2021 ANNUAL REPORT

THE FUTURE IS YOU

SOCIETE GENERALE GHANA

SOCIETE GENERALE
GHANA

2021 ANNUAL REPORT AND FINANCIAL STATEMENTS

2021 Major Events

WE INTRODUCED INNOVATIONS

Our all new innovation lab to facilitate and foster dynamic thinking and creative ways to improve customer experience

WE LAUNCHED NEW SERVICES

A "buy now pay later" scheme to help customers acquire the latest gadgets, appliances, smartphones and home furnishings

Additional Bancassurance products to support our customers

2021 Major Events

Cards Promotion

Vehicle financing offers for our customers, in collaboration with CFAO Motors and Tractafric Motors Ghana

WE OPENED MORE OUTLETS

Derby Avenue Branch in Makola with a dedicated Chinese desk and Cash Collection Centre

WE ARE ISO/IEC 27001:2013 CERTIFIED

ISO/IEC 27001:2013
MANAGEMENT SYSTEM
PECB MS
CERTIFIED

Demonstrating trust and credibility.
SG Ghana is ISO/IEC 27001:2013 certified

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OUR PURPOSE AND VALUES IN THE SERVICE OF OUR CLIENTS

OUR PURPOSE
Building together with our clients, a better and sustainable future through responsible and innovative financial solutions.

OUR MISSION STATEMENT
The Bank's mission is to create the preferred banking institution, which employs team spirit, innovation, responsibility & commitment to provide quality products and services that best satisfy the needs of our customers.

OUR VALUES: TEAM SPIRIT, INNOVATION, RESPONSIBILITY & COMMITMENT

Team Spirit: is characterised by a sense of service which is intended to make Societe Generale Ghana the leading customer relationship bank and making listening to customers and all other stakeholders, information sharing and solidarity as well as cooperation and internal pooling of resources its main priority.

Innovation: which is providing added value and greater simplification to serve clients with a framework that takes into account reputational risk.

Responsibility: that consists of taking decisions quickly to meet the needs of clients and the organisation without sacrificing their long-term objectives. It also involves having the courage both individually and collectively to take responsibility for actions and decisions and finally attaching as much importance to results as well as consequences of decisions for all stakeholders.

Commitment: which makes it possible to make a difference and to contribute to the success of clients and the Bank thereby resulting in a high level of service and performance.

OUR PURPOSE

Helping our clients build the future
We reaffirm the importance of our role as bankers which is to help our clients invest in a more sustainable future. By supporting their projects and helping them grow, we are firmly committed to those who move the world forward.

A trusted partner
Societe Generale Ghana puts value creation for its customers at the heart of its business model, placing itself alongside entrepreneurs growing their businesses and developing their projects. The Bank offers added value in every aspect of its business and in each of its business lines:

- making life easier for our customers: assisting our customers by providing them with the right service at the right time, combining the best that humans and digital technology have to offer;
- advising: putting our expertise to work for all customer segments by tailoring our support to the issues facing each one of them;
- connecting people and businesses: creating a link between those who have projects and those who can help them;
- using our resources responsibly: putting our balance sheet to work to help those who want to invest;
- evaluating and managing risks: managing risks in a rigorous and responsible manner over the long term;
- safeguarding interests: undertaking a commitment to respect and protect everyone's interests while aiming for the highest standards of security and quality of service.

Customer satisfaction: A priority
Customer satisfaction is regularly measured and has increased or remained steady at a high level in all our business lines. The Bank has adopted a structured approach to monitor customer satisfaction using a range of tools: opinion surveys, surprise visits, questionnaires and net promoter score ratings. A formalized process to address complaints by our quality team is in place with the protection of our clients being at the forefront of all our operations. We are committed to safeguarding their interests, particularly in light of the growing risks associated with cybercrime.

Corporate culture and ethics
For Societe Generale Ghana, instilling a culture of responsibility based on strong values, notably through our Code of Conduct, means observing the highest standards of integrity and behaviour in all business lines and countries where we operate. The Bank has established ethical principles and ensures that all our staff comply with them. As a responsible employer, we are committed to ensuring the respect of human rights and implement appropriate measures in instances where our principles are not adhered to.

Expertise and skills
The Bank pays particular attention to the quality of our dialogue with staff representative bodies, especially with respect to addressing the challenges of changing business and employment trends. Anticipating the Bank's business needs, hiring and helping our staff develop their careers, particularly through training and internal professional mobility and promotions, are essential for attracting and retaining talent and strengthening staff loyalty.

Diversity and inclusion
Building a company that is inclusive and reflects the diversity of its customers is one of the Bank's key ambitions. Above and beyond regulatory obligations, Societe Generale treats diversity and inclusion for all as strategic issues for today and tomorrow, and takes proactive steps in this regard.

Our purpose and values in the service of our our clients cont'd

Performance and compensation
To attract and retain talents, Societe Generale Ghana implements an attractive and fair pay policy, which recognizes each staff member's contribution to the Bank's performance while ensuring the appropriate management of risks.

Health and safety
Societe Generale Ghana is committed to developing a respectful and safe working environment to enable every one of its staff members to work in conditions that are positive for their health and well-being, in particular by promoting the appropriate work-life balance.

NOTICE AND AGENDA FOR ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 42nd Annual General Meeting ("AGM") of the Shareholders of Societe Generale Ghana PLC ("the Company") will be held VIRTUALLY and streamed live on https://sgghanaagm.com from the Head Office of Societe Generale Ghana PLC on Thursday 29 September 2022 at 11:00am to transact the following business:

ORDINARY BUSINESS: ORDINARY RESOLUTIONS

1. To receive and adopt the Financial Statements of the Company (together with the reports of the directors and the auditors of the Company) for the year ended 31 December 2021.
2. To declare a Dividend
3. To re-elect the following Directors retiring by rotation pursuant to Section 60 of the Company's Constitution who being eligible offer themselves for re-election.

    • Mr Arnaud De Gaudemaris
    • Mr Georges Wega
    • Mr Hakim Ouzzani

4. To elect the following Directors appointed during the year and retiring in accordance with Section 60 of the Company's Constitution:

    • Mrs Juliana Asante
    • Mr Yvon Puyou

5. To approve Directors' fees
6. To appoint Auditors.
7. To authorize the Directors to appoint and determine the remuneration of the Auditors.

Dated, this 24 day of February 2022

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BY ORDER OF THE BOARD
ANGELA NANANSAA BONSU
THE SECRETARY

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 for it to be valid for the purpose of the meeting it must be completed and deposited with the Registrars, NTHC Limited, Martco House, PO Box KA 9563, Airport Accra, Ghana not less than 48 hours before the appointed time of the meeting.

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@societegenerale.ghana
Societe Generale Ghana
@SG_Ghana

CORPORATE INFORMATION

BOARD OF DIRECTORS			DATE APPOINTED
1. Margaret Boateng Sekyere	-	Board Chair Independent Non-Executive	15 September 2020
2. Hakim Ouzzani	-	Managing Director	23 January 2017
3. Laurette Korkor Otchere	-	Non-Executive	6 September 2017
4. Agnes Tauty Giraldi	-	Non-Executive	1 October 2018
5. Georges Wega	-	Non-Executive	16 August 2019
6. Arnaud De Gaudemaris	-	Non-Executive	16 August 2019
7. Fosuhene Acheampong	-	Non-Executive	3 June 2020
8. Francis Awua-Kyerematen	-	Independent Non Executive	23 February 2021
9. Juliana Asante	-	Independent Non-Executive	8 November 2021
10. Yvon Puyou	-	Non-Executive Director	24 January 2022
11. Martine Hitti	-	Resigned February 2021	

COMPANY SECRETARY

Angela Nanansaa Bonsu
Societe Generale Ghana PLC
2nd Crescent, Royalt Castle Road
Ring Road Central
P.O. Box 13119
Accra, Ghana

REGISTERED OFFICE

2nd Crescent, Royalt Castle Road
Ring Road Central, Accra
P.O. Box 13119
Accra, Ghana

AUDITORS

Ernst & Young Chartered Accountants
60 Rangoon Lane
Cantonments City, Cantonments
Accra, Ghana

REGISTRARS

NTHC Limited
NTHC House
18 Gamel Abdul Nasser Avenue
Ringway Estate Accra
P.O. Box KA 9563
Airport, Accra
Ghana

COUNTRY OF INCORPORATION

Ghana, Accra

HOLDING COMPANY

SG Financial Services, Holding Company

ULTIMATE HOLDING COMPANY

Societe Generale incorporated in France

PROFILE OF THE BOARD OF DIRECTORS

MARGARET BOATENG SEKYERE (Chairperson)

EXECUTIVE DIRECTOR

HAKIM OUZZANI (Managing Director)

INDEPENDENT NON-EXECUTIVE DIRECTOR

FRANCIS AWUA-KYEREMATEN (Member)

JULIANA ASANTE (Member)

NON-EXECUTIVE DIRECTORS

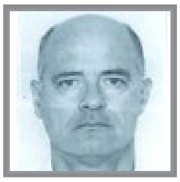
GEORGES WEGA (Member)

AGNES TAUTY GIRALDI (Member)

LAURETTE OTCHERE (Member)

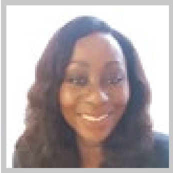
ARNAUD DE GAUDEMARIS (Member)

FOSUHENE ACHEAMPONG (Member)



YVON PUYOU (Member)

BOARD SECRETARY



ANGELA NANANSAA BONSU (Company Secretary)

Profile Of The Board Of Directors cont'd

Margaret Boateng Sekyere: Board Chair. She received a Bachelor's degree in Accounting and an MBA from Howard University in Washington D.C in 1985 and 1987 respectively. From 1985 to 1989 she was in Public Accounting and Mortgage Banking in the USA after which she joined Price Waterhouse in Ghana as a Management Consultant with special focus on Financial Management Reviews and Assessments of donor funding to public sector institutions. With over 30 years of experience in private and public sector management, she was instrumental in the development of public sector reforms in Sierra Leone in the early 1990s and in Ghana from 2004 to 2007. In 1993, she was recruited by the Government of Sierra Leone to manage a 5 year Public Sector Program funded by the World Bank. She served as a Senior Resource Management Officer of the World Bank Office in Ghana from 1998 to 2003. Whilst there, she managed the administrative services and accounting team in the Country Office including training, systematic back-up and replacement planning. She played a key role in the coaching and development of newly recruited resource management staff for Country Offices in the Africa Region – South Africa, Uganda, Zimbabwe, Malawi, Nigeria, Ethiopia and Kenya. From 2007 to 2013, she joined a team to set up an Asset Management Firm – OAK Partners Ltd., - providing financing for private real estate projects in Accra. During the period of 2013-2018, she was an Executive Director of Finance and Administration for Belstar Capital. At Belstar, she also played a key role as a Licensed Investment Advisory Representative of the Securities and Exchange Commission, responsible for compliance of financial regulatory matters. She was nominated to the Board of Directors on 12 July 2019 with Bank of Ghana granting approval on 20 November 2019. Bank of Ghana further approved her appointment as Board Chair on 15 September 2020.

Hakim Ouzzani: Managing Director. He holds a Bachelor of Arts degree in Economics and a Master of Arts degree in Organisation Sociology from the Ecole Nationale Superieure d' Administration et de Gestation National School of Management and Administration. He also holds a Diploma in Banking and Finance from the Institute of Development Finance Tunis. Mr Ouzzani has a Diploma of Higher Education from the Arab Maghred Development Financing Institute. Before his appointment as Managing Director, he was a Senior Executive Regional Manager with Societe Generale International Banking Financial Services in charge of Cameroun, Chad, Congo Brazzaville, Equatorial Guinea, Ghana and Guinea Conakry. In 1998, he was the New Products Development Manager at the Union Bank. He has worked as a Professor at the Ecole Superieure de Banque. He also worked with the Central Bank of Algerie as a Senior Officer Loans & Refinancing Direction and Licencing & Regulatory Function. From 2000 to 2002, he managed the Corporate Branch of the Union Bank Brokerage. From 2012 to 2016, he was the CEO of Societe Generale Chad.

He also held various positions within Societe Generale as Group Deputy General Manager SG Algerie, Network and Sales Manager SG Algerie and Network Development Manager SG Algerie. Mr Ouzzani was nominated to the Board of Directors of Societe Generale Ghana on 16 November 2016 with the Bank of Ghana granting approval to the said appointment on 23 January 2017.

Georges K. T. Wega: Non Executive Director. He holds an Engineering degree and a Master's degree in Industrial Engineering from the University of Quebec, Canada. His career spans over 22 years' having worked in several capacities in organizations around the world. He has acquired a long span of industrial and banking experience during his career. Mr Wega is the Deputy Head of International Retail Banking for Africa, the Mediterranean Basin & Overseas (Societe Generale). Among the places he has worked are Postes Canada (Ottawa), General Electric (Brussels and Amsterdam), Barclays Bank PLC in London and United Bank for Africa (UBA Nigeria). He also served as the Chief Executive Officer of UBA Cameroon for 4 years. He then joined Societe Generale in 2014 as Deputy CEO of Societe Generale Cameroun, before being appointed Chief Executive Officer of Societe Generale Senegal in August 2016. He was nominated to the Board of Directors on 22 November 2018 with Bank of Ghana granting approval on 16 August 2019.

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

Agnes Tauty Giraldi: Non Executive Director. She is the Head of Export Finance Africa, Europe and Structured Trade Finance, Societe Generale Corporate and Investment Banking. She has over 23 years' experience in the Corporate Investment Banking sector with an extensive experience of Structured Trade and Export Finance. She has solid experience in emerging markets and has led several deals involving sovereign, sub-sovereign, public and private corporates. She is currently the Head of Export Finance Africa, Europe and Structured Trade Finance, Societe Generale Paris. Within the Societe Generale Group, she has held the following positions; Deputy Head Origination Export Finance, Head of European Origination Export Finance, Country Manager in the Europe and Central Asia Desk, Societe Generale Paris, Vice President Societe Generale Paris responsible for the execution of the documentation (Loan documentation, Credit Insurance, securities, etc.), Corporate

Profile Of The Board Of Directors cont'd

Relationship Manager, Societe Generale London Relationship Manager SMEs, French Network, Societe Generale. She was nominated to the Board of Directors on 11 April 2018 with Bank of Ghana granting approval on 1 October 2018.

Arnaud De Gaudemaris: Non Executive Director. He holds an Engineering Degree from ISEP Paris. He is the current Chief of Staff to the Head of Societe Generale for the AFMO Region managing about 14,000 staff. He is responsible for the organization of strategy preparation meetings, internal management meetings and also the African Region strategy. He was nominated to the Board of Directors on 28 November 2018 with Bank of Ghana granting approval on 16 August 2019.

Fosuhene Acheampong: Non Executive Director. He is a chartered accountant by profession and holds an MBA in Finance from the Lagos State University and a Bsc in Accounting from the University of Lagos. He is currently the Director of Finance and Administration at the Cedar Seal Company Limited. From 2001-2004, he was the Audit Manager at Deloitte & Touche . He was the Chief Internal Auditor at the Minerals Commission from 2004-2005 and went on to become the Director of Finance from 2005 - 2006.From 2010 to 2016, he held the following positions in the Access Bank Group; Head Business Banking and Regional Head Western Region. Before the name change to Access Bank, Mr Acheampong worked as Area Manager of Intercontinental Bank for the Western and Ashanti Regions from 2008 to 2010.

From 2010 to 2012, he was the Group Head Marketing Division Retail of Intercontinental Bank. He also worked with the Bank as Head of Loan Recovery. He was nominated to the Board in April 2020 with Bank of Ghana granting approval of the said nomination on 3 June 2020.

Francis Awua-Kyerematen: Independent Non-Executive Director. He is a Fellow of the Association of Chartered Certified Accountants. He holds a Master of Business Administration from the University of Chicago Business School and a Bachelor of Arts Honours Degree in Accounting and Finance from the Middlesex University London UK. He is the Principal Advisor and Managing Director for Winchmore Capital. Mr Awua-Kyerematen worked as the Country Director for Citibank Ghana from 2008 to 2016. Prior to moving to Ghana, he was with Citigroup in the London Office responsible for Debt Capital Markets – Middle East & African Desk from 2005. He also worked as a Senior Compliance Accountant for HM Revenue Customs in the UK from 1998 to 2003. He also spent a year with Grant Thornton Ipswich Office UK as a Senior Corporate Finance and Recovery Associate from 1997 to 1998. Mr. Awua-Kyerematen was nominated to the Board 14 December 2020 with Bank of Ghana granting approval to the said nomination on 23 February 2021.

Juliana Asante: Independent Non-Executive Director. She is a Chartered Accountant and Change Management Consultant. She has a proven record of success in the origination, development, implementation and improvement of financial accounting and risk management. She has also applied these skills in areas of operational processes and systems spanning almost three decades. She has held positions such as Senior Trainee Accountant/Auditor Deloitte and Touche Ghana, Finance Manager, Central Manchester and Manchester Children's University NHS Trust (UK) and Senior Audit Manager, Deloitte Ghana. She is currently the Managing Director of Integritas Limited, Lead Consultant in the strengthening and transformation of Ashesi University's Finance Function towards major investment by the International Finance Corporation (IFC). She is also a consultant for Arthur Energy Advisors in providing support for the Change Management Program and Improved Utility Performance for the Northern Electricity Distribution Company Limited. She was nominated to the Board on 30 June 2021 with Bank of Ghana granting approval on 8 November 2021.

Yvon Puyou: Non-Executive Director. He holds a Master of Business Administration from EDHEC Sophia Antipolis France and a Master's Degree in Computer Science from the Ecole Centrale de Marseille- Marseille, France. He held the position of Regional Head of Information Technology ,SG Singapore from 1995 to 2000. From 2000 to 2003, he held the position as Senior Executive Director (Member of the Executive Committee) of SG Private Banking (Switzerland) S.A.Geneva, Switzerland . Mr. Yvon Puyou was the Global Chief Information Officer at SG Private Banking, Paris France from 2003 to 2005. He was the Head of Global IT, Head for Core Banking System, Risks and Finance solutions, Societe Generale Paris France from 2005 to 2009. He held the position of Chief Information Officer, Societe Generale Prague Czech Republic from 2009 to 2015. He was the Chief Operating Officer for Societe Generale Splitska Banka from 2015 to 2017. He is currently the Chief Information Officer at Societe Generale African Mediterranean& Overseas. Mr. Yvon Puyou was nominated to the Board of Directors on 14 September 2021 with Bank of Ghana granting approval for the appointment on 24 January 2022.

KEY MANAGEMENT PERSONNEL

Hakim Ouzzani: Managing Director. He holds a Bachelor of Arts degree in Economics and a Master of Arts degree in Organisation Sociology from the Ecole Nationale Superieure d' Administration et de Gestation National School of Management and Administration. He also holds a Diploma in Banking and Finance from the Institute of Development Finance Tunis. Mr Ouzzani has a Diploma of Higher Education from the Arab Maghred Development Financing Institute. Before his appointment as Managing Director, he was a Senior Executive Regional Manager with Societe Generale International Banking Financial Services in charge of Cameroun, Chad, Congo Brazzaville, Equatorial Guinea, Ghana and Guinea Conakry. In 1998, he was the New Products Development Manager at the Union Bank. He has worked as a Professor at the Ecole Superieure de Banque. He also worked with the Central Bank of Algerie as a Senior Officer Loans & Refinancing Direction and Licencing & Regulatory Function. From 2000 to 2002, he managed the Corporate Branch of the Union Bank Brokerage. From 2012 to 2016, he was the CEO of Societe Generale Chad. He also held various positions within Societe Generale as Group Deputy General Manager SG Algerie, Network and Sales Manager SG Algerie and Network Development Manager SG Algerie. Mr. Ouzzani was nominated to the Board of Directors of Societe Generale Ghana on 16 November 2016 with the Bank of Ghana granting approval to the said appointment on 23 January 2017.

