SG-SSB

2011 ANNUAL REPORT

BUILDING TEAM SPIRIT TOGETHER

SG-SSB

SG-SSB

ANNUAL REPORT
AND
FINANCIAL STATEMENTS

31ST DECEMBER 2011

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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SG-SSB NOTICE AND AGENDA FOR ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 32nd Annual General Meeting of SG-SSB Limited will be held at the Accra International Conference Centre, Castle Road, Osu, Accra on Friday 30th March 2012 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 2011.
2. To declare a dividend for the year ended 31st December 2011.
3. To re-elect Directors.
4. To elect Directors.
5. To approve Directors' fees.
6. To authorise the Directors to determine the remuneration of the Auditors.

Dated, this 17th day of February, 2012.

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 to the Annual Report and for it to be valid for the purpose of the meeting, it must be completed and deposited at the offices of the Company Secretary SG-SSB Head Office, Ring Road Central PO Box 13119 Accra Ghana not less than 48 hours before the appointed time of the meeting.

GENERAL INFORMATION

BOARD OF DIRECTORS

Bernard David	Chairman
Gilbert Hie	Managing
Borut Vujcic	Deputy Managing : Appointed 27th July 2011
Jose Rebollar	Chief Operating Officer : Appointed 27th July 2011
Arnaud Alric	Appointed 27th July 2011
Michel Miaille	
Kofi Ampim	
Pierre Wolmarans	
Teresa Ntim	
Nii Adja Nablah	
Emmanuel Kyeremeh	
Gilles Louvel	Resigned 30th September 2011
Serge Le Quentrec	Resigned 19th August 2011
Patrick Le Buffe	Resigned 6th June 2011

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	Deloitte & Touche Ibex Cout, 4 Liberation Road Dr. Ako Adjei Interchange P.O. BoxGP 453 Accra, Ghana
REGISTRARS	NTHC Limited, Martco House, P.O. Box KA 9563 Airport, Accra, Ghana
COUNTRY OF INCORPORATION	Ghana, Accra
HOLDING COMPANY	SG Financial Services Holding, France
ULTIMATE HOLDING COMPANY	Société Générale, incorporated in France

THE BOARD OF DIRECTORS AND COMPANY SECRETARY

First row from left: Nii Adja Nablah; Jose Rebollar; Michel Miaille; Kofi Ampim: Second row from left: Emmanuel Kyeremeh; Borut Vujcic; Arnaud Alric; Angela N. Bonsu: Back Row from left: Gilbert Hie; Mrs Teresa Ntim; Bernard David.

PROFILE OF THE BOARD OF DIRECTORS

Bernard David

He is the Chairman of the Board of Directors. He holds a bachelors degree in Economic Sciences and a Masters degree in Economic Sciences from the Economy & Finance Section of the Institute d Etudes Politiques, Paris, France.

His career spans over 30 years with Société Générale serving in different capacities. He joined the Board of Directors on 29th May 2008.

Gilbert Hie

He is the Managing Director of the Bank. He holds a professional degree in Banking and a Masters degree in Banking from the Centre d'Etudes Supérieures de Banque, in Paris. He attended Executive Programs at the Kellogg Graduate School of Management, North-Western University, Chicago.

His career spans over 30 years with the Société Générale Group serving in different capacities in France and eight other countries. He joined the Board of Directors of the Bank on 24th November 2010.

Borut Vujcic

He is the Deputy Managing Director of the Bank. He holds a bachelor of economics degree from Karl Franzens University in Austria. Prior to joining the Société Générale Group he worked with Hypo Alpe Adria Bank AG holding the following positions. Head of Loan Department (Leasing); Member of Project Team establishing Hypo Alpe, Adria Bank DD; Head of Corporate Finance; Managing Director Raiffeisen Leasing Slovenia.

Within the Société Générale Group he has held the following positions: Managing Director SKB Leasing; Executive Director Commercial Management SKB DD. He joined the Board of Directors on 27th July 2011.

Jose Rebollar

He is the Chief Operating Officer of the Bank. He is an Aeronautical Engineer by profession and holds a degree from the Polytechnic University of Madrid Spain.

He joined Société Générale in 1994 and has held the following positions: Project Manager IT; Head of Middle Office Securities; Head of Custody; Head of Sales; Head of Corporate Actions Back Office; Head of Middle Office Securities; Chief Operating Officer and Chief Administrative Officer in Spain, France and India respectively. He joined the Board of Directors on 27th July 2011.

Arnaud Alric

He holds an ESC diploma from the Toulouse Business School in France. He joined the Société Générale Group in 1996 and has held the following positions: Regional Marketing Manager; Branch Manager; Marketing Project Manager; Supervisory Board Member; Marketing Director; Marketing and Communication Director and is currently the supervisor of Egypt and Ghana for the Société Générale Group. He joined the Board of Directors on 27th July 2011.

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 and Chairman of Allianz Insurance Ghana Limited. He joined the Board of Directors on 26th March, 2003.

PROFILE OF THE BOARD OF DIRECTORS, continued

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.

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.

Emmanuel Kyeremeh

He is a Chartered Accountant by profession and holds an Executive MBA (Finance) from the University of Ghana Business School. He is the General Manager for Finance and Administration at NDK Financial Services.

Within NDK Financial Services he held the following positions: Finance and Account Manager, Head Finance and Accounting Department and Head Finance and Administration Division. He is a Board member of NDK Financial Services, Board Chairman of Tyron Flat Tyre Protection Ghana Limited, Board Chairman Tema Youth Football Club and Board Chairman of the Chelsea Football Club Bechem. He joined the Board of Directors on 24th November 2010.

Nii Adja Nablah

He is a Chartered Accountant by profession and holds an MBA (Finance) from the University of Wales and University of Manchester UK. He has extensive experience in the Implementation and Review of Accounting Systems, Procedures and Controls and Financial Systems Analysis. He is the General Manager Finance at the Social Security and National Insurance Trust (SSNIT).

Before joining SSNIT he worked with KPMG, a practicing firm of Chartered Accountants offering Audit, Taxation, Management Consultancy and other services. Directorships held are the Trust Bank, NTHC Company Limited, NTHC Properties, and Kumasi Catering Rest House Limited. He joined the Bank's Board of Directors on 24th November 2010.

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KEY MANAGEMENT PERSONNEL

Gilbert Hie - Managing Director

Please see section under Board of Directors.

Borut Vujcic - Deputy Managing Director

Please see section under Board of Directors

Jose Rebollar – Chief Operating Officer

Please see section under Board of Directors

Edmund Wireko Brobbey; Managing Director's Advisor:

He holds a Master of Business Administration (Finance) second degree from the Fordham University, New York USA and a BSc (Management) first degree from the New York Institute of Technology USA. He joined the Bank in 1981 and has served in different capacities as Head Corporate and Marketing Department; Head Business Development; Head Priority Banking Service; Head Privilege Banking Unit; Head Retail Sales Department and Head Development and Bank Strategy Division. He has over 25 years banking experience.

Ibrahim Traore; Chief Information Officer:

He holds Bachelor in Business Management degree majoring in Management Information Systems (MIS) from the University of Montreal Canada. In the last twelve years he has built strong expertise in Information System Management, Projects Management and Business Processing Management. He has worked in various capacities as Information System Deputy General Manager in Société Générale Burkina (SGBB) and as Information System General Manager in Société Générale Madagascar (BFV-SG). As the Chief Information Officer he manages five strategic departments: (Information System Security, Production, Research-Development, Network-system and Automation).

Irene Owiredu Akrofi; General Manager, Treasury Division:

She holds an Executive Master of Business Administration (Finance) and a BSc Administration from the University of Ghana and two professional qualifications (ACIB) from the Chartered Institute of Bankers in London and (ACI) Association Cambiste Internationale based in Paris. Over her 20 year career she has built expertise in banking covering Branch Retail Banking, Product Development, Card Payment Systems, Operational Risk Management and Control, Project Management, Treasury Business Development and Sales, and Executive Management.She is charged with the responsibility for managing the Bank's Assets and Liabilities.

Kwame Ofori-Gyau; Assistant General Manager Human Resources Management:

He is a professionally qualified member of good standing with the Chartered Institute of Personnel and Development UK. He holds a Master's degree in Human Resource Management, a Post Graduate Diploma in Personnel Management, and a Graduate Diploma all from the Thames Valley University, United Kingdom. He holds a BSc Development Planning degree from the University of Science and Technology, Kumasi. He has over 20 years experience in Generalist and Specialist Role in Human Resource Management.

Bernice Allotey; Assistant General Manager, Organisation Support:

She holds an Executive Masters in Business Administration (Finance) second degree and a BSC in Computer Science and Statistics from the University of Ghana, Legon and was accredited as a Prince 2 Practitioner by the Association of Project Managers Group in 2005. She has extensive knowledge and proven expertise in Project and Change Management and process

KEY MANAGEMENT PERSONNEL, continued

improvement/procedure writing with over 14 years experience in the Banking industry. She has managed projects relating to various functions of the banking industry as the head of Organisation and Support; she is also responsible for providing functional support and maintenance for the Core Banking System

Alfred Akotiah; Assistant General Manager, Retail Banking Division:

He is an Associate of the Chartered Institute of Bankers (UK) and (Ghana); holds an Executive MBA in Marketing from the University of Ghana; a Certificate in Bank Card Management by School of Finance (UK) and Visa International and a fellow of the Institute of Professional Finance Managers (UK). He is an experienced banker, with over 29 years of banking experience in Retail Banking. He has extensive expertise in the areas of Direct Distribution, Scheme Loans product, Home Loans, Premier Banking i.e. Wealth Management, Micro Banking products, Visa ATM reciprocity, Credit Operations, underwriting of consumer loans, teaching and developing in the areas of strategic management, services marketing, sales and banking operations.

Ben Berko; Head, Business Banking Division:

He holds a Master of Business Administration (Finance) second degree obtained from the University of Ghana and a BA Honours first degree in Political Science & Philosophy from the University of Ghana, Legon; a Diploma in Advanced Economics of Banking [Fin Africa in 1990], and has over 25 years experience in Banking and Finance having joined the industry in 1984. Over the period, he has held Branch Manager positions with the responsibility for Branch operations and business development. In 2001 he joined the Business Banking Division and was a Relationship Manager in charge of a portfolio of corporate customers of the Bank, developing and maintaining profitable relationships for mutual benefit.

Eric Mark Owusu; Head Permanent Control Department:

He is an associate of the Institute of Bankers UK, a fellow and Council member of the Chartered Institute of Bankers Ghana, and holds an Executive Master of Business Administration from Ghana Institute of Management and Public Administration. He has a varied background in all areas of Banking i.e. Branch Management, International Banking, Credits and Relationship Management, Deputy Head of Business Banking Department.

As Head of Permanent Control he has oversight responsibility for Operational Risk; Compliance; Anti-Money Laundering; Permanent Supervision; Business Continuity Planning and Crisis Management.

Angela Nanansaa Bonsu; General Manager Company Secretariat:

She holds a Master of Business Administration second degree from the Middlesex University Business School UK and an honours degree in Law from the University of London UK. She is a professionally qualified member of good standing with the Institute of Directors Ghana. She is richly experienced in Company Secretaryship, Compliance, Corporate Governance, Business Integration, Global Employee Share Ownership Programmes, Legal Administration, Human Resource and Project Management with over 20 years experience working in various capacities.

As the Company Secretary of the Bank, Ms Bonsu has oversight responsibility for the Legal Department and manages Communications and Corporate Social Responsibility.

CHAIRMAN'S STATEMENT

Dear Shareholder, I am delighted and honoured to welcome you to the 32nd Annual General Meeting of our Bank and to respectfully present to you the Annual Report and Financial Statements of our Bank for the financial year ended 31st December 2011.

Economic Environment

In the year 2011, investors and market players were confronted with macro challenges at all fronts with the slowdown in growth amid fears of an economic meltdown. The outlook for the global economy continued to be uncertain with weak growth and declining consumer confidence. The year 2011 was characterised by unexpected events such as the surge in global oil prices early in the year driven in part by surplus liquidity in the global economy and the unrest in the Middle East and North Africa which added a risk premium to already high oil prices sparking a rise in inflation globally. Japan's earthquake and tsunami created another unexpected supply-chain disruption globally.

Weak performance data from the US coupled with debt issues led to the raising of the US debt ceiling accompanied by fears of a possible sovereign default plagued financial markets with uncertainty resulting in low investor confidence in the economy.

The continued risk and increased uncertainty posed by the debt crisis in the Euro Zone in countries such as Greece, Portugal, Italy, Spain and Ireland continued. Short term measures were implemented by the European Central Bank in an attempt to curb rising yields.

Operating Environment

The Ghanaian economy's strong growth was achieved within a sound macroeconomic environment. Prudence in fiscal and monetary management contributed to the easing of inflationary pressures with declining interest rates. The private sector responded positively to the government's development programmes and improved business environment. The rise in bank lending and capital inflows suggested increasing investor confidence. New partnerships between Ghana and emerging economies such as China and South Korea provided additional sources of financing and expertise for development.

Key Highlights of the year 2011 performance were:-

- A real GDP growth of 13.6%.

- The Gross International Reserves recorded in 2011 was US$4.98 billion exceeding 3 months of import cover.

- The price and volume effects from the major export commodities i.e. cocoa, gold and oil bolstered export receipts. Gold prices increased by 28.3% from an average of US$1,224.53 per troy oz to US$1,571.52 per troy oz. Crude oil prices rose from US$79.62 per barrel in 2010 to US$99.0 per barrel. This was however notwithstanding the fall in the average price of cocoa by 4.9% from US$3,132.99 per tonne in 2010 to US$2,980.05 per tonne.

- According to the Ghana Association of Bankers end of month revaluation rates, based on forex mid rates, the Cedi depreciated against the three main currencies on a Year-on-Year basis. Continued developments in the nominal bilateral exchange rates of the cedi in relation to the US dollar showed a significant depreciation of 8.2%. The cedi also depreciated by 6.3% and 8.0% in relation to the Euro and the Pound Sterling.

- Due to prudent government fiscal discipline, the single digit inflation level has remained since June 2010, ranging from 8.39% to

CHAIRMAN'S STATEMENT, Continued

9.52%. The lowest single digit rate in the period under consideration was recorded in July 2011 (8.39%). The year 2011 started with an inflation rate of 9.08%, increased to 9.16% in February before declining continuously to 8.39% in July. The rate thereafter stabilised then increased to 8.58% at the end of December 2011.

- Interest rates on the money market continued to decline across all security types, with a current shift in investor preference towards long dated instruments. The yield on the 91-day Treasury bill declined from 12.25% at beginning of the year to 10.81% at the end of December 2011.

- The Bank of Ghana Policy rate over the period was reduced to 12.5% based on the balance of risk to outputs and inputs and improved economic environment.

2011 Operating Results

Our Bank recorded a Net Profit before Taxation of GH¢32,958,977 from which taxation of GH¢10,086,947 was deducted giving a Net Profit of GH¢22,872,030. Net Banking Income increased by 14.0% and Current Operating Expenses grew by 21.5%. Shareholders' Funds increased from GH¢118,885,752 to GH¢150,673,780 representing an increase of 26.7%.

