched by the Government of Ghana in 2008, to modernize the payment system of all financial institutions. A Cheque Codeline Clearing and Automated Clearing House project was initiated by Bank of Ghana in 2008 and your Bank participates in this project to be implemented by the middle of 2009.

#### **ACTIVE HUMAN RESOURCES MANAGEMENT**

The maiden edition of the Collective Agreement with the Professional & Managerial Staff was finalized and a joint management/union visit to Branches and Departments were undertaken to educate staff about the Agreement as well as various policies of your Bank. The year also saw the smooth implementation of Redundancy and Early Leavers' Schemes that were initiated by Management.

The Department further demonstrated its continued support for various programs initiated by your Bank such as the Workplace Program on HIV Aids, Health Screening for staff and Branch Rationalization Program.

The year 2008 active for the Training Department having achieved over 18,256 hours of training for staff across different grades. About 60% of staff were trained in different areas with a greater majority being middle-level managers and supervisors.

Apart from departmental requests for training programs, three main in-house programs were organised by the Training Department during the year. These were Customer Care in Retrospect which was aimed at addressing poor customer service, Strategic Supervision for Peak Performance and Anti- Money Laundering.

Your Bank also benefited from the National Banking College's Training programs and received technical support from BHFm through the facilitation of a program on Operational Risk for Heads of Departments. Staff involved in cards processing and monitoring attended an in house training in Egypt provided by your Bank's MSCC Service Provider.

#### **SUSTAINED GROWTH AND EFFECTIVE CONTROLS AT TREASURY**

Your Bank met its prudential reserving requirements in both foreign and local currency in 2008. In local currency it remained net lender to the market for the most part. Liquidity needs were also met by disinvesting in Treasury bills which reduced short term investments and in line with your Bank's strategy of preferring to fund local business which is seen as the engine for sustained economic growth.

Your Bank remained liquid in foreign currency and was able to meet its requests for foreign currency loans funded mainly from deposits. Your Bank did not suffer any adverse impact due to the global financial crises and all borrowing lines were maintained and at market prices which were generally downward in our favour.

Your Bank is working on the introduction of a new product addressing top customers needs for short term loans at competitive rates.

Treasury controls were strengthened in line with international practice by introducing new procedures and processes with the aim of reducing operational risk in the dealing environment and to build the confidence of our customers and staff.

#### **SOUND PERFORMANCE AT THE INTERNATIONAL BUSINESS CENTRE**

The year 2008's activities saw an improvement of 14% over the previous year's achievement in terms of transactional values in euros. Similarly, commissions earned increased by 19% over year 2007's figure achieved.

Import Transfers recorded a growth in transaction values, over and above the previous year's figures by 17%. Similarly, Export Transfers recorded a 22% increase in transaction values over the previous year's performance. This exceeded the budget estimates of achieving a 20% growth.

Import Documentary Collections sector achieved a 1% increase in transaction values over the 2007 figures with Export Documentary Collections for the year recording a 7% increase over the 2007 figures.

Export of Letter of Credit products posed a dip of -41% in 2008 relative to the 2007 figures. The credit crunch being experienced abroad made the clients quite pessimistic and therefore only a few clients who were regular presented their letters of credit through the centre. Also import of Letters product recorded a dip of -9% in relation to the previous year's figure. This is a direct result of the global recession that had affected the import trade business negatively.

Draft Payments transactions achieved a positive 21% increase in operational values during the period under review. Commissions however, dipped by -41%.

Commissions and Fees exceeded the previous year's commissions and fees figure by 19%. In all, the centre's transaction values achieved a 14% increase over the previous year's activities.

#### **AGGRESSIVE GROWTH AT THE BUSINESS BANKING DEPARTMENT**

At the Business Banking Department, Gross Loans and advances portfolio grew by 37% in 2008. These postings were the results of more aggressive posture adopted, and introduction of new products and processes. The increased exposure covered all sectors of the economy, particularly Agriculture, Transport, Manufacturing, Housing, Telecommunication, ICT and Commerce.

The strategic focus of SME segment was given further impetus with development of staff capacity and introduction of new products and simplified evaluation processes to respond to the demands of the market. The overall quality of portfolio improved, and this will be built on strongly in the ensuing year. Gross credit recorded 30% growth compared to 20% achieved the year before. This segment will remain an important market and will receive requisite attention to bond existing relationships and develop new ones. The "Boafo Business Credit" introduced during the last quarter of the year presents a unique opportunity for the SME customers to have increased access to credit without worrying about tangible collateral.

Exposure to multinational and large local corporate businesses increased by 38% in 2008, largely on account of new relationships, new products and markets niches developed in order to reduce exposure concentration as well as improve the profitability. The cocoa, agro-services sector, construction, haulage, real estate and manufacturing were particularly important.

Your Bank commenced Finance Leasing in 2008 supporting customers with equipment and machinery requirements thereby releasing short term funds that customers would otherwise have channelled into Capital Expenditure. A substantial amount of the leases were written for productive sectors of the economy such as Construction, Manufacturing and Agriculture. SG-SSB Finance Lease is the most competitive on the market. Business Banking increased its deposit mobilization by 14.5% in 2008.

#### **CONTINUED IMPLEMENTATION OF RETAIL BANKING STRATEGY**

Within the Branches Network, your Bank continued with its strategy of refurbishing. The Okaishie and Sunyani Branches were refurbished while similar works have commenced in Akim Oda to get the branch relocated. The Kaneshie Market agency is also going through a facelift. Properties have been acquired for development of branches at the Spintex Road in Accra, and Asafo Market, Kejetia and Suame all in Kumasi. Their commissioning is planned for 2009, while we are still looking for opportunities in Greater Accra, Western and Central Regions.

With the approval of the Bank of Ghana, your Bank reorganized its operations in the Cocoa Area by reducing six branches to agency status. The measure was taken to reduce your Banks operational losses while maintaining its presence in the area.

At the Retail Credits Unit, your Bank's in its drive towards increasing its loans to employees of companies, ministries, government departments and agencies saw a growth in consumer loans by 20% over the previous year.

The Retail Supervision Unit which is responsible for ensuring the attainment of a healthy retail portfolio by monitoring commitments, their performance, corroborates with Branches network in effecting remedial action. The Unit was tasked with monitoring the branches compliance and verification of operational processes in line with the Permanent Supervision guidelines. During the year under review the Unit undertook daily monitoring and clean up of irregular retail accounts; monitoring on a monthly basis performance of retail credits and the clean up of the retail portfolio by investigating dormant accounts and non performing accounts.

#### **MARKETING DEPARTMENT**

The Marketing Department in 2008 developed an icon, dubbed **KOFI CASH** to represent the new face of the Bank, to be used in all SG-SSB Retail communications. This icon will be presented at various stages depending on the objective of the communication

A successful loans campaign to create awareness among customers and the general public about your Bank's range of competitive loan products, and to encourage the public to sign on to the loans was launched in the year. As an additional incentive, processing fees were waived on all loans contracted during the campaign period. There was an internal challenge to motivate staff to sell more loans and monetary prizes were awarded to high performing branches and their staff. During the promotional period SG-SSB priced its loans lower than the average market rates.

Your Bank launched the MoneyGram loyalty campaign at all branches with the objective of increasing patronage of the product for customers who receive a sum above a specific amount through MoneyGram the chance of winning prizes. .

#### **CORPORATE CITIZEN**

Your Bank a good corporate citizen effected its corporate social responsibility by supporting the community and government based programmes in Health, Education, Cultural and Agricultural sectors of the community and intends on meeting its social obligations.

#### **PROSPECTS FOR 2009**

The year 2009 will be full of expectations but also of challenges in many operational and administrative aspects essential for the future of your Bank. With Akoben, a new automated clearing solution implemented by the Bank of Ghana and the GHIPPS sponsored Ezwich project. The year 2009 shall be dedicated to marketing and sales and the implementation of an aggressive communication strategy to increase your Bank's market share which will increase net results for the year.

#### **ACKNOWLEDGEMENT**

I wish to acknowledge the contribution of staff and thank them for their hard work and support throughout the changes of last year. I also thank our shareholders and customers for the invaluable loyalty.