Francois Pousse: Deputy Managing Director. He holds a Master of Science in Finance and Economics from the London School of Economics (UK) and from Ecole Nationale des Ponts et Chaussées (FR). Prior to his appointment in SG Ghana, he worked for Inspection Generale at Societe Generale Head Office in Paris for 9 years, where he performed and supervised audit and strategy consulting assignments for the top Management of the Societe Generale Group. He has worked in various fields in the banking sector such as IT transformation in retail banking, market risk on equity derivatives and anti-money laundering. Working in diverse business environments such as Southern France, Hong-Kong, Burkina-Faso, the UK and USA has added to his wealth of knowledge. He eventually became one of the Managing directors at Inspection, with shared oversight over a team of about 120 people made up of Inspectors, data scientists and support staff directly reporting to Global Head of Inspection. Mr Pousse is also the Treasurer of the Chamber of Commerce and Industry France – Ghana (CCIFG).

Bernice Allotey: Chief Operating Officer. She holds an Executive Masters in Business Administration (Finance) and BSC in Computer Science and Statistics both from the University of Ghana, Legon. She is a proven Project/Programme Manager and a Lean Six Sigma Green belt trained. Over her 24 years' experience in the Banking Industry, she has built strong expertise in Project/Change Management, delivering and overseeing strategic projects that cuts across all the various functions in the Bank ; Project Portfolio Management, Information System Management, Business Process Management and Banking operations. Before her appointment as the Chief Operating Officer, she was the Head of Organization and Projects in Societe Generale Ghana from 2008 to 2018 and was responsible for the implementation of the bank's Project Portfolio by ensuring overall alignment of the organizational structures to the business strategy. As the Chief Operating Officer, she now oversees the following strategic departments; Organization and Projects, Information Systems & Technology, Information security, Operations, Logistics and Physical Security.

Angela N. Bonsu: Company Secretary General Manager. Ms Bonsu holds a Master of Business Administration from the Middlesex University Business School, London and an honours degree in Law from the Birkbeck College, University of London. She is a professionally qualified member of the Institute of Directors Ghana. Ms Bonsu holds an ACAMS Certification for Anti-Bribery and Corruption. She has rich professional experience 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 for a Bank listed on the Ghana Stock Exchange, she also has oversight responsibility for the Legal Department, Environmental & Social Management Systems, Sustainable Development & Corporate Social Responsibility. She furthermore has oversight responsibility for the Permanent Control Department.

Felix Adjaku: Chief Finance Officer. He is a fellow of the Association of Chartered Certified Accountants (ACCA) UK and holds a Bachelor's degree in Sociology from the University of Ghana. Felix has worked in various departments of the bank namely Corporate banking as a Credit Analyst, Treasury Department as an Asset and Liability Managment Officer and as a Branch Officer with the Retail Banking Department. Before being appointed the Chief Finance Officer he was the Head of Financial Reporting and Performance Measurement. Felix has over 10 years' experience in banking.

Kwame Anterkyi: Chief Risk Officer in charge of Credit and Market Risk. He is a graduate of the Kwame Nkrumah University of Science and Technology Ghana with a Bsc. in Civil Engineering and a Master of Business Administration (Finance Option) from the Ghana Institute of Management and Public Administration (GIMPA). He is also a professionally qualified member of the Chartered Institute of Bankers (Ghana). Kwame Anterkyi has over 17 years banking experience specializing in Corporate and Institutional Banking anchored on a strong credit risk analysis background having worked as a Credit Analyst and in Senior Relationship Management positions. He is a member of the Credit and Market Risk Committee of the Bank.

Key Management Personnel cont'd

Abena Asare-Menako: Chief Compliance Officer. She is an experienced banking professional with expertise in Resource Management, Retail Banking, Business/Corporate Banking, Sales, Marketing, Relationship Management, Card and POS (Payments) Management, Banking Operations, Operational Risk, Compliance Management and Project Management. She possess excellent interpersonal, analytical and organizational skills with the ability to excel within highly competitive environments where leadership skills are the keys to success. She is an effective manager with the proven skills necessary to direct, train and motivate human resource to its fullest potential while also possessing a strong capacity to focus on strategic intent with revenue generation and management of cost. She is also responsible for ensuring the Bank complies with all relevant anti-money laundering regulations by providing advice to management and ensuring compliance with local and related Financial Security Topics including but not limited to Anti-Money Laundering, Sanctions and Embargo, KYC, Correspondent Banking. She holds a Masters degree in Finance from University of Leicester, U.K. and is an Associate of the Chartered Institute of Bankers, Ghana and the Institute of Marketing U.K.

Catherine Johnson: General Manager Treasury and Global Markets. She holds a BSc Accounting Degree from Cardiff University in Wales and is a member of the Association Cambiste Internationale (ACI) based in Paris. She also holds a Master's Degree in International Securities, Investments and Banking from the ISMA Centre, Henley Business School, UK with a special focus on Financial Engineering and Fixed Income Solutions. She has over 20 years' extensive commercial banking experience both in Ghana and internationally. Her vast experience over the years cover areas of Strategy, Business Development, Treasury Management, Corporate Banking, Balance Sheet Risk Management and Market/Trading activities. She is currently in charge of managing the assets and liabilities structure of the bank and has direct responsibility for developing market/trading teams, products/solutions, funding and the general trading framework. She also manages key treasury relationships with the Regulator, Financial Institutions and Clients.

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

Dorcas Quaye: Head, Human Resource Management. She holds a BA in Social Sciences from the Kwame Nkrumah University of Science and Technology, and a certified AML/ SANCTIONS and EMBARGO practitioner. She has over 30 years of rich and full rounded banking experience in Branch Management, Retail and SME businesses, and Operational Risk Management. As a branch manager, she managed three branches, and thereafter she was appointed as the Head of the SME Business Banking Unit. She was appointed the Head of Compliance, AML & CFT when the unit was created in the Bank in 2010. In October 2015, she was appointed as the Head of Permanent Control and Operational, Risk, with oversight responsibility for Managerial Supervision, Business Continuity and Crisis Management, Compliance Anti Money Laundering and Operational Risk. In 2020 Dorcas was appointed Head Human Resource Management.

Frank Lawoe: Head, Internal Audit. A Chartered Accountant by profession,he holds a Bachelor of Commerce degree from the University of Cape Coast and Executive MBA in Finance from the University of Ghana. He is also a Member of the Institute of Chartered Accountants (Ghana) and Institute of Internal Auditors (Ghana). He has over 17 years' experience in banking with strong and proven expertise in Internal Audit, Credit Risk Management, Retail and Corporate Banking, and Debt Recovery.

Lavana Gwira Tamattey: Head, Permanent Control. She holds a degree in Economics & English and a Master of Business Administration (Finance) both from the University of Ghana. She is a banker with thirty years' experience spanning various departments in Societe Generale Ghana PLC. She has served as Branch Manager for three distinct branches over the years. During the AKOBEN project, which saw the Bank change its banking software from Flexcube to Amplitude from 2007 to 2009, she worked as the Front Office Business Line Manager (Retail Banking). In 2010, she was appointed as Head of Marketing and was responsible for the sale of Institutional Loans, Management of the Contact/Call Centre, Communication on Products & Services, and Branding. Other capacities in which she has worked from 2012 to 2019 include Deputy Head, Retail Credit Monitoring, Head, Retail Credit Administration and Head, Retail Operations.

She was transferred to the Permanent Control Department as Head, Operational Risk in December 2019. She was appointed Acting Head of the department in June 2021. She is currently responsible for Operational Risk assessment and management, Level 1 Permanent Control Implementation and Business Continuity Management. She is also entrusted with the responsibility of seeing to the quality of Customer Files within Societe Generale Ghana as defined by the Group and local Regulators. She was appointed as Head Permanent Control on 1 February 2022.

Key Management Personnel cont'd

Lawrence Ribeiro: Head, Logistics & Support. He holds a Post Graduate Diploma in Legal Studies from the Ghana School of Law, Executive Master of Business Administration (Finance option) from the University of Ghana, Legon and BSc Electrical/Electronic Engineering degree from the Kwame Nkrumah University of Science and Technology. In the last seventeen years, he has built extensive experience in enterprise IT management and service delivery. He is also experienced in Logistics and Estate management. He worked in various capacities as Head of Data Centre Operations, Head of Network and System, Head of IT Security and Business Continuity Planning and Head of Information Systems and Technology.

Adwoa Asieduaa Ntirakwa: Head Organisation & Projects. She is a product of the University of Ghana Business School with a BSc in Banking and Finance and a Master of Business Administration (Project Management Option) from the Ghana Institute of Management and Public Administration. She is also a professionally qualified member of the Chartered Institute of Bankers (Ghana) and is a Lean Six Sigma trained – Green Belt. She is also a coach in Prism Methodology and has trained a number of staff members on the Prism Methodology. Adwoa has 16 years' experience in Banking in the areas of Retail Banking and Project Management. In her current role as the Head of Organization and Projects, she is responsible for the Bank's Project Management Portfolio and Methods/ Procedures, ensuring that Projects are delivered for the Banks Functional Teams in line with their Business strategy.

Elikplim Muzzu: Head, Marketing Multichannels and Quality. Mr Muzzu is a seasoned, multi-disciplinary marketing management, corporate communications and change management executive with over 22 years proven record of growing lasting brands and managing multi-million dollar projects across Ghana. With a passion for brands and a strong business judgement and interpersonal skills, he has successfully managed many client projects and developed many a successful brands on the local market and in the process turning these brands into profitable and successful businesses. A consummate professional, he has within the last decade and a half worked within the Ghanaian banking industry and held senior executive roles in United Bank for Africa (UBA) Ghana Limited and First Atlantic Bank Limited, responsible for Marketing, Corporate Communications and Service Quality. He also worked at Barclays Bank Ghana Limited where he served as the Programme Manager for Brand and Name Change during the bank's brand transition to Absa Bank Ghana Limited. He holds a Master's Degree in International Affairs from the University of Ghana, Centre for International Affairs and Diplomacy in addition to a Master's Degree in Business Administration from GIMPA.

BOARD CHAIR'S STATEMENT

Distinguished Shareholders, I am delighted to welcome you to our 42nd Virtual Annual General Meeting and to present to you the Annual Report and Audited Financial Statements of your Company for the financial year ended 31 December 2021. Your Company's financial performance remained solid within a challenging year due to the Covid-19 Pandemic.

- Macro-economic Environment:
- Operating Environment
- 2021 Operating Results
- Dividend
- Share Performance
- Board of Directors
- Corporate Governance
- Outlook for 2022
- Appreciation

Macro-economic Environment

The global economic recovery is continuing at a good momentum, though restricted by the global health crisis. The Delta variant and the more recent Omicron variant of the virus have disrupted the health of the global economy, leading to longer-than-expected supply disruptions, inflation and unemployment.

In the first half of this year, global GDP growth was generally in line with expectation. However, during the second half, disruptions mainly caused by the resurgence of COVID cases led to a reduction in global manufacturing and industrial production. Meanwhile, global inflation continued to rise during the second half of the year on account of varied factors across the globe- fossil fuel price hikes, food price increases, supply disruptions and high prices of imported goods amongst others.

Overall, a full return to normalcy has been held back and risks to global economic prospects have increased. According to the IMF, global growth is estimated at 5.9 percent in 2021 and is expected to moderate to 4.4 percent in 2022, Inflation is also expected to remain elevated in the near term averaging 3.9 percent in advanced economies and 5.9 percent in emerging market and developing economies in 2022.

It is noteworthy however that the outlook incorporates anticipated effects of mobility restrictions, border closures, and health impacts from the spread of the Omicron variant. According to Fitch, most economies will begin treating the virus as endemic by the end of the year as vaccines provide sufficient protection and new viral treatments help to manage symptoms. Data also show that in spite of a sharp rise in infections (with Omicron dominating), fatalities remain relatively low, which is a very encouraging sign that policymakers will move towards more endemic policies and reduce restrictions within their economies. With respect to Inflation, Fitch economic analysts anticipate that inflation though elevated currently, will gradually converge back towards the target as temporary inflation- boosting factors dissipate. Their key view is that the inflation peak is nearing and that inflation will start easing over the coming months.

Operating Environment

The Ghanaian economy continued its strong recovery from the COVID-related economic downturn. The latest Ghana Statistical Service update showed that Real GDP growth for the first three quarters of 2021 averaged 5.3 percent, compared with an average contraction of 0.6 percent recorded in the same period of 2020. According to the latest Fitch risk report on Ghana, Real GDP growth is estimated at 4.2 percent as at the end of 2021 and it is projected to accelerate to 4.8 percent in 2022, bolstered by a stronger recovery in consumer spending, rising investment and solid export performance, notably by the gold sector.

Inflation fell from 10.4 percent in December 2020 to 7.5 percent in May 2021. However, it increased continually throughout the second half of the year ending in December at 12.6 percent. The upward trajectory of inflation in the second half of 2021 is due to food supply challenges, rising crude oil prices, and some pass-through effects of exchange rate depreciation. According to Fitch expert analysis, inflation is expected to remain elevated in 2022. This would be because of sustained high fuel prices, high import costs, increased government spending and continuing global supply challenges.

With respect to the external sector, the provisional trade balance for 2021 recorded a surplus of US$1.1 billion (1.6 percent of GDP) compared to a surplus of US$2.0 billion (2.8 percent of GDP) in 2020. The decline in the trade surplus was due mainly to increased imports as the economy rebounded. The growth of cocoa and crude oil receipts was offset by a negative growth in gold receipts. This resulted in a 1.8 percent growth in total exports as compared to the 9.7 percent growth in imports (attributable to the growth in oil and gas imports).

The lower trade surplus, together with higher investment income outflows resulted in a current account deficit of US$2.5 billion (3.3 percent of GDP) in 2021, higher than the deficit of US$2.1 billion (3.1 percent of GDP) recorded in 2020. Significant inflows into the financial and capital account, more than offset the deficit in the current account, resulting in an overall Balance of Payments surplus of US$510 million compared with a surplus of US$377.5 million recorded in 2020.

The outlook for the external sector in the coming year is positive. According to Fitch, Ghana's current account position will be stronger in the coming years, as exports rise on the back of growing global demand for commodities and as the country's non-commodity exports sectors continue to develop.

Gross International Reserves as at the end of year 2021 stood at US$9.7 billion (equivalent to 4.4 months of import cover). This compares with a reserve position of US$8.6 billion (4.0 months of import cover) at the end of 2020. The strong reserve position provided some buffers for the local currency in 2021. Cumulatively, while the Ghana Cedi depreciated by 4.1 percent and 3.1 percent against the US Dollar and Pound Sterling, respectively in 2021, it appreciated against the Euro by 3.5 percent. In the same period of 2020, the Ghana Cedi recorded depreciations of 3.9 percent, 7.1 percent, and 12.1 percent against the US Dollar, the Pound Sterling, and the Euro respectively

This year, the performance of the banking sector showed a sustained growth in assets, deposits, and investments alongside improvements in the financial soundness indicators. Though asset quality continued to reflect the general pandemic-induced repayment challenges as well as some bank-specific loan recovery challenges, the NPL ratio eased to 15.2 percent at end-December from the peak of 17.3 percent in August this year. The industry also remained solvent with the average industry CAR of 19.6 percent well above the 11.5 percent regulatory minimum threshold. This performance is expected to continue in 2022, as predicted by Fitch analysts.

On the money market, interest rates reflected mixed trends across the yield curve. In comparison with last year, the rates on 15-year and 20-year bonds remained unchanged and those of 2-year and 5-year bonds increased over the period. The rates on all other instruments decreased over the year. The interbank rate declined as well, induced by structural liquidity on the interbank market. This translated into a reduction in the average lending rates of banks as at the end of year. In the coming year, it is expected that monetary policy tightening will continue. According to Fitch, the Bank of Ghana is expected to raise the benchmark policy rate due to inflationary risks during the year. This will lead to a steady rise in the average lending rates.

2021 Operating results

The positive growth trajectory of the bank over the years is a testament of the strong controls and policies implemented by management. The seemingly perpetual and lingering effects of the COVID 19 pandemic has affected the business in some ways but we have still undoubtedly remained a force to reckon with in the industry. In spite of these challenges however, the Bank recorded a profit after tax of GH¢184,329,593 which compared favorably with the 2020 perfomance of GH¢154,208,915 showing and increase of 19.5%. Total assets grew by 6.3% whilst loans and customer deposits saw a decrease of 2.3% and 2.6% respectively.

Dividend

Shareholders will be informed before AGM of recommended dividend per share for the year ended 31 December 2021 to be paid after approval from Bank of Ghana.

Share Performance

The share price of the Bank has performed favorably for the year under review. The movement from GH¢0.64 at the beginning of the year to GH¢1.2 at the end of the year was a 46.7 percentage increase.

Changes in the Board of Directors:

Re-election of Directors

In accordance with Section 60 (1) of the Constitution of the Bank Mr Hakim Ouzzani; Mr Georges Wega and Mr Arnaud De Gaudemaris retire by rotation and being eligible; offer themselves for re-election.

Hakim Ouzzani: Managing Director. He holds a Bachelor of Arts degree in Economics and a Master of Arts degree in Organisation Sociology from the Ecole Nationale Superieure d' Administration et de Gestation National School of Management and Administration. He also holds a Diploma in Banking and Finance from the Institute of Development Finance Tunis. Mr Ouzzani has a Diploma of Higher Education from the Arab Maghred Development Financing Institute. Before his appointment as Managing Director, he was a Senior Executive Regional Manager with Societe Generale International Banking Financial Services in charge of Cameroun, Chad, Congo Brazzaville, Equatorial Guinea, Ghana and Guinea Conakry. In 1998, he was the New Products Development Manager at the Union Bank. He has worked as a Professor at the Ecole Superieure de Banque. He also worked with the Central Bank of Algerie as a Senior Officer Loans & Refinancing Direction and Licencing & Regulatory Function. From 2000 to 2002, he managed the Corporate Branch of the Union Bank Brokerage. From 2012 to 2016, he was the CEO of Societe Generale Chad. He also held various positions within Societe Generale as Group Deputy General Manager SG Algerie, Network and Sales Manager SG Algerie and Network Development Manager SG Algerie. Mr. Ouzzani was nominated to the Board of Directors of Societe Generale Ghana on 16 November 2016 with the Bank of Ghana granting approval to the said appointment on 23 January 2017.

Georges K. T. Wega: Non Executive Director. He holds an Engineering degree and a master's degree in Industrial Engineering from the University of Quebec, Canada. His career spans over 22 years having worked in several capacities in organizations around the world. He has acquired a long span of industrial and banking experience during his career. Mr Wega is the Deputy Head of International Retail Banking for Africa, the Mediterranean Basin & Overseas (Societe Generale). Among the places he has worked are Postes Canada (Ottawa), General Electric (Brussels and Amsterdam), Barclays Bank PLC in London and United Bank for Africa (UBA Nigeria). He also served as the Chief Executive Officer of UBA Cameroon for 4 years. He then joined Societe Generale in 2014 as Deputy CEO of Societe Generale Cameroun, before being appointed Chief Executive Officer of Societe Generale Senegal in August 2016. He was nominated to the Board of Directors on 22 November 2018 with Bank of Ghana granting approval on 16 August 2019.

Arnaud De Gaudemaris: Non Executive Director. He holds an Engineering Degree from ISEP Paris. He is the current Chief of Staff to the Head of Societe Generale for the AFMO Region managing about 14,000 staff. He is responsible for the organization of strategy preparation meetings, internal management meetings and also the African Region strategy. He was nominated to the Board of Directors on 28 November 2018 with Bank of Ghana granting approval on 16 August 2019.

Election of directors

Appointment of Independent Non-Executive Director

Juliana Asante: Independent Non-Executive Director. She is a Chartered Accountant and Change Management Consultant. She has a proven record of success in the origination, development, implementation and improvement of financial accounting and risk management. She has also applied these skills in areas of operational processes and systems spanning almost three decades. She has held positions such as Senior Trainee Accountant/Auditor Deloitte and Touche Ghana, Finance Manager, Central Manchester and Manchester Children's University NHS Trust (UK) and Senior Audit Manager, Deloitte Ghana. She is currently the Managing Director of Integritas Limited, Lead Consultant in the strengthening and transformation of Ashesi University's Finance Function towards major investment by the International Finance Corporation (IFC). She is also a consultant for Arthur Energy Advisors in providing support for the Change Management Program and Improved Utility Performance for the Northern Electricity Distribution Company Limited. She was nominated to the Board on 30 June 2021 with Bank of Ghana granting approval on 8 November 2021.