Dividend

The Board of Directors have proposed a dividend of GHS0.040 (Four Ghana Pesewas) per share in line with the Regulations of our Bank. This would amount to GH¢13,355,756 which represents 76% of distributable profits.

Share Performance

At the beginning of the year 2011 our Bank's share price was GH¢0.64. By the end of the first quarter of 2011 the share price rose to GH¢0.7. Thereafter, the bank's share price has declined consecutively over the second and third quarters to GH¢0.5 and GH¢0.45 respectively. The share price then rose and ended the year December 2011 at GH¢0.47.

Board of Directors

During the year, Messrs Louvel, Le Quentrec and Le Buffe resigned as Directors of our Bank. We thank them for their services and wish them well. Messrs Vujcic, Rebollar and Alric were appointed as Directors by the Board. As required by the Regulations of our Bank will be seeking election as Directors by the Shareholders.

Corporate Governance

Our Bank is committed to ensuring effective corporate governance. The Companies Code, The Banking Act, Securities and Exchange Regulations as well as the Continuing Listing Requirements of the Ghana Stock Exchange provide us with the regulatory framework for ensuring effective corporate governance.

SG-SSB Ambition 2015

Our Bank embarked on an SG-SSB Ambition 2015 project encompassing four operational pillars which are the Client, Staff, Operational Efficiency and Communication. Our Bank has under the communication pillar introduced a new brand tagline of Building Team Spirit Together which is derived from one of the values of the Group of Professionalism, Team Spirit and Innovation which was rolled out during the year under review.

CHAIRMAN'S STATEMENT, Continued

Outlook for 2012

Although, the year 2012 is an election year, the future of Ghana and the future of our Bank is bright with Ghana's impressive growth rate. The outlook for Ghana remains favourable with the current political stability.

The economy is sound and the environment positive due to the pursuance of prudent and appropriate macroeconomic policies of the government.

Our Bank will continue its strategy of generating and maintaining long term growth with lower risk by focusing on customer oriented banking models; and maintaining strict risk management.

Acknowledgement

On behalf of the Board, I wish to thank Shareholders, Management and Staff for their efforts during 2011. We shall continue to Build Team Spirit Together. To our customers and the unbanked public we would ask you to always CONSIDER US PART OF YOUR TEAM.

Thank you.

BERNARD DAVID
CHAIRMAN

MANAGING DIRECTOR'S REVIEW

It is my pleasure to present to you a review of our Bank's operations. This review will give shareholders an insight into the performance of our Bank.

2011 Operating Results

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Review of Operations for 2011

During the year 2011 our Bank continued with its strategy of making our Bank the Preferred Banking Institution. To achieve this, the following developments occurred:-

- Efficient Risk Management Practices
- Revaluation Exercise
- Renovations
- Strong Growth at the Treasury
- Increased Margins at the International Business Centre
- The RUBI Service Quality and Sales Project at the Retail Banking Division
- Robust Corporate Banking
- Enhanced Project Management at Organisation and Support
- Marketing of Products and Services
- Revision of Policies and Procedures at Human Resources Management
- Sustainable Development and Corporate Social Responsibility

Efficient Risk Management Practices

Our Bank aims to ensure that legal and regulatory provisions, ethics, business and professional practices are complied with to ensure its assets are safeguarded.

During the period under review, the credit approval system and process were amended to ensure better collective decision taking and improved turnaround times for delivering decisions. Enhanced monitoring procedures and strong Recovery action during the year, to follow up on delinquent facilities ensured that growth in total provisioning and the evolution in nonperforming loans was below the industry average.

A review of the risk management framework was conducted during the year to ensure new and emerging risks were captured and that the system in place remained robust enough to identify, monitor and efficiently control risks.

Revaluation Exercise

In line with International Financial Reporting Standards (IFRS), Property, Plant and Equipment are to be revalued at regular intervals. Consequently, it is the policy of the Bank to revalue its Land and Buildings every five years. In line with this policy, the Bank revalued its Land and Buildings in 2011. This exercise was mainly undertaken by two firms of professional external valuers and estate agents: KOA Consult and Value Properties.This has resulted in a revaluation surplus of GHS 24,166,132 for land and buildings which has been recognized as capital surplus and as part of shareholders fund.

Renovations

In 2011, we developed four (4) new outlets. Three of these outlets (Madina Branch, Legon and Tema Motorway spot banks) were new structures whilst one outlet (Kejetia Branch) was a rented refurbished building. We also renovated three of our existing branches (Koforidua, Asankragua and Bolgatanga), upgraded the Tema Fisihing Harbour Branch to accommodate our BCP centre and carried out some light refurbishment on our current

MANAGING DIRECTOR'S REVIEW, Continued

head office building. These works were carried out at a cost of GHS 2.46Million.

The contract for the new head office was awarded to MS Consar Limited who commenced works in April 2011. This project is scheduled for completion in March 2013.

Strong Growth at the Treasury Department

Our Bank was appointed Primary Dealer in government securities together with 14 other banks, with authorisation to participate in weekly auctions of securities directly from Bank of Ghana; The year saw the launch of bond trading business with our Bank authorised to make a secondary market in the same securities. Our Bank launched Foreign Exchange Forwards and SWAPs which we trade with customers and SG Corporate and Investment Banking in London and Paris.

Investments in 2011 saw a strong growth in the investment portfolio with growth in local and foreign currency liquidity. The Department efficiently managed its short term funds, meeting Bank of Ghana requirements and making income by being net lender to the market. In respect of Foreign Exchange, the period was marked by increased total volumes and marked volatility in the 3rd quarter offering opportunity to improve margins and therefore commissions.

Increased Margins at the International Business Centre (“IBC”)

Export Transfers transactional values recorded a 43% increase over the 2010 figures. Commissions earned from the export sector witnessed also a 43% over and above the 2010 figures.

Similarly, Import Transfers services recorded in transactional values, an increase of 58.2% compared to the 2010 figures and recorded a 32.1% increase commissions over the year previous year.

Import Documentary Collections achieved a 1.75% increase and Export Documentary Collections achieved a 17.34% increase of transaction volumes over and above the previous year.

Export Letters of Credit recorded a 42.68 % increase compared to 2010. Consequently, it recorded a 49.9% increase in commissions over and above the previous year.

The Import Letters of Credit recorded a strong performance in both its transactional volumes and values. The International Business Centre's activities, recorded an improved commissions earned of 26.1% for our Bank.

The RUBI Quality Service and Sales Project at the Retail Banking Division

The period under review saw the commencement of a project dubbed RUBI Project aimed at changing the orientation of the network from a process-driven organization to sales and service focused business. With the Retail Division being the face of the Bank and the main point of most customer interactions, the changes initiated are expected to enhance the overall growth and image of the Bank.

The phases of the RUBI project focused on four main streams; namely Organization, Methods of Work, Sales Topics and Change Management. All the streams are geared towards creating an efficient sales and service organization capable of meeting both the challenges and competition facing the industry.

Other related projects started during the year and aimed at Retail included the re-positioning of our Call Centre to facilitate sales and quality service. This is expected to enhance quality service and sales activities at all touch-points with our customers and clients.

MANAGING DIRECTOR'S REVIEW, Continued

Robust Corporate Banking

The Corporate Banking Division's 2011 results were mixed and achieved under challenging conditions: competition intensified, customers continue to be more demanding, the global economy's recovery from recession was sluggish particularly with Greece and Euro zone crisis emerging and the US$ liquidity challenges in the last half of the year. In spite of these developments in the market in 2011, Corporate Banking remained robust and responded well to the challenges.

While corporate deposits recorded strong growth of 37%, the credit evolution was relatively less bullish but this picked up in the last quarter, recording year on year growth of 21%. Total revenue was 12% below target in view of interest income although fee based income was exceeded. We continue to maintain one of the best quality assets relative to the market with our year end NPL being one of the lowest in industry, a standard we intend to carry through in 2012 and the following years.

The activities of Corporate Banking have for many years been guided by its vision to be relevant to our customers and to improve shareholder value.
In response to customer needs and market demands, our Bank continued to make further changes to be more visible and relevant in today's market.

As experienced people are an essential part of our Bank's competitive advantage and to maintain its value proposition in the industry, our Bank hired a senior banker to support the Head of Corporate Banking to drive sales and business development and established a new Corporate Desk to spearhead the Bank's corporate business in the Ashanti Region.

Enhanced Project Management at Organisation and Support

The year 2011 turned out to be an eventful one for our Bank in terms of projects to implement new banking products, open additional branches, reorganize departments and automate manual processes to improve operational efficiency.

To add on to the current money remittance services available in our Bank, SG-SSB initiated a project to partner with Western Union International to undertake money remittance through Western Union in SG-SSB.

Our Bank went through a series of operational changes in 2011 which resulted in the review of the organization structure and the automation of several manual processes with the aim of improving operational efficiency. The automation of the application process for the 'Relief Credit' facility - reducing the time spent for the approval of loans and the introduction of the NARVAL Tool – an application to automate the process of Permanent Supervision which is to strengthen the permanent supervision process were some of the key projects initiated to improve operational efficiency.

Marketing of Products and Services

Our Bank undertook major marketing promotions during the year under review by supporting the Retail Division loans campaign with the necessary communications in both Print and Electronic Media to support the Bank's loan portfolio. Our Bank also rewarded loyal MoneyGram customers in 2011 for their continuous business and loyalty with branded items in a Loyalty Promotion.

Revision of Policies and Procedures at Human Resources Management

In furtherance to the realization of the goals of the 'Ambition 2015', employees were encouraged to take part in the Employee Barometer Survey as a

MANAGING DIRECTOR'S REVIEW, Continued

way of increasing the level of involvement of staff in the bank's activities. Action points were developed out of the survey and are in the process of implementation.

Our bank also rolled out a new appraisal tool called 'E-valuation', which seeks to measure the behavioural aspect of employee performance, together with the operational performance. This performance management tool is already in use in other Société Générale entities around the world.

Various policies and procedures aimed at guiding the actions of employees of our Bank were also revised during 2011 to ensure that they addressed the changing trends and needs in the banking industry.

A staff committee was established to discuss various issues affecting employees with the view to enhancing their productivity and rewarding them appropriately among others.

A total of 32,626 training hours were recorded locally for employees. Twenty members of staff also had the opportunity to attend international training programmes. This represents over a 100% increase compared to 2010.

Sustainable Development and Corporate Social Responsibility

At our Bank, Sustainable Development and Corporate Social Responsibility is a global concept and is based on development that meets the needs of the present without compromising the future generations to meet their needs through a responsible approach that takes into account the interest of all stake holders, shareholders, customers, staff, suppliers, civil society and the environment.

We also interpret Corporate Social Responsibility as to Care, to Share and to Respect which is viewed from an internal and external perspective. Externally, our Bank sponsors Sports, Health, Education, Art, Culture and the Environment. Internally our core business of lending, recruitment, Code of Conduct, Training, Personnel Development, Ethics, Staff Loan Policy, Staff Account Policy and a Scholarship Scheme for children of staff. During the year under review our Bank continued with the implementation of effective Corporate Social Responsibility.

The Future

For 2012 we shall continue to carry out new actions and build up new projects in the frame of SG-SSB Ambition 2015 and we will not relent in our efforts to reach our ambitious goals and objectives to be the preferred Bank for all our stake holders with Professionalism Team Spirit and Innovation.

The goals that were not achieved in 2011 will be reached in 2012 and Management will continually improve its efforts for the success of our Bank and we shall continue to Build Team Spirit Together.

Appreciation

I would like to thank the Board of Directors for their guidance and all staff for their hard work and support during the year under review.

Thank you.

GILBERT HIE
MANAGING DIRECTOR

FINANCIAL HIGHLIGHTS

The Directors in submitting to the shareholders the financial statements of the Bank for the year ended 31 December 2011 report as follows:-

Results

	2011 GH¢	2010 GH¢
The Bank recorded Net Profit before Taxation and before Profit of Associate of *	32,639,249	26,828,466
From which is deducted Taxation and National Stabilization Levy of	10,086,947	7,458,144
Giving a Net Profit after Taxation of	22,552,302	19,370,322
There was transfer to Statutory Reserves of	5,000,000	5,000,000
Leaving a Profit for the Year after Taxation, Dividend and transfer to Statutory Reserves of	17,552,302	14,370,322
When added to the opening balance on the Income Surplus account as of 1 January of	17,305,300	17,661,162
And adjusting it with transfer to Stated Capital of	-	-
From which is deducted Final Dividend paid of	11,686,286	
Leaving a balance of	23,171,316	18,675,729
Out of which transfer to General Regulatory Credit Reserve of	3,309,145	1,370,429
Out of which Other Movements made during the Year	2,193,383	
It leaves a closing balance on the Income Surplus Aaccount of	17,668,788	17,305,300
*Share of Profit of Associate	319,728	489,574

REPORT OF THE 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 52% 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 of GHS60 million for universal banking as directed by the Bank of Ghana.

Changes in Board of Directors and Senior Management

Re-election of Directors

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

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.

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

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 and Chairman of Allianz Insurance Ghana Limited. He joined the Board of Directors on 26th March, 2003.

Election of Directors

In accordance with Regulation 72(1) of the Regulations of the Bank Messrs Borut Vujcic, Jose Rebollar and Arnaud Alric appointed during the year offer themselves for election.

Borut Vujcic: He is the Deputy Managing Director of the Bank. He holds a bachelor of economics degree from Karl Franzens University in Austria. Prior to joining the Société Générale. Group he worked with Hypo Alpe Adria Bank AG holding the following positions. Head of Loan Department (Leasing); Member of Project Team establishing Hypo Alpe, Adria Bank DD; Head of Corporate Finance; Managing Director Raiffeisen Leasing Slovenia. Within the Société Générale. Group he has held the following positions. Managing Director SKB Leasing; Executive Director Commercial Management SKB DD. He joined the Board of Directors on 27th July 2011.

Jose Rebollar: He is the Chief Operating Officer of the Bank. He is an Aeronautical Engineer by profession and holds a degree from the Polytechnic University of Madrid Spain. He joined Société Générale. in 1994 and has held the following positions: Project Manager IT; Head of Middle Office Securities; Head of Custody; Head of Sales; Head of Corporate Actions Back Office;

REPORT OF THE DIRECTORS, Continued

Head of Middle Office Securities; Chief Operating Officer and Chief Administrative Officer in Spain, France and India respectively. He joined the Board of Directors on 27th July 2011.

Arnaud Alric: He holds an ESC diploma from the Toulouse Business School in France. He joined the Société Générale Group in 1996 and has held the following positions: Regional Marketing Manager; Branch Manager; Marketing Project Manager; Supervisory Board Member; Marketing Director; Marketing and Communication Director and is currently the supervisor of Egypt and Ghana for the Société Générale Group. He joined the Board of Directors on 27th July 2011.

Directors' Interest

One director holding office at the end of the year owned 1,940 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, Deloitte and Touche has agreed to continue in office as the Bank's auditors. A resolution to authorise the directors to determine the remuneration for the year ended 31 December 2012 will be proposed at the Annual General Meeting.