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 2008 report as follows:-

<b>Results</b>	<b>2008 GH¢</b>	<b>2007 GH¢</b>
The Bank recorded a net profit before taxation of	<b>21,867,388</b>	15,576,794
From which is deducted taxation of	<b><u>6,345,691</u></b>	<u>3,987,678</u>
Giving a net profit after taxation of	<b>15,521,697</b>	11,589,116
From which is deducted final dividend paid of	<b>4,275,000</b>	6,388,074
And an interim dividend of	<b>-</b>	<u>4,137,900</u>
Leaving a balance of	<b>11,246,697</b>	1,063,142
From which there were transfer to statutory reserve of	<b><u>1,940,212</u></b>	<u>1,448,640</u>
Leaving a profit / (loss) for the year after taxation, dividend and transfer to statutory reserve of	<b>9,306,485</b>	(385,498)
When added to the opening balance on the Income surplus account as of 1 January 2007 of	<b><u>27,309,242</u></b>	<u>27,694,740</u>
It leaves a closing balance on the income surplus account of	<b><u>36,615,727</u></b>	<u>27,309,242</u>

## 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, Ambassador Fritz Kwabena Poku and Mrs Teresa Ntim retire by rotation and being eligible; offer themselves for re-election as directors.

Mr. Bernard David and Mr Patrick Le Buffe were appointed as Directors during the year and retiring in accordance with Section 72 (1) of the Regulations, being eligible offer themselves for re-election.

### Teresa Ntim (Mrs)

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

### Ambassador Fritz Kwabena Poku

He is a Barrister at Law and holds a BA (Hons) French and a Certificat des Etudes Francaises respectively from the Universities of Ghana and Abidjan. In addition he holds a Diploma in Public Administration and Management. A retired Career Diplomat with over 36 year's experience, he is the Chief Executive Officer of GDAS Consult, a consulting business on governmental relations, investment and diplomatic advisory services. He is currently the Chairman of the Board of Directors of FOCOS (Ghana). He joined the Bank's Board of Directors on 26th February 2007.

### Bernard David

He holds a Bachelor Degree in Economic Sciences and a Master in Economic Sciences obtained in 1976 from the Economy & Finance Section of the Institute d Etudes Politiques, Paris, France. His career spans over 30 years with Societe Generale serving in different capacities in the Inspection Division, Individual Customers & Securities Division, Retail Banking France, Products & Markets Division, Private Banking and International Retail Banking Division. He is currently the Deputy Head of the International Retail Banking Division (BFHM). He joined the Board of Directors on 29th May 2008.

**Patrick Le Buffe**

He holds a Professional Banking Certificate and his career spans over 14 years with Societe Generale serving in different capacities as an Inspector, Head of Back Office, Secretary Generale at SG Morocco, Managing Director of Societe Generale de Banque aux Antilles (French West Indies) He is currently assigned as a Director of African, Mediterranean and Overseas Region at the Retail International Banking Division (BHFM). He joined the Board of Directors on 29th May 2008.

**DIRECTORS' INTEREST**

Two directors holding office at the end of the year owned 1,100 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.

**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 2008 will be proposed at the Annual General Meeting.

**BONUS SHARES**

There has been no proposal for the issue of bonus shares during the year under review (2007: NIL).

**SUBSTANTIAL SHAREHOLDERS**

Details of the Bank's twenty largest shareholders are disclosed in Note 47 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:

Dr Kwaku Osafo	-	Chairman
Michel Miaille	-	Member
Teresa Ntim	-	Member
Kofi Ampim	-	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, General Manager of Finance and Administration, the General Manager, Inspection 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 2008. The Audit Committee held two meetings during the year under review.

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

- Report on the Credit Risk, Operational Risk, and Market Risk Activities
- Report on Structural Risks and Statutory Ratios
- Report on Bank of Ghana's Prudential Ratios
- Report on an overview of the Inspection Division and its functions
- Report on Compliance Monitoring, Anti Money Laundering and Permanent Supervision ensuring continuous monitoring of operational activities.
- Report on Counterparty Risks
- Report on Changes in Organisational Structure
- Report on Business Continuity Plan
- Inspection Reports on Branches submitted.

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

**BY ORDER OF THE BOARD**

.....  
**CHAIRMAN**  
(Bernard David)



.....  
**MANAGING DIRECTOR**  
(Alain Bellissard)

ACCRA

13 February 2009

## 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 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 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.

The above statement, which should be read in conjunction with the report of the Auditors, sets out on page 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 2008, the statements of income, cash flows and changes 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 2008, 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) and the Banking Act 2004 (Act 673) as amended by the banking Act, 2007 (Act 738).

### Report on Other Legal and Regulatory Requirements

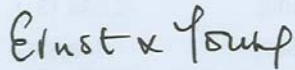
The Ghana Companies Code, 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- 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 and profit and loss accounts of the company are in agreement with the books of account.

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

- i. The Financial Statements give a true and fair view of the state of affairs of the Bank and its results for the year.
- ii. We were able to obtain all relevant information and explanations required for the efficient performance of our functions.
- iii. The Bank's transactions were within the powers of the Bank and
- iv. The Bank has complied with the provisions of the Banking Act, 2004 (Act 673) as amended by the Banking Act, 2007 (Act 738).



**Ernst & Young**  
Chartered Accountants  
Accra

Date: 13 February, 2009

**INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	2008 GH¢	2007 GH¢
Revenue	4	<u>78,294,344</u>	<u>64,976,372</u>
Interest & similar Income	5	47,533,284	42,351,021
Interest & similar charges	6	<u>(7,001,987)</u>	<u>(7,740,093)</u>
Net Interest Income		40,531,297	34,610,928
Fees and Commission Income	7	28,379,807	18,400,555
Other Operating Income	8	<u>2,441,253</u>	<u>4,812,288</u>
Total Operating Income		71,352,357	57,823,771
Credit Loss expenses	9	<u>(6,393,070)</u>	<u>(5,448,705)</u>
Net Operating Income		64,959,287	52,375,066
Staff Cost	10	(22,736,917)	(19,640,880)
Depreciation	25	(2,764,100)	(2,599,131)
Amortisation	26	(337,507)	(148,835)
Other Operating Expenses	11	<u>(17,253,375)</u>	<u>(14,409,426)</u>
Total Operating Expenses		<u>(43,091,899)</u>	<u>(36,798,272)</u>
Profit before tax		21,867,388	15,576,794
Income tax expenses	12	<u>(6,345,691)</u>	<u>(3,987,678)</u>
Profit for the year		<u>15,521,697</u>	<u>11,589,116</u>
Attributable to:			
Equity holders of the Bank (transfer to Income Surplus)		<u>15,521,697</u>	<u>11,589,116</u>
Total		<u>15,521,697</u>	<u>11,589,116</u>
Earnings Per Share:			
Equity Shareholders of the Bank			
Basic (GH¢)	14	0.1089	0.0695
Diluted (GH¢)		0.1089	0.0695

The attached notes 1 to 48 form an integral part of these financial statements

**BALANCE SHEET AS OF 31 DECEMBER 2008**

	Notes	2008 GH¢	2007 GH¢
<b>Assets</b>			
Cash on hand and cash balances with Bank of Ghana	15	46,905,469	36,237,220
Due from Banks & other Financial Institutions	16	34,178,882	57,937,231
Financial Investments (Government Securities)	17	42,050,881	83,237,133
Loans & Advances	18	287,120,110	212,444,163
Investment in other securities/Available for sale	20	288,514	18,514
Other Assets	22	2,974,376	9,145,849
Current tax : Assets	23	817,575	-
Property, plant & equipment	25	20,519,035	18,422,727
Intangible Assets	26	1,910,288	413,990
Total Assets		<u>436,765,130</u>	<u>417,856,827</u>
<b>Liabilities</b>			
Customer Deposits	27	298,858,563	279,740,749
Due to banks & other financial institutions	28	40,543,718	48,141,379
Interest Payables & Other liabilities	29	25,831,761	30,515,047
Current tax : liabilities	23	-	69,105
Deferred tax: liabilities	24	1,859,761	965,917
Total Liabilities		<u>367,093,803</u>	<u>359,432,197</u>
<b>Equity</b>			
Stated Capital	31	7,000,000	7,000,000
Share Deals Account	32	2,943,755	2,943,755
Capital Surplus		9,232,693	9,232,693
Income Surplus Account		36,615,727	27,309,242
Statutory Reserve Fund	33	13,879,152	11,938,940
Total Equity		<u>69,671,327</u>	<u>58,424,630</u>
Total Liabilities & Equity		<u>436,765,130</u>	<u>417,856,827</u>

