

SOCIETE GENERALE GHANA PLC

UNAUDITED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 30 JUNE 2021

	2021 GH¢	2020 GH¢
Interest income	244,533,912	250,823,666
Interest expense	(53,991,960)	(53,312,189)
Net interest income	190,541,952	197,511,477
Fees & commission income	36,283,122	35,936,970
Fees & commission expense	(10,596,533)	(9,866,058)
Net fees and commission income	25,686,589	26,070,912
Net trading revenue	21,833,241	25,680,716
Net income from other financial instruments carried at fair value	27,482,832	25,014,111
Other operating expense	(995,672)	(5,002,544)
Total other operating income	48,320,400	45,692,283
Operating income	264,548,941	269,274,672
Net impairment loss on financial assets	1,762,776	(16,938,330)
Personnel expense	(68,980,482)	(63,124,989)
Depreciation and amortization	(16,796,972)	(17,358,761)
Other expenses	(78,209,306)	(77,560,468)
Profit before income tax	102,324,957	94,292,124
Income tax expenses	(34,502,844)	(28,607,222)
Profit after tax expense	67,822,112	65,684,902
Other comprehensive income for the period		
Fair value on available for sale financial instrument	1,050,278	-
Less tax	(262,569)	-
Other comprehensive income, net of income tax	787,708	-
Total comprehensive income for the period	68,609,820	65,684,902
Earnings per share:		
Basic and diluted earnings per share (GH¢)	GH¢0.19	GH¢0.19

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	2021 GH¢	2020 GH¢
Assets		
Cash and cash equivalents	1,269,192,933	868,943,666
Non-pledged trading assets	137,157,130	95,408,359
Debt instruments at fair value through other comprehensive income	87,195,613	-
Debt instruments at amortised cost	1,198,819,753	1,027,462,471
Loans and advances to customers	2,338,876,411	2,737,328,940
Investments (other than securities)	12,236,464	8,862,900
Other assets	68,079,119	67,492,442
Property, plant and equipment	272,396,171	293,658,529
Intangible assets	10,784,796	1,812,219
Deferred tax assets	18,108,568	9,529,212
Total assets	5,412,846,958	5,110,498,738
Liabilities		
Deposits from banks	40,332,389	3,832,559
Deposits from customers	3,424,890,067	3,377,964,255
Borrowings	502,977,293	512,203,389
Derivative liabilities held for risk management	31,418,626	13,857,367
Current tax liabilities	23,028,627	29,608,874
Other liabilities	397,331,151	305,385,961
Total liabilities	4,419,978,153	4,242,852,405
Shareholders' fund		
Stated capital	404,245,427	404,245,427
Income surplus	200,773,658	99,004,200
Revaluation reserve	123,670,260	123,670,260
Statutory reserve	263,391,752	240,726,446
Other reserves	787,708	-
Total shareholders' fund	992,868,805	867,646,333
Total liabilities and shareholders' fund	5,412,846,958	5,110,498,738

THE FINANCIAL STATEMENTS DO NOT CONTAIN UNTRUE STATEMENTS, MISLEADING FACTS OR OMIT MATERIAL FACTS TO THE BEST OF OUR KNOWLEDGE.



Margaret Boateng Sekyere (Chairperson)



Hakim Ouzzani (Managing Director)

STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 JUNE 2021

	2021 GH¢	2020 GH¢
Cash flow from Operating activities		
Operating profit before taxation	102,324,957	94,292,124
Adjustments for:		
Impairment provision	4,724,582	(63,293,262)
Fair value on available for sale instrument	(730,927)	-
Fair value adjustment on non pledged trading assets	(460,695)	56,874
Depreciation and amortization	16,796,972	17,358,761
Unrealized gains/losses on forex and revaluations	232,228	5,754,543
Profit/ loss on sales of property, plant and equipment	-	(2,560)
Operating profit before working capital changes	122,887,117	54,166,480
Changes in operating and other assets and liabilities		
Change in non-pledged trading assets	(68,799,959)	(37,941,297)
Change in loans and advances to customers	219,105,682	(30,641,677)
Change in other assets	(1,567,600)	(4,978,208)
Change in derivative liabilities held for risk management	31,418,626	13,857,367
Change in deposit from banks	36,386,451	(21,842,831)
Change in deposit from customers	(56,453,254)	208,258,284
Change in other liabilities	85,028,257	72,266,851
Income tax paid	(39,843,145)	(44,007,660)
Net cash generated from operating activities	328,162,176	209,137,309
Cash flow from investing activities		
Change in investment securities	(749,465,768)	(944,357,479)
Purchase of property, plant and equipment	3,107,123	(19,575,865)
Purchase of intangible assets	(11,072,492)	(656,459)
Proceeds from sale of property, plant and equipment	-	2,560
Net cash generated/(used in) from investing activities	(757,431,137)	(964,587,243)
Cash flow from financing activities		
Change in borrowings	136,710,506	334,507,412
Net cash used in financing activities	136,710,506	334,507,412
Change in cash and cash equivalents	(292,558,455)	(420,942,522)
Net foreign exchange difference	(232,228)	(5,754,543)
Cash & cash equivalents as at 1 January	1,561,983,616	1,295,640,731
Cash and cash equivalents as at 30 June 2021	1,269,192,933	868,943,666
Operational cash flows from interest:		
Interest received	188,315,938	184,266,098
Interest paid	55,014,221	51,041,660

STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 JUNE 2021

	Stated Capital GH¢	Income surplus GH¢	Revaluation Reserve GH¢	Statutory reserve GH¢	Other reserves GH¢	Total shareholders' equity GH¢
For the Half year ended 30 June 2021						
Balance as at 1 January 2021	404,245,427	149,907,074	123,670,260	246,436,224	1,335,904	925,594,889
Movements during the year:						
Profit for the period	-	67,822,112	-	-	-	67,822,112
Other movements in equity	-	-	-	-	(548,196)	(548,196)
Transfer to statutory reserve	-	(16,955,528)	-	16,955,528	-	-
Balance as at 30 June 2021	404,245,427	200,773,658	123,670,260	263,391,752	787,708	992,868,805
For the Half year ended 30 June 2020						
Balance as at 1 January 2020	404,245,427	66,161,749	123,670,260	207,883,995	-	801,961,431
Movements during the year :						
Profit for the period	-	65,684,902	-	-	-	65,684,902
Other movements in equity:	-	-	-	-	-	-
Transfer to statutory reserve	-	(32,842,451)	-	32,842,451	-	-
Balance as at 30 June 2020	404,245,427	99,004,200	123,670,260	240,726,446	-	867,646,333

NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2021

REPORTING ENTITY

Societe Generale Ghana PLC is a public limited liability company incorporated under the Companies Act, 2019 (Act 992) . The bank is domiciled in Ghana with its registered office at 2nd Crescent, Royalt Castle Road, Ring Road Central, Accra. The bank is authorized and licensed to carry out the business of banking and provides retail banking, corporate banking, investment banking and other financial intermediation activities and specialized financing activities such as leasing and consumer credits through its network of branches and outlets including divisions across Ghana.

The Societe Generale (Group), a bank incorporated in France, is the ultimate parent of the Bank. The Bank is listed on the Ghana Stock Exchange (GSE). This has enabled the equity shares of the Bank to be traded publicly on the GSE.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing financial statements for each financial period which give a true and fair view of the state of affairs of the bank at the end of the period and of the profit or loss of the bank for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- State whether the applicable accounting standards have been followed.
- Ensure that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the bank will continue in business.

The Directors are responsible for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930) and the International Financial Reporting Standards. They are responsible for safeguarding the assets of the bank and hence for taking steps for the prevention and detection of fraud and other irregularities.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2021

STATEMENT OF COMPLIANCE

The financial statements of the Bank for the half year ended 30 June 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and accounting requirements as dictated by the guide for financial publication 2017 issued by the Bank of Ghana. Except as otherwise specified by the guide for financial publication, the financial statements were prepared in accordance with IFRS.

ACCOUNTING POLICIES

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

BASIS OF PREPARATION

The financial statements of the Bank have been prepared on a historical cost basis, except for Financial assets and liabilities held-for-trading, Derivative financial instruments and Equity investments which are at fair value. Land and buildings are also carried under the revaluation model.

QUANTITATIVE DISCLOSURES

	2021	2020
Capital adequacy ratio	20.81	17.70
Non-performing loan ratio	7.72	5.85
Leverage ratio	10.83	9.41
Liquidity ratio	110.81	92.98

QUALITATIVE DISCLOSURES

RISK MANAGEMENT

1. The Bank is exposed to the following risks: credit, liquidity, interest rate, market and other operational risks.
2. The risks inherent in the Bank's activities are managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities.
3. The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. In addition, there are Risk Committees that have the overall responsibility for the development of risk strategy and implementing principles, frameworks, polices and limits.

DEFAULTS IN STATUTORY LIQUIDITY

	2021	2020
Number of Defaults in Statutory Liquidity	NIL	1
Sanctions (GHS)	NIL	37,734