Bonus Shares

- (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 and Accounts Committee

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

Kofi Ampim	-	Chairman
Michel Miaille	-	Member
Teresa Ntim	-	Member
Bernard David	-	Member
Arnaud Alric	-	Member
Nii Adja Nablah	-	Member
Emmanuel Kyeremeh	-	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, Chief Operating Officer, Head of Audit Division, Head of Permanent Control and where necessary, the Bank's External Auditors.

Nomination and Compensation Committee

In line with its Corporate Governance principles the Board has a Nomination and Compensation committee made up of the following non-executive directors:

Teresa Ntim	-	Chairman
Kofi Ampim	-	Member
Nii Adja Nablah	-	Member
Michel Miaille	-	Member
Gilbert Hie	-	Member

REPORT OF THE DIRECTORS, Continued

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

Compliance with Securities and Exchange Commission Regulations

The Bank has complied with the regulations of the Securities and Exchange Commission (L.I. 1728 Regulation 61) and has submitted to the Commission as requested, two (2) reports of the Audit and Accounts Committee for the year 2011. The Audit Committee held four meetings during the year under review. In fulfilment of the Securities and Exchange Commission requirements, we present a summary of the reports so submitted:

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

  Report on Business Continuity Plan
- Audit Reports on Branches submitted.

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

BY ORDER OF THE BOARD

……………………………
CHAIRMAN
(Bernard David)

……………………………
MANAGING DIRECTOR
(Gilbert Hie)

ACCRA

17 February 2012

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 pages 25 & 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.

RISK MANAGEMENT

Risk is inherent in the Bank's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities.
The Bank is exposed to credit risk, liquidity risk, interest rate risk and market risk. It is also subject to various operating risks.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. The Bank's policy is to monitor those business risks through the Bank's strategic planning process.

Risk Management Structure

The Board of Directors is ultimately responsible for identifying and controlling risks. However, there are separate independent bodies responsible for managing and monitoring risks.

Board of Directors

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles.

Risk Committees

The Risk Committees have the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Committees are responsible for managing risk decisions and monitoring risk levels.
The main Risk Committees and its frequencies are:

i. Credit risk committee — Quarterly;
ii. Asset and Liabilities committee — Weekly
iii. Structural risk committee — Quarterly;
iv. Market risk committee — Quarterly;
v. Operational risk committee (Periodic and Permanent Control, Business Continuity Planning and Compliance) — Quarterly;

Risk Management

The Risk Management Unit is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained.

Risk Controlling

The Risk Controlling Unit is responsible for monitoring compliance with risk principles, policies and limits across the Bank. Each business group has its own unit which is responsible for the independent control of risks, including monitoring the risk of exposures against limits and the assessment of risks of new products and structured transactions. This unit also ensures the complete capture of the risks in risk measurement and reporting systems.

Bank Treasury

The Bank's Treasury is responsible for managing the Bank's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks management of the Bank.

Internal Audit

The Bank's policy is that risk management processes throughout the Bank are audited annually by the internal audit function, which examines both the adequacy of the procedures and the Bank's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit committee.
The most significant risks which SG-SSB is exposed to and how they are managed are as below:

RISK MANAGEMENT, Continued

CREDIT RISK

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The Bank also manages its counter party risk through adherence to prudential requirements by ensuring that it's secured lending to any single borrower is below 25% of its net worth and that any single unsecured lending by the bank is less than 10% of the bank's net worth.

The framework for managing this risk is the credit policy which spells out the overall underwriting standards, credit approval process, credit administration and recovery processes. The policy is reviewed from time to time in response to risk profile of new business opportunities /products, and any challenges with the recovery process.

The Bank has established a credit quality review process through the Credit Committee to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns major counterparty a risk rating.

Risk ratings are subject to regular revision.
The credit quality review process aims to allow the Bank to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

The Bank's credit quality review process is established in line with the Societe Generale Group's risk management governance based on the following;

- A strong managerial involvement throughout the entire organization: From the Board of Directors through to the Credit Committee and to the operational field management teams.
- A tight framework of internal procedures and guidelines.
- A well defined permanent supervision process that assists to identify through a self examination the need for review of certain processes to improve on the Bank's credit delivery and collection processes.
  In line with the group policy, Credit Risk is organized around two key principles:
- Independence of Risk assessment department from the business divisions;
- A consistent approach to risk assessment and monitoring applied throughout the Group.

The bank in estimating and establishing its potential credit losses, counterparty limits are established by the use of a credit risk classification system, which assigns major counterparties a risk rating. Risk ratings are subject to regular revision.
The credit quality review process aims to allow the bank to assess the potential loss as a result of the risks to which it is exposed and take corrective action.
The Credit Committee also monitors the portfolio of loans and debt collection operations.
In this capacity, it does:

- analyse the portfolio of loans: retail customers, companies, banks and financial institutions, and sovereign,
- monitor irregular commitments and the main sensitive risks,
- monitor debt collection files,
- assess guarantees and monitor provisions,
  ensure that the actions reported are monitored

RISK MANAGEMENT, continued

LIQUIDITY RISK AND STRUCTURAL INTEREST RATE RISK

- **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 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.

Maturities on outstanding positions are determined on the basis of the contractual terms of the transactions and models of historic client behavior (models determined with the contribution of the Group), as well as conventional assumptions for some balance sheet items (mainly shareholders' equity and sight deposits).

The net liquidity gap resulting from liquidity analysis of assets and liabilities of the Bank as of 31 December 2011 is shown in Note 39.
The gap profile is the difference between assets and liabilities which is calculated for each time-bucket. The results of this calculation are stressed and analyzed through the internal ALM Report or the Group report Structural risk committee.
SG-SSB has a large and diversified deposits base which serves as a large part of mid and long-term financing resources.

- **Structural interest rate**

The interest rate risk is the incurred risk in case of interest rate variations because of all on-and off-balance sheet operations, except operations subject to market risks. Global Interest Rate Risk is corresponding to interest rate on the banking portfolio.

The strategic management of liquidity is done at a high level of senior management (ALCO); review of results on weekly basis in line with competition and economic conditions and also ensure that regulatory requirements are met.

The risk management is supervised by the Group. Limits are defined at Group consolidated level and at the level of each Group consolidated entity, and are validated by the Finance Committee. Finance department of the Group is responsible for checking the risk level of SG-SSB.

The SG-SSB's main aim is to reduce its exposure to structural interest rate risk as much as possible. To this end, any residual interest rate risk exposure must comply with the sensitivity limits set by the Finance Committee. The sensitivity is defined as the variation in the present value of future (maturities of up to 20 years) residual fixed rate positions (surplus or deficits) for a 1% parallel increase in the yield curve (i.e. this sensitivity does not relate to the sensitivity of annual net interest income). The limit for SG-SSB is EUR 1 million (i.e. GHS 2.0488 million), which is 1.35% of shareholders' equity.

In order to quantify its exposure to structural interest rate risks, SG-SSB analyses all fixed- rate assets and liabilities on future maturities to identify any gaps. These positions come from their maturities.

Maturities on outstanding positions are determined on the basis of the contractual terms of the transactions and models of historic client behavior (models determined with the contribution of the Group), as well as conventional assumptions for some balance sheet items (mainly shareholders' equity and sight deposits).

Once the Bank has identified the gaps of its fixed-rate positions (surplus or deficit), it calculates the sensitivity (as defined above) to variations in interest rates. This sensitivity is defined as the variation of the net present value of the fixed-rate positions for an instantaneous parallel increase of 1% of the yield curve.

RISK MANAGEMENT, continued

Throughout 2011, SG-SSB's global sensitivity to interest rate risk following the procedure described above was 0.47% of the total balance sheet and beyond the GHS 2.0488 million with a total sensitivity of GHS 3.913 million which represents 2.64% of the total shareholder's equity.

- **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 41. This risk is managed by the establishment of limits, monitoring of exposures on a daily basis and ensuring that regulatory requirements are met.
The task of the Market Risk Committee is to:

- identify, assess and monitor the market risks generated by transactions made on behalf of:
- the local Financial department (cash, liquid assets, balance sheet hedging) in relation with the Assets and Liabilities Management Committee,
- professional customers (companies and institutional investors),
- define and monitor alert procedures,
- make sure that the Back Office is really independent from the Front Office.

- **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.

The Bank has established and implemented an integrated Operational Risk (OR) framework comprising (i) Loss Collection policy, (ii) Key Risk Indicators (KRI) policy, (iii) Permanent Supervision policy, (iv) Compliance and anti- money laundering Policy which set out the organizational structure, overall policy framework, processes and systems for identifying, assessing, monitoring and controlling/mitigating operational risks in the bank.
SG-SSB has adopted the SG-Group BCP policy and methodology which is consistent with international standards.

The Bank has also created a comprehensive and independent review of the Business Continuity Planning and Operational Risk processes.

The Operational Risk Committee's task is to identify and assess the impact of operational risks on the smooth running and profitability of the bank, and to define and implement the strategy used to control them by continuously adapting the methods used to bring them into conformity with regulations in force and Société Générale Group standards.

To achieve this, the committee:
- makes sure that the resources made available to the Operational Risk team are in line with the Bank's level of exposure,
- is responsible for the introduction and satisfactory operation of permanent supervision, and for the bank's Operational Risk control,
- is informed of the main types of operational risks and of the main operating losses recorded over the period,
- monitors the implementation of plans of action intended to correct and reduce

RISK MANAGEMENT, continued

Operational Risks,

- validates the findings of regulatory exercises (Risk & Control Self Assessment (RCSA), scenario analysis, KRI), introduces and monitors corrective action plans,
- introduces, maintains and tests the BCP and the Crisis management system,
- makes sure that the work done by Permanent Supervision is of good quality and approves its report,
- takes corrective action in the event of a deterioration in the control environment,
- keeps up to date with legislative and regulatory changes, as well as recommendations relating to periodic control,
- drafts and presents its activity report particularly intended for the Audit and Accounts Committee.

Non Compliance & Reputation Risk and the prevention of Money Laundering

The compliance function ensures that the risks of legal, administrative and/or disciplinary penalties, financial losses or injury to reputation, arising out of or in connection with failure to comply with local legislative and/or regulatory banking provisions, ethics and professional practices, as well as SG Group instructions, standards and/or processes are identified and controlled.
The bank's compliance activity is overseen at a high level by a senior management officer, the Head of Compliance and through the Compliance committee chaired by the Managing Director.
The main tasks of the compliance function are namely;

- to define in accordance with legal and regulatory requirements, the policies, principles and procedures applicable to compliance and the prevention of money laundering and terrorist financing and ensure that they are implemented;
- to ensure that professional and financial market regulations are respected;
- to prevent and manage any potential conflicts of interest with respect to customers;
- to propose the ethical rules to be respected by all staff;
- to train and advise staff and increase their awareness of compliance issues.Other Operational Risks

Through its normal activity, the Bank is also exposed to the following risks:

- Business risk: risk of the earnings break-even point not being reached because of costs exceeding revenues
- Strategic risk: risk entailed by a chosen business strategy or resulting from the Bank's inability to execute its strategy.

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 Statement of Financial Position as of 31 December 2011, Comprehensive Income Statement and Statement of Cash Flows 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 2011, 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

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

iii. The Statement of Financial position, Comprehensive Income Statement, Statement of Cash Flow and income surplus 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 accounts give a true and fair view of the state of affairs of the bank and its results for the period.

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).

……………………………

Deloitte & Touche
Chartered Accountants
Accra

Date: 17 February, 2012

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2011

	NOTES	2011 GH¢	2010 GH¢
Revenue	5	124,080,061	106,973,156
Interest & Similar Revenue	6	81,912,452	75,731,717
Interest & Similar Expense	7	(13,556,856)	(10,190,844)
Net Interest Income		68,355,596	65,540,873
Fees & Commission Revenue	8	26,956,477	23,723,627
Fees & Commission Expense	8a	(4,049,971)	(3,406,506)
Net Commission Income		22,906,506	20,317,121
Forex Trading Revenue	9	13,395,859	5,723,807
Investment Revenue	10	73,600	110,400
Other Operating Income	11	1,741,673	1,683,605
Total Other Operating Income		15,211,132	7,517,812
Total Operating Income		106,473,234	93,375,806
Credit Loss Expenses	12	(907,947)	(6,512,000)
Net Operating Income		105,565,287	86,863,806
Personnel Expenses	13	(36,658,980)	(33,064,230)
Depreciation	26	(3,630,842)	(2,953,432)
Amortisation	26a	(3,058,140)	(2,668,395)
Other Operating Expenses	14	(29,578,076)	(21,349,283)
Total Operating Expenses		(72,926,038)	(60,035,340)
Net Operating Profit		32,639,249	26,828,466
Share of Profit of Associate		319,728	489,574
Profit before Tax		32,958,977	27,318,040
Income Tax Expenses	15	(8,454,985)	(6,116,721)
National Stabilization Levy	15c	(1,631,962)	(1,341,423)
Profit after Tax		22,872,030	19,859,896
Other Comprehensive Income	43	172,522	1,679,514
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		23,044,552	21,539,410

Earnings Per Share:			
Equity Shareholders of the Bank			
Basics (GH¢)	16	GH¢0.0675	GH¢ 0.0580
Profit for the Year attributable to:			
Majority or Controlling Equity Holders of the Bank		11,948,348	10,374,809
Other Equity Holders of the Bank		10,923,682	9,485,087
		22,872,030	19,859,896

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2011

	NOTES	2011 GH¢	2010 GH¢	Jan 2010 GH¢
Assets				
Cash on Hand and Cash Balances with Bank of Ghana	17	125,508,159	70,237,458	70,393,711
Due from Banks and Other Financial Institutions	18	110,457,803	160,181,244	106,337,437
Financial Investments	19	174,503,218	104,483,701	44,378,984
Other Assets	20	8,056,117	13,076,401	22,519,442
Loans and Advances	21	344,545,558	301,203,053	296,218,660
Investment in Associate	22 a	2,887,137	2,659,410	2,225,116
Investment in other Securities	22b	408,223	271,723	271,723
Current tax: Assets	24	3,356,852	2,841,858	2,353,204
National Stabilization Levy	24a	271,718	76,065	52,261
Long Term Operating Lease Prepaid	25a	4,078,250	4,226,550	4,374,850
Property, Plant & Equipment	26	63,339,491	25,417,515	29,338,605
Intangible Assets	26a	3,664,678	6,331,806	437,509
Total Assets		841,077,204	691,006,784	578,901,502
Liabilities				
Customer Deposits	27	625,773,953	495,397,719	388,646,975
Due to Banks, & Other Financial Institutions	28	15,800,867	22,014,693	32,319,372
Interest Payable & Other Liabilities	29a	48,104,078	53,408,112	46,059,582
Deferred Tax: Liabilities	30	724,526	1,300,507	1,146,503
Total Liabilities		690,403,424	572,121,031	468,172,432
Equity				
Stated capital	31	62,393,558	62,393,558	62,393,558
Share Deals Account		2,943,755	2,943,755	2,943,755
Capital Surplus		33,398,825	9,232,693	9,232,693
General Regulatory Credit Reserve		4,679,574	1,370,429	-
Income Surplus Account		17,668,788	17,305,300	17,661,162
Available for Sale Reserve		2,869,137	2,641,410	2,207,116
Statutory Reserve Fund		26,290,786	21,290,786	16,290,786
Other Reserves	32	429,357	1,707,822	-
Total Equity		150,673,780	118,885,753	110,729,070
Total Liabilities and Equity		841,077,204	691,006,784	578,901,502