The attached notes 1 to 48 form an integral part of these financial statements

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 GH¢	2007 GH¢
<b>OPERATING ACTIVITIES</b>			
Profit before taxation		21,867,388	15,576,794
<b>Adjustments for:</b>			
Depreciation	25	2,764,100	2,599,131
Amortization	26	337,507	148,837
Dividend from investments		(42,052)	-
Profit on sale of property, plant and Equipment		(15,405)	(8,467)
Other non-cash movement		-	1,879,458
<b>Operating profit before working capital changes</b>		<b>24,911,538</b>	<b>20,195,753</b>
Decrease/(Increase) in other assets		6,171,473	(5,508,732)
Decrease/(Increase) in other liabilities		(3,934,645)	7,961,944
Increase in customer deposits		19,117,814	43,136,123
Increase in loans and advances to customers		(74,675,947)	(72,692,152)
Decrease in Government Securities/borrowings		41,186,252	19,124,909
Decrease in amount due to banks and other financial institutions		(7,597,661)	(187,988)
Cash from operations		5,178,824	12,029,857
Income Tax paid		(7,086,532)	(2,841,056)
National reconstruction levy paid		-	(706,900)
<b>Net cash flow from operating activities</b>		<b>(1,907,708)</b>	<b>8,481,901</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	25	(4,910,120)	(1,906,192)
Purchase of intangible assets	26	(1,833,805)	(285,449)
Proceeds from sale of property, plant and equipment		64,481	13,550
Increase in investments and government securities		(270,000)	32,526
Dividend received		42,052	-
<b>Net cash used in investing activities</b>		<b>(6,907,390)</b>	<b>(2,145,565)</b>
<b>FINANCING ACTIVITIES</b>			
Dividend paid		(4,275,000)	(10,525,974)
<b>Net cash used in financing activities</b>		<b>(4,275,000)</b>	<b>(10,525,974)</b>
<b>Decrease in cash &amp; cash equivalents</b>		<b>(13,090,100)</b>	<b>(4,189,638)</b>
Cash & cash equivalents as at 1 January		94,174,451	98,364,089
<b>Cash &amp; cash equivalents as at 31 December</b>		<b>81,084,351</b>	<b>94,174,451</b>

The attached notes 1 to 48 form an integral part of these financial statements

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008

2008	Stated Capital GHc	Income Surplus GHc	Capital Surplus GHc	Share Deals Account GHc	Statutory Reserve Fund GHc	Total GHc	Total Equity Holders of the Bank GHc
Balance as at 1 January 2008	7,000,000	27,309,242	9,232,693	2,943,755	11,938,940	58,424,630	58,424,630
Profit for the year	-	15,521,697	-	-	-	15,521,697	15,521,697
Dividend paid	-	(4,275,000)	-	-	-	(4,275,000)	(4,275,000)
Transfer to statutory reserve	-	(1,940,212)	-	-	1,940,212	-	-
Balance as at 31 December 2008	<u>7,000,000</u>	<u>36,615,727</u>	<u>9,232,693</u>	<u>2,943,755</u>	<u>13,879,152</u>	<u>69,671,327</u>	<u>69,671,327</u>

### 2007

Balance as at 1 January 2007	7,000,000	27,694,740	9,232,693	2,943,755	10,490,300	57,361,488	57,361,488
Net profit for the year	-	11,589,116	-	-	-	11,589,116	11,589,116
Dividend paid	-	(10,525,974)	-	-	-	(10,525,974)	(10,525,974)
Transfer to statutory reserve	-	(1,448,640)	-	-	1,448,640	-	-
Balance as at 31 December 2007	<u>7,000,000</u>	<u>27,309,242</u>	<u>9,232,693</u>	<u>2,943,755</u>	<u>11,938,940</u>	<u>58,424,630</u>	<u>58,424,630</u>

The attached notes 1 to 48 form an integral part of these financial statements



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

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.

**2.8 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.

**2.9 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.

**2.10 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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

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.

**2.11 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.

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

presentational currency of the Bank.

### 2.3 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 balance 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.

### 2.4 Segment reporting

The Bank is yet to organize itself to support segment reporting. See Note 4

### 2.5 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:

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

• 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 capitalized 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.

**2.6 Intangible assets****Computer software**

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 lives ranges between 4 and 5 years.

**2.7 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

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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.

### 2.8 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.

### 2.9 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.

### 2.10 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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

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.

**2.11 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.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

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 exists 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.

**2.12 Financial instruments –Initial recognition and subsequent measurement****{a} Date of recognition**

Purchase 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.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

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.

**{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.



## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		2008	2007
		GH¢	GH¢
<b>4</b>	<b>Revenue</b>		
	Interest and similar income	5 47,533,284	42,351,021
	Fee & commission income	7 28,379,807	18,400,555
	Other income	<u>2,381,253</u>	<u>4,224,796</u>
		<u>78,294,344</u>	<u>64,976,372</u>

		2008	2007
		GH¢	GH¢
<b>5</b>	<b>Interest and similar income</b>		
	Cash & short term funds	1,742,403	2,790,301
	Investments securities (5a)	9,399,259	14,764,400
	Loans & advances	<u>36,391,622</u>	<u>24,796,320</u>
		<u>47,533,284</u>	<u>42,351,021</u>

## 5(a). Investment Securities

	2008			2007		
	HTM <sup>1</sup> GH¢	AFS <sup>2</sup> GH¢	TOTAL GH¢	HTM <sup>1</sup> GH¢	AFS <sup>2</sup> GH¢	TOTAL GH¢
Bank of Ghana/Treasury bills	-	9,399,259	9,399,259	-	14,764,400	14,764,400
Other securities	-	-	-	-	-	-
	-	<u>9,399,259</u>	<u>9,399,259</u>	-	<u>14,764,400</u>	<u>14,764,400</u>

<sup>1</sup>HTM = Held to maturity<sup>2</sup>AFS = Available for sale

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

	2008 GH¢	2007 GH¢
<b>6 Interest and similar charges</b>		
Savings Accounts	4,237,700	3,927,431
Current Accounts	777,948	583,277
Borrowings	<u>1,986,339</u>	<u>3,229,385</u>
	<u>7,001,987</u>	<u>7,740,093</u>

	2008 GH¢	2007 GH¢
<b>7 Fees &amp; commission income</b>		
Fees & Commission	28,379,807	18,400,555
	<u>28,379,807</u>	<u>18,400,555</u>

	2008 GH¢	2007 GH¢
<b>8 Other operating income</b>		
Bad debt recoveries	763,843	2,297,610
Profit on sale of fixed PPE	15,405	587,493
Dividend received	42,052	-
Others	<u>1,619,953</u>	<u>1,927,185</u>
	<u>2,441,253</u>	<u>4,812,288</u>

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

	2008 GH¢	2007 GH¢
<b>9 Credit loss expenses</b>		
Specific	6,228,657	5,201,898
General	<u>164,413</u>	<u>246,807</u>
	<u>6,393,070</u>	<u>5,448,705</u>

	2008 GH¢	2007 GH¢
<b>10 Staff Costs</b>		
Salaries, bonuses & staff allowances	11,990,674	10,428,822
Social Security Fund Contribution	1,287,776	1,293,480
Provident Fund Contributions	1,033,025	915,933
Other Employee Costs (excluding training)	<u>8,425,442</u>	<u>7,002,645</u>
	<u>22,736,917</u>	<u>19,640,880</u>

The average number of persons employed by the Bank during the year was 673 (2007: 705).