Appointment of Non-Executive Director

Yvon Puyou: Non-Executive Director. He holds a Master of Business Administration from EDHEC Sophia Antipolis France and a Master's Degree in Computer Science from the Ecole Centrale de Marseille- Marseille, France. He held the position of Regional Head of Information Technology ,SG Singapore from 1995 to 2000. From 2000 to 2003, he held the position as Senior Executive Director (Member of the Executive Committee) of SG Private Banking (Switzerland) S.A.Geneva, Switzerland . Mr. Yvon Puyou was the Global Chief Information Officer at SG Private Banking, Paris France from 2003 to 2005. He was the Head of Global IT, Head for Core Banking System, Risks and Finance solutions, Societe Generale Paris France from 2005 to 2009. He held the position of Chief Information Officer, Societe Generale Prague Czech Republic from 2009 to 2015. He was the Chief Operating Officer for Societe Generale Splitska Banka from 2015 to 2017. He is currently the Chief Information Officer at Societe Generale African Mediterranean& Overseas. Mr. Yvon Puyou was nominated to the Board of Directors on 14 September 2021 with Bank of Ghana granting approval for the appointment on 24 January 2022.

Corporate governance

Our Bank is committed to ensuring effective corporate governance and sound risk management, which are of fundamental importance in banking business. The Companies Act, 2019 (Act 992); The Banks and Specialised Deposit Taking Institutions Act 2016 (Act 930); the Bank of Ghana's Corporate Governance Directive 2018; the Securities Industry Act 2016 (Act 292); the Securities & Exchange Commission the Corporate Governance Code for Listed Companies 2020; The Bank of Ghana Risk Management Directive 2021; the 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, anti-money laundering and combating financing of terrorism.

Outlook for the year 2022

For the year 2022 we will continue to deepen our stakeholder relationships by liaising with our customers, our communities and our regulators. We will continue to work in close liaison with the Bank of Ghana to strengthen our Regulatory Framework. We will continue to manage and control all of our risks that is credit, operational, cybersecurity, environmental, compliance and reputational; by strengthening our risk culture, sense of responsibility and ethical behavior. We will aim to achieve the high commercial and financial ambitions; manage the convergence of our systems, operations, use-cases and processes to streamline our costs over time and deliver an equivalent standard in the Bank; we will keep the customer at the center of our concerns as bankers, while maintaining the principles of ingenuity and pragmatism in the solutions we offer them to increase their satisfaction. We will continue and intensify the refocusing of our activities around Environmental Social and Governance principles.

Acknowledgement

On behalf of the Board of Directors, I wish to express my sincere gratitude to all shareholders of Societe Generale Ghana PLC for your continued support and interest in the Bank. I also extend my appreciation to the Management and staff of our Bank for their untiring efforts during a very difficult year. My gratitude goes to my colleagues on the Board. I wish to express a heartfelt gratitude to our cherished customers for their unflinching support, loyalty and patronage. Together we are continuing to build Societe Generale Ghana PLC into the Preferred Banking Institution in Ghana.

Thank you for your attention.

MARGARET BOATENG SEKYERE,
BOARD CHAIR

MANAGING DIRECTOR'S REVIEW

I am pleased to share with you the progress and achievement made during 2021 and to share with you a review of our operations and the performance of your Company for the year 2021.

2021 Operating Results

The global economy in the year 2021 was not spared of the protracted effects of one of the world's worst Pandemic, Covid-19. The pandemic although eased in Ghana, still had an impact on the economic performance of the Bank.

Despite this challenge however, your bank took advantage of the opportunities presented in the market leading to a growth in profits of 19.5% in the year 2021.

As a result of the efficient and robust risk management strategies, your bank was able to keep the growth of impairment of financial assets in check in the year under review. Loans and deposits saw a marginal decrease due to challenging operating environment.

Review of operations for 2021

Human resources management

In 2021, the Human Resources Management Function prioritized the improvement of staff engagement following the challenging period presented by the pandemic in the previous year. Among the key issues were:

- successful completion of 2021 salary negotiations
- regular engagement between the HR Function and staff in various departments
- completion of Request For Proposal(RFP) for Health Insurance Services Provider
- on-site arrangements for COVID-19 vaccination of staff
- internship opportunities were arranged for young people living with special needs in the Head Office as part of the Diversity and Inclusion agenda of the Bank
- engagement with Pension Fund managers to educate staff on the benefits of their pension schemes.

Corporate coverage department

The almost unremarkable performance for the year under review was partly on account of the conservative outlook on corporate credit in the midst of the sustained impact of the Covid- 19 on the Ghanaian economy.

In 2021, the business demonstrated its strong support for the Small and Medium sized enterprises by setting a host of dedicated products. These products were geared at helping these businesses shorten their cash operating cycles and optimize their profitability by leveraging the desirable credit rating of their off take companies to provide cheaper financing. Owing to the fact that the financing is pre- approved, turnaround is faster compared to the conventional credit approval process.

On the Global Transactional Banking front, we successfully launched our dedicated payment center. The payment center is made up of a team of highly trained and skilled junior relationship managers, whose mandate is to ensure that the transactional businesses of our customers are promptly attended to. This goal necessitated the structure of the assignment of a dedicated relationship manager to address all the transactional issues on a dedicated portfolio.

The year 2021 witnessed a further strengthening of the collaboration and relationship between the Structured finance team based in Abidjan, the Development and Structured Export Finance Africa Team based in Paris and the local Ghanaian team. Though the Investment Banking business did not win any syndication mandate as arranger in the year under review, we succeeded in the approval of two Export Credit backed transactions. With our combined efforts, we built a strong pipeline of transactions for the year 2022. We will continue the strong collaboration to enable us position Societe Generale Ghana as a reputable global player in Investment Banking space on the Ghanaian Market.

Corporate Coverage looks forward to a brighter 2022, anchored on a very strong and robust cash management, transactional and Investment banking offering; underpinned by technology and an agile global market.

Retail banking

Following the challenges caused by the onset of the Covid 19 pandemic in 2020, we began 2021 with a bit of sobriety, as the country entered into a second wave following the festivities. The situation had a dampening effect on business and the general outlook for the year. Nevertheless, we quickly refocused and reorganized to seek more opportunities within the space. By capitalizing on all available resources, we explored areas which presented better opportunities of growth and to an appreciable extent we were able to grow both loans and deposit stocks for Retail and Professional and Small Business (PSB).

Though we faced stiff competition in an environment which required new ways and methods of working, we grew our loan book and a deposits. PSB business had a good year on the back of our new product, partially cash-covered and Ariz backed working capital loan. Bankwide conservative stance on loan production informed the decision of the segment to moderately engage in deposit mobilization. We were therefore conservative in terms of drive to attract relatively expensive deposits. This accounts for the relative low level of growth on deposits. Earlier in the year, we still had to deal with the impact of Covid-19 on some key sectors such as aviation, hospitality and education. However, by the second quarter we saw some easing in the business environment, which the bank also reacted to in terms of credit stance. Most of the moratoriums put in place in 2020 were lifted by end of the second quarter.

In addition to the above results on the key business KPIs, Retail also worked on the following during the course of the year:

In addition to the above results on the key business KPIs, Retail also worked on the following during the course of the year:

1. **Market collections strategy/branch:** With the opening of the branch in April, we officially launched the full Market Collection Hub, complete with the collection centre, YUP Office, Chinese Desk and Branch in September of 2021. The target customers are traders/businesses within the Makola market and its environs.

The model includes:

- A Branch - This branch will function as a normal branch on its own.
- Cash Collection Centre – focuses on the mobilization of deposits from customers on a daily basis.
- Retail Chinese Desk – special focus on onboarding new Chinese clients and ensuring the banking needs of Chinese customers within the vicinity are met.
- Yup Centre - aims to promote the YUP brand within the Makola market and its environs through a number of outlined activities.

2. **Network development** – Opening of Derby Avenue Branch As part of the bank's strategy to increase its presence in markets, Derby Avenue Branch was opened in April 2021 to cater for the banking needs of our clients and prospects in this bustling commercial area. This branch forms part of the Market Collection Hub, but also stands alone as a full service branch like all others, capable of delivering banking services to the wide range of the bank customers.

3. **Allianz Life Bancasurrance Partnership:** We ended our Bancassurance partnership with Prudential Life, and signed a new partnership with Allianz Life in 2021. Following the signing, we initiated a project to fully onboard Allianz Life and introduce its products both to our staff and customers. We successfully completed this exercise by June 2021, and officially launched the partnership thereafter. We embarked on a massive training exercise of all our frontline teams, with the support of Allianz Life. This was well done, and it ensured a seamless transition from Prudential Life to Allianz Life. The results during the year are encouraging and we look forward to growing this line of business with the right level of support from our partner.

4. **Periodic Review:** Following the completion of the KYC Remediation exercise by end of quarter one 2021, we immediately begun work on the Periodic Review exercise. This was tasking exercise on Retail Business, and it stretched our resources particularly with respect to staffing capacity. For our Privilege team, this was the main activity in 2021, which kept the team engaged throughout the year. As this exercise has come to stay, we will continue to look for more effective ways of accomplishing this task without having too much of a negative effect on the core business.

Treasury and Global Markets

SG Ghana's financial market operation has gained more depth in 2021 with regards to product penetration, trading activities and market share. Core to the Treasury strategy is the prudent management of the Bank's financial risks and prudential ratios. SG Ghana's Treasury remains poised to provide appropriate hedges and solutions for its own balance sheet and that of its cherished customers.

Organization and projects

Organization and Projects continues to play a strong role in managing and coordinating various projects that seek to promote efficiency in banking operations and improve customer experience.

With customer service at forefront of our operations, the Bank equipped and upgraded the Contact Center to respond to client requests on a 24 hour basis and opened the Derby Avenue branch to improve accessibility and enhance deposit mobilization through our market cash collection offer/service.

In addition, the Bank enhanced the functionalities of the Mobile Banking Application (SG Connect), implemented an application to manage custodial services and initiated a project to upgrade the internet Banking Platform for its corporate clients.

On the Digital strategy front, the Bank joined the interoperability platform offered by GHIPSS, enabling customers to process and receive transfers to and from their mobile wallets and bank accounts. The GHIPSS ACH Near Real Time offer was also implemented, ensuring close to real time value for transfers made by its clients. There were several initiatives launched to enhance the card business, resulting in the stabilization of the card production platform. The Automated Teller Machines of the bank have also been re configured to accept the GHIPSS GHLink EMV cards.

Information Technology
Information Security was key for your Bank in the year under review. The Bank obtained the ISO/IEC 27001:2013 certification in May 2021 and the PCI-DSS certification in December 2021 to comply with those requirements in the Bank of Ghana Cyber and Information Security Directive. This is an indication that Information Security Management System (ISMS) of SG Ghana is aligned with international information security best practices. It also demonstrates that the Bank has invested in the people, processes and technology to protect the organization's data, and has had an independent experts assess the sufficiency of the data protection.

SG Ghana completed the installation of backup links for all its branches in the year. This has greatly improved domestic network availability and further improved customer experience. In collaboration with the SG Group, an additional link (SD WAN) was installed to improve application connectivity experience on the international link.

Operational Risk and Permanent Control
The Operational Risk and Permanent Control department, is an integral part of the internal control system of the Bank. It continues to play a critical role in deepening the risk culture among the staff. In 2021, the department completed the deployment of normative controls as part of the Permanent Control Transformation program, which improved the Managerial Supervision activities of the Bank by making it more structured and secured. Business Continuity Activities in 2021 focused on ensuring the continuity of the Bank's business within the context of the COVID 19 pandemic. Crisis committee meetings were organized to implement various protocols aimed at reducing the spread of the virus such as the activation of User Recovery Sites to ensure social distancing. Business Impact Analysis was also performed on activities of the bank to identify vital and critical activities as well as IT applications for recovery in event of crisis or disaster. Permanent Control also ensured that risks that are inherent in daily banking operations were identified, analyzed, measured, monitored and managed within the Group's risk appetite. In this regard, in-depth risk analysis was performed on all new products and services launched by the Bank in 2021, focusing on key areas of prevention, detection and timely response to minimize operational losses. The department continued with the monitoring of the Risk, Operational and Financial impacts of Outsourced Service Providers in the scope of their service provision and relation with the Bank. As a result, amendments to the existing agreements were drawn to include mandatory clauses such as Anti Bribery and Corruption, Business Continuity Plan, Sanctions & Embargo, IT clause, Anti-Money laundering and others to ensure that all risks are covered.

Risk Control Self-Assessment (RCSA), which identified all the risky activities of the Bank together with Risk Awareness and Sensitization Exercise formed the bedrock in strengthening the internal control systems of the Bank in 2021. Our enhanced compliance activities also focused on strong ethical and regulatory standards, giving SG Ghana an overall sound and solid image in risk management actions.

Marketing, Multi-Channel and Quality Review
The year under review saw a host of new synergies, innovations, partnerships, products and services. The department in 2021 continued with its support for the business with research and development of new products, review and implementation of updated pricing for the Corporate and Retail Business. The department drove various advertising and communications campaigns to support business strategy.

To improve the customer experience, a number of quality control measures were deployed including mystery shopping and voice of the customer surveys. The existence of a centralized complaints desk also ensured an efficient turnaround time for service recovery. Key events embarked on during the year include

1. **Merger of Marketing and External Communication**

2. **Launch of Innovation Hub 'Innov8":** A new user-friendly venue located at the bank's Head Office, designed to help foster and facilitate the development and growth of ideas in collaboration with some of the most prominent players within the Ghanaian Innovation ecosystem.

3. **Privilege Banking Art Exhibition:** Client Art event to give customers an exclusive art gallery experience at the plush Kempinski Hotel in partnership with Gallery 1957. Gerald Chukwuma from Nigeria and our Afia Prempeh from Ghana's works were on display.

Managing Directors Review cont'd

Corporate social responsibility
The Bank supported diverse community initiatives and projects in education, healthcare, environment, community development, art and culture with a total amount of GH¢442,883 as part of its Sponsorship, Patronage and Public Relations drive.

In the educational sector, sponsorships were provided for the launch of the French School yearbook and renewal of the Award for the Best graduating French student from the University of Ghana. In collaboration with the Inclusive Tech Group, a platinum sponsorship was provided for the disability inclusive hackathon program aimed at promoting the digital needs of Persons living With Disability (PWDs). For the Shelter for the abused in Osu, the Bank aided the facility by providing a means of transport to alleviate their transportation challenges. On the environment and community, we sponsored a national conference organised to discuss the country roadmap for the sustainable development goals. In community development, we undertook the provision of potable water for the Okoman Community in the Ga South Municipal Assembly.

In healthcare, the Bank supported the annual breast cancer screening and awareness exercise by Komfo Anokye Teaching Hospital. In ecotourism, the Forestry Commission has been engaged on the possibility of constructing an Aviary for bird lovers within the sub region. In Art and Culture, a competition was organised for young and enterprising Carvers as a way of promoting and developing talents. These initiatives earned the Bank significant awards including the Top Brass Awards for Premier Ghana Business Finance Excellence and the Sustainable Social Investment Awards by Ian Matsu Global Services Limited and the Ministry of Environment.

Compliance

The Compliance Department of Societe Generale Ghana has remained pivotal in ensuring that, despite the ever changing trends in the industry, the Bank, its stakeholders and staff are continually guided and focused in ensuring regulatory requirements, ethical standards and professional conduct are maintained at high standards. SG Ghana offers as its reputation and as one of its unique selling points, a culture which respects and offers continued adherence to local and international regulations.

This assures our valued clients of the security of their deposits and operations especially in these turbulent financial times. This also minimizes the risk of regulatory sanctions and guarantees the ease of business in the international markets, resulting in sustainability and growth of the investments of the bank's shareholders, clients and partners.

The Compliance Department continues to play an essential role in deepening the compliance culture in the Bank and ensuring adherence to internal and external regulations. The department will continue to focus on key compliance issues within the scope of financial crime and regulatory compliance topics to meet its mandate within the existing framework of the bank.

The future
Now our outlook for the future. The target is to grow our credit and deposit market share by the end of 2022. We also plan to continue to grow our share of market activities i.e. FX, Derivatives, Fixed Income trading aggressively in 2022. Despite the challenges faced as a result of the Covid-19 pandemic, I however remain deeply convinced that TOGETHER, we will achieve organic growth and development. We shall Build Together with our clients; a better and sustainable future through responsible and innovative financial solutions. Our primary ambition is to deliver strong growth on market share, credits, deposits, flows and market activities and position ourselves among the major players of the banking sector. This ambition remains at the forefront of our strategy and is critical to enable the bank have the right setup to evolve in a highly competitive Ghanaian market with many Pan African and international banks. Finally, as a reminder on Covid -19 which is increasing in the country, we must stay away from events gathering large crowds as much as possible as it is one of the ways by which the covid–19 disease spreads easily. We should also avoid touching doors/communal surfaces. If unavoidable, please remember to wash or sanitize as frequently as possible. Also, please mask up before entry into any premises and at all times in communal places. Wash hands or use hand sanitisers as often as possible and observe the two (2) metre distancing rule.

Appreciation
I would like to thank the Board, Management, Staff and all stakeholders for efforts made in 2021 amidst the Covid 19 pandemic. I would like to take this opportunity to express my gratitude to Executive Committee members for all the hard work undertaken during the year. The year 2021 has been challenging due to Covid 19 given its impact on the industry, the Bank and personnel.

Hakim Ouzzani
MANAGING DIRECTOR

SOCIETE GENERALE GHANA PLC REPORT OF THE DIRECTORS

The Directors in submitting to the shareholders the financial statements of the Bank for the year ended 31 December 2021 report as follows:-

	2021 GH¢	2020 GH¢
The Bank recorded net profit before taxation	281,966,699	221,630,035
From which is deducted taxation of	(97,637,066)	(67,421,120)
Giving a net profit after taxation of	184,329,633	154,208,915
There was transfer to statutory reserves of	(46,082,408)	(38,552,229)
Leaving a profit for the year after taxation and transfer to statutory reserves of	138,247,225	115,656,686
When added to the opening balance on the income surplus account as of 1 January of	149,907,074	66,161,749
From which is deducted final Dividend Paid of	(80,842,116)	(31,911,361)
It leaves a closing balance on the Income Surplus account of	**207,312,183**	**149,907,074**

Objective of the company and nature of business
Societe Generale Ghana PLC is a public limited liability company incorporated under the Companies Act, 2019 (Act 992). The company, which is a Bank is listed on the Ghana Stock Exchange and is registered with the Ghana Investment Promotion Centre. The Company is licenced by the Bank of Ghana as a Universal Bank (Class 1 No 215) in Ghana under the Banks and Specialised Deposit Taking Institutions Act 2016 (Act 930).

Holding company
The Societe Generale Group through its wholly owned investment subsidiary SG Financial Services Holding owns 60.22% of the issued capital of the Company, thus making Societe Generale Ghana PLC a subsidiary of the Societe Generale Group.

Investments
SSB Investments Limited, a company incorporated in Ghana to manage the equity investments of the Bank is a wholly owned subsidiary of the Company. The nature of the business which the company is authorized to carry on are:-

- to carry on the business of an investment company and for that purpose to acquire and hold either in the name of the company or in that of any nominee, shares, stocks, debentures, bond notes and securities issues;
- to take over and manage all investments of the Bank;
- to do all such other things which may seem to the company's directors to be incidental or conducive to the achievement of the objects.

With change in ownership of the Company, the Bank in 2003 indicated its intention to disinvest in SSBI in line with its policy and strategy, to liquidate SSBI and refocus on core business. The directors of SSBI at the time by a resolution dated 6 August 2003 resolved that the entire portfolio of investments held by SSBI be disposed off. Over time all the investments held by the company were sold off. The proceeds of the sale of the investments were credited to the Bank as SSBI is 100% owned by Societe Generale Ghana PLC. SSBI has been inactive for a long time now since almost all of the investments which were held under it had been sold.

In order to comply with Section 73 (3) of the Banks and Specialized Deposit Taking Institutions Act, 2016 (Act 930) which provides that a Bank or Specialized Deposit Taking institution shall not invest or hold investments in the share capital of a body corporate other than a subsidiary of that bank or specialized deposit taking institution that represents more than 5% interest in the body corporate.