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2011

	NOTES	2011 GH ¢	2010 GH ¢
OPERATING ACTIVITIES			
Operating Profit before Taxation		32,639,249	26,828,466
Adjustments for:			
Depreciation	26	3,630,842	2,953,432
Amortization	26a	3,058,140	2,668,395
Long Term Operating Lease Amortization	25a	148,300	148,300
Provision for Share Option Payment		304,703	37,744
Unrealized Gains/ Losses		(477,155)	6,465
Dividend from investments		(73,600)	(110,400)
Profit on Sales of Property, Plant and Equipment		(248,965)	(63,005)
Other Non Cash Movement		(2,184,200)	-
Operating Profit before Working Capital Changes		36,797,314	32,469,397
Decrease in Other Assets		5,020,285	9,443,041
(Decrease) / Increase in Other Liabilities		(2,851,323)	4,898,051
Increase in Customer Deposit		130,376,233	106,750,744
(Increase) in Loans and Advances to Customers		(45,795,216)	(2,533,914)
(Increase) in Government Securities		(72,019,574)	(57,865,364)
(Increase) in Investment in Equity Securities		(136,500)	-
(Decrease) Amount due to Banks and Other Financial Institutions		(6,213,826)	(10,304,679)
Changes in Working Capital		8,380,079	50,387,879
Cash from Operations		45,177,393	82,857,276
Income Tax Paid		(9,119,804)	(7,020,645)
National Stabilization Levy Paid		(1,827,615)	(1,365,228)
Net Cash Flow from Operating Activities		34,229,974	74,471,403
INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	26	(17,998,785)	(7,033,625)
Purchase of Intangible Assets	26a	(313,865)	(580,339)
Proceeds from Sale of Property, Plant and Equipment		765,467	81,935
Dividend Received		73,600	110,400
Net Cash Used in Investing Activities		(17,473,583)	(7,421,629)
FINANCING ACTIVITIES			
Dividend Paid	33	(11,686,286)	(13,355,755)
Net Cash Used in Financing Activities		(11,686,286)	(13,355,755)
Increase in Cash & Cash Equivalents		5,070,105	53,694,019
Net Foreign Exchange Difference		477,155	(6,465)
Cash & Cash Equivalents as at 1 January		230,418,702	176,731,148
Cash & Cash Equivalents as at 31st December	37	235,965,962	230,418,702

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2011

DECEMBER 2011

	Stated capital GH¢	Income surplus GH¢	Capital surplus GH¢	Share Deals Account GH¢	Statutory Reserve Fund GH¢	Available for Sale Reserve GH¢	General Regulatory Credit Reserve GH¢	Other Reserves GH¢	Total Equity holders of the Bank GH¢
Balance as 1 January 2011Restated	62,393,558	17,305,300	9,232,693	2,943,755	21,290,786	2,641,410	1,370,429	1,707,822	118,885,753
Movements during the Year	-	-		-	-	-	-	-	-
Revaluation of Land and Buildings	-	-	24,166,132	-	-	-	-	-	24,166,132
Investment in Associate	-	-	-	-	-	227,727	-	-	222,727
Profit for the Year	-	22,552,302	-	-	-	-	-	-	22,552,302
Other Comprehensive Income	-	-	-	-	-	-	-	(1,506,992)	(1,506,992)
Share Based Option Payments	-	-	-	-	-	-	-	228,527	228,527
Dividend Paid	-	(11,686,286)	-	-	-	-	-	-	(11,686,286)
Transfer to Statutory Reserve	-	(5,000,000)	-	-	5,000,000	-	-	-	-
Transfer to General Regulatory Credit Reserve	-	(3,309,145)	-	-	-	-	3,309,145	-	-
Other Equity Movements during the Year	-	(2,193,383)	-	-	-	-	-	-	(2,193,383)
Balance as at 31st December 2011	62,393,558	17,668,788	33,398,825	2,943,755	26,290,786	2,869,137	4,679,574	429,357	150,673.780

DECEMBER 2010

	Stated capital GH¢	Income surplus GH¢	Capital surplus GH¢	Share Deals Account GH¢	Statutory Reserve Fund GH¢	Available for Sale Reserve GH¢	General Regulatory Credit Reserve GH¢	Other Reserves GH¢	Total Equity holders of the Bank GH¢
Balance as 1 January 2010 Restated	62,393,558	17,661,162	9,232,693	2,943,755	16,290,786	2,207,116	-	-	110,729,070
Movements during the Year	-	-	-	-	-	-	-	-	-
Investment in Associate	-	-	-	-	-	434,294	-	-	434,294
Profit for the Year	-	19,370,322	-	-	-	-	-	-	19,370,322
Other Comprehensive Income	-	-	-	-	-	-	-	1,679,514	1,679,514
Share Based Option Payments	-	-	-	-	-	-	-	28,308	28,308
Dividend Paid	-	(13,355,755)	-	-	-	-	-	-	(13,355,755)
Transfer to Statutory Reserve	-	(5,000,000)	-	-	5,000,000	-	-	-	-
Transfer to General Regulatory Credit Reserve	-	(1,370,429)	-	-	-	-	1,370,429	-	-
Balance as at 31st December 2010 Restated	62,393,558	17,305,300	9,232,693	2,943,755	21,290,786	2,641,410	1,370,429	1,707,822	118,885,753

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

1.1 Nature of Company

SG-SSB Limited (the Bank) is a limited liability company incorporated in Ghana under the Companies Code 1963, Act 179. The Bank is domiciled in Ghana with its registered office at C796 N3 Asylum Down, Ring Road Central, Accra.

The Bank is authorized and licensed to carry out the business of banking and provides retail banking, corporate banking, investment banking and other financial intermediation activities and specialized financing activities such as leasing and consumer credits through its network of branches and outlets including divisions across Ghana.

The principal activities of the Bank are described in the Directors' Report. Société Générale (Group), a bank incorporated in France, is the ultimate parent of the Bank.

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

1.2 Authorization for publication

The financial statements of the Bank for the year ended 31 December 2011 were authorized for issue in accordance with a resolution of the directors on 17 February 2012.

1.3 Consolidation

SSB Investment Company Limited is a wholly owned subsidiary of SG-SSB Limited. However, the value of the investment is nil as shown in Note 23. Therefore, although this is a consolidated financial statements, the value of the Bank and the Group are the same. The financial statement of the Bank and the group were therefore not shown separately in accordance with IAS 27.

1.4 Compliance with IFRS

The financial statements of the Bank for the year ended 31 December 2011 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

1.5 Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year.

2. Summary of significant accounting policies

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

2.0 Basis of preparation

The financial statements of the Bank have been prepared on a historical cost basis, except for financial assets and financial liabilities held at fair value, that have been measured at fair value initially and/or subsequently. Land and buildings have also been revalued.

2.1 Investment in associate

An associate is an entity over which the Bank has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

The Bank incorporates the results and the assets and liabilities of the associate in its financial statements using the equity method.
Under the equity method, investment in associates is carried in the statement of financial position at the Bank's share of the net assets of the associate less impairment and distribution by way of dividend.

NOTES TO THE FINANCIAL STATEMENTS, Continued

The most recent available financial statements of the associate are used by the Bank in applying the equity method. When the reporting dates of the Bank and the associate are different, the associate prepares, for the use of the Bank, financial statements as of same date as the financial statements of the Bank unless is it impracticable to do so.

2.2 Functional and presentation currency

The financial statements are presented in Ghana Cedis [GH¢], which is the functional and 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 reporting 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 recognized in profit or loss under the heading "forex" trading revenue" .
Translation differences on non-monetary items are reported in profit or loss.

The effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the statement of cash flow 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 Segmental reporting

IFRS 8 requires the identification of operating segments to be on the basis of internal reports that are reviewed by an entity's chief operating decision maker to allocate resources to the segment and assess its performance.

IFRS 8 requires entities whose shares or debts are traded publicly to produce segmental report.

SG-SSB limited is managed on a basis that takes account of the different business lines that dominate the operating activities of the Bank. Major business lines of the Bank include

a. Retail banking
b. Corporate banking
c. SME banking
d. Treasury / International banking

The Banking activities of the Bank have been segmented into various business lines. The profitability of these business lines are assessed based on the profit and Loss statement produced. These are illustrated in note 44.

2.5 Property, plant and equipment

The Bank recognizes an item of property, plant and equipment as an asset when it is probable that future economic benefits will flow to it and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is provided on the

NOTES TO THE FINANCIAL STATEMENTS, Continued

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 of 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:

• Buildings	3.00%
• Furniture and equipment	20.00%
• Computer	33.33%
• Household furniture	25.00%
• Motor vehicles	33.33%
• Leasehold Land	Amortized over Leased Period
• Freehold Land	Not Depreciated

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, plant 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 fair value less costs to sell 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 derecognizing of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

Residual values, useful lives and methods of depreciation for property, plant and equipment are reviewed, and adjusted if appropriate, at each reporting date.

Sale of assets held for rental

Items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale. Proceeds of such sales are subsequently shown as revenue. Cash payments on initial recognition of such items and the cash receipts from rents and subsequent sales are all shown as cash flows from operating activities.

2.6 Intangible assets: Computer software

Costs incurred to acquire and bring to use specific computer software licenses are capitalized. Following initial recognition, intangible assets are carried at cost less accumulated amortization and any impairment losses. The amortization period and method for an intangible asset, in this case computer software, are reviewed at least at each reporting date. Changes in the expected useful life in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

NOTES TO THE FINANCIAL STATEMENTS, Continued

The amortisation expense on the intangible assets is recognized in profit or loss in the expense category consistent with the function of the intangible asset.

Amortisation is calculated using the straight line method on the basis of the expected useful lives of the assets which range between 4 and 5 years.

The carrying values of intangible assets 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 intangible assets is the greater of fair value less costs to sell 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.

Gains or losses arising from de- recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

2.7 Provisions - General

The Bank recognizes 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 recognized as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

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 13% of qualifying employees' basis monthly salaries to a state managed Social Security Fund for the benefit of the employees. All employer contributions are charged to profit or loss 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 profit or loss as incurred and included under staff costs. The employers' contributions are charged at the relevant due dates to the fund. with no further or future obligation on the part of the employer.

NOTES TO THE FINANCIAL STATEMENTS, Continued

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 recognized 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 recognized:

{a} Interest income

Interest income is recognized in profit or loss 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 and allocating the interest income. 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.

The effective interest rate is calculated on initial recognition of the financial asset or liability, estimating the future cash flows after considering all the contractual terms of the instrument but not future credit losses.

The calculation includes all amounts for processing and commitment fees paid or received by the Bank that are an integral part of the overall return, direct incremental transaction costs related to the acquisition, issue or disposal of a financial instrument and all other premiums or discounts.

Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan.

Loan syndication fees are recognised as revenue when the syndication has been completed and the Bank retains no part of the loan package for itself or retains a part at the same effective interest rate for all interest-bearing financial instruments, including loans and advances, as for the other participants.

Where a financial asset or a group of similar financial assets have 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

Commission and fees revenues and expenses that are integral part of financial instruments and are included in the measurement of the effective interest rate are spread over the period of the financial instruments. Commission and fees in respect of services are recognized in the income statement when the related services are performed. The Bank earns commission and fees from a diverse range of services provided to its customers. Fee revenue is accounted as follows:

- Revenue 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

NOTES TO THE FINANCIAL STATEMENTS, Continued

recognized as revenue as the services are provided.

- Fees 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 and treated as investment revenue.

{d} Rental Income

Rental revenue is recognised on accrual basis.

{e} Other Operating Income

This is made up of other operating income including Bad debts recoveries, profit or loss on sale of Plant, Property and Equipment and other miscellaneous incomes.

2.11 Interest Expense

Interest expense is recognized in profit or loss for all interest-bearing financial instruments measured at amortised cost, including loans and advances, as interest accrues using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense.

The effective interest rate is the rate that exactly discounts the estimated future cash payments over the expected life of the instrument or, when appropriate, a shorter period, to the net carrying amount of the financial liability.
The effective interest rate is calculated on initial recognition of the financial liability, estimating the future cash flows after considering all the contractual terms of the instrument. The calculation includes all amounts for processing and commitment fees paid 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.

2.12 Income tax

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

{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 reporting 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 recognized directly in equity or other comprehensive income is recognized in equity or other comprehensive income and not in profit or loss.

{b} Deferred income tax

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

NOTES TO THE FINANCIAL STATEMENTS, Continued

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is calculated using the rate expected to apply in the period in which the assets will be realized or the liabilities settled. Deferred 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 reporting 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.

Deferred tax relating to items recognized directly in equity or other comprehensive income is recognized in equity or other comprehensive income and not in profit or loss.

{c} Value Added Tax -VAT

Revenues, expenses and assets are recognized 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 tax 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 Ghana Revenue Authority is included as part of receivables or payables in the statement of financial position.

2.13 National Stabilisation Levy

Under the National Stabilisation Levy Act, 2009 of Ghana, financial institutions and some large firm are required to pay a levy of 5% of their profit before tax towards national reconstruction with effect from July 2009. The Bank has complied with this statutory obligation.

2.14 Classification of financial assets and liabilities

The Bank classifies its financial assets as follows: financial assets held at fair value through profit or loss; loans and receivable; held-to-maturity and available for sale financial assets. However, the classification of financial liabilities is restricted to either held at fair value through profit or loss, or at amortized cost.

NOTES TO THE FINANCIAL STATEMENTS, Continued

2.15 Financial instruments - Initial recognition and subsequent measurement

{a} Date of recognition

Purchases and sale of financial instruments that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognized 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 recognized 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} Financial assets designated at fair value through profit and loss

Financial instruments held at fair value through profit and loss include all instruments classified as held for trading and those instruments designated as held at fair value through profit and loss.

Debt securities and equity shares acquired principally for the purpose of selling in the short term or which are part of a portfolio which is managed for short- term gains are classified as trading securities and recognized in the statement of financial position at their fair value.

Gains and losses arising from changes in their fair value are recognised in the profit and loss in the period in which they occur. Other financial assets at fair value through profit or loss are designated as such by management upon initial recognition.

Such assets are carried in the statement of financial position at their fair value and gains and losses recognised in the profit and loss in the period in which they occur.

Financial assets are only designated at fair value through profit or loss when doing so results in more relevant information because it eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis.

{d} 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 statement of financial position at their fair value.

Available for sale financial assets are measured at fair value on the statement of financial position, with gains and losses arising from changes in the fair value of investments recognized in other comprehensive income and accumulated in available for sale reserve 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 recognized through other comprehensive income into profit and loss.

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

{e} Held-to-maturity assets

Held-to-maturity assets are non-derivative financial instruments with fixed or determinable payments and maturity dates.

NOTES TO THE FINANCIAL STATEMENTS, Continued

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. At the end of December 2011, the Bank had classified a commercial paper amounting to GH¢20,000,000 under the Held-to-maturity category.