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

	2008 GH¢	2007 GH¢
<b>11 Other operating expenses</b>		
Directors' & Key Management Emoluments (11a)	960,554	143,063
Donation	13,509	57,474
Advertising and marketing	384,923	273,468
Training	176,753	278,892
Auditors Remuneration(11b)	119,385	62,927
Others	<u>15,598,251</u>	<u>13,593,602</u>
	<u>17,253,375</u>	<u>14,409,426</u>

**11(a) Directors' & Key Management Emoluments**

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

	2008 GH¢	2007 GH¢
Fees	92,574	70,052
Directors expenses	60,874	73,011
Salaries & other benefits	<u>807,107</u>	<u>614,333</u>
	<u>960,555</u>	<u>757,396</u>

**11(b) Auditors' Remuneration**

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

	2008 GH¢	2007 GH¢
Audit Services		
- Statutory audit	119,384	62,927
	<u>119,384</u>	<u>62,927</u>
Total fees paid to Ernst & Young	<u>119,384</u>	<u>62,927</u>

The description of the type of services included within the category above is shown below:

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.

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

12 Income Tax		2008	2007
Analysis of charge for the year	Notes	GH¢	GH¢
Current tax	23	5,451,847	3,559,461
Deferred tax		<u>893,844</u>	<u>428,217</u>
Charge to Income		<u>6,345,691</u>	<u>3,987,678</u>

The tax charge on the profit is based on Ghana's corporate tax rate of 25% (2007: 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:

	2008	2007
	GH¢	GH¢
Profit before tax	<u>21,867,388</u>	<u>15,576,749</u>
Tax charge thereon at Ghana corporation tax rate of 25%	5,451,847	3,894,199
<b>Factors affecting charge:</b>		
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	-	<u>(1,617,712)</u>
Tax on current profit as stated	5,451,847	3,559,461
Other taxes/deferred tax	<u>893,844</u>	<u>428,217</u>
Tax on profit as per the financial statements	<u>6,345,691</u>	<u>3,987,678</u>
Effective Tax Rate	<u>29.02%</u>	<u>26%</u>

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

**13 Dividend Tax**

All deductions made were paid during the year

**14 Earnings per share**

*Basic earnings per share:*

Basic earnings per share is calculated by dividing the profit after tax for the year 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 year.

	2008	2007
Profit attributable to shareholders of the Bank (GH¢)	15,521,697	9,900,306
Weighted average number of outstanding ordinary shares	<u>142,500,000</u>	<u>142,500,000</u>
Earning per Share	<u>GH¢0.1089</u>	<u>GH¢0.0695</u>

*Diluted earnings per share:*

The Bank has no category of dilutive potential ordinary shares.

**15 Cash on hand and cash balances with Bank of Ghana**

	2008 GH¢	2007 GH¢
Cash in hand	15,694,563	15,201,631
Balances with Bank of Ghana	<u>31,210,906</u>	<u>21,035,589</u>
	<u>46,905,469</u>	<u>36,237,220</u>

**16 Due from banks & other financial institutions**

	2008 GH¢	2007 GH¢
NOSTRO account balances	25,008,807	28,209,528
Items in course of collection	9,170,075	18,727,703
Placements with other banks	-	<u>11,000,000</u>
	<u>34,178,882</u>	<u>57,937,231</u>

**17 Financial investments/Government securities**

	2008			2007		
	HTM GH¢	AVFS GH¢	TOTAL GH¢	HTM GH¢	AVFS GH¢	TOTAL GH¢
Bank of Ghana Securities		42,050,881	42,050,881	-	83,237,133	83,237,133

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

## 18 Loans &amp; Advances

(a) Analysis by type of products	2008 GH¢	2007 GH¢
Overdrafts	117,064,503	95,408,114
Term Loans	168,199,803	123,811,626
Export bill	42,678	151,139
Staff Loan	8,515,058	7,186,658
Equipment Finance Lease	<u>8,459,149</u>	-
Gross loans & Advances	302,281,191	226,557,537
Interest in suspense	(3,776,051)	(4,815,814)
Less: Allowances for impairments -Note 19	<u>(11,385,030)</u>	<u>(9,297,560)</u>
Total	<u>287,120,110</u>	<u>212,444,163</u>

All loans have been written down to their estimated recoverable amounts. Unrecognized interest related to such loans amounted to GH¢3,776,051 (2007: GH¢4,815,814)

Other statistics	2008	2007
i: Loan Loss Provision Ratio	4%	4%
ii: Gross Non-Performing Loan ratio	5%	7.7%
iii: 50 Largest exposure (Gross Funded Loan & Advances) to Total Expenditure	61%	79%

(b) Analysis by Business Segment	2008 GH¢	2007 GH¢
Agriculture, forestry and fishing	32,955,966	39,481,269
Mining and Quarrying	2,608,310	8,612,209
Manufacturing	45,849,158	40,444,195
Construction	7,091,362	6,461,900
Electricity, gas and water	3,807,396	1,444,376
Commerce & Finance	109,917,548	39,510,766
Transport, Storage & Communication	16,067,116	14,069,148
Services	59,087,195	48,864,936
Miscellaneous	<u>24,897,140</u>	<u>27,668,738</u>
	<u>302,281,191</u>	<u>226,557,537</u>

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

(c) Analysis by type of Customer	2008 GH¢	2007 GH¢
Individual	83,217,918	78,605,507
Private Enterprise	174,621,442	109,835,229
Public Enterprise	28,242,843	28,345,895
Government Departments & Agencies / Staff	7,683,931	2,583,761
	<u>8,515,057</u>	<u>7,187,145</u>
	<u>302,281,191</u>	<u>226,557,537</u>

19 Provisions for Allowances Account	2008 GH¢	2007 GH¢
Balance at 1 January	9,297,560	7,648,000
Increase in impairment	6,393,070	5,548,705
Charge offs/Recoveries	<u>(4,305,600)</u>	<u>(3,899,145)</u>
Balance 31 December	<u>11,385,030</u>	<u>9,297,560</u>

Loan provisioning carried out in accordance with Bank of Ghana Policy

	2008		2007	
	Available for sale GH¢	Total GH¢	Available for sale GH¢	Total GH¢
Unlisted Equities	<u>288,514</u>	<u>288,514</u>	<u>18,514</u>	<u>18,514</u>
	<u>288,514</u>	<u>288,514</u>	<u>18,514</u>	<u>18,514</u>

This investments are measured at cost.

#### 21 Investment in Affiliates

Principal subsidiary undertakings of SG-SSB limited

Name of Subsidiary	Country of incorporation	Principal Activity	SG-SSB's Interest in Equity	Value
SSB Investment Company Limited	Ghana	Investments	100%	Nil
Vacum Salt Products Ltd	Ghana	Production	10%	514
Accra City Hotels Ltd	Ghana	Hotel	20%	18,000
Consolidated Discount House Ltd	Ghana	Investments	12.9%	Nil
Advans Ghana	Ghana	Microfinance	10.19%	270,000



## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

**22 Other Assets**

	2008 GH¢	2007 GH¢
Stationery & consumable stocks	84,515	24,142
Prepayments & sundry debtors	2,826,689	8,800,489
Accrued income	<u>63,172</u>	<u>321,218</u>
Total	<u>2,974,376</u>	<u>9,145,849</u>

**23 Current tax: (Assets)/ Liabilities**

	Balance 01-01-08 GH¢	Adjustments/ reclassification GH¢	Charge for the year GH¢	Payments/ credits during the Year GH¢	Balance 31-12-08 GH¢
Up to 2005	(1,018,300)	-	-	-	(1,018,300)
2006	369,000	237,429	-	(547,076)	606,429
2007	718,405	510,580	-	(547,076)	(681,909)
2008	<u>-</u>	<u>-</u>	<u>5,451,852</u>	<u>(6,539,456)</u>	<u>(1,087,604)</u>
	<u>69,105</u>	<u>748,009</u>	<u>5,451,852</u>	<u>(7,086,532)</u>	<u>(817,566)</u>

**24 Deferred tax: Assets/ (Liabilities)**

	2008 GH¢	2007 GH¢
The balance is derived as follow:		
Balance 1 January	965,917	537,700
Applied to current year	<u>893,844</u>	<u>428,217</u>
Balance 31 December	<u>1,859,761</u>	<u>965,917</u>