The Board of Directors of the Bank at a meeting held at Yaoundé in Cameroun on 1 December, 2017 notice of which had been duly given, authorized the transfer of its 10% shares in Advans Ghana Savings & Loans to SSBI(shareholding stands at 6.22% as at 31 December 2021). The certificate for the transfer of Shares to SSBI was obtained in 2018. To achieve full convergence with Act 930, the Bank is currently working on operationalizing SSBI to comply with IFRS and Regulatory Reporting.

The Bank has therefore put in place processes to make SSBI operational and functional in order to be able to use it as a vehicle to hold all its other investments that exceed the regulatory 5% threshold.

On 4 November 2019, the re-registration process was completed at the Registrar Generals Department and SSBI was issued with a Registration Number CS241862019; a Tax Identification Number C003107913X, a Certificate of Incorporation and a Certificate to Commence Business. An application is pending with the Bank of Ghana seeking their approval to fully operationalize SSBI.

Stated capital
The Bank has complied with the minimum stated capital requirement 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 60 (1) of the Constitution of the Bank, Mr Hakim Ouzzani; Mr Georges Wega and Mr Arnaud De Gaudemaris retire by rotation and being eligible; offer themselves for re-election.

Hakim Ouzzani: **Managing Director.** He holds a Bachelor of Arts degree in Economics and a Master of Arts degree in Organisation Sociology from the Ecole Nationale Superieure d' Administration et de Gestation National School of Management and Administration. He also holds a Diploma in Banking and Finance from the Institute of Development Finance Tunis. Mr Ouzzani has a Diploma of Higher Education from the Arab Maghred Development Financing Institute. Before his appointment as Managing Director, he was a Senior Executive Regional Manager with Societe Generale International Banking Financial Services in charge of Cameroun, Chad, Congo Brazzaville, Equatorial Guinea, Ghana and Guinea Conakry. In 1998, he was the New Products Development Manager at the Union Bank. He has worked as a Professor at the Ecole Superieure de Banque. He also worked with the Central Bank of Algerie as a Senior Officer Loans & Refinancing Direction and Licencing & Regulatory Function. From 2000 to 2002, he managed the Corporate Branch of the Union Bank Brokerage. From 2012 to 2016, he was the CEO of Societe Generale Chad.

He also held various positions within Societe Generale as Group Deputy General Manager SG Algerie, Network and Sales Manager SG Algerie and Network Development Manager SG Algerie. Mr Ouzzani was nominated to the Board of Directors of Societe Generale Ghana on 16 November 2016 with the Bank of Ghana granting approval to the said appointment on 23 January 2017.

Georges K. T. Wega: **Non Executive Director.** He holds an Engineering degree and a Master's degree in Industrial Engineering from the University of Quebec, Canada. His career spans over 22 years' having worked in several capacities in organizations around the world. He has acquired a long span of industrial and banking experience during his career. Mr Wega is the Deputy Head of International Retail Banking for Africa, the Mediterranean Basin & Overseas (Societe Generale). Among the places he has worked are Postes Canada (Ottawa), General Electric (Brussels and Amsterdam), Barclays Bank PLC in London and United Bank for Africa (UBA Nigeria). He also served as the Chief Executive Officer of UBA Cameroon for 4 years. He then joined Societe Generale in 2014 as Deputy CEO of Societe Generale Cameroun, before being appointed Chief Executive Officer of Societe Generale Senegal in August 2016. He was nominated to the Board of Directors on 22 November 2018 with Bank of Ghana granting approval on 16 August 2019.

Arnaud De Gaudemaris: **Non Executive Director.** He holds an Engineering Degree from ISEP Paris. He is the current Chief of Staff to the Head of Societe Generale for the AFMO Region managing about 14,000 staff. He is responsible for the organization of strategy preparation meetings, internal management meetings and also the African Region strategy. He was nominated to the Board of Directors on 28 November 2018 with Bank of Ghana granting approval on 16 August 2019.

Election of directors

Appointment of Independent Non-Executive Director

Juliana Asante: **Independent Non-Executive Director.** She is a Chartered Accountant and Change Management Consultant. She has a proven record of success in the origination, development, implementation and improvement of financial accounting and risk management. She has also applied these skills in areas of operational processes and systems spanning almost three decades. She has held positions such as Senior Trainee Accountant/Auditor Deloitte and Touche Ghana, Finance Manager, Central Manchester and Manchester Children's University NHS Trust (UK) and Senior Audit Manager, Deloitte Ghana. She is currently the Managing Director of Integritas Limited, Lead Consultant in the strengthening and transformation of Ashesi University's Finance Function towards major investment by the International Finance Corporation (IFC). She is also a consultant for Arthur Energy Advisors in providing support for the Change Management Program and Improved Utility Performance for the Northern Electricity Distribution Company Limited. She was nominated to the Board on 30 June 2021 with Bank of Ghana granting approval on 8 November 2021.

Appointment of Non-Executive Director

Yvon Puyou: **Non-Executive Director.** He holds a Master of Business Administration from EDHEC Sophia Antipolis France and a Master's Degree in Computer Science from the Ecole Centrale de Marseille- Marseille, France. He held the position of Regional Head of Information Technology ,SG Singapore from 1995 to 2000. From 2000 to 2003, he held the position as Senior Executive Director (Member of the Executive Committee) of SG Private Banking (Switzerland) S.A.Geneva, Switzerland . Mr. Yvon Puyou was the Global Chief Information Officer at SG Private Banking, Paris France from 2003 to 2005. He was the

Chief Operating Officer for Societe Generale Splitska Banka from 2015 to 2017. He is currently the Chief Information Officer at Societe Generale African Mediterranean& Overseas. Mr. Yvon Puyou was nominated to the Board of Directors on 14 September 2021 with Bank of Ghana granting approval for the appointment on 24 January 2022.

Changes in Senior Management

- **Mr Paul Agyenim Boateng** Head, Permanent Control retired from the services of Societe Generale Ghana.
- **Mrs Lavana Tamattey** was appointed Head Permanent Control

All the said appointments were duly approved by the Bank of Ghana

Directors' Interest

None of the Directors had a material interest in any contract of significance with the Bank during the year.

Interest Register

The Board of Directors duly approved a Conflict of Interest Policy. The Directors maintain an up-to-date register for documenting and managing conflict of interest situations in the Company. During the year no interest was registered.

Building the Capacity of Directors

There were steps taken to build the capacity of the Directors to discharge their duties during the year. These include participation in training and capacity building sessions organised by the National Banking College on Corporate Governance. The dates for the training sessions were 10 January 2022, 18 January 2022 and 21 January 2022. The Directors were also trained by the Chief Compliance Officer on Anti-Money Laundering and Combatting Financing of Terrorism during the year.

Bonus Shares

There has been no proposal for the issue of bonus shares during the year under review.

Policy on Environmental and Social Management Systems

The Bank has a Policy on Environmental and Social Management Systems, which was approved by the Board of Directors. It also has an Environmental and Social Management Systems Charter, which was duly approved by the Board of Directors of the Bank. Societe Generale Ghana, considers that the banking and financial sector is an essential contributor to economic development. Fully aware of its role in assisting the economic sphere, Societe Generale Ghana is committed to conducting its activities in a responsible way. Taking into account the economic, environmental and social consequences and impacts of its activities is a major focus of the Bank's sustainable development policy.

Based on continuous improvement, sustainable development as interpreted by Societe Generale Ghana draws on best practices of the Societe Generale Group and the other economic sectors. The objective of the Bank is to better understand, manage and improve its impacts on society and the environment, in conjunction with its stakeholders.

Societe Generale Ghana has established Environmental and Social Management Systems (ESMS) General Guidelines. The ESMS General Principles stem from the legal and regulatory framework applicable to the Bank's activities. They are implemented through processes and procedures adapted to the different activities of the Bank. The Guidelines outline the key standards and parameters enabling a responsible engagement of Societe Generale Ghana in all its activities. They may evolve in time, according to legislative or regulatory evolutions and as a result of the discussions between the Bank and its various stakeholders. The scope of these guidelines apply to banking and financial services provided by Societe Generale Ghana.

Societe Generale Ghana complies with the Environmental and Social laws and regulations in force in Ghana and with the applicable international Environmental and Social conventions and agreements. Societe Generale Ghana being part of the Societe Generale Group, adopts and respects the values and principles enshrined in the following international conventions and agreements:

- the Universal Declaration of Human Rights and associated covenants (i.e. International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights);
- the main Conventions of the International Labour Organization;
- the UNESCO Convention concerning the Protection of the World Cultural and Natural Heritage;
- the OECD Guidelines for Multinational Enterprises.
- the UNEP Finance Initiative;
- the UN Global Compact;
- the Equator Principles.

Legal and regulatory obligations and adoption of the above standards and initiatives entail that Societe Generale Ghana shall not knowingly finance transactions linked to certain goods and services defined in its policy.

Corporate Governance Directive by Bank of Ghana

The Corporate Governance Directive 2018 issued by the Bank of Ghana under the powers conferred by Sections 56 and 92 of the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930) requires Regulated Financial Institutions to adopt sound corporate governance principles and best practices to enable them undertake their licensed business in a sustainable manner; to promote the interest of depositors and other stakeholders by enhancing corporate performance and accountability of the Regulated Financial Institutions; and to promote and maintain public trust and confidence in Regulated Financial Institutions by prescribing sound corporate governance standards which are critical to the proper functioning of the banking sector and the economy as a whole.

Sound Corporate Governance Standards

The Board of Directors of the Bank have overall responsibility for the Company including approving and overseeing the implementation of the strategic objectives, risk strategy, corporate governance and corporate values. The Board is responsible for appointing and providing oversight of Senior Management. These responsibilities are set out in the formal Charter of the Board. The updated Board Charter was duly approved by members on 2 December 2021. The Board ensures that a well-structured and rigorous selection system is in place for the appointment of Key Management Personnel through the Recruitment Policy of the Bank and The Board validates the nominations of Key Management Personnel prior to submitting same to the Bank of Ghana for approval.

Annual certification

In compliance with Bank of Ghana's Corporate Governance Directive for certification within 90 days, at the beginning of each financial year, the Board of Directors of the Company certify general compliance with the Directive. The Board further certifies that:

i. the Board has independently assessed and documented the corporate governance process of the Bank and has generally achieved its objectives;

ii. the Directors are aware of their responsibilities to the Bank as persons charged with governance.

iii. the Board further confirms that it shall report any material deficiencies and weaknesses that have been identified in the course of the year along with action plans and timetables for the corrective action by the Board to the Bank of Ghana.

iv. the Board of Directors have received training by the Ghana National Banking College on Governance and Directors Responsibilities for 2021.

Business strategy

The Board approves and monitors the overall business strategy of the Bank taking into account long-term financial interest of the company, its exposure to risk and its ability to manage risk effectively. The Board approves and oversees the formulation and implementation of the:-

- overall risk strategy, including its risk tolerance/appetite;
- policies for risk, risk management and compliance, including anti-money laundering and combating the financing of terrorism risk;
- internal controls system;
- corporate governance framework, principles and corporate values including a code of conduct
- compensation system

Duty of care and loyalty

The members of the Board exercise a duty of care, duty of loyalty and other duties of Directors to the Company at all times which is stipulated in the Companies Act, 2019 (Act 992) and the Constitution of the Company.

Corporate culture and values

The Board has established a corporate culture and values for the Company that promote and reinforces norms for responsible and ethical behaviour in terms of the Bank's risk awareness, risk-taking and risk management. The Company has in place a Code of Conduct; a Conflict of Interest Policy, Code of Conduct on Anti Bribery and Corruption Policy duly approved by the Board of Directors.

To promote sound corporate culture in the Company, the Board has taken the lead and established the tone at the top by setting and adhering to corporate values for itself, key management and employees that create expectations that business should be conducted in a legal and ethical manner at all times; and ensuring that appropriate steps are taken to communicate throughout the Company, the corporate values, professional standards it sets together with supporting policies and appropriate sanctions for unacceptable behaviours.

Related party transactions

The Board ensures that transactions with related parties including internal group transactions are reviewed to assess risk and are subject to appropriate restrictions by requiring that such transactions are conducted on non-preferential terms basis and applicable legislation and other requirements exposure limits for loans to related parties and staff.

Plan for succession
The Board has duly approved a succession plan. The succession plan approved by the Board in 2020 was not renewed in the year 2021. It will be reviewed in the year 2022.The succession plan focuses on developing human resources to enable the Company to retain a pool of qualified candidates who are ready to compete for key positions and areas when they become vacant to ensure effective continuity of the Bank.

Key management oversight
The Board provides oversight of Senior Management as part of the Company's checks and balances and

a. monitors and ensures the actions of Senior Management through reports from Management consistent with the strategy and policies approved by the Board, including the risk tolerance appetite and risk culture;

b. meets regularly with Senior Management through the Board sub committees;

c. questions and reviews critically explanations and information provided by senior management;

d. ensures that the knowledge and expertise of senior management remain appropriate given the nature of the business and the Bank's risk profile;

e. oversees the implementation of appropriate governance framework for the Company;

f. ensures that appropriate succession plans are in place for senior management positions;

g. oversees the design and operation of the Company's compensation system, monitor and reviews the system to ensure that it is aligned with the desired risk culture and risk appetite of the Company.

h. approves the overall internal control framework of the Company and monitor's its effectiveness.

Separation of powers
There is a clear division of responsibilities at the top hierarchy of the Company. The positions of the Board Chair and the Managing Director are separate. The two top positions of Board Chair and Managing Director in the company are not both occupied by foreigners. The Chairman is a Ghanaian National and the Managing Director is a French National. Further no two related persons occupy the positions of Board Chair and Managing Director of the Company.

Independent Directors
The Board of Directors are in the process of ensuring and achieving convergence on the positions of Independent Directors. The Board has three Independent Non-Executive Directors. The Board Chair, the Audit and Accounts Committee Chairman and the Risk Chair. The final determination of the Independence of a Board of Director rests with the Bank of Ghana. However, the Board of Directors will ensure that an Independent director shall be non-executive and shall not:-

a. hold cross directorship positions with another director on the Board of other institutions;

b. be a director on the Board of an institutional shareholder with significant equity interest in the Regulated Financial Institution;

c. have more than 5% equity interest directly or indirectly in the Company or in its related companies;

d. be employed in an executive position in the Company or its related company at least two (2) years prior to his appointment date;

e. have relatives employed by the Company or any of its related companies as Key Management Personnel in the last two (2) years;

f. have engaged in any transaction within the last two (2) years with the Company on terms that are less favourable to the Company than those normally offered to other persons; or

g. have served as a director in the Company continuously for more than two (2) terms unless the director can affirm that his/her independence is not impaired;

h. be related to persons with significant shareholding in the Company or have any business or employment connections to a significant shareholder.

Board qualifications and composition

Board members have the requisite qualification as Directors of a leading Financial Institution in Ghana listed on the Ghana Stock Exchange. The National Banking College have trained the Board of Directors on Corporate Governance. The Board were also trained internally on Compliance, Anti Money Laundering, Combatting Financing of Terrorism and Anti Bribery and Corruption by the Chief Compliance Officer of the Bank.

The Board of Directors have a clear understanding of their role in corporate governance and are able to exercise sound and objective judgment about the affairs of the Company. They possess, individually and collectively, appropriate experience, competencies and personal qualities, including professionalism and integrity.

The competencies of Boards are diverse to facilitate effective oversight of Management and shall cover a blend of Banking, Law, Finance, Accounting, Economics, Business Administration, Financial Analysis, Risk Management, Strategic Planning and Corporate Governance.

The Board collectively have reasonable knowledge and understanding of local, regional and global economic market forces as well as legal and regulatory environment in which the Company operates.

Ghanaian nationals, ordinarily resident in Ghana, constitute at least 30% of the Board composition of the Company.

The Company does not have members serving on its Board that are Related Persons.

Board size and structure
As at 31 December 2021, the Board members were 9 including the Chairperson, the majority of which were non-executive and ordinarily resident in Ghana. There is an appropriate balance of power and authority on the Board between the executive and Non-Executive directors and no individual or group dominates the Board's decision-making process.

Directors' appointments and Managing Director tenure
The procedure for appointment of directors to the Board is formal and transparent and conforms to the Directive issued by the Bank of Ghana on fit and proper persons. The Bank complies with the Bank of Ghana in respect of the tenure of the Managing Director of 12 years.

Appointment of key management personnel
The Bank ensures that nominations are submitted to the Bank of Ghana before it appoints a Key Management Personnel. With an enhanced due diligence Report on proposed nominees as Key Management Personnel. The Bank also conducts police criminal background checks; obtains references from previous employers and 2 other reputable persons; notifies the Central Bank about the recruitment of Key Management personnel and obtains approval.

Alternate Director
The Bank does not currently have any alternate directors.

Board Chairperson
The Chair of the Board is an Independent Non-Executive Director and is ordinarily resident in Ghana. The Chair provides leadership to the Board and ensures that Board decisions are taken on a sound and well-informed basis. The Chair encourages and promotes critical discussion and ensures that dissenting views can be expressed and discussed within the decision-making process. The Chairperson encourages constructive relationship within the Board and between the Board and Management. The Chair promotes checks and balances in the governance structure of the Bank. He/She generally does not serve as a Chairman on any of the Board sub-committees. The Bank of Ghana approved the appointment of the Board Chair on 15 September 2020.

The Board Secretary
The Board Secretary serves as an interface between the Board and Management and supports the Chairperson in ensuring the smooth functioning of the Board. The Board Secretary advises the Board on matters relating to statutory duties of the directors under the law, disclosure obligations, and company law regulations as well as on matters of corporate governance requirements and effective Board processes. The Board Secretary ensures that directors are provided with complete, adequate and timely information prior to Board meetings.

Board meetings
The Company holds a minimum of four Board meetings annually in February, April, July and December. It also has one Annual General Meeting. In compliance with the Bank of Ghana's Directive on Corporate Governance, the Board hereby discloses the total number of Board meetings and the attendance rate of each Director below which is above 50%:-

NO	NAME	24 MAR 2021	18 MAY 2021	30 JUN 2021	14 SEPT 2021	27 SEPT 2021	19 OCT 2021	2 DEC 2021	ATTENDANCE
1	Margaret Boateng Sekyere	yes	yes	yes	yes	yes	yes	yes	100%
2	Hakim Ouzzani	yes	yes	yes	yes	yes	yes	yes	100%
3	Georges Wega	yes	yes	yes	yes	yes	yes	no	86%
4	Agnes Tauty Giraldi	yes	yes	yes	yes	yes	no	yes	86%
5	Arnaud De Gaudemaris	yes	no	yes	yes	no	yes	yes	71%
6	Laurette Otchere	yes	yes	yes	yes	yes	yes	yes	100%
7	Francis Awua-Kyerematen	yes	yes	yes	yes	no	yes	yes	86%
8	Fosuhene Acheampong	yes	yes	yes	yes	yes	yes	yes	100%
9	Juliana Asante	n/a	n/a	n/a	n/a	n/a	n/a	yes	100%

n/a - Applicable to Directors who were undergoing various stages of approval during the year

The Board discusses the business affairs of the Bank through reports submitted by management in writing as follows:-

- a summary of financial statements and performance reviews against the approved budget, business plan, peers and industry;
- the extent to which the bank is exposed to various risks such as credit, liquidity, interest rate, foreign exchange, operational and other risks;
- review of non-performing loans, related party transactions and credit concentration;
- activities of the Bank in the financial market and in its "nostro" accounts;
- effectiveness of internal control systems and human resource issues;
- outstanding litigations and contingent liabilities;
- compliance with Anti-Money Laundering/ Counter Financing of Terrorism (AML/CFT) policies, laws and regulations;
- list of related party exposures and their classification.

Board sub-committees
The Board has in place a Risk Committee, an Audit and Accounts Committee, a Nomination and Compensation Committee, a Cyber and Information Security Committee and an Independent Directors Committee.