{f} Loans and advances and receivables

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 profit or loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are integral part of the effective interest rate.
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 statement of financial position at amortised cost using the effective interest method less impairment losses. The amortization is included in 'Interest and similar income' in profit or loss and losses arising from impairment are recognized in profit or loss in 'Credit loss expense'.

{g} 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.

{h} 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 reporting 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.

{I} De-recognition of financial assets and liabilities

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired
- The Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Bank has transferred substantially all the risks and rewards of the asset, or

NOTES TO THE FINANCIAL STATEMENTS, Continued

(b) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Bank's continuing involvement in the asset.
In that case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay. A financial liability is derecognized when the obligation is discharged, cancelled or expired.

(j) Offsetting

Financial assets and liabilities are off set and the net amount is shown in the statement of financial position, and only when the bank has a legal right to offset the amount and has the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.16 Impairment of financial assets

{a} Framework for impairing financial assets

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

(b) Measurement of impairment allowance for credit losses

The Bank assesses and review loans and advances for impairment at each reporting date, in order to determine whether there is objective evidence that a loan or group of loans and advances are impaired. This forms the basis of the amount of impairment allowance arrived at each reporting date.

{c} Loans and Advances and due from banks & other financial institutions

For loans and advances to customers and amounts due from banks and other financial institutions carried at amortised cost, the Bank first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the

NOTES TO THE FINANCIAL STATEMENTS, Continued

estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset.

Loans together with the associated allowances are written off when there is no realistic prospect of future recovery and all collaterals have been utilised or has been transferred to the Bank and all the necessary procedures have been completed.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the 'Credit loss expense'.

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

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

{d} Available-for-sale financial assets

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

In the case of equity investments classified as available-for-sale, objective evidence would include significant or prolonged decline in the fair value of the investment below its cost.

Where there is evidence of impairment, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss) is removed from available for sale reserve and recognised through other comprehensive income into profit or loss.

Impairment losses on equity investments are not reversed through profit or loss. Increases in fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. Interest continues to be accrued at the original effective interest rate on the reduced carrying amount of the asset and is recorded as part of 'Interest and similar income'.

If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the profit and loss statement.

NOTES TO THE FINANCIAL STATEMENTS, Continued

2.17 Regulatory General Credit Loss Risk Reserve

Loans & Advances

To cater for any excess of Bank of Ghana's credit loss provision requirements over loans and advances impairments based on IFRS principles, a transfer is made from distributable to non-distributable reserves in the income surplus account, being the regulatory general risk reserve.

The non-distributable regulatory general credit risk reserve ensures that minimum regulatory provisioning requirements as established by the Bank of Ghana are maintained.

2.18 Employees share arrangement

IFRS 2 Share based payments requires the recognition of equity settled-shared based payments at fair value at the date of grant and the recognition of liability for cash settled share based payments at fair value at each reporting date.

The SG-Group has a share option scheme for all employees of the Group. The SG Group issues equity settled share - based options to all employees.

The Group records an expense and a provision through equity, based on the estimates of the expense related to the shares to be granted on a straight line basis over the vesting period. The related deferred tax of the share-based payments expense is recognized through equity at the current corporate tax rate.

As part of Bank policy, the Bank has purchased a number of its own shares to be allocated to its employees. Shares not yet allocated to employees are classified as treasury shares and do not rank for dividend.

2.19 Dividend

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

2.20 Cash and cash equivalents

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

2.21 Leasing

The determination of whether an arrangement is a lease or not is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases which do not transfer to the bank substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognized as an expense in profit or loss on the straight line basis over the lease term. Contingent rental payable are recognised as expense in the period in which they occurred.

2.22 Borrowing

Borrowings by the Bank are initially recognized at fair value and there after stated at amortised cost. Associated net transaction costs of borrowings are recognized in profit or loss over the maturity period of the borrowings.

NOTES TO THE FINANCIAL STATEMENTS, Continued

2.23 Advertising and promotional activities

Expenditure on advertising and promotional activities is recognised as an expense when the entity either has the right to access the goods or has received the services. Advertising and promotional activities now specifically include mail order catalogues.

3 Significant Accounting Estimates, Assumptions & Judgments

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

3.0 Going concern

The management of the Bank has made an assessment of the Bank's ability to continue as a going concern and is satisfied that the Bank has the required resources to continue in business for the foreseeable future.

Furthermore, the Bank's management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Consequently, the financial statements continue to be prepared on the going concern basis.

3.1 Fair value of unquoted equity instruments

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

3.2 Deferred tax assets

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

3.3 Impairment of financial assets

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

3.4 Impairment of non financial assets (Including PPE)

The Bank assesses at least at each reporting date whether there is any evidence that non financial assets (including PPE) may be impaired.

Where indicators of impairment exist, an impairment test is performed.

This requires an estimation of the 'value in use' of the asset or the cash-generating units to which the asset belong. Estimating the value in use amount requires management to make an estimate of the expected future cash flows from the asset or the cash generating unit and also to select a suitable discount rate in order to calculate the present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS, Continued

4.0 Standards issued but not yet effective 2011

Standards issued but not yet effective up to the date of issuance of the Bank's financial statements are listed below. This is the listing of standards and interpretations issued, which the Bank reasonably expects to be applicable at a future date. The Bank intends to adopt those standards when they become effective.

4.1 IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the Boards work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the Board will address classification and measurement of financial liabilities, hedge accounting and derecognition.

The completion of this project is expected in mid 2011. The adoption of IFRS 9 will have an effect on the classification and measurement of the Bank's financial assets.

However, the Bank determined that the effect shall be quantified in conjunction with the other phases when issued to present a comprehensive picture.

4.2 IFRS 13 Fair Value Measurement

IFRS 13 establishes a single framework for all fair value measurement (financial and non-financial assets and liabilities) when fair value is required or permitted by IFRS. IFRS 13 does not change when an entity is required to use fair value but rather describes how to measure fair value under IFRS when it is permitted or required by IFRS.

There are also consequential amendments to other standards to delete specific requirements for determining fair value. The Group will need to consider the new requirements to determine fair values going forward. IFRS 13 will be effective for the group 1 July 2013.

4.3 Improvements to IFRSs (issued in 2010)

The IASB issued Improvements to IFRSs, an omnibus of amendments to its IFRS standards. The amendments have not been adopted as they become effective for annual periods on or after either 1 June 2012 or 1 January 2013. The amendments listed below, are considered to have a reasonable possible impact on the Bank:

- Disclosures
- IAS 1 Presentation of Financial Statements
- IAS 27 Consolidated and Separate Financial Statements
- IFRIC 13 Customer Loyalty Programmes

The Bank, however, expects no impact from the adoption of the amendments on its financial position or performance.

NOTES TO THE FINANCIAL STATEMENTS, Continued

		2011	2010
5	Revenue	GH¢	GH¢
	Interest and Similar Revenue	81,912,452	75,731,717
	Fee & Commission Revenue	26,956,477	23,723,627
	Forex Trading Revenue	13,395,859	5,723,807
	Other Income	1,815,273	1,794,005
		124,080,061	106,973,156

6	Interest and Similar Revenue	2011	2010
		GH¢	GH¢
	Cash & Short Term Funds	5,823,636	4,205,523
	Investments Securities (6a)	17,401,005	14,603,236
	Loans & Advances	58,687,811	56,922,958
		81,912,452	75,731,717

6	a Investments Securities	2011	2010
		GH¢	GH¢
	Bank of Ghana/Treasury bills	17,112,243	14,589,216
	Other Securities	288,762	14,020
		17,401,005	14,603,236

7	Interest and Similar Expense	2011	2010
		GH¢	GH¢
	Savings Accounts	11,167,891	7,574,367
	Current Accounts	506,947	512,594
	Term Deposits	420,052	595,621
	Borrowings	1,461,966	1,508,262
		13,556,856	10,190,844

8	Fees and Commission Revenue	2011	2010
		GH¢	GH¢
	Domestic Operations	22,110,252	19,805,741
	Remittance	1,145,346	1,447,415
	Cards operations	1,916,880	1,596,461
	Brokerage	499,847	874,010
	Margin on Bond Trading	1,284,152	-
		26,956,477	23,723,627

NOTES TO THE FINANCIAL STATEMENTS, continued

			2011	2010
8	a	Fees and Commission Expense	GH¢	GH¢
		Ezwich	28,898	27,978
		Visa Expense	2,422,669	2,120,303
		Moneygram	140,233	-
		ATM Expense	431,184	319,341
		Cheque Books	276,975	368,878
		Cash Collection	750,012	570,006
			4,049,971	3,406,506

		2011	2010
9	Forex Trading Revenue	GH¢	GH¢
	Net Trading Income	12,918,704	5,730,272
	Revaluation Gains/(Loss)	477,155	(6,465)
		13,395,859	5,723,807

		2011	2010
10	Investment Revenue	GH¢	GH¢
	Dividend received from Investment in Associate	73,600	110,400

		2011	2010
11	Other Operating Income	GH¢	GH¢
	Bad Debt Recoveries	1,015,150	1,188,693
	Profit on sale of Property, Plant and Equipment	248,965	63,005
	Miscellaneous & Others 11a	477,558	431,907
		1,741,673	1,683,605

NOTES TO THE FINANCIAL STATEMENTS, continued

11 a	Miscellaneous & Others	2011	2010
		GH¢	GH¢
	Miscellaneous	386,119	398,166
	Rent/ Hiring Fees	35,426	24,627
	Postages	12,546	9,004
	Fee on Lending	-	110
	Fees Received- Insurance	43,467	-
		477,558	431,907

12	Credit Loss Expenses	2011	2010
		GH¢	GH¢
	Specific Provision	6,395,000	8,414,043
	Reversals during the Year	(5,599,000)	-
	Charge offs and Recovery of Specific Provisions	111,947	(1,902,043)
		907,947	6,512,000

13	Personnel Expenses	2011	2010
		GH¢	GH¢
	Salaries, Bonuses & Staff Allowances	29,585,549	26,903,338
	Social Security Fund Contribution	2,301,704	1,984,915
	Provident Fund Contributions	1,773,686	1,533,657
	Medical	796,131	684,799
	Insurance	142,126	123,970
	Other Employee Costs (excluding Training)	2,059,784	1,833,551
		36,658,980	33,064,230

Staff Reorganization Expenses

There was no reorganization in the year 2011. During the course of the year 2010, the Bank under its voluntary Early Leavers programme, terminated the appointment of some of its staff. The total cost to the bank under this programme amounted to GH¢ 139,638.57. This amount is included in other employee costs.

14	Other Operating Expenses	2011	2010
		GH¢	GH¢
	Directors & Key Management Emoluments (14a)	1,602,462	1,504,005
	Donations	33,007	38,092
	Advertising and Marketing	735,229	699,006
	Training	524,765	578,261
	Auditors Remuneration (14b)	123,317	145,404
	Others: Office Expenses	14,112,799	11,974,836
	Administrative Expenses	4,029,542	4,153,597
	General Expenses	8,416,955	2,256,082
		29,578,076	21,349,283

NOTES TO THE FINANCIAL STATEMENTS, continued

14 a Details of Directors & Key Management Emoluments are those disclosed under related party transactions under Note 34c

14 b Auditors' Remuneration

Auditor's remuneration in relation to statutory audit amounted to GH¢129,830 (2010: GH¢145,404).

Audit services

	2011	2010
	GH¢	GH¢
Statutory Audit	129,830	145,404
Total Fees to Deloitte & Touche	129,830	145,404

The description of the type of services within the category above includes: Audit related regulatory reporting services including services for assurance and other services that are reasonably related to the performance of the audit or review of financial statements.

15 Income Tax

	2011	2010
Corporate Tax		
Analysis of Charge for the Year	GH¢	GH¢
Current Tax	8,604,811	6,531,991
Deferred tax (15a)	(149,826)	(415,270)
Charge to income	8,454,985	6,116,721

The current tax charge on the profit is based on Ghana's corporate tax rate of 25% (2010:25%)

15 a Deferred Tax

	2011	2010
Analysis of Charge for the Year	GH¢	GH¢
Balance as at 1st January	731,233	1,146,503
Deferred Tax position as at December	(581,407)	(731,233)
Charge to Profit and Loss	149,826	415,270

NOTES TO THE FINANCIAL STATEMENTS, continued

			2011	2010
15	b	Analysis of Charge for the Year to Equity	GH¢	GH¢
		Balance at 1st January	(569,274)	-
		Deferred Tax position as at December	143,119	(569,274)
		Charge to Equity	(426,155)	(569,274)

15 c National Stabilization Levy
Analysis of Charge for the Year

	2011	2010
	GH¢	GH¢
Charge for the Year	1,631,962	1,341,423

15 d Factors affecting the Current Tax charged for the Year

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

	2011	2010
	GH¢	GH¢
Profit for the Year	32,639,249	26,828,466
Tax Charge thereon at Ghana corporate tax rate of 25%	8,159,812	6,707,117
Factors affecting charge:		
Tax effect of items not deductible for tax purposes	2,231,014	1,835,830
Items of different tax rates	578,349	-
Net tax effect of deductible income and unrealised gains	(893,469)	(276,147)
Tax effect of capital allowance	(1,470,895)	(1,734,809)
Tax on corporate profit as per note (15)	8,604,811	6,531,991
Effective Corporate Income Tax Rate	26%	24%

The tax charge on other comprehensive income is based on Ghana's corporate tax rate of 25% (2010:25%) and 5% (2010: NIL) for national stabilization Levy

16 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 shares, held during the year after deducting treasury shares.

The following table shows the income and share data used in the calculation of the basic earnings per share

	2011	2010
Profit attributable to shareholders of the Bank (GH¢)	22,552,302	19,370,322
Weighted average number of outstanding ordinary shares	333,893,894	333,893,894
Earnings per Share	GH¢0.0675	GH¢0.0580

The Bank has no category of dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS, continued

17 Cash on Hand and Cash Balances with Bank of Ghana

	2011	2010
	GH¢	GH¢
Cash on Hand	22,569,628	20,401,070
Balance with Bank of Ghana	102,938,531	49,836,388
	125,508,159	70,237,458

18 Due from Banks & Other Financial Institutions

	2011	2010
	GH¢	GH¢
NOSTRO Account Balances and Nostro Placements	70,315,092	60,835,131
Items in Course of Collection	12,542,711	30,346,113
Placement with Local Banks	27,600,000	69,000,000
Total	110,457,803	160,181,244

19 Financial Investments

Government Securities

	2011	2010
	GH¢	GH¢
Balance as at 1st January	104,483,701	44,378,984
Additions	400,506,154	211,154,364
Reimbursements/Disposals	(348,486,580)	(153,289,000)
Fair value movement during the year	(2,000,057)	2,239,353
Balance as at 31st December	154,503,218	104,483,701

Commercial Paper

	2011	2010
	GH¢	GH¢
Balance as at 1st January	-	-
Additions	20,000,000	-
Balance as at 31st December	20,000,000	-
Total Balance as at 31st December	174,503,218	104,483,701

20 Other Assets

	2011	2010
	GH¢	GH¢
Stationery & Consumable Stocks	79,231	100,198
Prepayments & Sundry Debtors	4,597,306	10,325,854
Deferred Cost	3,315,711	2,452,711
Accrued income	63,869	197,638
Total	8,056,117	13,076,401

NOTES TO THE FINANCIAL STATEMENTS, continued

21 Loans and Advances

Breakdown of Loans and Advances

	2011	2010
	GH¢	GH¢
Overdrafts	106,938,727	121,498,487
Term Loans	234,838,183	178,027,065
Export Bill	365,004	821,013
Staff Loan	12,757,081	11,751,038
Equipment Finance Lease (21d)	15,390,819	12,456,735
Gross Loans & Advances	370,289,814	324,554,338
Interest in Suspense	(8,244,255)	(4,708,385)
Less: Allowances for Impairments (21e)	(17,500,001)	(18,642,900)
Total	344,545,558	301,203,053

All loans have been written down to their estimated recoverable amount. Suspended interest related to such loans amounted to GH¢ 8,244,255 (2010: GH¢ 4,708,385)

21 a Other Statistics

	2011	2010
i: Loan Loss Provision Ratio	7.00%	5.80%
ii: Gross Non-Performing Loan ratio	8.15%	8.50%
iii: 50 Largest Exposure (Gross Funded Loan & Advances) to Total Exposure	52%	59%

Ratios are computed using Bank of Ghana guidelines.