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

## 25 Property, Plant &amp; Equipment

Cost or Valuation	Land and Buildings	Computers	Furniture & Equipment	Motor Vehicles	Assets in Course of Construction	Total
	GHC	GHC	GHC	GHC	GHC	GHC
<b>Balance as of 1st January 2008</b>	17,211,740	7,228,265	4,122,986	1,483,498	59,608	30,106,034
Additions	2,233,887	1,054,206	772,447	193,257	656,321	4,910,118
Transfers	-	-	(634)	-	-	(634)
Disposals & other adjustments	(49,200)	-	-	(33,157)	-	(82,991)
<b>Balance as of 31st December 2008</b>	<u>19,396,497</u>	<u>8,282,470</u>	<u>4,894,736</u>	<u>1,643,598</u>	<u>715,929</u>	<u>34,993,161</u>
<b>Depreciation</b>						
<b>Balance as of 1st January 2008</b>	2,140,726	5,701,987	2,427,891	1,412,706	-	11,683,307
Charge for the year	773,968	1,125,190	671,235	193,707	-	2,764,100
Disposals & other adjustments	(124)	-	-	(33,157)	-	(33,281)
<b>Balance as of 31st December 2008</b>	<u>2,914,570</u>	<u>6,827,176</u>	<u>3,099,126</u>	<u>1,573,256</u>	<u>-</u>	<u>14,414,126</u>
Net Book Value : 31:12:2008	16,481,857	1,455,295	1,795,611	70,342	715,929	20,519,035

The total value of property, plant and equipment items that are fully depreciated but still in use by the company amount to GHC10,098,420 (2007 c6,198,800)

Cost or Valuation	Land and Buildings	Computers	Furniture & Equipment	Motor Vehicles	Assets in Course of Construction	Total
	GHC	GHC	GHC	GHC	GHC	GHC
<b>Balance as of 1st January 2007</b>	16,922,930	6,320,732	3,429,600	1,497,800	48,600	28,219,662
Additions	288,810	1,108,826	698,481	-	11,008	2,107,485
Disposals & other adjustments	-	-	(5,518)	(14,302)	-	(19,820)
Transfers and reclassifications	-	(201,293)	-	-	-	(201,293)
<b>Balance as of 31st December 2007</b>	<u>17,211,740</u>	<u>7,228,265</u>	<u>4,122,923</u>	<u>1,483,498</u>	<u>59,608</u>	<u>30,106,034</u>
<b>Depreciation</b>						
<b>Balance as of 1st January 2007</b>	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)
<b>Balance as of 31st December 2007</b>	<u>2,140,725</u>	<u>5,701,986</u>	<u>2,427,890</u>	<u>1,412,702</u>	<u>-</u>	<u>11,683,307</u>
Net Book Value : 31:12:2007	15,071,015	1,526,279	1,695,033	70,792	59,608	16,422,727

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

## 26 Intangible assets

Computer Software Cost / Valuation	2008 GH¢	2007 GH¢
Balance 1 January	2,056,618	1,771,169
Additions	<u>1,833,805</u>	<u>285,449</u>
Balance 31 December	<u>3,890,423</u>	<u>2,056,618</u>
<b>Amortization</b>		
Balance 1 January	1,642,628	1,493,793
Charge for the year	<u>337,507</u>	<u>148,835</u>
Balance 31 December	<u>1,980,135</u>	<u>1,642,628</u>
<b>Net balance at 31 December</b>	<u>1,910,288</u>	<u>413,990</u>

## 27 Customer Deposits

[a] Analysis by type of Deposit	2008 GH¢	2007 GH¢
Term deposits	11,083,867	14,286,767
Saving accounts	76,064,711	75,904,220
Current accounts	<u>211,709,985</u>	<u>189,549,762</u>
	<u>298,858,563</u>	<u>279,740,749</u>
<b>[b] Analysis by type of Customer</b>		
Financial Institutions	4,770,630	8,324,581
Individuals and other private enterprise	248,952,385	230,437,273
Government departments and agencies	8,683,108	4,770,268
Public enterprises	19,802,971	20,722,704
Others	<u>16,649,469</u>	<u>15,485,923</u>
	<u>298,858,563</u>	<u>279,740,749</u>

[c] 20 large depositors to total deposit ratio is 19% (2007: 22%)

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

<b>28 Due to banks and other financial institutions</b>	<b>2008</b>	<b>2007</b>
	<b>GH¢</b>	<b>GH¢</b>
Borrowings-Repurchase agreement	<b>18,856,332</b>	33,578,640
Borrowings-Credit Line	<b>1,617,867</b>	2,805,651
European Investment Bank	<b>19,076,155</b>	11,251,220
Ghana Private Sector development Fund	<b>585,031</b>	505,868
Edif Managed Fund	<b>408,333</b>	-
	<b><u>40,543,718</u></b>	<b><u>48,141,379</u></b>
<b>29 Other liabilities</b>	<b>2008</b>	<b>2007</b>
	<b>GH¢</b>	<b>GH¢</b>
Creditors	<b>1,630,301</b>	2,612,079
Other creditors & provisions	<b>22,922,872</b>	26,705,322
Accruals	<b>565,695</b>	900,126
Deferred Income [Note 30]	<b>712,893</b>	297,520
	<b><u>25,831,761</u></b>	<b><u>30,515,047</u></b>
<b>30 Deferred Income</b>	<b>2008</b>	<b>2007</b>
	<b>GH¢</b>	<b>GH¢</b>
Balance b/f	<b>297,520</b>	43,660
Loan origination fees deferred current year	<b>564,092</b>	303,393
Transfer to income	<b>(148,719)</b>	(49,533)
Balance 31 December	<b><u>712,893</u></b>	<b><u>297,520</u></b>
<b>31 Stated Capital</b>	<b>2008</b>	<b>2007</b>
<b>a. Authorised Ordinary Shares</b>		
Number of Ordinary shares of no par value	<b>500,000,000</b>	500,000,000

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****b. Issued and fully paid Ordinary Shares**

	2008		2007	
	Number	Amount GH¢	Number	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	<u>71,250,000</u>	<u>-</u>	<u>71,250,000</u>	<u>-</u>
	<b>142,500,000</b>	<b>7,000,000</b>	<b>142,500,000</b>	<b>7,000,000</b>

There are 600,348 treasury shares (2007: 600,348) representing the remaining share bought under employees share ownership scheme. There are no calls or instalments unpaid on any shares (2007: Nil)

**32 Share Deals Account**

	2008 GH¢	2007 GH¢
Balance 1 January	2,943,755	2,943,755
Balance at 31 December	<u>2,943,755</u>	<u>2,943,755</u>

**33 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).

	2008 GH¢	2007 GH¢
Balance 1 January	11,938,940	10,490,300
Transfer from current profit	<u>1,940,212</u>	<u>1,448,640</u>
Balance at 31 December	<u>13,879,152</u>	<u>11,938,940</u>

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

## 34 Dividend proposed and paid

	2008 GH¢	2007 GH¢
<b>Equity dividend on ordinary shares:</b>		
Final dividend for 2008. Nil (2007: GH¢0.0300)	-	6,388,074
First dividend for 2008 Nil (2007:GH¢0.0290)	<u>4,275,000</u>	<u>4,137,900</u>
<b>Total Dividend paid</b>	<u>4,275,000</u>	<u>10,525,974</u>
Proposed for approval at Annual General Meeting (Not recognised as liability as at 31 December)	-	<u>6,412,500</u>

## 35 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.

During the year the following transactions were performed with related parties:

	Interest Paid GH¢	Interest Received GH¢	Loan GH¢	Placements GH¢
Société Générale (SG)	161,354	423,164	38,480,550	144,548,805

As at the year end the following balances were held with related parties:

	GH¢	GH¢	Loan GH¢	Placements GH¢
Société Générale (SG)	16,036	21,422	4,853,600	10,872,090

## (b) Other related party balances

	2008 GH¢	2007 GH¢
Staff loans	<u>8,515,057</u>	<u>7,186,568</u>
Placements as of 31 December	<u>10,872,090</u>	<u>3,644,680</u>
Nostro account balances as of 31 December	<u>25,008,807</u>	<u>19,017,397</u>
Borrowings as of 31 December	<u>4,853,600</u>	<u>8,083,100</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****(c) 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 key management personnel with regards to, short term employment benefits, post-employment pension and share-based payments

**(d) Loans to Directors**

There were no loans to directors during the period.