Review of risk management system
Societe Generale Ghana has in place, an effective Risk Management Policy and generally complies with Bank of Ghana's regulations in respect of Risk Management. The Bank's Risk Management Framework was implemented in line with the SG Group policies as well as Bank of Ghana's Directives. Global risks coverage was adequate within the Bank.

The Risk committee
Analyses on a periodical basis the organisation and functioning of the Bank's risks departments. The Committee reviews the portfolio of credit and market risks to which the Bank is exposed. As regards counterparty risks, the Risk Committee shall review the content of and changes to the portfolio per type of facility and debtor; the regulatory ratios and key indicators (consumption of own funds by major risks, risk worsening ratios, concentration risk per sector, cost of the risk, etc.), changes to the quality of commitments: sensitive, irregular, non-performing files, compliance with the conditional authorizations issued by the Societe Generale; adequacy of the level of provision for the risks incurred, the efficiency of debt collection and reports to the Board of Directors on its work.

Membership of the risk committee
The members of the Board Risk Committee shall comprise all categories of Directors and shall exclude the Chairperson of the Board. It should comprise at least 1 Independent Non-Executive Director, 4 Non-Executive Directors and 1 Executive Director. The Chairperson and members of the Sub Committee shall be appointed by the Board and shall serve for an initial term of 3 years which may be extended by not more than 2 additional years. The Committee members and the Chairperson shall serve until they are replaced, resign or their successors are duly nominated and elected by the Board.

The Board Risk Committee shall meet at least quarterly.

Three (3) members of the Board Risk Committee shall constitute a quorum for the transaction of its business. A quorum shall be reached with the attendance of the members either in person or by telephone or video conference.

The Chairperson of the Board Risk Committee shall be an Independent Non-Executive Director who is knowledgeable in risk management, finance, accounting and economics. The members of the Board Risk Committee shall comprise all categories of directors and shall exclude the Chairperson of the Board. In his/her absence, the remaining members present shall elect one of themselves to chair the meeting.

The following officers of the Bank shall attend all meetings of the Board Risk Committee - Chief Risk Officer ; Chief Finance Officer; Chief Internal Auditor ; Head of Credit or Corporate Banking ; Head of Business Promotion; Company Secretary. Members of the Board who are not members of the Sub-Committee may, at the request of the Chairman attend meetings. However, such Non-Committee members shall have no voting rights. The Committee may request members of management or other officers of the Bank to attend all or any part of any meeting or to provide relevant information in written form.

The Chairperson shall, in coordination with the Secretary to the Committee, be responsible for scheduling all meetings and providing a written agenda for each meeting. Members of the Committee shall each be entitled to one (1) vote and a majority of votes shall decide a matter and in the event of a tie, the Chairperson shall have a casting vote. The Committee shall report to the full Board regularly following each meeting and make such recommendations to the Board, as it deems appropriate.

2021 report from the risk committee

Current Membership

1.	Mrs Juliana Asante	- Chair
2.	Mr Georges Wega	- Member
3.	Mr Hakim Ouzzani	-Member
4.	Mrs Agnes Tauty Giraldi	-Member
5.	Mr Arnaud De Gaudemaris	-Member

Meetings 2021

Four meetings were held in the year 2021 on 15 February 2021, 29 June 2021, 13 September 2021 and 24 November 2021.

Mrs Juliana Asante is an Independent Non-Executive Director and Chairperson of the Risk Committee. The Risk Committee has the following functions: It analyses on a periodical basis the organisation and functioning of the Bank's risks departments; and reviews the portfolio of credit and market risks to which the Bank is exposed. As regards counterparty risks, the Risk Committee shall review the following, the content of and changes to the portfolio per type of facility and debtor; the regulatory ratios and key indicators, changes to the quality of commitments: sensitive, irregular, non-performing files, compliance with the conditional authorizations issued by the Societe Generale; adequacy of the level of provision for the risks incurred, the efficiency of debt collection and reports to the Board of Directors on its work. The Committee reports its findings to the Board of Directors with the requisite recommendations. In attendance at Risk Committee meetings are the Deputy Managing Director, Chief Operating Officer, Chief Risk Officer, Head of Audit Department, Chief Finance Officer, General Manager Corporate Coverage, the Chief Compliance Officer and the Head of Permanent Control. The Risk Committee operates under a Charter.

Summary of Issues Discussed

- risk Indicators;
- the banks position on the market in comparison with peer banks;
- the global portfolio review ;
- market activities;
- irregular commitments monitoring;
- corporate credit exposure;
- retail credit exposure;
- operational risk and managerial supervision;
- risk appetite statement key indicators

Recommendations made to the Board for approval

- credit policy for professional and small business
- trading book policy
- valuation framework policy
- market risk policy
- risk apppetite framework
- risk appetite statement
- mortgage product policy

The Audit and Accounts Committee

The Audit and Accounts Committee of the Board is responsible for overseeing the financial reporting process including the establishment of accounting policies and practices; providing oversight of internal and external audit functions, the appointment, compensation and removal of auditors, reviewing and approving the audit scope and frequency, receiving key audit reports and ensuring that Senior Management is taking the necessary corrective actions in a timely manner to address control weaknesses, non-compliance with policies, laws and regulations and other problems identified by auditors as well as any other relevant matters referred to the committee by the Board and monitoring the Internal Control system in the Bank.

The purpose of the Audit and Accounts Committee (whose authority is derived from the Board) is to assist the Board in fulfilling its oversight responsibilities. This includes:

- keeps up-to-date with changes in the legal and regulatory environment affecting the work the committee monitors for proper execution,
- reviews and validates the accounts of the bank and the work of the External Auditors,
- periodically gives an opinion of the organization and functioning of the Bank's periodic and permanent internal control (including Risks related to Non Compliance),
- suggests to the Board of Directors the relevant adaptations, monitors the implementation of these measures and reports on their application to the Board of Directors,
- validates, in consultation with the Groups relevant departments the audit plan of the Bank while making sure that the developmental method enables the areas of risk to be properly detected and covered,
- follows up the implementation of the Audit Plan and proposes adjustments if necessary,
- reviews the work done by Periodic and Permanent Control and reports to the Board of Directors on any anomalies and gives its opinion of the relevance of the corrective measures chosen by the Bank's Management; monitors the implementation, according to the deadlines set,

for the critical periodic control recommendations as well as the solving of the critical points identified; Informs the Board of Directors of any discrepancies in the critical and priority corrective measures (failures exposing the entity to a high risk)

- reviews the procedures and the functioning of the anti-money laundering and terrorism financing systems, and the compliance risk control,
- submits to the Board of Directors the measures likely to improve, where applicable, the security of operations, and monitors the implementation of the selected measures,
- is generally informed by Management of any event occurring in the operation of the Bank which is likely to adversely affect its control of risks.

The list of issues to be addressed at the Audit and Accounts Committee meetings are formalized in the Audit and Accounts Committee File; Audit and Accounts Committee Appendix; Permanent Control activity; Internal Audit Report to the Audit and Accounts Committee and discussed according to the Agenda.

Membership of the audit and accounts committee

The Sub-Committee shall consist solely of Non-Executive directors. Their composition shall not be less than 4 members who must be competent in accounting; auditing and finance. The Chairperson and members of the Sub-Committee shall be appointed by the Board and shall serve for an initial term of 3 years which may be extended by not more than 2 additional years. The Committee members and the Chairperson shall serve until they are replaced, resign or their successors are duly nominated and elected by the Board. The Sub-Committee shall meet at least three times each year and as often as may be deemed necessary or appropriate.

Two (2) members of the Sub-Committee shall constitute a quorum for the transaction of its business. A quorum shall be reached with the attendance of the members either in person or by telephone or video conference. The Chair of the Sub-Committee shall be Independent and appointed by the Board and shall preside where he is present. In his/her absence, the remaining members present shall nominate another Non-Executive member to chair the meeting.

The following Officers of the Bank shall attend all meetings of the Sub-Committee Managing Director; Deputy Managing Director; Chief Operating Officer; Chief Compliance Officer; Chief Finance Officer; Head of Internal Audit; Head of Permanent Control; Company Secretary.

Members of the Board who are not members of the Sub-Committee may, at the request of the Chairman attend meetings. However, such Non-Committee members shall have no voting rights. The Sub-Committee may request members of management or other officers of the Bank to attend all or any part of any meeting or to provide relevant information in written form.

The Chairperson shall, in coordination with the Secretary to the Sub-Committee, be responsible for scheduling all meetings and providing a written agenda for each meeting. Members of the Sub-Committee shall each be entitled to one (1) vote and a majority of votes shall decide a matter and in the event of a tie, the Chairperson shall have a casting vote.

The Sub-Committee shall report to the full Board regularly following each meeting and make such recommendations to the Board, as it deems appropriate. The Committee has an oversight role, and in fulfilling that role, may rely on reviews and reports provided by management and the Committee's advisors. In performing its oversight responsibilities, the Committee may, as and to the extent that it determines appropriate, review with management and the Board, and actively advise them regarding, the following matters:

- issues relating to the preparation and control of accounting and financial information,
- the independence of the statutory auditors,
- the effectiveness of the Internal Control,
- measurement, supervision and control systems for risk related to accounting and financial processes;
- recommendations to the Board;
- the effectiveness of the internal control and measurement systems and;
- the supervision of internal control risks.

2021 Report from the audit and accounts committee

Current membership

1. Mr Francis Awua-Kyerematen - Chair
2. Mrs Juliana Asante - Member
3. Mr Arnaud De Gaudemaris - Member
4. Mrs Laurette Otchere - Member
5. Mr Fosuhene Acheampong - Member

Meetings in 2021

Three meetings were held in the year 2021 on 21 April 2021, 30 June 2021 and 24 November 2021.

Mr. Francis Awua-Kyerematen is an Independent Non-Executive Director and Chairperson of the Audit and Accounts Committee. This Committee reviews and makes recommendations to the Board on all aspects of the audit and financial reporting processes. In attendance at Audit and Accounts Committee meetings are the Managing Director, Deputy Managing Director, Chief Operating Officer, Chief Finanace Officer, Head, of Audit Department, Head of Permanent Control Department and where necessary, the Bank's External Auditors.

Summary of issues discussed

- new template for reporting to the Audit and Accounts Committee;
- presentation of the Internal Control System in Societe Generale Ghana;
- operational risk and level 1 permanent control;
- level 2 Permanent Control Risk Finance and Compliance;
- periodic Control Activity;
- compliance & Anti Money Laundering & Combatting Financing of Terrorism;
- finance and taxation;
- level 2 Control Finance;
- summary of Statutory Auditors

Summary of issues analysed

1. Internal Control Organization with the three lines of defence to control risks arising from the Banks Activities, Societe Generale Ghana Internal Control Instruction and SG Code Book A of the Societe Generale Group Code.

- The First Line of Defence- all staff, business lines, support functions, Central Departments and the Permanent Control Team. In charge of day-to-day risk management, it must know its risks, identify control needs and ensure that the necessary controls are implemented. Must have appropriate processes and controls in place to ensure that risks are identified, analysed, measured, monitored and managed within the Group's risk appetite and that business activities comply with external and internal requirements. Implements Level 1 permanent controls in line with the norms, standards and procedures defined by the relevant second line of defence functions.
- The Second Line of Defence- Compliance, Risk and Finance. They ensure all risks are identified, assessed, analysed, measured, monitored, managed and properly reported by the business lines. Performs second level controls to verify the adequacy performance and effectiveness of the first level permanent controls. Defines norms, standards and procedures related to the operational risk management system and provides key indicators and analysis for overall risk monitoring. Challenges and supports the implementation of risk management measures by the business lines to ensure that the processes and controls put in place by the first line of defence are well designed and effective. Performs second-level controls to verify the adequacy, performance and effectiveness of first-level permanent control.
- The Third Line of Defence- Internal Audit. Evaluates the Group's risk management, control and corporate governance processes using a systematic and methodical approach. Evaluates the quality of risk management within the audited perimeter and the relevance and effectiveness of the permanent control system. Strictly independent of the business lines and Permanent Control and also in charge of the independent review of the first two lines of defence.

2. Challenges encountered as a result of the Societe Generale Ghana PLC's migration to a Delta V11 Solution,

3. The new combined and simplified template for Permanent Control, Level 2 Permanent Control, Periodic Control and Compliance,

4. The overall Risk Assessment of the Permanent Control System covering the Framework of the control system; Monitoring of Key Risk Management Processes; Supervision of Level 1 Controls; Supervision of Level 2 Controls; Steering of Recommendations,

5. Permanent Control Activities & Risk Supervision comprising Operational Risk; Compliance Risk & Financial Security, Monitoring; Anti-Money Laundering; Major Legal Risks; Market Risks, Structural Risks, Managerial Supervision Activity, IT Risk Management, Security of Staff & Equipment, New Products & Essential Outsourced Services, Twenty Largest Depositors, Follow Up of Accounts & Quality, and Business Continuity Planning and Crisis Management; Compliance, Anti Money Laundering & Combatting Financing of Terrorism,

6. Audit Plan Execution and Main Conclusions from Audit Missions,

7. Follow up of Audit Recommendations,

8. Recommendation for the approval of the Audit Charter,

9. Level 2 Permanent Control Plan Implementation and Missions undertaken for Risk and Compliance and Finance & Taxation,

10. The Internal Control System at the Bank; Overall Assessment of the Permanent Control System at the Bank; Operational Risks; Managerial Supervision; Business Continuity; Know Your Customer; IT Risks; Legal Risks; Level 2 Permanent Control; Finance and Taxation; the Establishment of the Financial Information and Accounts Review; Taxation Regulatory Reporting; Missions on the Summary of Statutory Auditors; The Periodic Control System; the 2021 Audit Plan and realization rate and

10. Action Plans were analysed on the global overview of Compliance Risks, Financial Security and Regulatory Compliance concerning Governance, Animations, Trainings and the Normative Framework; Monitoring & Control, KYC and AML; Embargoes and Sanctions; Clients Protection and Business Ethics.

Commitee recommendations for Board approval

- Societe Generale Ghana 2022 Audit Plan;
- Societe Generale Ghana 2022 Level 2 Control Plan;
- Societe Generale Ghana 2022 Compliance Training Plan;
- Societe Generale Ghana 2022 Compliance Program;

The Nomination and compensation committee

The Nomination and Compensation Committee is a committee of the Board of Directors. The following are the elements that may come under its scope and authority. The Bank's general wage policy; the detailed salaries of the Bank's senior executives and key management personnel changes in social liabilities; administrators and company managers pay. The purpose of the Committee is to:-

- ensure compliance with Bank of Ghana's Corporate Governance Directive 2018;
- ensure compliance with Bank of Ghana's Fit and Proper Persons Directive July 2019;
- ensure compliance with Societe Generale Group Corporate Governance Principles Applicable to Group Entities Instruction No 014122.
- assist the Board to accomplish its aim of ensuring that the Bank has a Board of competent and effective composition, size and commitment to discharge its responsibilities and duties in the best interest of the Bank and its shareholders.
- to achieve best corporate practices by advising the Board in respect of succession plans, appointments and compensation packages for Management Officers of the Bank.

The Nomination & Compensation Committee does not however have authority to make decisions on these issues and has a purely advisory capacity; therefore it may only formulate opinions and recommendations to the Board of Directors.

Membership of the committee

The Committee shall be composed of not less than four (4) members of the Board who are suitably skilled and possess the relevant skills as required by the Sub Committee. The Chairperson and members of the Sub Committee shall be appointed by the Board and shall serve for an initial term of 3 years which may be extended by not more than 2 additional years. The Committee members and the Chairperson shall serve until they are replaced, resign or their successors are duly nominated and elected by the Board.

- the committee shall identify and recommend to the Board nominees for membership.
- the committee shall ensure the nominees have the qualities of integrity, honesty and accountability; objectivity and knowledge in business and financial matters and other relevant qualities and experience.
- the committee shall regularly assess the Directors represented on the Board.
- the committee shall effect Board Performance and appraisal covering all aspects of the Board structure and composition, responsibilities, processes and relationships as well as individual member's competencies and their respective roles in the Board's performance.
- the committee shall be consulted on issues relating to succession plans; appointments and compensation of Senior Management Officers of the Bank based on the recommendations of Management regarding in particular the following:-
    - succession plans: manager dashboard, departmental succession planning, key business issues and people implication; people and organization and commitment,
    - the appointment of key management personnel,
    - compensation for senior management officers, packages needed to attract, retain and motivate qualified and competent management staff.

The Committee shall consider and adopt its own agenda. The Committee will meet at least twice a year. The quorum for a Committee meeting is three (3) Committee members. A Committee meeting shall be deemed to have taken place if any technological means allows any of its members to participate in discussions even if not all of them are physically present in the same place. A member who is not physically present but participating by technological means is taken to be present.

Minutes of the Committee, taken by the Company Secretary as and when adopted, shall be kept as official records. Minutes of each Committee meeting must be included in the papers prepared for the next full Board meeting. Minutes shall be distributed to all Committee Members after the Committee has adopted it and the Chairman has duly countersigned it. Minutes, agenda and supporting documentation are available to Directors upon request to the Company Secretary.

The Committee Chair shall submit a report to the Board of Directors after each Committee meeting. The Committee may seek any information it considers necessary to fulfill its objectives and shall have access to Management by way of explanations, information, views and comments. The Nomination and Compensation Committee shall review its Charter when it considers necessary with the approval of the Board of Directors which shall be granted by a resolution.

2021 Report from the nomination and compensation committee
Current membership

1. Mrs Laurette Otchere - Chair
2. Mr Georges Wega - Member
3. Mr Hakim Ouzzani - Member
4. Mrs Margaret Sekyere - Member

Meetings in 2021

Five meetings were held in the year 2021 on 16 February 2021, 29 June 2021, 13 September 2021, 23 September 2021 and 24 November 2021.

Summary of issues discussed

During the period under review, the Committee discussed and analysed the National Banking College Corporate Governance Training for the Board of Directors and the fees to be incurred by the Bank; Resignations and Nominations to the Board, Nominations of Key Management Personnel; Organisation Chart; Proposal in respect of Directors Fees and Allowances; the vacant positions at the Human Resources Department; Visit to the widow of the late Mr Kofi Ampim, the immediate past Board Chairman, to pay their respects. The Committee also reviewed the Compliance Opinion of Mrs. Juliana Dansoa Asante, a proposed nominee for the position of an Independent Non-Executive Director; the Compliance Opinion of Mrs. Lavana Tamatey, a nominee for the position of Acting Head of Permanent Control; the Compliance Opinion of Mr Yvon Puyou a nominee for the position of Non-Executive Director; the nomination of Mr Francis Awua-Kyerematen as a member of the Cyber and Information Security Committee; Medical Health Insurance for Staff; and the Securities and Exchange Commission, Corporate Governance Code; rate of compliance and Action Plan.

Recommendations made to the Board for approval

- Quarterly Corporate Organization Chart
- External Board Compensation Survey
- 2021 Board Self-Appraisal for all the Board of Directors.
- Renewal of Medical Health Insurance for 2021/2022
- Resignation of Mrs Martine Hitti from the Board
- Nomination of Mrs Juliana Asante as an Independent Non-Executive Director
- Nomination of Mr Yvon Puyou as a Non-Executive Director
- Nomination of Mrs Lavana Tamatey as the Head of Permanent Control
- Appointment of Mr Francis Awua-Kyerematen as Chairman, Audit & Accounts Committee and a member of the Cyber & Information Security Committee
- Appointment of Mrs Juliana Asante as Chair Risk Committee; a member of the Audit & Accounts Committee and Committee of Independent Directors
- Update of the Board Charter in line with the SEC Corporate Governance Code 2020.

The Cyber and information security committee

The Cyber and Information Security Committee is responsible for Security risk management strategy; and approving the Bank's policies on cyber and information security, outsourcing, survivability, backup and recovery from cyber incidents and attacks, and disaster events. The purpose of the Cyber and Information Security Sub-Committee of the Board is to assist the Board in fulfilling its oversight responsibilities of the Cyber and Information assets of the Bank. This includes:

- ensuring that adequate systems are in place to protect the Bank's information and data assets, IT infrastructure, intellectual property as well as other third party confidential information in the possession of the Bank.
- ensure that effective internal controls and risk management practices are implemented to achieve security, reliability, availability, resiliency, and recoverability.
- respond to and manage any Cyber and Information Security threats and breaches.