21 c Analysis by Industry Sectors

	2011	2010
	GH¢	GH¢
Agriculture, Forestry and Fishing	44,201,742	62,364,453
Mining and Quarrying	1,854,449	437,843
Manufacturing	39,207,909	14,777,393
Construction	6,821,680	1,404,453
Electricity, Gas and Water	2,666,292	7,215,585
Commerce & Finance	35,928,592	30,817,705
Transport, Storage & Communication	6,879,061	7,146,018
Services	155,801,573	129,093,393
Miscellaneous	76,928,516	71,297,495
	370,289,814	324,554,338

NOTES TO THE FINANCIAL STATEMENTS, continued

21 c Analysis by Type of Customer

	2011	2010
	GH¢	GH¢
Individual	99,745,194	78,401,736
Private Enterprise	192,999,460	183,213,691
Public Enterprise	33,847,768	33,021,397
Government Departments & Agencies	30,940,311	18,166,476
Staff	12,757,081	11,751,038
	370,289,814	324,554,338

21 d Analysis of Present Value of Minimum Finance Lease Receivable

	2011	2010
	GH¢	GH¢
Less than one year	536,941	877,567
Two to five years	12,116,036	11,579,168
More than five years	2,737,842	-
Present value of minimum lease payments receivable	15,390,819	12,456,735

21 e Impairment Allowance for Loans & Receivables

	2011	2010
	GH¢	GH¢
Balance at 1 January	18,642,900	12,130,900
Charge for the year	907,947	6,512,000
Reversals/Charge offs / Other Adjustments	(2,050,846)	-
Balance at 31December	17,500,001	18,642,900

Loan provisioning/impairment is carried out in accordance with Bank of Ghana Policy as well as the principles of IFRS. Loan impairment losses calculated based on IFRS principles are passed through the statement of comprehensive income. When the credit loss provision calculated under IFRS principles is less than what is required under the Bank of Ghana requirement, transfers are made from the income surplus account into the non-distributable regulatory credit risk reserves.

During the year ended 2011, the provisions for bad debts against loans and advances exceeded the provision computed under IFRS guidelines by GH¢4,679,574. Under both the Bank of Ghana requirements and IFRS principles of loan impairment, some of the loans were individually assessed for impairment and others were assesed collectively. Factors considered during the impairment process include revenue growth percentage, gross margin, discounted cash flows and capitalization ratios among others. Under Bank of Ghana guidelines, advances are classified in the following five categories which determine the level of provisions required.

Category		Level of Provision Required
a.	Current	1%
b.	Other Loans Especially Mentioned ("OLEM")	10%
c.	Substandard	25%
d.	Doubtful	50%
e.	Loss	100%

NOTES TO THE FINANCIAL STATEMENTS, continued

22 a Investment in Associate

	2011	2010	Jan 2010
	GH¢	GH¢	GH¢
Balance as at 1st January	2,659,410	2,225,116	18,000
Fair value adjustment	227,727	434,294	2,207,116
Balance as at 31st December	2,887,137	2,659,410	2,225,116

22 b Investment in other Securities

	2011	2010	Jan 2010
	GH¢	GH¢	GH¢
Balance as at 1st January	221,723	221,723	221,723
Additions	136,500	-	-
Balance as at 31st December	408,223	221,723	221,723

Total i

22 c Details of Investment in Associate
Principal Affiliate undertakings of SG-SSB Ltd

2011

	Country of incorporation	Principal Activity	SG-SSB's Interest in Equity	Value GH¢
Accra City Hotel Ltd	Ghana	Hotel	20%	2,887,137

2010

	Country of incorporation	Principal Activity	SG-SSB's Interest in Equity	Value GH¢
Accra City Hotel Ltd	Ghana	Hotel	20%	2,659,410

22 d Details of Investment in Other Securities

Principal Affiliate undertakings of SG-SSB Ltd

2011

	Country of incorporation	Principal Activity	SG-SSB's Interest in Equity	Value GH¢
Vacum Salt Products Ltd	Ghana	Production	10%	514
Consolidated Discount House Ltd	Ghana	Investments	12.09%	1,209
Advans Ghana	Ghana	Microfinance	5.81%	406,500
Total				408,223

2010

Principal Affiliate undertakings of SG-SSB Ltd

	Country of incorporation	Principal Activity	SG-SSB's Interest in Equity	Value GH¢
Vacum Salt Products Ltd	Ghana	Production	10%	514
Consolidated Discount House Ltd	Ghana	Investments	12.09%	1,209
Advans Ghana	Ghana	Microfinance	5.81%	270,000
Total				271,723

23 Investment in Other Securities

Name of Subsidiary/ Affiliate	Country of incorporation	Principal Activity	SG-SSB's Interest in Equity	Value GH¢
SSB Investment Company Limited	Ghana	Investments	100%	Nil

NOTES TO THE FINANCIAL STATEMENTS, continued

24 Current Tax: (Assets) / Liabilities

2011

	Balance 1 January	Charge for the Year	Payments/ credits during the Year	Balance 31 December
	GH¢	GH¢	GH¢	GH¢
Up to 2005	(1,018,300)	-	-	(1,018,300)
2006	538,990	-	-	538,990
2007	(67,756)	-	-	(67,756)
2008	(1,087,604)	-	-	(1,087,604)
2009	(718,535)	-	-	(718,535)
2010	(488,654)	-	-	(488,654)
2011	-	8,604,811	(9,119,804)	(514,993)
	(2,841,859)	8,604,811	(9,119,804)	(3,356,852)

Current Tax: (Assets) / Liabilities

2010

	Balance 1 January	Charge for the Year	Payments/ credits during the Year	Balance 31 December
	GH¢	GH¢	GH¢	GH¢
Up to 2005	(1,018,300)	-	-	(1,018,300)
2006	538,990	-	-	538,990
2007	(67,756)	-	-	(67,756)
2008	(1,087,604)	-	-	(1,087,604)
2009	(718,534)	-	-	(718,534)
2010	-	6,531,991	(7,020,645)	(488,654)
	(2,353,204)	6,531,991	(7,020,645)	(2,841,858)

Balance is subject to agreement with the Commissioner of Internal Revenue Service

NOTES TO THE FINANCIAL STATEMENTS, continued

24 a National Stabilization Levy

	2011	2010
	GH¢	GH¢
Balance as at 1st January	76,065	52,261
Charge for the Year	(1,631,962)	(1,341,423)
Payments during the Year	1,827,615	1,365,227
Balance as at 31st December	271,718	76,065

The levy charged on the profit is based on a rate of 5% (2010:5%)

In accordance with the National Fiscal Stabilization Act, 2009, (Act 785) all companies in Banking, Non Bank Financial Institutions, Insurance, Mining, Brewery and Communication are suppose to pay a levy of 5% of profit before tax towards National Fiscal Stability.

Act 785 came into being on 20th July 2009 and the levy is payable on profit before tax for the years ending 2010 and 2011. The levy is payable quarterly. The amount accrued for 2011 is for the 2011 financial year.

25 Long Term Operating Lease

25 a The Bank as a Lessee

	2011	2010
	GH¢	GH¢
Long Term Operating Lease Prepaid	4,226,550	4,374,850
Payments during the Year recognised as expense	(148,300)	(148,300)
Balance as at 31 December	4,078,250	4,226,550

25 b Future Minimum Lease Payments are as follows:

	2011	2010
	GH¢	GH¢
Not later than one year	148,300	148,300
Later than one year but not later than five years	593,200	593,200
Later than five years	3,336,750	3,485,050
	4,078,250	4,226,550

Operating lease payments represent rentals payable by the Bank for its land where the Bank is a lessee.

NOTES TO THE FINANCIAL STATEMENTS, continued

26 Property, Plant and Equipment

2011

	Land & Building GH¢	Computers GH¢	Furniture & Equipments GH¢	Motor vehicles GH¢	Assets in course of Construction GH¢	Total GH¢
Cost						
Balance as of 1st January 2011	22,184,170	10,433,384	8,676,719	1,267,172	1,896,207	44,457,652
Additions	1,379,247	998,722	1,987,207	275,867	13,357,742	17,998,785
Revaluation	21,572,438	-	-	-	-	21,572,438
Transfers	847,601	-	216,957	-	(1,141,705)	(77,147)
Write offs / Reversals	-	-	-	-	-	-
Disposals / Other Adjustments	(617,302)	-	(44,403)	(401,925)	-	(1,063,630)
Balance as of 31st December 2011	45,366,154	11,432,106	10,836,480	1,141,114	14,112,244	82,888,098
Depreciation						
Balance as of 1st January 2011	4,478,610	8,842,824	4,621,916	1,096,787	-	19,040,137
Charge for the year	1,097,073	1,076,901	1,285,643	171,225	-	3,630,842
Transfers						-
Disposals / Other Adjustments	(2,689,742)	-	(25,128)	(407,502)	-	(3,122,372)
Balance as of 31st December 2011	2,885,941	9,919,725	5,882,431	860,510	-	19,548,607
Net Book Value as of 31st December 2011	42,480,213	1,512,381	4,954,049	280,604	14,112,244	63,339,491

2010

Cost	Land & Building GH¢	Computers GH¢	Furniture & Equipments GH¢	Motor vehicles GH¢	Assets in course of Construction GH¢	Total GH¢
Balance as of 1st January 2010	20,315,198	9,828,824	5,681,513	1,390,536	8,415,990	45,632,061
Additions	538,024	312,348	1,248,285	94,694	4,840,274	7,033,625
Transfers	1,330,948	314,986	1,752,449	-	(11,360,057)	(7,961,674)
Write offs / Reversals	-	(20,686)	-	-	-	(20,686)
Disposals	-	(2,088)	(5,528)	(218,058)	-	(225,674)
Balance as of 31st December 2010	22,184,170	10,433,384	8,676,719	1,267,172	1,896,207	44,457,652
Depreciation						
Balance as of 1st January 2010	3,636,503	7,714,430	3,758,738	1,183,785	-	16,293,456
Charge for the year	842,900	1,129,372	867,336	113,825	-	2,953,433
Transfers	-	-	-	-	-	-
Disposals / Other Adjustments	(793)	(978)	(4,158)	(200,823)	-	(206,752)
Balance as of 31st December 2010	4,478,610	8,842,824	4,621,916	1,096,787	-	19,040,137
Net Book Value 31st December 2010	17,705,560	1,590,560	4,054,803	170,385	1,896,207	25,417,515

NOTES TO THE FINANCIAL STATEMENTS, continued

Revaluation Exercise

In line with International Financial Reporting Standards (IFRS), Property, Plant and Equipment are to be revalued at regular intervals. Consequently, it is the policy of the Bank to revalue its Land and Buildings every five years. In line with this policy, the Bank revalued its Land and Buildings in 2011. This exercise was mainly undertaken by two firms of professional external valuers and estate agents: KOA Consult and Value Properties.This has resulted in a revaluation surplus of GH¢ 24,166,132 for land and buildings which has been recognized as capital surplus and as part of shareholders fund.

NOTES TO THE FINANCIAL STATEMENTS, continued

26 a Intangible Assets

	2011	2010
Computer Software	GH¢	GH¢
Cost		
Balance 31st January 2011	11,133,169	2,570,470
Additions	313,865	580,339
Reversals	-	20,686
Transfers	77,147	7,961,674
Balance 31st December 2011	11,524,181	11,133,169

Amortization:

	2011	2010
	GH¢	GH¢
Balance 31st January 2011	4,801,363	2,132,961
Charge for the Year	3,058,140	2,668,395
Transfers & Adjustments	-	7
Balance 31st December 2011	7,859,503	4,801,363
Net Book Value as of 31December 2011	3,664,678	6,331,806

The bank's intangible assets comprise computer software. As indicated in note 26 above, transfers were made from Assets in course of construction to Computer software during the year. These transfers were in respect of costs incurred on banking software under development that was initially classified as assets in course of construction.
` The amortization periods and key factors considered in determining the useful life are the same as disclosed in note 2.6.

27 Customer Deposits

a Analysis by Type of Deposits

	2011	2010
	GH¢	GH¢
Term Deposits	18,136,539	12,610,971
Saving Accounts	136,074,250	111,454,991
Current Accounts	471,563,164	371,331,757
	625,773,953	495,397,719

27 b Analysis by Type of Customer

	2011	2010
	GH¢	GH¢
Financial Institutions	21,203,023	19,120,170
Individuals and Other Private Enterprise	502,385,090	410,980,875
Government Departments and Agencies	44,152,503	28,321,688
Public Enterprises	55,290,001	34,199,737
Others	2,743,336	2,775,249
	625,773,953	495,397,719

NOTES TO THE FINANCIAL STATEMENTS, continued

27 c 20 Largest Depositors Total Deposit Ratio

	2011	2010
	GH¢	GH¢
20 Largest Depositors Total Deposit Ratio	27.5%	34.4%

28 Due to Banks and Other Financial Institutions

	2011	2010
	GH¢	GH¢
Borrowings-Repurchase Agreement	6,886,725	6,742,850
Borrowings-Credit Lline	527,500	1,388,095
European International Bank	8,017,869	13,304,712
Ghana Private Sector Development Fund	368,773	529,036
Edif Managed Fund	-	50,000
	15,800,867	22,014,693

29 a Interest Payable & Other Liabilities

	2011	2010
	GH¢	GH¢
Creditors	6,519,642	8,451,664
Other Creditors & Provisions	29,276,611	38,987,670
Accruals	7,630,643	2,739,644
Deferred Income	1,291,937	776,423
Vostro	48,704	-
Other Suspended Liabilities	20,830	-
IFRS Deferred Staff Cost	3,315,711	2,452,711
	48,104,078	53,408,112

30 Deferred Tax: Assets/(Liabilities)
The balance is derived as follows:

	2011	2010
	GH¢	GH¢
Balance 1 January	1,300,507	1,146,503
Applied to Current Year Profit and Loss (15a)	(149,826)	(415,270)
Applied to Current Year Equity (15b)	(426,155)	569,274
Balance 31 December	724,526	1,300,507

NOTES TO THE FINANCIAL STATEMENTS, continued

31 Stated Capital

a. Authorized Ordinary Shares

	2011	2011	2010	2010
Number of Ordinary Shares of No Par Value	500,000,000		500,000,000	

b. Issued and fully paid Ordinary Shares

		2011	2010	
	Number	Amount	Number	Amount
		GH¢		GH¢
Issued and fully paid Ordinary Shares	333,893,894	62,393,558	333,893,894	62,393,558
	333,893,894	62,393,558	333,893,894	62,393,558

32 Other Reserves

	2011	2010
	GH¢	GH¢
Balance 1 January	1,707,821	-
Movements during the Year:		
Other Comprehensive Income	(1,506,992)	1,679,514
Share Option Reserve	228,527	28,30
	429,357	1,707,822

33 a Dividend Declared and Paid

	2011	2010
	GH¢	GH¢
Equity Dividend on Ordinary Shares:		
Final Dividend for the Preceding Year	11,686,286	13,355,755
Total Dividend Payments during the Year	(11,686,286)	(13,355,755)
Balance as at 31st December	-	-

b Dividend per Share

Dividend is treated as appropriation of profit in the year of approval by shareholders. But dividend proposed is disclosed as notes to the financial statements.