**(e) 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.

**36 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.

	2008 GH¢	2007 GH¢
Financial guarantees	<b>32,630,568</b>	28,032,675
	<u><b>32,630,568</b></u>	<u>28,032,675</u>
<b>Commitments</b>		
Undrawn commitments, Others	_____ -	_____ -
	_____ -	_____ -

**i: Undrawn Commitments to lend:**

Nil

**ii: Legal Claim:**

The Bank's lawyers have estimated that the maximum liability from possible legal actions against the Bank may amount to GH¢1,576,995 (2007: GH¢1,585,700).

**iii: Commitment of capital expenditure:**

Commitments for capital expenditure at the year end were nil (2007: nil).

**37 Events after the balance sheet date**

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

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

**38 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:

	2008 GH¢	2007 GH¢
Cash in hand	15,694,563	15,201,631
Balances with Bank of Ghana	31,210,906	21,035,589
Nostro Accounts balances	25,008,807	28,209,528
Placements and items in course of collection	<u>9,170,075</u>	<u>29,727,703</u>
	<b><u>81,084,351</u></b>	<b><u>94,174,451</u></b>

Balances with Bank of Ghana are not available for day to day operations

**39 (a) Analysis of financial assets and liabilities by measurement bases (2008)**

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	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	-	-	-	-	46,905,469	46,905,469
Due from other banks & Financial Institutions	-	-	-	-	34,178,882	34,178,882
Financial Investments/Government Securities	-	-	42,050,881	-	-	42,050,881
Loans & Advances	-	-	-	287,120,110	-	287,120,110
Equity Investments (available for sale)	-	-	288,514	-	-	288,514
Other Assets	-	-	-	-	3,791,951	3,791,951
<b>Total financial Assets</b>	<u>-</u>	<u>-</u>	<u>42,339,395</u>	<u>287,120,110</u>	<u>84,876,302</u>	<u>414,335,807</u>
Total non-financial assets						<u>22,429,323</u>
<b>Total Assets</b>						<b><u>436,765,130</u></b>
Customer Deposits					298,858,563	298,858,563
Due to Banks & other Financial Institutions					40,543,718	40,543,718
Taxation					1,859,761	1,859,761
Interest Payables & Other liabilities					25,831,761	25,831,761
<b>Total financial liabilities</b>					<u>367,093,803</u>	<u>367,093,803</u>
Total non-financial liabilities					69,671,327	69,671,327
<b>Total liabilities and shareholders fund</b>						<b><u>436,765,130</u></b>



## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

## 40 (b) Analysis of financial assets and liabilities by measurement bases (2007)

	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
	GHe	GHe	GHe	GHe	GHe	GHe
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
<b>Total financial Assets</b>	-	-	<b>83,255,647</b>	<b>212,444,163</b>	<b>103,320,300</b>	<b>399,020,110</b>
Total non-financial assets						18,836,717
<b>Total Assets</b>						<b>417,856,827</b>
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
<b>Total financial liabilities</b>					<b>359,432,197</b>	<b>359,432,197</b>
Total non-financial liabilities						58,424,630
<b>Total liabilities and shareholders fund</b>						<b>417,856,827</b>

## 41 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 2008. (December 2007 reflect the same condition).

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

**42 Maturity Analysis of the assets and liabilities -2008**

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

<b>2008</b>	<b>Total</b>	<b>Below 3 months</b>	<b>3-6 months</b>	<b>6-12 months</b>	<b>Above 1 year</b>
	<b>GHC</b>	<b>GHC</b>	<b>GHC</b>	<b>GHC</b>	<b>GHC</b>
<b>Assets</b>					
Cash and balances with Bank of Ghana	46,905,469	46,905,469	-	-	-
Financial investments (Government securities)	42,050,881	-	4,000,000	-	38,050,881
Due from other banks and financial institutions	34,178,882	34,178,882	-	-	-
Investment in other securities (available for sale)	288,514	-	288,514	-	-
Loans and advances to customers	287,120,110	64,789,788	17,672,007	77,125,455	127,532,860
Investment in subsidiary	-	-	-	-	-
Other assets (including tax assets)	3,791,951	727,849	2,097,371	966,731	-
Property, plant and equipment	20,498,349	279,593	1,546,260	1,359,831	17,312,665
Intangible assets	<u>1,930,974</u>	-	-	-	<u>1,930,974</u>
<b>Total assets</b>	<b><u>436,765,130</u></b>	<b><u>146,881,581</u></b>	<b><u>25,604,152</u></b>	<b><u>79,452,017</u></b>	<b><u>184,827,380</u></b>
<b>Liabilities</b>					
Customer deposits	298,858,563	111,806,687	58,181,808	39,969,092	88,900,976
Due to banks and other financial institutions	40,543,718	25,265,407	6,856,509	8,421,802	-
Other liabilities	25,831,761	13,631,614	6,999,087	5,101,739	99,321
National Reconstruction Levy (NRL)/taxation	<u>1,859,761</u>	-	-	-	<u>1,859,761</u>
<b>Total liabilities</b>	<b><u>367,093,803</u></b>	<b><u>150,703,708</u></b>	<b><u>72,037,404</u></b>	<b><u>53,492,633</u></b>	<b><u>90,860,058</u></b>
<b>Net liquidity gap</b>	<b><u>69,671,327</u></b>	<b><u>(-3,822,127)</u></b>	<b><u>(-46,433,252)</u></b>	<b><u>25,959,384</u></b>	<b><u>93,967,322</u></b>
<b>Assets</b>					
Contingent liabilities	<u>32,630,568</u>	<u>29,980,228</u>	<u>2,650,340</u>	-	-

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

**42 Maturity Analysis of the assets and liabilities -2007**

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

2007	Total	Below 3 months	3-6 months	6-12 months	Above 1 year
	GHe	GHe	GHe	GHe	GHe
<b>Assets</b>					
Cash and balances with Bank of Ghana	36,237,220	36,327,220	-	-	-
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	18,422,427	251,282	1,389,660	1,222,137	15,559,648
Intangible assets	413,990	-	-	-	413,990
<b>Total assets</b>	<b>417,856,827</b>	<b>168,125,809</b>	<b>32,274,042</b>	<b>77,120,001</b>	<b>140,336,975</b>
<b>Liabilities</b>					
Customer deposits	279,470,749	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	1,053,022	69,105	-	-	965,917
<b>Total liabilities</b>	<b>359,432,197</b>	<b>163,178,487</b>	<b>69,439,061</b>	<b>42,876,854</b>	<b>83,937,795</b>
Net liquidity gap	58,424,630	4,947,322	(37,165,019)	34,243,147	56,399,180
Contingent liabilities	30,142,614	27,694,319	2,448,259	-	-

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

**43 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	Total
	GHC	GHC	GHC	GHC	2008	2007
					GHC	GHC
<b>Assets</b>						
Cash and balances with Bank of Ghana	7,416,792	403,384	621,267		8,441,443	1,395,496.00
Due from other banks and financial institution	7,477,525	4,866,517	10,920,937	1,743,828	25,008,807	28,209,528.00
Other Assets	1,374,637	-138	199,295	-	1,573,793	6,145,781.00
Loan and Advances to customers	62,745,804	129	14,266,659	-	77,012,592	66,539,764.00
<b>Total Assets</b>	<b>79,014,758</b>	<b>5,269,892</b>	<b>26,008,158</b>	<b>1,743,828</b>	<b>112,036,635</b>	<b>102,290,569.00</b>
<b>Liabilities</b>						
Due to Customers	50,029,251	5,293,811	20,448,574	1,667,242	77,438,877	84,784,443.00
Other Liabilities	1,894,062	186,704	380,291	-	2,461,057	1,970,715.00
Due to Other banks and financial Institutions	25,547,622	-	-	-	25,547,622	-
<b>Total Liabilities</b>	<b>77,470,935</b>	<b>5,480,515</b>	<b>20,828,865</b>	<b>1,667,242</b>	<b>105,447,556</b>	<b>86,755,158.00</b>

**44 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, the company is also has 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 ratings and healthy capital ratios in order 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

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

economic conditions and the risk characteristics of its activities. In order 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 2008 is shown below:

	Actual GH¢	2008 Required GH¢	Actual GH¢	2007 Required GH¢
Tier 1 capital	7,000,000	7,000,000	7,000,000	7,000,000
Other Capital	-	-	-	-
Total capital	<u>7,000,000</u>	<u>7,000,000</u>	<u>7,000,000</u>	<u>7,000,000</u>

### {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.

## 45 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

#### 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 18.

#### 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 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. The net liquidity gap resulting from liquidity analysis of assets

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

and liabilities of the Bank as of 31 December 2008 is shown in Note 43.