Membership of the Committee

The Committee shall be composed of not less than three (3) members of the Board who are suitably skilled and possess the relevant skill as required by the Sub-Committee. The Chairperson and members of the Sub-Committee shall be appointed by the Board and shall serve for an initial term of 3 years which may be extended by not more than 2 additional years. The Committee members and the Chairperson shall serve until they are replaced, resign or their successors are duly nominated and elected by the Board.

The Sub-Committee shall meet at least twice each year and as often as may be deemed necessary or appropriate. Two (2) members of the Sub-Committee shall constitute a quorum for the transaction of its business. A quorum shall be reached with the attendance of the members either in person or by telephone or video conference.

The Chairperson of the Sub-Committee shall be appointed by the Board and shall preside at all meetings. In his/her absence, the remaining members present shall nominate another Non-Executive member to chair the meeting.

The following Officers of the Bank shall attend all meetings of the Sub-Committee- Chief Operating Officer; Information Officer; Chief and Information Security Officer. Members of the Board who are not members of the Sub-Committee may, at the request of the Chairperson attend meetings. However, such Non-Committee members shall have no voting rights. The Sub-Committee may request members of management or other officers of the Bank to attend all or any part of any meeting or to provide relevant information in written form. The Chief Operating Officer has the role as Director of Cyber and Information Security (DCIS).

The Chairperson shall, in coordination with the Secretary to the Sub-Committee, be responsible for scheduling all meetings and providing a written agenda for each meeting. Members of the Sub-Committee shall each be entitled to one (1) vote, a majority of votes shall decide a matter, and in the event of a tie, the Chairperson shall have a casting vote. The Sub-Committee shall report to the full Board regularly following each meeting and make such recommendations to the Board as it deems appropriate.

The Committee has an oversight role, and in fulfilling that role, may rely on reviews and reports provided by management and the Committee's advisors. In performing its oversight responsibilities, the Committee may, as and to the extent that it determines appropriate, review with management and the Board, and actively advise them regarding, the following matters:

- the implementation of information technology requirements of the Societe Generale Group and the requirements of the Bank of Ghana Cyber and Information Security Directive 2018;
- the effectiveness of the Bank's Cyber and Information Security programs and its practices for identifying, assessing and mitigating cyber and information security risks across all business functions;
- the Bank's controls to prevent, detect and respond to cyber-attacks or information or data breaches involving SG Ghana electronic information, intellectual property and data;
- management's implementation of cybersecurity programs and risk policies and procedures and management's actions to safeguard their effectiveness and the integrity of SG Ghana's information technology systems and facilities;
- cyber crisis preparedness, incident response plans, and disaster recovery capabilities;
- reviewing reports and presentations received from management and the Committee's advisors, including as appropriate the DCIS, CISO and other employees of the Bank ,external auditors, internal auditors, legal advisors and other external experts regarding the management of cyber and information security programs and risks; and
- other matters as the Committee Chair or other members of the Committee determine relevant to the Committee's oversight of cybersecurity programs and risk assessment and management.

2021 Report from the cyber and information security committee

Current Membership

- Mr Francis Awua-Kyerematen - Interim Chair
- Mr Georges Wega - Member
- Mr Hakim Ouzzani - Member

Meetings in 2021

Two meetings were held in the year 2021 on 10 February 2021 and 23 November 2021.

Summary of issues discussed

The implementation of the Bank of Ghana Cyber and Information Security Directive 2018. These were categorized into 3 parts:

- the ISO/IEC 27001 Certification which establishes the Information Security Management System such as the policies, procedures, processes and technologies used to manage information security risks in the Bank

- the PCI-DSS Certification which ensures that Payment Card Data of Customers are managed in compliance with the internationally accepted Payment Card Data Security Standard

- other Information Security requirement not covered by the ISO 27001 or PCI-DSS Standards such as in the areas of Electronic Banking, Recruitment and Termination of Staff, Contracts with Vendors and Suppliers, Physical Security, Applications and Software, Communication Networks

The Global implementation of the Cyber and Information Security Directive stands at 84.7%. The key milestones achieved in 2021 were the:-

- Completion and formalization of all ISO and PCI-DSS related Documents and gaps
- Completion of the Risk Assessment and Treatment Process.
- ISO27001 Mock Audits
- ISO27001 Certification Audits
- Completion of technical Implementation for the PCI-DSS
- PCI-DSS Audit.
- Completion of all other remaining actions under BOG – End Dec 2021

The major achievements in 2021 were application for ISO27001 certification with PECB completed. ISO/IEC 27001:2013 Certification achieved in May 2021 and PCI-DSS Certification Audit achieved in December 2021.

Recommendations made to the Board of directors for approval

- Cyber and Information Security Report to be submitted to the Bank of Ghana
- Public Cloud Regulatory Compliance Policy
- Use of Information Systems Policy
- Access Control Policy
- Information Security Policy
- Intellectual Property and Copyright Compliance Policy
- Information Security Context Requirement and Scope Policy
- Information Security Incidents Management Policy
- Cryptographic policy
- Technical Vulnerability Management Policy
- Card Holder Data Security Policy
- Data Retention and Disposal Policy
- Release and Deployment Management Policy
- Change Management Policy
- Network Security Policy
- Software Policy
- Secure Development Policy

Committee of Independent Directors

The purpose of the Committee of Independent Directors shall be to determine the remuneration of Executive Directors.

Membership of the Committee

The Committee shall be composed of not less than two (2) members of the Board who are Independent Directors. The Chairperson and members of the Sub Committee shall be appointed by the Board and shall serve for an initial term of 3 years which may be extended by not more than 2 additional years. The Committee members and the Chairperson shall serve until they are replaced, resign or their successors are duly nominated and elected by the Board.

The Committee shall determine the emoluments of Executive Directors. The Committee shall consider and adopt its own agenda. The Committee shall meet at least once a year. The quorum for a Committee meeting is two (2) Committee members. A Committee meeting shall be deemed to have taken place if any technological means allows any of its members to participate in discussions even if not all of them are physically present in the same place. A member who is not physically present but participating by technological means is taken to be present.

Minutes of the Committee, taken by the Company Secretary as and when adopted, shall be kept as official records. Minutes of each Committee meeting must be included in the papers prepared for the next full Board meeting. Minutes shall be distributed to all Committee Members after the Committee has adopted it and the Chair has duly countersigned it. Minutes, agenda and supporting documentation are available to Directors upon request to the Company Secretary.

The Committee Chair shall submit a report to the Board of Directors after each Committee meeting. The Committee may seek any information it considers necessary to fulfill its objectives and shall have access to Management by way of explanations, information, views and comments.

2021 Report from the independent directors committee

Current membership

- Mrs Margaret Sekyere - Interim Chair
- Mr Francis Awua-Kyerematen - Member
- Mrs Juliana Asante - Member

Meetings in 2021

One meeting was held in the year on 9 February 2021.

Summary of issues discussed

The Terms of Reference were discussed. This covered the Purpose; Membership, Scope; Agenda; Quorum; Minutes; Reporting to the Board and Access to Information and Independent Advice. The Committee had convened pursuant to Section 72(d) of the Bank of Ghana Corporate Governance Directive which provided that a committee of independent directors shall determine the remuneration of executive directors. Members approved and adopted the Terms of Reference.

Recommendations made to the Board of directors for approval

No recommendations were made to the Board for approval.

Other engagements of directors

The Board is aware that to enable greater commitment to Board matters no director holds more than five (5) directorship positions at a time in both financial and non-financial companies (including off-shore engagements) subject to the restriction against concurrent directorships in banks under section 58(1)(e) of Act 930. Directors' other engagements are disclosed below:

Types and duties of outside board and management positions.

Name	Nationality	Age	Position	Appointed	Profession & Directorships
Margaret Sekyere	Ghanaian	59	Independent	2019	• Accountant
Hakim Ouzzani	French	53	Executive	2016	• Banker • SSB Investments Ltd
Laurette Korkor Otchere	Ghanaian	59	Non-Executive	2017	• Deputy Director General SSNIT • Total Oil Co. Ltd • Barrister at Law • Human Resource Expert
Agnes Tauty Giraldi	French	56	Non-Executive	2018	• Banker • SG Managing Director; Europe, Africa, Structured Trade Receivables Finance
Arnaud De Gaudemaris	French	45	Non-Executive	2019	• Banker • Director SG Benin
Francis Awua-Kyerematen	Ghanaian	53	Independent	2021	• Chartered Accountant • Managing Director, Winchmore Capital Ltd • Cenit Energy Limited • Electricity Company of Ghana
Georges Wega	Cameroonian	52	Non-Executive	2019	• Banker • Director SG Benin
Fosuhene Acheampong	Ghanaian	58	Non-Executive	2020	• Chartered Accountant • Director Cedar Seal Company
Juliana Asante	Ghanaian	55	Independent	2021	• Chartered Accountant • Director Integritas Limited
Yvon Puyou	French	56	Non-Executive	2022	• Banker • Chief Information Officer at Societe Generale African Mediterranean & Overseas

Board performance evaluation

The Board carries out self-assessment of its performance for individual Board members in order to review the effectiveness of its own governance practices and procedures The Board also assesses Anti-Money Laundering and Combatting Financing of Terrorism Training issues to determine where improvements may be needed and make any necessary changes. The Board undertakes a formal and rigorous evaluation of its performance with external facilitation of the process every two (2) years.

Report on board evaluation

An in-house performance evaluation of the Board is conducted annually and a copy of the results submitted to the Bank of Ghana not later than 30 June of each year.

A separate in-house performance evaluation of the Board on AML/CFT issues shall be submitted to the Bank of Ghana and the Financial Intelligence Centre for June and December each year before the end of the quarter following the evaluation period.

A statement on the external evaluation of the Board is included in the annual report of the Bank with a detailed copy of the report submitted to the Bank of Ghana. This will be undertaken once every two years.

Statement on the external board evaluation

Ernst and Young Advisory Services in 2020 conducted an external Board evaluation on the Board of Societe Generale Ghana to review the competence of the collective Board and of individual members to ensure the Board has the right mix of skills, capabilities and experience to deliver the right outcomes, meet its responsibilities, explore strategies for improvement and decide on actions to be taken. The evaluation was done based on the quality of the Board and consists of:

- ensuring the board is consisted of individuals of sufficient calibre to run the institution.
- strategy: ensuring that the board collectively defines the strategic direction and objectives for the firm and, that the strategic direction of the firm is effectively cascaded downwards.
- Board structure and composition: ensuring that the board is composed of the right calibre of people (requisite knowledge and experience) to ensure effective and independent oversight while minimizing conflict of interest.
- Board operations: ensuring that the board performs its oversight with respect to finance, strategy, risk and policy formulation.
- Board risk management activities: ensuring the board performs active monitoring and strengthening of internal audit, internal control, compliance and risk management functions.
- relationship with stakeholders: ensuring the board actively represents and engages with all stakeholders.
- transparency and disclosure: ensuring that the Board maintains transparency in dealing with its stakeholders and meeting its regulatory disclosure requirements.

The evaluation of SG Ghana's Board considered applicable regulatory requirements. The process comprised of review of relevant SG Ghana documents; online survey of 2018 and 2019 Board members; one-on-one interviews with cross-section of Board members; benchmarking of the Board's maturity against the External appraisers Board Maturity Framework.

The findings revealed that on Transparency and Disclosure the Board was advanced; The board was considered to be established in relation to the quality of the Board, its strategy, Operations, Risk Management, and Relations with Stakeholders. The board was however developing in terms of its Structure and composition. An action plan was put in place to implement the recommendation of the external Board appraisal and the implementation rate is 93.1%. Implementation is ongoing to achieve 100% of the recommendations.

Ernst and Young Advisory Services has been engaged to conduct an External Board evaluation for the years 2020 and 2021. The exercise is expected to cover the provisions of the Bank of Ghana's Corporate Governance Directive 2018 for Banks, Savings and Loans Companies, Finance Houses and Financial Holding Companies and the Securities and Exchange Commission Corporate Governance Code 2020 (SEC/CD/001/10/2020). An assessment of the Board by EY will provide an opportunity for the Board to obtain on an independent opinion on its performance and promote sound corporate governance, transparency and shareholder confidence in line with its objectives. EY's review will include Assessment of the Board, its committees and its members. The review will include the committees that existed as at year end. Their assessment will include questionnaires and interview sessions with selected Directors. This would be aimed at understanding the practice of governance in Societe Generale Ghana beyond existing documentation.

The Securities and Exchange Commission Ghana ("SEC") Corporate Governance Code 2020

The SEC Ghana issued a Corporate Governance Code on 8 October 2020. The Code applies to all companies whose securities are listed on the Ghana Stock Exchange ("GSE"). Societe Generale Ghana PLC, a company that is listed on the GSE, had to comply with the Code by October 2021. With the implementation of the Bank of Ghana Corporate Governance Directive 2018, the Bank is already compliant with most of the sections of the SEC Code. The Board Charter was updated on 2 December 2021. It will be published on the Bank's website. The role and responsibilities of the Board as spelt out in the Code is described in the Board Charter. The Board appointments policy and remuneration policy shall also be in the Board Charter.

The Board shall reflect the company's broad shareholding structure. The Board shall identify one independent Non-Executive director who shall be responsible for relations with minority shareholders.

No person shall hold more than 3 directorships in any listed company at any one time. All directors shall be required to submit themselves for re-election. The Board shall adopt a clear succession plan for its Chair and Chief Executive Officer and other senior executive officers.

Independent Non-Executive Directors shall be required to chair all Board Committees. The Chairman of the Audit Committee shall be a Chartered Accountant.

The Board shall appoint a person with responsibility for relations with investors. This person shall have the resources necessary to fulfil his/her function. The investor relations officer may have other duties. The investor relations officer shall be the first point of contact between investors and the company. He or she shall be responsible for providing financial and non-financial information to investors, financial analysts and their representatives in a timely and accurate way. The investor relations officer shall also be responsible for reporting investor concerns to the Board and ensuring that the statutory provisions as well as the provisions stipulated in SEC Corporate Governance Code, regarding communications with investors and shareholders are met.

Compliance with the Securities & Exchange Commission Ghana Corporate Governance Code

Societe Generale Ghana PLC, a Company that is listed on the Ghana Stock Exchange had to comply with the Code by 8 October 2021. With the implementation of the Bank of Ghana Corporate Governance Directive 2018, the Bank is already compliant with most of the sections of the SEC Corporate Governance Code. However, a gap analysis has revealed that Societe Generale Ghana is compliant with 265 out of 298 actions. As at 31 December 2021 the Bank is working on achieving compliance with 33 actions. The Compliance rating is approximately 89% and the Bank is working on achieving 100% convergence with the SEC Corporate Governance Code.

Conflicts of Interest

The board has in place a conflict of interest policy which includes ;

- the duty of the director to avoid possible activities that could create conflicts of interest;
- a review or approval process for directors to follow before they engage in certain activity so as to ensure that such activity will not create a conflict of interest;
- the duty of the director to disclose any matter that may result, or has already resulted in a conflict of interest;
- the responsibility of the director to abstain from voting as prescribed and on any matter where the director may have conflict of interest;
- adequate procedures for transactions with related parties to be made on a non-preferential basis; and the way in which the Board will deal with any non-compliance with the policy.

The Conflict of Interest Policy was approved by the Board of Directors. The Board maintains an up-to-date register for documenting and managing conflict of interest situations in the Company.

Group Structures

The Board of SG Financial Services holding company shall have the ultimate responsibility for the adequate corporate governance across the Group. The Board shall ensure that there are governance policies and mechanisms appropriate to the structure, business and risk of the Group and its entities. The Board of Directors in addition to the Bank of Ghana Corporate Governance Directive of December 2018 utilizes the SG Group Corporate Governance Principles Instruction 01422 VI EN applicable to Group entities as at 2018 and the Societe Generale Code Book A on Governance and Organisational Principles published for all entities under the group in May 2020.

Senior Management Duties

Under the direction of the Board, Senior Management ensures:

- that the activities of the Banking Institution are consistent with the business strategy, risk tolerance/appetite and policies approved by the Board
- that it establishes a management structure that promotes accountability and transparency
- the implementation of appropriate systems for managing risks both financial and non-financial to which the Bank is exposed.
- that they engage skilled and competent staff and provide training and development opportunities to sustain the delivery of short and long¬term business objectives, the risk management framework and protect the reputation of the Bank.

Risk Management and Internal Controls

The Board ensures that the Bank has effective internal controls systems and a risk management function including a Chief Risk Officer with sufficient authority, stature, independence, resources and access to the Board.

Risk management function

The Board has in place a risk management function responsible for:

- identifying key risks to the Bank,
- assessing those risks and the Bank's exposure to the identified risks;

- monitoring the risk exposures and determining the corresponding capital needs on an on¬going basis;

- monitoring and assessing decisions to accept particular risks, risk mitigation measures and if the risk decisions are in line with the Board approved risk tolerance/appetite and risk policy;

- submitting risk management reports to Senior Management and the Board.

Chief risk officer

The Company has a Chief Risk Officer who is an independent Key Management Personnel and who has no involvement in the operations of the bank with distinct responsibility for the risk management function and the comprehensive risk management framework of the bank across the entire organization. The independence of the Chief Risk Officer is distinct from other executive functions and business line responsibilities. The Chief Risk Officer reports to the Board via the Risk Committee with a functional report line to the Managing Director. He has unfettered reporting access to Board and its Risk committee. Interaction between the Board Risk Committee and the Chief Risk Officer is regular and comprehensively documented.

Internal controls

Internal controls within the Bank are designed to ensure that each key risk has a policy, process or other measure, as well as a control to ensure that such policy, process or other measure is being applied and works as intended. Internal controls help provide comfort that financial and management information is reliable, timely and complete and that the Bank is in compliance with its various obligations, including applicable laws and regulations.

Head internal audit

The Bank has a Head, Internal Audit who is an independent Key Management Personnel who has no involvement in the audited activities and business line responsibilities of the Bank. The Head Internal Audit is competent to examine all areas in which the Bank operates and:

- has the professional competence to collect and analyze financial information as well as evaluate audit evidence and to communicate with the stakeholders of the internal audit function; possess sufficient knowledge of auditing techniques and methodologies;

- is a member of a relevant recognized professional body;

The Head of Internal Audit reports to the Board Sub-Committee on audit and has direct access to the Board and its audit committee. Interaction between the Board Audit Committee and the Internal Audit is regular and comprehensively documented.

Group-wide and Bank-wide Risk Management

Risks in the Bank are identified and monitored on an on-going group-wide and bank-wide basis, and the sophistication of the risk management and internal control infrastructure - including, in particular, a sufficiently robust information technology infrastructure keeps pace with developments.

Risk management in Subsidiary Banks

The Board and Senior Management of parent banks or financial holding companies conducts strategic, group-wide risk management and prescribe group risk policies. The Board and Senior Management of the Bank have appropriate input into the group-wide risk management policies and assessments of local risks. Adequate stress-testing of the subsidiary portfolios is done based on both the economic and operating environment of the subsidiary and on potential stress of the parent bank or Financial Holding Company. The results of stress tests and other risk management reports shall be communicated to the Board and Senior Management.

Internal and External Audit Functions

The Board and Senior Management effectively utilize the work conducted by the internal audit functions, external auditors and internal control functions. The Board recognizes and acknowledges that independent, competent and qualified internal and external auditors, as well as other internal control functions, are vital to the corporate governance process and engage the auditors to judge the effectiveness of the risk management function and the compliance function.

Compensation System

Where share options are adopted as part of executive remuneration or compensation, it shall be tied to performance and subject to shareholders' approval at an annual general meeting. The Bank has disclosed in details, the number of shares held by the top 20 Shareholders.