34 Related Party Transactions / Disclosures Nature of Transactions 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

NOTES TO THE FINANCIAL STATEMENTS, continued

a Interest paid and interest received from related parties during the year

	Interest Paid GH¢	Interest Received GH¢
Société Générale Borrowing	503,493	25,146

b Related Party Balances as at December:

Lending to Related Parties;	2011 GH¢	2010 GH¢
Directors	-	-
Officers and Employees other than Directors	12,757,081	9,298,327
Placement with Société Générale (SG)	59,537,140	30,304,000
Nostro Account Balances with SG and Other Subsidiaries	25,892,147	24,512,613
Borrowings from Related Parties		
Société Générale Borrowing	-	4,714,875

c Compensation to Key Management Personnel of the Bank

	2011 GH¢	2010 GH¢
Fees	196,192	130,096
Directors Expenses	124,600	154,724
Salaries & Other Benefits	1,281,670	1,219,185
	1,602,462	1,504,005

d Loans to Directors
There were no loans to directors during the period

e Controlling Relationship
Société Générale (SG) is related by virtue of it's ultimate (100%) controlling interest in SG Financial Services Holding, which has significant controlling interest in the Shareholding in SG SSB Ltd

a Contingent Liabilities	2011 GH¢	2010 GH¢
Guarantees and Indemnities	9,521,093	13,274,858
Letters of Credit & Others	37,694,734	26,466,592
	47,215,827	39,741,450

NOTES TO THE FINANCIAL STATEMENTS, continued

The Bank's contingent liabilities are commitments undertaken on behalf of the Bank's customers to make payments to third parties in the event of the customer's default in the case of guarantees, or on the delivery of appropriate documentation by the payment receipient in the case of letters of credit. The value of these contingent liabilities are recorded in the books of the Bank at the fair value required to settle the obligation.

b Undrawn Commitments

	GH¢	GH¢
Undrawn Commitments	6,900,917	1,111,146

36 a Legal Claim

The Bank's lawyers have estimated that the maximum liability from possible legal actions against the Bank may amount to GH¢ 1,754,543 (2010: GH¢ 1,899,394)

b Commitment for Capital Expenditure

Commitment for capital expenditure for 2012: GH¢ 57,760,036 (2011: GH¢ 29,090,000)

c Events after the Reporting Date

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

37 Cash and Cash Equivalents

The cash and cash equivalents of the bank as at the end of the year are shown below:

	2011	2010
	GH¢	GH¢
Cash on Hand	22,569,628	20,401,070
Balances with Bank of Ghana	102,938,531	49,836,388
Nostro Account Balances	70,315,092	60,835,131
Placements and Items in Course of Collection	40,142,711	99,346,113
	235,965,962	230,418,702

NOTES TO THE FINANCIAL STATEMENTS, continued

38 Analysis of Financial Assets and Liabilities by Measurement Basis (2011)

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 statement of financial position by class of financial instrument to which they are assigned, and therefore by the measurement basis:

2011

	Designated at fair value through Profit & loss	Held to maturity investments	Available for-sale financial assests	Loans and receivable	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
Cash and Cash Balances with Bank of Ghana	125,508,159	-	-	-	125,508,159
Due from Other Banks & Financial Institutions	-	-	-	110,457,803	110,457,803
Financial Investments	9,981,355	20,000,000	144,521,863		174,503,218
Loans & Advances				344,545,558	344,545,558
Investment in Associate	-	-	2,887,137	-	2,887,137
Investments in Other Securities	-	-	408,223	-	408,223
Total financial Assets	135,489,514	20,000,000	147,817,223	455,003,361	758,310,098
Total Non-Financial Assets					82,767,106
Total Assets					841,077,204
Financial Liabilities at Amortised Cost					
Customer Deposits					625,773,953
Due to Banks & Other Financial Institutions					15,800,867
Interest Payables & Other liabilities					48,104,078
Total financial liabilities					689,678,898
Total Non-Financial Liabilities					151,398,306
Total Liabilities and Shareholders' Fund					841,077,204

NOTES TO THE FINANCIAL STATEMENTS, continued

Analysis of financial assets and liabilities by measurement basis (2010)

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 recognized. The following table analyses the financial assets and liabilities in the statement of financial position by class of financial instrument to which they are assigned, and therefore by the measurement basis:
2010

	Designated at fair value through Profit & loss GH¢	Held to maturity investments GH¢	Available for-sale financial assests GH¢	Loans and receivable GH¢	Total GH¢
Cash and Cash Balances with Bank of Ghana	70,237,458	-	-	-	70,237,458
Due from Other Banks & Financial Institutions	-	-	-	160,181,244	160,181,244
Financial Investments/Government Securities	-	-	104,483,701	-	104,483,701
Loans & Advances	-	-	-	301,203,053	301,203,053
investment in Associate	-	-	2,659,410	-	2,659,410
Investments in Other Securities	-	-	271,723	-	271,723
Total Financial Assets	70,237,458	-	107,414,834	461,384,297	639,036,589
Total Non-Financial Assets					51,970,195
Total Assets					691,006,784
Financial Liabilities at Amortized Cost					
Customer Deposits					495,397,719
Due to Banks & Other Financial Institutions					22,014,693
Interest Payables & Other liabilities					53,408,112
Total Financial Liabilities					570,820,524
Total Non-Financial Liabilities					120,186,260
Total Liabilities and Shareholders' Fund					691,006,784

NOTES TO THE FINANCIAL STATEMENTS, continued

39 Maturity Analysis of the Assets and Liabilities

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

2011

Assets	Total GH¢	Below 3 months GH¢	3 to 6 months GH¢	6 to 12 months GH¢	Above 1 year GH¢
Cash and Balances with Bank of Ghana	125,508,159	125,508,159	-	-	-
Due from Other Banks and Financial Institutions	110,457,803	110,457,803	-	-	-
Financial Investments	174,503,218	53,842,387	40,001,528	66,441,391	14,217,912
Other Assets	8,056,117	3,677,229	2,189,444	1,459,629	729,815
Loans and Advances to Customers	344,545,558	331,121,941	976,644	3,633,644	8,813,329
Investment in Associate	2,887,137	2,887,137	-	-	-
Investment in other Securities	408,223	408,223	-	-	-
Current Tax Assets	3,356,852	3,356,852	-	-	-
National Stabilization Levy	271,718	271,718	-	-	-
Long Term Operating Lease Prepaid	4,078,250	37,074	37,074	74,148	3,929,954
Property, Plant and Equipment	63,339,491	-	-	-	63,339,491
Intangible Assets	3,664,678	-	-	-	3,664,678
Total Assets	841,077,204	631,568,523	43,204,690	71,608,812	94,695,179
Liabilities					
Customer Deposits	625,773,953	135,588,640	35,673,004	68,193,690	386,318,619
Due to Banks and Other Financial Institutions	15,800,867	15,800,867	-	-	-
Interest Payable and Other Liabilities	48,104,078	19,696,251	14,203,913	9,469,276	4,734,638
Deferred Tax Liabilities	724,526	-	311,892	-	412,634
Total Liabilities	690,403,424	171,085,758	50,188,809	77,662,966	391,465,891
Net Liquidity Gap	150,673,780	460,482,765	(6,984,119)	(6,054,154)	(296,770,712)
Contingent Liabilities	47,215,827	44,515,033	252,967	735,037	1,712,790

NOTES TO THE FINANCIAL STATEMENTS, continued

2010

Assets	Total GH¢	Below 3 months months GH¢	3 to 6 months GH¢	6 to 12 months GH¢	Above 1 year GH¢
Cash and Balances with Bank of Ghana	70,237,458	70,237,458	-	-	-
Due from Other Banks and Financial Institutions	160,181,244	160,181,244	-	-	-
Financial Investments (Government securities)	104,483,701	75,031,694	12,048,796	14,277,590	3,125,621
Other Assets	13,076,401	5,230,560	3,922,920	2,615,280	1,307,641
Loans and Advances to Customers	301,203,053	264,799,911	1,158,285	5,388,040	29,856,817
Investment in Associate	2,659,410	2,659,410	-	-	-
Investment in Other Securities	271,723	271,723	-	-	-
Current Tax Assets	2,841,858	2,841,858	-	-	-
National Stabilization Levy	76,065	76,065	-	-	-
Long Term Operating Lease Prepaid	4,226,550	37,074	37,074	74,148	4,078,254
Property, Plant and Equipment	25,417,515	-	-	-	25,417,515
Intangible Assets	6,331,806	-	-	-	6,331,806
Total Assets	691,006,784	576,272,876	17,167,075	22,355,058	70,117,654
Liabilities					
Customer Deposits	495,397,719	109,240,242	24,161,028	54,291,934	307,704,515
Due to Banks and Other Financial Institutions	22,014,693	22,014,693	-	-	-
Interest Payable and Other Liabilities	53,408,112	22,831,097	15,283,790	10,189,193	5,104,032
Deferred Tax Liabilities	1,300,507	-	559,838	-	740,669
Total Liabilities	572,121,031	151,633,321	40,004,656	64,481,127	313,549,216
Net Liquidity Gap	118,885,752	424,639,555	(22,837,581)	42,126,069	(243,431,562)
Contingent Liabilities	39,741,450	34,388,509	3,237,545	2,115,396	-

NOTES TO THE FINANCIAL STATEMENTS, continued

40 Interest Rate Risk Exposure

Interest rate risk exposure is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Bank's exposure to the risk of changes in market interest rates relates primarily to the financial assets and liabilities with variable/floating interest rates. The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variable held constant, of the Bank's profit before tax (through the impact on the floating rate financial assets and liabilities). There is only an immaterial impact on the Bank’s equity.

Interest Rate Sensitivity Analysis

2011

	Increase/Decrease in Basis Points	Effect on Profit before Tax	Effect on Equity
GH¢	5%/-5%	3,053,329/(3,053,329)	2,289,997/(2,289,997
USD	7%/-7%	43,769/(43,769)	32,827/(32,827)
EUR	5%/-5%	3,249/(3,249)	2,437/(2,437)

2010

	Increase/Decrease in Basis Points	Effect on Profit before Tax	Effect on Equity
GH¢	5%/-5%	3,576,059/(3,576,059)	2,682,044/(2,682,044
USD	7%/-7%	398,182/(398,182)	298,637/(298,637)
EUR	5%/-5%	28,785/(28,785)	21,589/(21,589)

NOTES TO THE FINANCIAL STATEMENTS, continued

41 Currency Exposure

Banks take on foreign currency exchange rates exposure on their financial position and cash flows. The table below summarizes 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

2011	US$	GBP	EURO	Others	Total 2011	Total 2010
Assets	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Cash and Balances with Bank of Ghana	8,913,878	1,807,525	3,888,343	-	14,609,746	14,748,560
Due from Other Banks and Financial Institutions	39,269,494	5,960,360	24,882,763	202,466	70,315,083	60,762,610
Other Assets	424,291	8,640	10,769	-	443,700	2,454,963
Loan and Advances to Customers	89,324,519	44	8,110,296	-	97,434,859	82,339,374
Total Assets	137,932,182	7,776,569	36,892,171	202,466	182,803,388	160,305,507
Liabilities						
Due to Customers	115,123,535	7,225,403	35,106,872	10,205	157,466,015	133,558,328
Other Liabilities	10,592,026	331,210	1,572,888	125,106	12,621,230	9,283,681
Due to Other banks and Financial Institutions	14,084,119	-	-	-	14,084,119	19,407,682
Total Liabilities	139,799,680	7,556,613	36,679,760	135,311	184,171,364	162,249,691
Net On Balance Sheet Position	(1,867,498)	219,956	212,411	67,155	(1,367,976)	(1,944,184)
Net Off Balance Sheet Position	2,422,736	-	-	100,949	2,523,685	-
Net Open Position	555,238	219,956	212,411	168,104	1,155,709	(1,944,184)

2010	US$	GBP	EURO	Others	Total 2010	Total 2009
Assets	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Cash and Balances with Bank of Ghana	6,689,158	2,691,786	5,367,616	-	14,748,560	18,644,372
Due from Other Banks and Financial Institutions	36,310,060	4,313,421	19,833,048	306,081	60,762,610	30,377,723
Other Assets	1,930,711	161,530	362,722	-	2,454,963	4,155,228
Loan and Advances to Customers	72,917,499	336	9,421,539	-	82,339,374	81,684,117
Total Assets	117,847,428	7,167,073	34,984,925	306,081	160,305,507	134,861,440
Liabilities						
Due to Customers	93,502,154	6,575,875	33,301,228	179,071	133,558,328	74,205,949
Other Liabilities	4,821,010	400,148	4,028,945	33,578	9,283,681	39,864,606
Due to Other banks and Financial Institutions	18,336,557	-	1,071,125	-	19,407,682	-
Total Liabilities	116,659,721	6,976,023	38,401,298	212,649	162,249,691	114,070,555
Net On Balance Sheet Position	1,187,707	191,050	(3,416,373)	93,432	(1,944,184)	20,790,885
Net Off Balance Sheet Position	-	-	-	-	-	-
Net Open Position	1,187,707	191,050	(3,416,373)	93,432	(1,944,184)	20,790,885

NOTES TO THE FINANCIAL STATEMENTS, continued

Exchange Rate Sensitivity Analysis

42 a 2011

	Change in Currency Rate	Effect on Profit before Tax	Effect on Equity
	%	GH¢	GH¢
USD	7%/-7%	(125,299)/125,299	(93,974)/93,974
GBP	6%/-6%	13,153/(13,153)	9,865/(9,865)
EUR	5%/-5%	11,138/(11,138)	8,353/(8,353)
Other Currencies	5%/-5%	3,437/(3,437)	2,578/(2,578)

2010

	Change in Currency Rate	Effect on Profit before Tax	Effect on Equity
	%	GH¢	GH¢
USD	7%/-7%	118,683/(118,683)	89,012/(89,012)
GBP	6%/-6%	25,304/(25,304)	18,978/(18,978)
EUR	5%/-5%	(323,831)/323,831	(242,873)/242,873
Other Currencies	5%/-5%	1,724/(1,724)	1,293/(1,293)

42 b Methods and assumptions used in the computation of sensitivity analysis

- i Foreign currency exposure is assumed to remain at constant values (closing balances at the end of the year).
- ii Use of average exchange rate for the year under consideration.
- iii Use of pre-determine stress levels (relevant range of stress level) based on extreme or worst case scenarios.
- iv There are no changes in the methods and assumptions from the previous periods.
- v The current corporate tax rate is applied in determining the effect on profit and equity.