### 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 44.

### 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.

## 46 Analysis of shareholding

Category	Number of shareholders	Number of shares	Percentage holding %
1 – 1,000	28,004	5,299,078	3.72
1,001 – 5,000	2,596	4,893,838	3.43
5,001 – 10,000	305	1,881,432	1.32
Over 10,000	243	130,425,652	91.53
	<u>31,148</u>	<u>142,500,000</u>	<u>100.00</u>

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

## 47 Twenty Largest shareholders

Shareholders	Number of holdings	Percentage holding %
1. SG-Financial Services Holdings	72,675,000	51
2. SSNIT	30,795,118	21.61
3. Daniel Ofori	11,119,521	7.8
4. BBGN Re Epack Investment Fund	3,911,601	2.74
5. SSNIT SOS Fund	1,353,392	0.95
6. STD Bank Nom (tul) Pty Limited	1,030,000	0.72
7. SAS/Amenuvor Gideon	856,484	0.6
8. Sam Esson Jonah	500,000	0.35
9. BBGN/ELAC Policy Holders	410,794	0.29
10. Teachers Fund	400,200	0.28
11. BBGN Unilever Ghana Managers Fund	400,000	0.28
12. BBGN/SSB Eaton Vance	370,000	0.26
13. Strategic African Securities	297,162	0.21
14. BBGN ELAC Shareholders Fund	297,032	0.21
15. State Insurance Corporation Limited	285,000	0.2
16. MIHL/Boachie Adjei Oheneba	264,050	0.19
17. Ghana Reinsurance Organization	250,000	0.18
18. BBGN/Unilever Ghana Provident Fund	240,090	0.17
19. Equity Focus	213,367	0.15
20. Wienco Ghana Limited	200,000	0.14
	<u>125,868,811</u>	<u>88.33</u>

The 20 largest shareholders held 88.33% of the Bank's shares as of 31 December 2008 (2007: 87.49%).

## 48 Directors Shareholdings

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

## 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.





## BRANCHES NETWORK

Name of Branch	Address	Phone No	Fax No.	Status
<b>Greater Accra</b>				
Accra Main	P.O. Box 13119, Accra	021 223375 / 222136 / 911022 / 911021/911014/911019	021 22136	Branch
Accra New Town	P.O.Box K444, Accra New Town	021 228512 / 228582 / 848054	021 228512 / 250321	Branch
Faanofa	P.O.Box 13119, Accra	021 234075 / 220754	021 234075	Branch
Kaneshie Main	P.O.Box 13119, Accra	021 681372 / 676128 / 682745	021 681372	Branch
Kaneshie Market	P.O.Box 13119, Accra	021 682846 / 677137 / 222367		Agency
Kotobabi	P.O.Box 13119, Accra	021 221847 / 248053 / 228856	021 221847	Branch
Lotteries	P.O.Box 13119, Accra	021 667370 / 672610	021 668651 / 672620	Agency
North Industrial Area	P.O.Box 13119, Accra	021 229811 / 222139	021 229811	Branch
Okashie	P.O.Box 13119, Accra	021 666898 / 662458	021 666898	Branch
Premier Towers	P.O.Box 13119, Accra	021 668650 / 667146 / 682207-11	021 667147	Branch
Ring Road Central	P.O.Box 13119, Accra	021 228381	021 228381	Branch
Tema Main, Comm. 2	P.O.Box CO 2885 Tema	022 202558 / 206495 / 201962	022 201960	Branch
Tema Fishing Harbour	P.O.Box 668 Tema	022 204462 / 202288	022 204462	Branch
Tudu	P.O.Box 13119, Accra	021 671462 / 663907	021 671462	Branch
<b>Ashanti Region</b>				
Adum	P.O.Box 4542, Kumasi	051 25379 / 25729 / 32773	051 25379	Branch
Kumasi Central Branch	P.O.Box 4542, Kumasi	051 24418 / 23075 / 22602 / 80722 / 80723 / 80727 / 80728	051 24418	Branch
Tepa	P.O.Box 74, Tepa	051 47101 / 47102	N/A	Agency
<b>Brong Ahafo</b>				
Berekum	P.O.Box 49, Berekum	0642 22261 / 22612	0642 22261	Branch
Sunyani	P.O. Box 1131, Sunyani	061 27124 / 27050 / 27266	061 27124	Branch
<b>Central Region</b>				
Cape Coast	P.O.Box 1019, Cape Coast	042 32159 / 32406 / 32255	042 32406	Branch
Dunkwa	P.O.Box 64, Dunkwa	0372 28393 / 28665	0372 28665	Branch

**BRANCHES NETWORK**

Name of Branch	Address	Phone No	Fax No.	Status
<b>Eastern Region</b>				
Akim Oda	P.O.Box 325, Akim Oda	0882 2188 / 2776	0882 2188	Branch
Koforidua	P.O.Box 987, Koforidua	081 22236 / 22778	081 22778	Branch
<b>Northern Region</b>				
Tamale	P.O.Box 192, Tamale	071 22139 / 22722 / 23254 / 23437 / 23253	071 22139	Branch
<b>Upper East Region</b>				
Bolgatanga	P.O.Box 344, Bolgatanga	071 23305 / 23139 / 22064	072 22064	Branch
<b>Upper West Region</b>				
Wa	P.O.Box 240, Wa	091 26651 / 28053	091 28053	Branch
<b>Volta Region</b>				
Ho	P.O.Box HP-360, Ho	091 26651 / 28053	091 28053	Branch
<b>Western Region</b>				
Adabokrom	P.O.Box 189, Sefwi Wiawso	N/A	N/A	Agency
Akontombra	P.O.Box 11, Akontombra	0244 339231	0244 339227	Agency
Asankragwa	P.O.Box 57, Asankragwa	0392 22023 / 031 27354	0392 22023	Agency
Asempaneye	P.O.Box 189, Sefwi Wiawso	0244 339229 / 0244 339230	N/A	Agency
Bibiani	P.O.Box 58, Bibiani	031 -93031 / 93032	N/A	Agency
Essam	P.O.Box 189, Sefwi Wiawso	0244 339226 / 0244 339228	N/A	Branch
Juabeso	P.O.Box 12, Juabeso	0244 335684 / 0244 341413	0244 341413	Branch
Sefwi Bekwai	P.O.Box 15, Sefwi Bekwai	0244 336275 / 0244 336276	N/A	Agency
Sefwi Wiawso	P.O.Box 189, Sefwi Wiawso	0244 335554 / 0244 330872	0244 335553	Branch
Tarkwa	P.O.Box 219, Tarkwa	0362 20951 / 20538	0362 20950	Branch
Takoradi	P.O.Box 660, Takoradi	031 24660 / 22888	031 24660	Branch

## PROFILE 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 151,000 employees representing 119 nationalities and a presence in 82 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<sup>3</sup>.

### 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.

### International Branch Network map



<sup>3</sup> April 2008 SG Corporate Communication

## 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, Cameroon and Mauritania 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.