The Bank's Corporate Structure

The Board and Senior Management understand the structure and the organization of the group and the Bank. The Board actively oversees the design and operation of the compensation system. The Board monitors and reviews the compensation system to ensure that it is effectively aligned to ensure

- prudent risk taking;

- levels of remuneration are sufficient to attract, retain and motivate executive officers of the bank and this is balanced against the interest of the bank in not paying excessive remuneration

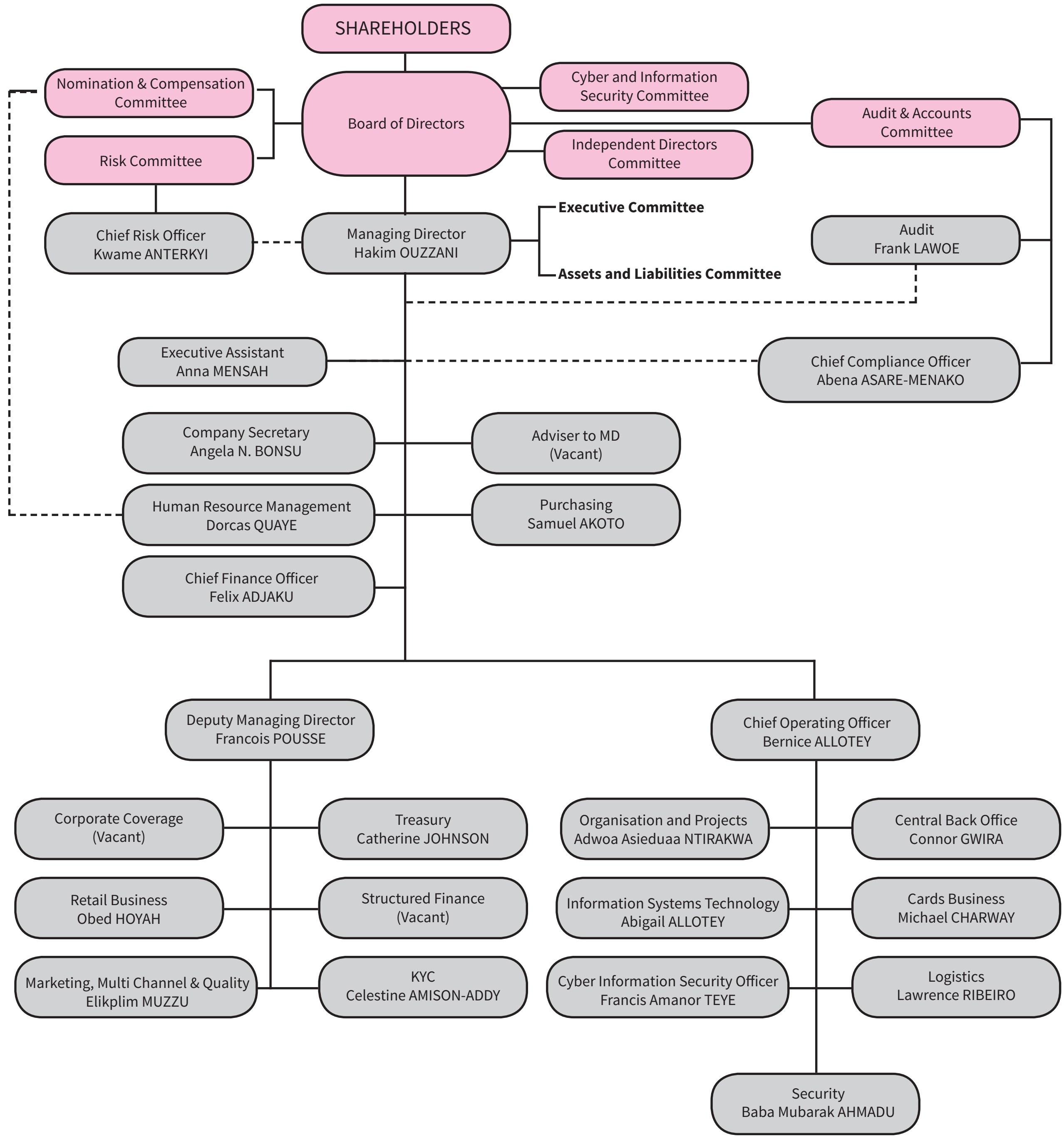
- where remuneration is tied to performance, it shall be designed in such a way as to prevent excessive risk taking;

Executive directors are not entitled to sitting allowances and directors' fees; Non-Executive directors' remuneration be limited to directors' fees, sitting allowances for Board and Committee meetings and are not performance related

Disclosure and Transparency

The bank has submitted a list of its significant shareholders, directors and Key Management personnel as at 31 of December to the Bank of Ghana by 15 January of the following year. Below is the Corporate Structure of the Bank.

CORPORATE STRUCTURE



Ethics and professionalism
The Bank has in place, a Code of Conduct which was duly approved by the Board of Directors. The Code of Conduct has been made available to the Board of Directors and all Employees. The Code shall be reviewed regularly and when necessary. It contains practices necessary to maintain confidence in the integrity of the Bank and commit the Bank, its staff, management and the Board to the highest standards of professional behaviour, business conduct and sustainable banking practices. It has been approved by the Board and signed off by employees that they understand the code and sanctions for breaching the policy.

Cooling-off period
The Bank will respect the Cooling Off period under the Bank of Ghana Corporate Governance Directive 2018 which stipulates that former Bank of Ghana officers, directors or senior executives shall not be eligible for appointment as a director of the Bank until after a period of two (2) years following the expiration or termination of their contract of employment or service from the Bank of Ghana. A practicing audit professional or partner who is rendering services or had rendered auditing services in the banking industry shall not be appointed as a director of the bank until one (1) year has elapsed since last engagement with any Bank by that person.

A code of ethics for all company employees
Societe Generale Ghana has a Code of Ethics for staff and this has been made available to all employees of the Bank.

Code of ethics for the Board and waivers to the ethics code
The Constitution of the Bank provides for ethics for the Board and provides that the Directors stand in a fiduciary relationship towards the Company in any transaction with it or on its behalf. A Director shall act all times in what he or she believes to be the best interests of the Company as a whole so as to preserve its assets, further its business, and promote the purposes for which it was formed, and in such manner as a faithful, diligent, careful and ordinarily skilful Director would act in the circumstances. In considering whether a particular transaction or course of action is in the best interests of the Company as a whole, a Director may have regard to the interests of the employees, as well as the members, of the Company, and, when appointed by, or as representative of, a special class of members, employees, or creditors may give special, but not exclusive, consideration to the interests of that class

Performance evaluation process
The Board has in place an evaluation process which covers the functions of the Board; Board meetings Management and procedures; Appointment, Induction, Training and Development; Succession and Removal; Board Structure; Information and Communication. An evaluation was undertaken during the Reporting Period.

Role and functions of the Board of Directors and committees of the Board
The main task of the Board of Directors is to make sure that the Bank's operations comply with the relevant applicable regulations and with the strategy defined. In this capacity, it must:

- define and follow up the implementation of the Bank's strategic orientations while making sure its business is developing in the proper conditions of security;
- check and approve management by relying on the work of the reporting committees from which it regularly receives information and to which it may assign tasks where necessary
- appoint, according to applicable local rules, the Bank's Representatives who shall manage the Bank,
- make sure the information given to the banking and market authorities and to shareholders is reliable. Therefore, it draws up the financial statements then presents them to the shareholders' meeting for approval.
- it must assess the way it operates annually.

There are five reporting Committees responsible for supporting the Board of Directors, which are the Risk Committee; the Audit and Accounts Committee; and the Nomination and Compensation Committee; the Cyber and Information Security Committee and Independent Directors Committee.

Independence of the Board of Directors
The Bank is committed to achieving the highest standards of corporate governance, corporate responsibility and risk management when conducting its business. The Bank ensures that it conducts its business activities in accordance with all laws and regulations, which govern its business activities. The Board of Directors are responsible for ensuring that Societe Generale Ghana achieves and maintains a high standard of corporate governance and practices.

The Bank has a nine-member Board comprising one executive director; three Independent Directors and five non-executive directors. The Board consists of highly qualified individuals with diverse professional experiences: The core role of the Board is to promote the success of the Bank by providing direction and supervision in the Bank's affairs. Among other roles, the Board:

- provides leadership to the Bank within a framework of prudent and effective controls which enable risks to be assessed and managed;
- provides input into the development of the long-term objectives and overall commercial strategy for the Bank

and is responsible for the oversight of the Bank's operations while evaluating and directing the implementation of the Bank's controls and procedures;

- provides oversight of the Bank's strategic aims, ensuring that the necessary financial and human resources are in place for the Bank to meet its objectives, as well as reviewing management performance;

- upholds the Bank's values and standards and ensures that its obligations to its shareholders and other stakeholders are understood and met; and

- ensures timely and accurate financial reporting to shareholders.

Remuneration and other benefits of Directors
Section 185(1) of the Companies Act ,2019 (Act 992) provides that the fees and other remuneration including remuneration payable to the directors in whatsoever capacity shall be determined from time to time by ordinary resolution of the company and not by any provisions in an agreement. The constitution of the Company provides that remuneration payable to Directors shall not be increased except pursuant to an ordinary resolution passed at a General Meeting, where notice of the proposed increase has been given in the Notice convening the meeting. Collectively, the Directors at the Board meeting preceding the Annual General Meeting agree their fees and this is then placed before the Shareholders of the Bank through an ordinary resolution at the Annual General Meeting.

Checks and balances mechanisms- Balancing the power of the CEO with the power of the Board.
The Constitution of the Company provides that the Board of Directors may from time to time appoint one of their body to the office of Managing Director. The person shall be the Chief Executive, for such period and on such terms as may be determined and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment and such appointment shall be automatically determined if the holder of the office ceases from any cause to be a Director.

Subject to any directives of the Board on matters of general policy, the Managing Director shall be responsible for the directions of the day-to-day business of the Bank and for its administration.

If the Managing Director is absent from Ghana or is otherwise incapacitated from performing duties of the office, the Board may authorise an employee of the Bank to exercise, for the time being, all the duties and powers of the Managing Director.

The Directors may entrust to and confer upon a Managing Director any of the powers exercisable by them upon such terms and with such restrictions as they think fit. Either collaterally with, or to the exclusion of, their own powers and subject to the terms of any agreement entered into in any particular case, may from time to time revoke or vary all or any of such powers.

Process for appointment of external auditors
Section 81 of the Banks and Specialized Deposit Taking Institutions Act, 2016 (Act 930) vests the shareholders of a bank with the power to appoint the external auditors at an Annual General Meeting and be approved by the Bank of Ghana in the manner and on the terms as may be described.

Process for interaction with external auditors
The Board of Directors on an annual basis invite the external auditors of the company to a meeting for an Independent Auditors Report on the Audited Financial Statements of the Company. The external auditors of the company explain to the Board the completion of the audit on the company which is undertaken in accordance with international standards. They usually state that the audit is conducted to enable the external auditors form an opinion on the financial statements that have been prepared by management with oversight of the Board of Directors. They further explain to the Board that the audit of the financial statements does not relieve management or the Board of their responsibilities. The auditors draw the Board's attention to any matters identified during the audit of the financial statements of the company. The auditors obtain Management's Responses to any matter(s) and draw the Board's attention to any areas of concern. At the meeting the External Auditors Report on the Financial Statements, the Directors Responsibility for the Financial Statements, the Auditors Responsibility, Opinion and Report on other legal and regulatory requirements.

Duration of current auditors
Messrs Ernst & Young were appointed as Auditors of Societe Generale Ghana PLC on 31 March 2017 during the Bank's Annual General Meeting. Thus, they are in their sixth year of providing auditing services to the bank. They were appointed in accordance with Section 139(5) of the Companies Act, 2019 (Act 992) and Section 44 of the Constitution of the Bank. In line with the mandatory rotation of auditors as directed by the Bank of Ghana, they will cease to be auditors of the Bank at the close of the Annual General Meeting.

Auditors' involvement in non-audit work and the fees paid to the auditors
Apart from the audit assignment, Ernst and Young Chartered Accountants, were not engaged by the bank to undertake any non-audit work during the year.

Auditors remuneration
The auditor's remuneration is determned in accordance with Section 140 of the Comapnies Act, 2019 (Act 992).

Stated capital of the bank
The stated capital of the Bank is GH¢ 404,245,427.

Substantial shareholders
Details of the Bank's twenty largest shareholders are disclosed in note 44 to the financial statements.

Corporate Governance

Societe Generale Ghana PLC respects the standards of good corporate governance, which include transparency, accountability and rights of all its stakeholders.

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 2021. The Audit Committee held three meetings during the year under review. In fulfilment of the Securities and Exchange Commission requirements, we present a summary of the reports so submitted:

- Report on Periodic Control, Permanent Control; Compliance; 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 Department 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.
- Report on Managing Conflict of Interest within the Bank

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

Board Chair
(Margaret Boateng Sekyere)
ACCRA
25 February 2022

Managing Director
(Hakim Ouzzani)
ACCRA
25 February 2022

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 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 provision of the Companies Act, 2019 (Act 992) and the Bank and Specialized Deposit Taking Institutions Act, 2016 (Act 930) and 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.

The above statement should be read in conjunction with the statement of the auditors' responsibilities on page 47, which is made with a view to distinguishing, for shareholders, the respective responsibilities of the Directors and the Auditors in relation to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SOCIETE GENERALE GHANA PLC

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Ernst & Young Chartered Accountants
60 Rangoon Lane, Cantonments
Accra, Ghana
P. O. Box KA 16009,
Airport, Accra, Ghana

Tel: +233 302 779868 / 4275 / 9223 / 2091
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Opinion

We have audited the financial statements of Societe Generale Ghana PLC (the Bank) set out on pages 50 to 114, which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the provisions of the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit -Taking Institutions Act, 2016 (Act 930).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements of Societe Generale Ghana PLC in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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Independent Auditor's Report cont'd

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Allowance for expected credit losses on loans and advances to customers</td></tr>
<tr><td>
IFRS 9 introduced a forward-looking Expected Credit Loss (ECL) model.

The ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments.

The amount of ECL's recognized as a loss allowance or provision depends on the extent of credit deterioration since the initial recognition and recognition of impairment could be done on a 12-month expected credit losses or Lifetime expected credit losses. Impairment computations under IFRS 9 therefore involves the use of models that takes into account:

• The probability-weighted outcome.
• Reasonable and supportable information that is available without undue cost or Loan loss provision is a key area of judgement for management. Significant judgements in the determination of the Bank's Expected Credit Loss includes:
• Use of assumptions in determining ECL modelling parameters.
• portfolio segmentation for ECL computation.
• Determination of a significant increase credit risk and
• Determination of associations between macroeconomic scenarios.

The use of different models and assumptions can significantly affect the level of allowance for expected credit losses on loans and advances to customers. Due to the significance of such loans which account for about 45.97% of total assets of the bank, and the significant use of judgements, the assessment of the allowance for expected credit losses is a key audit matter.

The information on expected credit losses on loans and advances to customers is provided in Note 20e ''Analysis of impairment allowances'' of the financial statements.
</td><td>
We have obtained an understanding of the Bank's implementation process of IFRS 9, including understanding of the changes to the Bank's IT systems, processes and controls. Additionally, we obtained an understanding of the credit risk modelling methodology.

We validated and tested the ECL model of the Bank by assessing the data integrity and the internal controls around the model.

We have also performed, among others, the following substantive audit procedures:

• Reviewed the accounting policies and framework methodology developed by the Bank in order to assess its compliance with IFRS 9;
• Verified sampled underlying contracts of financial assets to determine the appropriateness of management's classification and measurement of these instruments in the ECL model.
• Reviewed and tested the methodology developed to calculate loan loss provision under IFRS 9, concentrating on aspects such as factors for determining a 'significant increase in credit risk', staging of loans, testing specific models related to Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD).
• Tested the accuracy and completeness of data used in modelling the risk parameter, Recalculating the ECL,
• Reviewed forward looking information/multiple economic scenario elements.
• For stage 3 exposures, we tested the reasonableness of the assumptions underlying the impairment identification and quantification including forecasts of future cash flows, valuation of underlying collateral, estimated period of realisation for collaterals, etc.
• We have also analysed information relating to the allowance for expected credit losses on loans and advances to customers disclosed in the notes to the financial statements of the Bank.
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</table>

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Other information

The Directors are responsible for the other information. The other information comprises corporate information (Directors, Officials and Registered Office), report of the Directors and statement of directors' responsibilities. Other information does not include the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this Auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit 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 Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding

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Independent Auditor's Report cont'd

independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal requirements

The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- 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;
- In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books;
- Proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- The statement of financial position and the statement of comprehensive income (statement of profit or loss and other comprehensive income) are in agreement with the accounting records and returns.
- In our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required under the Act, in the manner so required and give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit or loss for the financial year then ended.
- We are independent of the Bank pursuant to Section 143 of the Companies Act, 2019 (Act 992).

The Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) under Section 85(2) requires that we report on certain matters. Accordingly, we state that:

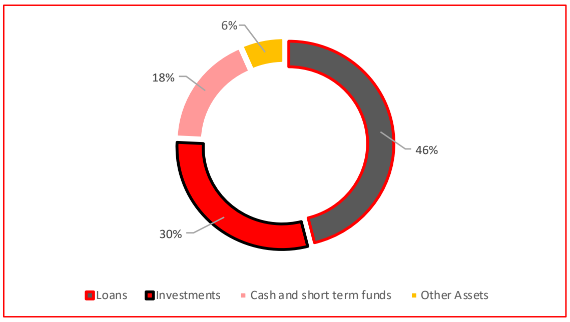
- The accounts give a true and fair view of the statement of affairs of the Bank and the results of operations for the year under review;
- We were able to obtain all the information and explanations required for the efficient performance of our duties;
- The transactions of the bank are generally within the powers of the Bank;
- The Bank has generally complied with the provisions of the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930).
- The Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2008 (Act 749), the Anti-Terrorism Act, 2008 (Act 762) and regulations made under these enactments;

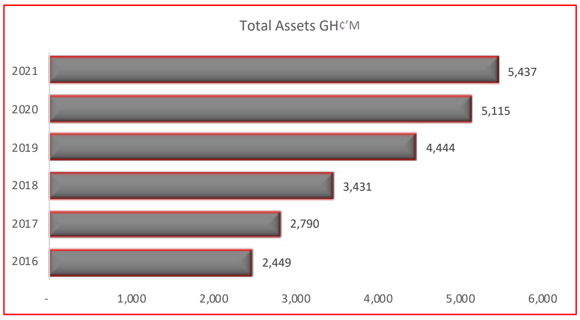
The Engagement Partner on the audit resulting in this independent Auditor's report is Pamela Des Bordes (ICAG/P/1329).