NOTES TO THE FINANCIAL STATEMENTS, continued

44. Segmental Reporting

2011

	RETAIL	CORPORATE	SME	TREASURY	TOTAL
	GH¢	GH¢	GH¢	GH¢	
Revenue					
Interest & Similar Revenue	31,281,316	33,087,719	9,471,407	8,072,010	81,912,452
Interest & Similar Expense	(6,357,733)	(4,855,824)	(881,700)	(1,461,599)	(13,556,856)
Net Interest Income	24,923,583	28,231,895	8,589,707	6,610,411	68,355,596
Fees & Commission Revenue	10,598,916	7,743,918	8,613,643	-	26,956,477
Fees & Commission Expense	(4,049,971)	-	-	-	(4,049,971)
Net Commission Income	6,548,945	7,743,918	8,613,643	-	22,906,506
Forex Trading Revenue	1,484,502	-	-	11,911,357	13,395,859
Investment Revenue	48,576	6,624	18,400	-	73,600
Other Operating Income	1,149,504	156,751	435,418	-	1,741,673
Total Operating Income	34,155,110	36,139,188	17,657,168	18,521,768	106,473,234
Credit Loss Expenses	(186,365)	(427,351)	(294,231)	-	(907,947)
Net Operating Income	33,968,745	35,711,837	17,362,937	18,521,768	105,565,287
Personnel Expenses	(15,866,337)	(12,041,035)	(6,169,449)	(2,582,159)	(36,658,980)
Depreciation/Amortization	(4,414,728)	(602,008)	(1,672,246)	-	(6,688,982)
Other Operating Expenses	(9,098,774)	(10,383,359)	(8,165,686)	(1,930,257)	(29,578,076)
Total Operating Expenses	(29,379,837)	(23,026,403)	(16,007,381)	(4,512,417)	(72,926,038)
Profit before Tax	4,588,908	12,685,434	1,355,556	14,009,351	32,639,249

NOTES TO THE FINANCIAL STATEMENTS, continued

Segmental Reporting

2010

	RETAIL	CORPORATE	SME	TREASURY	TOTAL
	GH¢	GH¢	GH¢	GH¢	
Revenue					
Interest & Similar Revenue	16,580,498	32,324,128	6,721,378	20,105,713	75,731,717
Interest & Similar Expense	(5,798,828)	(2,103,472)	(786,968)	(1,501,576)	(10,190,844)
Net Interest Income	10,781,670	30,220,656	5,934,410	18,604,137	65,540,873
Fees & Commission Revenue	4,859,346	10,975,726	7,014,545	-	22,849,617
Fees & Commission Expense	(3,406,506)	-	-	-	(3,406,506)
Net Commission Income	1,452,840	-	-	-	19,443,111
Forex Trading Revenue	862,024	-	-	4,861,783	5,723,807
Investment Revenue	72,600	9,900	27,500	-	110,000
Other Operating Income	985,610	375,110	157,613	1,149,682	2,668,015
Total Operating Income	14,154,744	41,581,392	13,134,068	24,615,602	93,375,806
Credit Loss Expenses	(1,628,000)	(3,060,640)	(1,823,360)	-	(6,512,000)
Net Operating Income	12,526,744	38,520,752	11,310,708	24,615,602	86,863,806
Personnel Expenses	(30,080,660)	(852,449)	(1,400,451)	(730,670)	(33,064,230)
Depreciation/Amortization	(4,508,175)	(683,593)	(365,443)	(64,616)	(5,621,827)
Other Operating Expenses	(859,164)	(10,737,346)	(2,347,896)	(7,404,877)	(21,349,283)
Total Operating Expenses	(35,447,999)	(12,273,388)	(4,113,790)	(8,200,163)	(60,035,340)
Profit before Tax	(21,774,670)	25,018,280	7,169,418	16,415,438	26,828,466

NOTES TO THE FINANCIAL STATEMENTS, continued

45 Capital

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 strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders value.

The Bank manages its capital structure and, makes adjustment to it in the light of changes in the economic conditions and the risk characteristics of its activities. In 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.

a Capital Definition

The Bank's capital comprises stated capital, share deals account, retained earnings including current year profit and various reserves the Bank is statutorily required to maintain. As a Bank, it also has regulatory capital as defined below.

b Stated Capital

This amount is made up of issue of shares for cash and transfers from retained earnings.

c Income Surplus

This amount represents the cumulative annual profits after appropriations available for distribution to shareholders.

d Available for Sale Reserve

This reserve records unrealized fair value gains and losses on available for sale equity investments.

e Capital Surplus

This amount comprises revaluation of Property, Plant and Equipment.

f Share Deals

The amount represents transactions in respect of treasury shares.

g. Statutory Reserve

This is amount set aside from annual profit as a non-distributable reserve in accordance with regulatory requirements. The transfer to Statutory Reserve Fund is in compliance with Section 29 of the Banking Act, 2004 (Act 673) as amended by the Banking Act, 2007(Act 738).

h. General Regulatory Credit Reserve

This is amount set aside from retained earnings as a non-distributable reserve to meet minimum regulatory requirements in respect of allowance for credit losses for non-performing loans and advances.

NOTES TO THE FINANCIAL STATEMENTS, continued

i. Other Reserves

This is made up of the share option reserve and available for sale reserve on debt instruments.Share option reserve is an amount set aside for future exercise of share options. Available for sale reserve on debt securities records unrealized gains and losses on government securities.

j. 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.

k. 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 31st December 2011 is shown below:

	2011		2010	
	Actual	Required by central bank	Actual	Required by central bank
	GH¢	GH¢	GH¢	GH¢
Tier 1 Capital	110,937,935	60,000,000	105,303,828	60,000,000
Other Capital	39,735,845	-	10,940,515	-
Total capital	150,673,780	60,000,000	116,244,343	60,000,000
Capital Adequacy Ratio	26.90%		24.52%	

l. Compliance status of externally imposed capital requirement

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

46 Analysis of Shareholdings

Category	Number of shareholders	Number of shares	Percentage Holding %
1-1,000	30,092	1,364,434	0.41
1,001-5,000	3,569	8,495,220	2.54
5,001-10,000	596	4,333,498	1.30
OVER 10,000	476	319,700,742	95.75
	34,733	333,893,894	100.00

SHAREHOLDERS

47 Twenty Largest Shareholders

	Shareholders	Number of holdings	Percentage Holding %
1	SG FINANCIAL SERVICES HOLDING	174,420,000.00	52.24
2	SSNIT	73,908,283.00	22.14
3	OFORI DANIEL	24,369,510.00	7.30
4	SCBN/EPACK INVESTMENT FUND LTD - TRANSACTIONS NC	6,153,202.00	1.84
5	SSNIT SOS FUND	2,706,784.00	0.81
6	AMENUVOR GIDEON	2,147,699.00	0.64
7	STD NOMS (TVL) PTY/ NATIXIS BLEICHROEDER	2,000,000.00	0.60
8	ADJEPON-YAMOAH, BEATRICE E. MRS	1,545,140.00	0.46
9	SCBN/ELAC POLICYHOLDERS FUND	1,051,588.00	0.31
10	JL FALCON GLOBAL FUND	1,000,000.00	0.30
11	SAM ESSON JONAH MR	1,000,000.00	0.30
12	TEACHERS FUND	960,480.00	0.29
13	SCBN/UNIL GH MANAGERS PENSION FUND	800,000.00	0.24
14	SCBN/SSB EATON VANCE TAX-MANAGED EMERGING MARKET FUND	740,000.00	0.22
15	SCBN RE:ELAC SHAREHOLDERS FUND	712,876.00	0.21
16	SIC LIFE COMPANY LIMITED	712,500.00	0.21
17	STRATEGIC AFRICAN SECURITIES LIMITED	659,054.00	0.20
18	MIHUBOACHIE ADJEI OHENEBA H.	637,920.00	0.19
19	GHANA REINSURANCE ORGANISATION	500,000.00	0.15
20	SCBN/UNIL GH PROVIDENT FUND	480,180.00	0.14
	TOTAL	296,505,216.00	88.80
	OTHERS	37,388,678.00	11.20
	GRAND TOTAL	333,893,894.00	100.00

48 Directors Shareholdings

Directors	Shareholdings
Mrs Teresa Ntim	1,940 shares

49 Comparative Information

The previous year's figures have been re-arranged and reclassified wherever necessary for the purposed of comparison with the current year's figures.

BRANCHES, AGENCIES AND OUTLETS

NAME OF BRANCH	ADDRESS STATUS	PHONE NO.	FAX NO.	STATUS
GREATER ACCRA				
Accra Main	P. O. Box 13119, Accra	030 2223375/2222136/ 2911022/2911013/2911021	030 2222136	Branch
Accra New Town	P. O. Box K444, Accra New Town	030 2228512/2228582/2848054	030 2228512	Branch
Faanofa	P O Box 13119, Accra	030 2234075/2220754	030 2234075	Branch
Kaneshie Main	P O Box 13119, Accra	030 2681372/2676128	030 2681372	Branch
Spintex Road	P O Box 13119, Accra	030 2934970-1	0302-817373	Branch
Osu Spot Bank	P O Box 13119, Accra	030 2765143	N/A	Agency
Lotteries	P O Box 13119, Accra	030 2667370/2672610	030 2668651/2672620	Agency
Pig Farm Spot Bank	P O Box 13119, Accra	030 2934972	N/A	Agency
North Industrial Area	P O Box 13119, Accra	030 222981/2222139	030 2229811	Branch
Okaishie	P O Box 13119, Accra	030 2668998/2662458	030 2666898	Branch
Premier Towers	P O Box 13119, Accra	030 2668650/2667146/2682207	030 2667147	Branch
Ring Road Central	P O Box 13119, Accra	030 2228381	030 2228381	Branch
Tema Main Comm 2	P O Box Co 2885, Tema	030 3202558/3206495/3201962	030 3201960	Branch
Tema Fishing Harbour	P O Box Co 1668, Tema	030 3204462/3202288	030 3204462	Branch
Tudu	P O Box 13119, Accra	030 2671462/2663907	030 2671462	Branch
Madina	P O Box 13119, Accra	030 7012922/ 030 7011003	030 7012922	Branch
Tema Motorway	P.O.Box Co 2885, Tema	0302 959127	N/A	Agency
Legon	P. O. Box 13119, Accra	030 7012594, 0303 934972	030 7012594	Agency
ASHANTI REGION				
Adum	P O Box 4542, Kumasi	032 225379/225729/232773	032 225379	Branch
Kumasi Central	P O Box 4542, Kumasi	032 224418/223075/222602	032 224418	Branch
Asafo	P O Box 4542, Kumasi	032 2049060/2049062	03220 49060	Branch
Suame	P O Box 4542, Kumasi	032 2091979	03220 43057	Branch
Kejetia	P O Box 4542, Kumasi	032 2198353/;0202801070/2801080	032 2198353	Branch
Tepa	P O Box 74, Tepa	032 2047101/2047102	N/A	Agency
BRONG AHAFO REGION				
Berekum	P O Box 49, Berekum	035 2222261/2222262	035 2222261	Branch
Sunyani	P O Box 1131, Sunyani	035 2027124/2027050/2027366	035 2027124	Branch
CENTRALREGION				
Cape Coast	P O Box 1019, Cape Coast	033 2132159/2132406/2132355	033 2132406	Branch
Dunkwa	P O Box 64, Dunkwa	033 2228393/2228665	033 2228665	Branch
EASTERN REGION				
Akim Oda	P O Box 325, Akim Oda	034 2922188/2922776	034 29222188	Branch
Koforidua	P O Box 987, Koforidua	034 2022236/2022778	034 2022778	Branch
NORTHERN REGION				
Tamale	P O Box 192, Tamale	037 2022139/2022722	037 2022139	Branch
UPPER EAST REGION				
Bolgatanga	P O Box 344, Bolgatanga	038 2023305/2023139/2022064	038 2022064	Branch
UPPER WEST REGION				
Wa	P O Box 240, Wa	039 2022147/2022155	039 2022147	Branch
VOLTA REGION				
Ho	P O Box HP - 360, Ho	036 2026651/2028053	036 2028053	Branch
WESTERN REGION				
Adabokrom	P O Box 189, Sefwi Wiawso	0244 339226	N/A	Agency
Akontombra	P O Box 11, Akontombra	0244 335553 / 0244 335554	N/A	Agency
Asankragwa	P O Box 57, Asankragwa	031 2422023/2427354	N/A	Branch
Asempaneye	P O Box 189, Sefwi Wiawso	0244 339226	N/A	Agency
Bibiani	P O Box 58, Bibiani	031 2093031/2093032	N/A	Agency
Essam	P O Box 189, Sefwi Wiawso	0244 339226	N/A	Branch
Juabeso	P O Box 12, Juabeso	0244 335553 / 0244 335554	N/A	Agency
Sefwi Bekwai	P O Box 15, Sefwi Bekwai	0244 335553 / 0244 335554	N/A	Agency
Sefwi Wiawso	P O Box 189, Sefwi Wiawso	0244 335553 / 0244 335554	0244 335554	Branch
Tarkwa	P O Box 219, Tarkwa	031 2320951/2320950	031 2320950	Branch
Takoradi	P O Box 660, Takoradi	031 2024660/2022888	031 2024660	Branch

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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 Thursday 30th March 2012 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 declare the final dividend as recommended		
2 To re-elect Michel Miaille as a Director		
3 To re-elect Pierre Wolmarans as a Director		
4 To re-elect Kofi Ampim as a Director		
5 To elect Borut Vujcic as a Director		
6 To elect Jose Rebollar as a Director		
7 To elect Arnaud' Alric as a Director		
8 To approve Directors' fees		
9 To authorise the Directors to fix the Auditors fees		

Signed this …………… day of ……………………………………………………………… 2012

Shareholder's Signature………………………………………………………………………….

**THIS PROXY FORM SHOULD NOT BE SENT TO
THE COMPANY SECRETARY IF THE MEMBER WILL BE ATTENDING THE MEETING**

NOTES:
1. A member (Shareholder) who is unable to attend the AGM 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.

THE SECRETARY
SG-SSB LIMITED
P. O. BOX 13119
ACCRA

FOLD HERE

FOLD HERE

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SG-SSB LTD. P. O. B OX 13119- RING ROAD CENTRAL
LAND LINE: 0302 214214 - FAX LINE: 0302 220713
sg-ssb.info@socgen.com   www.sg-ssb.com.gh

B U I L D I N G T E A M S P I R I T T O G E T H E R

SG-SSB