**Euro Zone**

1. Société Générale  
29 Boulevard  
Haussman 75009  
Paris, France

2. Banco Popolare Di Verona E Novara  
Head Office  
Piazza Nogara, 2  
I37121 Verona  
Italy

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

**Swiss Francs Zone**

1. Société Générale Zurich  
Sihlquai  
CH-8031  
Switzerland

**Pound Sterling Zone**

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

2. The Royal Bank of Scotland  
5th Floor Premier Place  
2 ½ Devonshie Square  
London EC2M 4XB  
U. K.

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

## CORRESPONDENT BANKS

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

### Japanese Yen Zone

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1. Citibank London  
Citibank House  
336 Strand  
London WC2R 1HB

### South African Rand Zone

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1. ABSA Corporate and Merchant Bank  
ABSA Towers North (2W2)  
180 Commissioner Street  
Johannesburg 2001  
PO Box 1932 Johannesburg 2000  
South Africa

### General Correspondent

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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 25th March 2009 at 11.00 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 re-elect Ambassador Fritz Kwabena Poku as a Director		
3	To re-elect Mrs Teresa Ntim as a Director		
4	To re-elect Bernard David as a Director		
5	To re-elect Patrick Le Buffe as a Director		
6	To approve Directors' fees		
7	To authorize the Directors to fix the Auditors' fees		
8	To increase the Banks stated capital through a Rights and a Bonus Issue		
9	To transfer funds from Income Surplus to Stated Capital		
10	To issue Bonus Shares		
11	To amend the Regulations to allow for the issuance of dematerialised certificates		

Signed this ..... day of ..... 2009

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.

TRHEAD	NO	DESCRIPTION
	1	1. The Board of Directors
	2	2. The Board of Directors
	3	3. The Board of Directors
	4	4. The Board of Directors
	5	5. The Board of Directors
	6	6. The Board of Directors
	7	7. The Board of Directors
	8	8. The Board of Directors
	9	9. The Board of Directors
	10	10. The Board of Directors
	11	11. The Board of Directors



## RESOLUTIONS TO BE PASSED AT THE ANNUAL GENERAL MEETING

### BOARD RESOLUTIONS

The Board of Directors will be proposing the following resolutions which would be put to the Annual General Meeting:

1. **RECEIVE THE 2008 ACCOUNTS**

The Board shall propose the acceptance of the 2008 Accounts as the true and fair view of the state of affairs of the company for the year ended 31st December 2008.

2. **RE-ELECT DIRECTORS**

In accordance with Section 298(a) of the Companies Code 1963 Act 179 and Section 88 (1) of the Regulations of the Bank, Ambassador Fritz Kwabena Poku and Mrs Teresa Ntim retire by rotation and being eligible; offer themselves for re-election as Directors.

In accordance with Section 72(1) of the Regulations Mr. Bernard David and Mr. Patrick Le Buffe appointed as Directors during the year and retire, being eligible offer themselves for re-election.

3. **APPROVE DIRECTORS FEES**

In accordance with Section 194(1) of the Companies Code 1963 (Act 179) and Section 78 (3) of the Regulations of the Bank it is hereby proposed that the Directors remuneration be paid at such a rate not exceeding an aggregate of GH¢105,000.

4. **AUTHORISE THE DIRECTORS TO DETERMINE THE REMUNERATION OF THE AUDITORS**

In accordance with Section 134(5) of the Companies Code 1963 (Act 179) and Section 54 (2)(d) of the Regulations of the Bank, the Board of Directors recommend that the current auditors Ernst & Young continue as auditors of SG-SSB Limited. The Board will request that they fix the fees of the auditors.

5. **TO INCREASE THE STATED CAPITAL TO A MINIMUM OF GH¢60 MILLION**

In view of the Bank of Ghana's Notice No **BG/GOV/SEC/2008/3**, SG-SSB is required to attain a capitalization of GH¢60 million by 31st December 2009. In that regard it is proposed that Shareholders hereby pass the following resolutions.

1. That the Company be and is hereby authorised in accordance with its Regulations to increase its stated capital to meet the minimum capital requirement of GH¢60 million set by the Bank of Ghana through a Rights and Bonus issue.
2. That the Company be and is hereby authorized to increase the issued stated share capital of the Company to meet the minimum capital requirement of GH¢60 million, through a rights issue by the offer of such number of ordinary shares as may be required to increase the stated capital by up to GH¢23 million to the Company's members on its register of members as at the close of day on a date to be determined by the Directors in proportion as nearly as the circumstances admit, to the number of shares that they are entitled to at the appropriate market determinable price as at the time of the offer payable in full. The Directors are hereby authorized, subject to the prior approval of the Ghana Stock Exchange, to issue renounceable letters of allotment and to deal with the Rights Issue generally.

3. That the Company be and is hereby authorized to offer subject to the prior approval of the Ghana Stock Exchange, and the pre-emption provisions of Section 202(b) of the Companies Code 1963 (Act 179) and Section 11 (1) (a) of the Regulations of the Company issue such ordinary shares as may be required to increase the Company's stated capital to meet the minimum capital requirement of GH¢60 million.
4. That the Directors are hereby authorized in each case, subject to the Rules of the Ghana Stock Exchange, to determine the modalities and the duration of the offer and allotment of shares.
5. That immediately after the rights issue, the Company be and is hereby authorized in accordance with Section 45 (1) of its Regulations and Section 74 (1) of the Companies Code 1963 Act 179 issue Bonus Shares of one bonus share each currently held by the existing shareholder be allotted and that such number of shares as may be required be issued to support the said allotment.
6. That the Directors are hereby authorized in each case, subject to the Rules of the Ghana Stock Exchange, to determine the modalities and the duration of the Bonus issue.
6. **TO TRANSFER FROM INCOME SURPLUS TO STATED CAPITAL**
  1. That the Company be and is hereby authorized in accordance with Section 66(1) of the Companies Code 1963 Act 179 and its Regulations transfer GH¢35,836,000 from its income surplus to stated capital.
7. **TO AMEND THE BANK'S REGULATIONS TO ALLOW FOR THE ISSUANCE OF AND OR CONVERSION TO DEMATERIALIZED SECURITIES**

The Ghana Stock Exchange as part of its automation requires that all listed companies amend their regulations to allow for the issuance of and/or conversion to dematerialized securities. In that regard subject to the approval from Bank of Ghana it is proposed that Shareholders hereby pass the following resolutions:-

  1. That in accordance with Section 22 of the Companies Code 1963 (Act 179) and Regulation 102 of the Company, the Company be and is hereby authorized to amend Section 15 of the Regulations of the Company to allow for the issuance of and the conversion to dematerialized securities.
  2. That the Company may issue securities in uncertified or dematerialized form and that the Board of Directors shall pass a resolution to that effect.
  3. That the Company may convert a certified security into an uncertified security and the Board of Directors shall pass a resolution to that effect.
  4. That the Company shall accept for registration, transfers in the form approved by the Ghana Stock Exchange or under the Central Depository Act 2007 (Act 733).
  5. That the manner in which the records of the shareholding Company shall be kept as determined by the Ghana Stock Exchange and shall be in line with the Central Securities Depository Act 2007 (Act 733).

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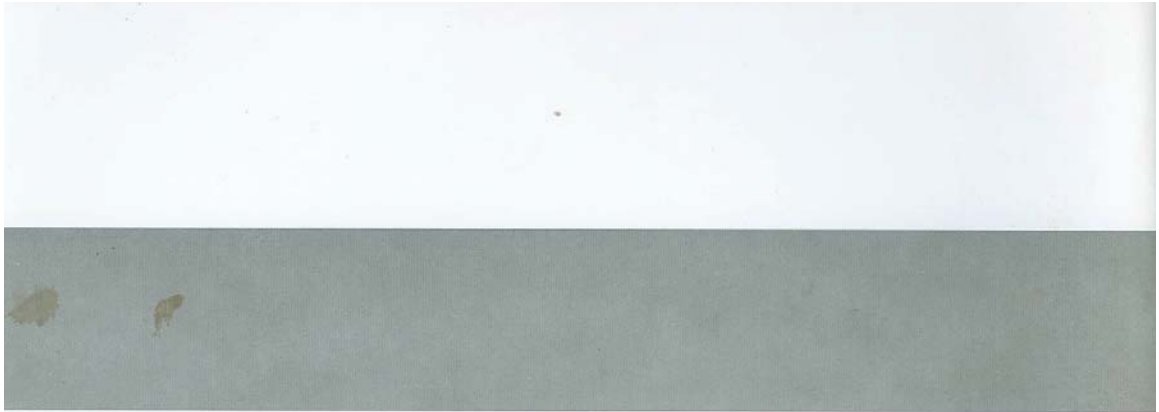
Our mission is to remain the  
leading banking institution,  
which provides  
professional, reliable and innovative  
products, services and solutions  
tailored to the needs of our Customers.

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K.P.P. 022 27711 0542 980000