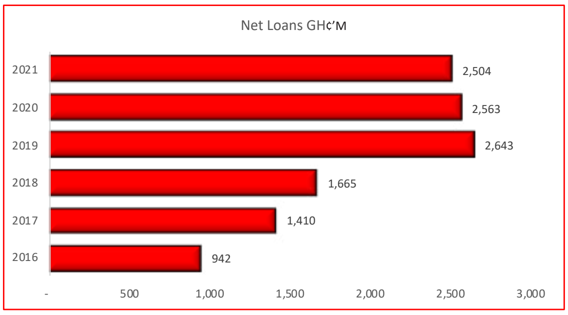
Ernst & Young (ICAG/F/2022/126)
Chartered Accountants, Accra, Ghana

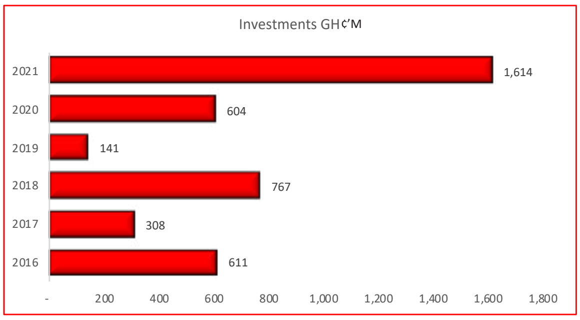
25 February 2022

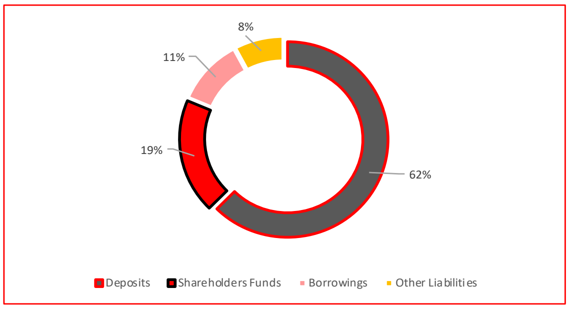
FINANCIAL HIGHLIGHTS

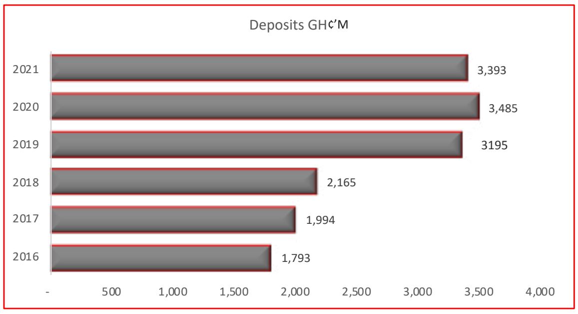


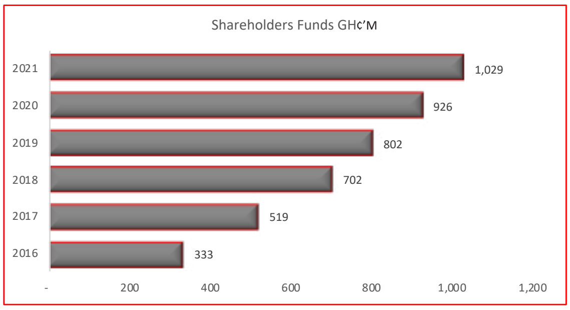


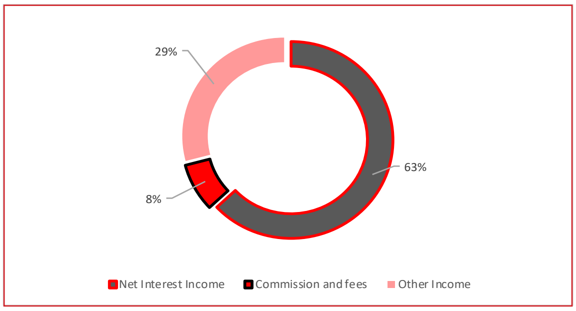


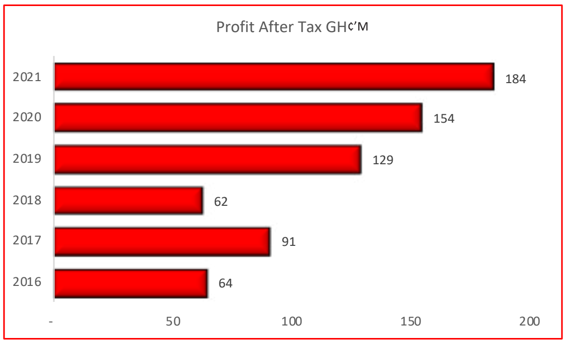


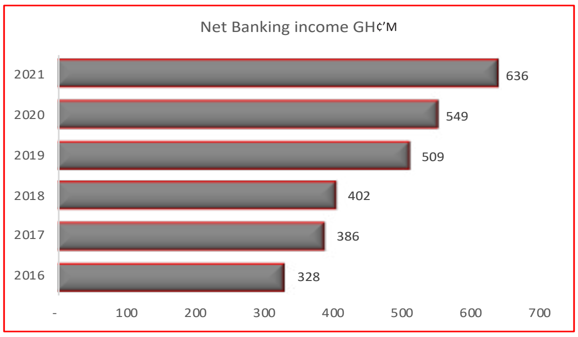












THE FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 GH¢	2020 GH¢
Interest income	5	510,992,929	519,463,379
Interest expense	6	(109,990,417)	(114,251,411)
Net interest income		**401,002,512**	**405,211,968**
Fees & commission income	7	77,475,216	77,148,106
Fees & commission expense	8	(27,252,208)	(22,847,209)
Net fees and commission income		**50,223,008**	**54,300,897**
Net trading revenue	9	40,793,352	41,660,244
Net income from other financial instruments carried at fair value	10	52,835,645	52,417,416
Other operating income/(expenses)	11	91,439,536	(4,644,872)
Total other operating income		**185,068,533**	**89,432,788**
Operating income		**636,294,053**	**548,945,653**
Net impairment loss on financial assets	12	(33,407,581)	(33,349,574)
Operating income net of impairment charges		**602,886,472**	**515,596,079**
Personnel expenses	13	(135,516,867)	(128,691,845)
Depreciation and amortization	22a	(34,807,599)	(33,588,164)
Other operating expenses	14	(150,595,307)	(131,686,035)
Profit before income tax		**281,966,699**	**221,630,035**
Income tax expense	15	(97,637,066)	(67,421,120)
Profit after tax expense		**184,329,633**	**154,208,915**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Debt instruments at fair value through other comprehensive income-		(689,424)	1,781,205
Less tax		172,356	(445,301)
Other comprehensive income, net of income tax		(517,069)	1,335,904
Total comprehensive income for the year		**183,812,564**	**155,544,819**
Earnings per share:			
Basic earnings per share (GH¢)	16	**0.260**	0.217
Diluted earnings per share (GH¢)	16	**0.260**	0.217

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 GH¢	2020 GH¢
Assets			
Cash and cash equivalents	17	963,960,922	1,561,983,616
Non-pledged trading assets	18	143,156,280	67,896,476
Debt instruments at fair value through other comprehensive income	21	87,240,744	108,961,776
Debt instruments at amortised cost	21	1,383,955,004	427,587,822
Loans and advances to customers	20	2,504,366,677	2,562,706,675
Equity investments	19	2,923,386	12,236,465
Other assets	25	54,130,188	66,511,519
Property, plant and equipment	22	255,268,418	290,748,100
Intangible assets	23	15,009,794	1,264,470
Deferred tax assets	15b	27,010,706	15,309,433
Total assets		**5,437,022,119**	**5,115,206,352**
Liabilities			
Deposits from banks	28	1,916,501	3,945,938
Deposits from customers	28	3,391,140,683	3,481,343,321
Borrowings	27	588,864,628	366,266,787
Derivative financial liabilities	26	40,509,648	-
Current tax liabilities	24	21,325,184	25,752,524
Other liabilities	29	364,700,138	312,302,893
Total liabilities		**4,408,456,782**	**4,189,611,463**
Shareholders' fund			
Stated capital	30	404,245,427	404,245,427
Income surplus	40c	207,312,183	149,907,074
Revaluation reserve	40d	123,670,260	123,670,260
Statutory reserve	40e	292,518,632	246,436,224
Other reserves		818,835	1,335,904
Total shareholders' fund		**1,028,565,337**	**925,594,889**
Total liabilities and shareholders' fund		**5,437,022,119**	**5,115,206,352**

The accompanying notes form an integral part of these financial statements.

Approved by the Board and signed on its behalf as follows:

Margaret Boateng Sekyere (Chairperson)
25 February 2022

Hakim Ouzzani (Managing Director)
25 February 2022

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Stated Capital GH¢	Income surplus GH¢	Revaluation Reserve GH¢	Statutory reserve GH¢	Other reserves GH¢	Total shareholders' equity GH¢
For the year ended 31 December 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 year	-	184,329,633	-	-	-	184,329,633
Other movements in equity:						
Debt Instruments at FVOCI	-	-	-	-	(517,069)	(517,069)
Dividend	-	(80,842,116)	-	-	-	(80,842,116)
Transfer to statutory reserve	-	(46,082,408)	-	46,082,408	-	-
Balance as at 31 December 2021	**404,245,427**	**207,312,183**	**123,670,260**	**292,518,632**	**818,835**	**1,028,565,337**

	Stated Capital GH¢	Income surplus GH¢	Revaluation Reserve GH¢	Statutory reserve GH¢	Other reserves GH¢	Total shareholders' equity GH¢
For the year ended 31 December 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 year	-	154,208,915	-	-	-	154,208,915
Other movements in equity:						
Debt Instruments at FVOCI	-	-	-	-	1,335,904	1,335,904
Dividend	-	(31,911,361)	-	-	-	(31,911,361)
Transfer to statutory reserve	-	(38,552,229)	-	38,552,229	-	-
Balance as at 31 December 2020	**404,245,427**	**149,907,074**	**123,670,260**	**246,436,224**	**1,335,904**	**925,594,889**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 GH¢	2020 GH¢
Operating activities		
Operating profit before taxation	281,966,699	221,630,035
Adjustments for:		
Impairment provision	42,426,979	(42,706,385)
Fair value adjustment on equity investment	27,729	1,038,501
Fair value adjustment on non pledged trading assets	(498,926)	797,756
Depreciation and amortization	34,807,599	33,588,164
Other non cash adjustments	253,315	-
Derivative revaluation	40,509,648	-
Unrealized loss on forex revaluation	1,320,467	5,918,445
Operating profit before working capital changes	**400,813,510**	**220,266,516**
Changes in operating and other assets and liabilities		
Change in non-pledged trading assets	(74,760,878)	(11,170,296)
Change in loans and advances to customers	27,865,665	123,393,711
Change in other assets	7,878,603	(3,997,284)
Change in deposit from banks	(2,029,438)	(21,729,452)
Change in deposit from customers	(90,202,638)	311,637,350
Change in other liabilities	54,684,493	79,183,783
	(76,564,193)	**477,317,812**
Income tax paid	**(113,593,324)**	(92,903,430)
Net cash flows from operating activities	**210,655,993**	**604,680,898**
Cash flow from investing activities		
Purchase of investment securities	(1,032,517,702)	(482,702,414)
Matured investment securities	97,146,284	31,039,014
Equity investments	-	(4,412,066)
Purchase of property, plant and equipment	(9,976,897)	(32,605,733)
Purchase of intangible assets	(3,096,344)	(397,817)
Net cash flows used in investing activities	**(948,444,659)**	**(489,079,017)**
Cash flow from financing activities		
Proceeds from borrowings	235,912,637	202,544,707
Repayment of borrowings	(13,314,795)	(13,973,897)
Dividend paid	(80,842,116)	(31,911,361)
Net cash flows from financing activities	**141,755,726**	**156,659,449**
Change in cash and cash equivalents	**(596,032,940)**	**272,261,330**
Net foreign exchange and revaluation difference	(1,320,467)	(5,918,445)
Cash & cash equivalents at 1 January	1,561,983,616	1,295,640,731
Cash and cash equivalents at 31 December	**964,630,209**	**1,561,983,616**
Operational cash flows from interest:		
Interest received	**442,305,272**	516,115,683
Interest paid	**111,201,903**	111,882,687
Dividend received	**-**	**133,640**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. Reporting entity

Societe Generale Ghana PLC (the Bank) is a limited liability company incorporated in Ghana 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 principal activities of the Bank are described in the Directors' Report. 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 Ghana Stock Exchange (GSE).

1.1 Authorization for publication

The financial statements of the Bank for the year ended 31 December 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 24 February 2022.

2. Basis of preparation

2.1 Statement of compliance

These financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and accounting requirement 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 and other related laws in Ghana.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items that are measured at fair value in the Statement of Financial Position:

- Financial assets and liabilities held-for-trading.
- Derivative financial instruments.
- Equity investments.

2.3 Functional and presentation currency

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

2.4 Presentation of financial statements

The Bank presents its statement of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the date is presented in Note 37 of these financial statements.

2.5 Accounting policies

The accounting policies adapted by the Bank are consistent with those of the previous financial year.

2.6 Foreign currency 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 are recognized in profit or loss under the heading "trading revenue". Foreign exchange gains and losses resulting 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 "other operating income''.

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 flows 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.

2.7 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 (CODM) to allocate resources to the segment and assess its performance.

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

Societe Generale Ghana PLC 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 are:

a. Retail banking.

b. Corporate banking.

c. Treasury.

The banking activities of the Bank have been segmented into various business lines. The profitability of these business lines is assessed based on the profit or loss statement produced. These are illustrated in Note 39.

2.8 Property, plant and equipment - continued

Properties in the course of construction for provision of services or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the bank's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Buildings	3.0%
Furniture and equipment	20.0%
Computer	33.3%
Household furniture	25.0%
Motor vehicles	33.3%

Leasehold land amortized over leased period

Right of use assets are amortised over the shorter of the lease term and the asset's useful life.

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 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 and equipment are reviewed, and adjusted if appropriate, at each reporting date.

The new standard IFRS 16 Accounting for leases, which became effective on 1 January 2019, has been adopted by the bank. This standard replaces IAS 17, which was governing both operating and finance lease. IFRS 16 defines lease as a contact that conveys the right to use an asset (underlying asset) for a period in exchange for a consideration. Under the new standard, Lessees are no longer required to distinguish between finance and operating leases. Instead, they are to recognize a right of use asset and a corresponding lease liability at the inception of the lease and subsequently depreciate the asset over the lease term.

2.9 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. The amortization 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 3 and 5 years.

The carrying values of intangible assets are reviewed for indications of impairment annually or when events or changes in circumstances indicate that 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.

2.10 Provisions

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.

2.11 Employee benefits

The Bank contributes to a three-tier defined contribution scheme on behalf of employees. The tier one and two are mandatory. The Bank contributes 10% towards the voluntary tier three plan.

2.12 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

Under IFRS 9 , interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and financial instruments designated at FVPL. Interest income on interest bearing financial assets measured at FVOCI, are also recorded by using the EIR method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Bank recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the statement of profit or loss.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Bank calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets the Bank calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL is recognised using the contractual interest rate in net trading income and Net gains/(losses) on financial assets at fair value through profit or loss, respectively.

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 profit or loss statement when the related services are performed. The Bank's revenue contracts do not typically include multiple performance obligations.

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

- Revenue is earned on execution of discrete act (such as funds transfers, special clearing and fees arising from negotiating transactions with third parties) is recognized as revenue when the act is completed.
- Income earned from the provision of services (such as request for special statements, safe custody, COTs and advisory services) is recognized as revenue as the services are provided.
- 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. Other operating income

This is made up of other operating income including bad debts recovered, dividend, profit or loss on sale of property, plant and equipment, other miscellaneous incomes and exchange gains.

2.13 Interest expense

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

The effective interest method is a method of calculating the amortized 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.

2.14 Taxation

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. Corporate income tax

Corporate tax is the tax expected to be payable under the Income Tax Act, 2018 (Act 979) 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. Corporate tax assets and liabilities are offset when the Bank intends to settle on net basis and the legal right to set off exists.

Corporate 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 recognized 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.
- 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 recognized 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 utilized.

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

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 taxation authority, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and accounts receivable and payable 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 receivable or payable in the statement of financial position.

2.15 National stabilization levy

Under the National Fiscal Stabilization Levy Act, 2013 of Ghana, financial institutions and some large firms were required to pay a levy of 5% of their profit before tax towards fiscal stabilization with effect from July 2013. The Bank has complied with this statutory obligation.

2.16 Financial Sector Recovery Levy

Under the Financial Sector Recovery Act, 2021 (Act 1067) of Ghana, Banks (excluding rural and community banks) were required to pay a levy of 5% of their profit before tax to raise revenue to support the financial sector reforms and for other matters. The Act was gazetted on 31 March, 2021.The Bank has complied with this statutory obligation.

2.17 Classification & measurement of financial assets and liabilities

2.17.1 Recognition and initial measurement

The Bank on the date of origination or purchase recognizes loans, debt and equity securities, deposits and subordinated debentures at the fair value of consideration paid. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

The initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss.

Financial assets include both debt and equity instruments.

2.17.2 Debt instruments

Debt instruments, including loans and debt securities, are classified into one of the following measurement categories:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVTPL) for trading related assets

Classification of debt instruments is determined based on:

i. the business model under which the asset is held; and

ii. the contractual cash flow characteristics of the instrument

2.17.3 Business model assessment

Business model assessment involves determining whether financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Bank assesses business model at a portfolio level reflective of how group of assets are managed together to achieve a particular business objective. For the assessment of business model the Bank takes into consideration the following factors:

- how the performance of assets in a portfolio is evaluated and reported to group heads and other key decision makers within the Bank's business lines;
- the risks that affect the performance of assets held within a business model and how those risks are managed;
- whether the assets held for trading purposes i.e., assets that the Bank acquires or incurs principally for the purpose of selling or repurchasing in the

near term, or holds as part of a portfolio that is managed together for short-term profit or position taking;

- the frequency and volume of sales in prior periods and expectations about future sales activity.

2.17.4 Cash flow characteristics assessment

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement. Contractual cash flows are consistent with a basic lending arrangement if they represent cash flows that are Solely Payments of Principal and Interest on the principal amount outstanding (SPPI).

Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments.

Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin.

In performing this assessment, the Bank takes into consideration contractual features that could change the amount or timing of contractual cash flows, such that the cash flows are no longer consistent with a basic lending arrangement. If the Bank identifies any contractual features that could modify the cash flows of the instrument such that they are no longer consistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL. Non pledged trading assets and derivative assets of the bank are measured under FVTPL whilst Loans and advances are measured under amortised cost based on their cashflow characteristics and business model.

2.17.5 Debt instruments measured at amortized cost

Debt instruments are measured at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Investment securities are measured under amortised cost.

Impairment on debt instruments measured at amortized cost is calculated using the expected credit loss approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit losses in the statement of financial position.

Debt instruments measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that are solely payments of principal and interest. These instruments are measured at fair value in the Statement of Financial Position, with transaction costs recognized immediately in the profit or loss statement as part of net income from other financial instruments carried at fair value. Realized and unrealized gains and losses are recognized as part of Non-interest income in the profit or loss statement. Non pledged trading assets and derivative assets of the bank are measured under FVTPL.

2.17.6 Debt instruments measured at FVOCI

Debt instruments are measured at FVOCI only if the assets are held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) and such assets have not been designated as at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

2.17.7 Equity instruments

Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase. For equity instruments measured at FVTPL, changes in fair value are recognized as part of Non-interest income in the profit or loss statement. An election has not been made to designate any of the equity instrument at FVOCI as such all equity instruments are measured at FVTPL in the current year.

The Bank can elect to classify non-trading equity instruments at FVOCI. This election will be used for certain equity investments for strategic or longer term investment purposes. The FVOCI election is made upon initial recognition, on an instrument-by-instrument basis and once made is irrevocable. Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to the profit or loss. Dividends received are recorded in other operating expenses/income in the Statement of Profit or Loss and Other Comprehensive

Income. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the profit or loss on sale of the security. Equity instruments at FVOCI are not subject to an impairment assessment. An election has not been made to designate any of the equity instrument at FVOCI as such all equity instruments are measured at FVTPL in the current year.

2.17.8 Financial liabilities

Financial liabilities are classified as non-trading, held for trading or designated as held at fair value through profit or loss. Non-trading liabilities are recorded at amortized cost applying the effective interest method. Held for trading liabilities or liabilities designated as held at fair value through profit or loss, are accounted for as indicated above. A financial liability (trading or other) is removed from the balance sheet when it is extinguished – that is, when the obligation is discharged, cancelled or expired. The condition is met when the liability is settled by paying the creditor, or when the debtor is released from primary responsibility for the liability either by process of law or by the creditor. A gain or loss on extinguishment of a financial liability is recognised in the profit or loss statement. Any net cash flow in relation to the restructuring of financial liabilities is an adjustment to the debt's carrying amount and is amortised over the remaining life of the liability.

2.17.9 Impairment

a. Scope

The Bank applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for the following categories of financial instruments that are not measured at fair value through profit or loss:

- Amortized cost financial assets;
- Debt securities classified as at FVOCI;
- Off-balance sheet loan commitments; and
- Financial guarantee contracts.

Financial assets migrate through three stages based on the change in credit risk since initial recognition.

b. COVID-19 considerations

Bank-specific changes

SG Ghana as a result of the regulatory directives linked to the COVID pandemic introduced changes to how it previously conducted its business. The bank granted Reliefs/Moratoriums to Corporate and Retail clients whose sectors or activity were impacted by the Pandemic crises. SG Ghana supported its clients financially to enable them contribute positively to the fight against the pandemic. The bank enhanced its appraisal and monitoring methods in view of the potential risk inherent within the business environment. Additionally, debt collection processes were modified to take into account the challenges presented by the Pandemic.

The bank aligned its regulatory provision methods with the regulatory directives and reduced its provisions for loans in the "Other Loans Especially Mentioned" (OLEM) category from ten percent to five percent. This impacted the qualitative considerations in impairment computation as well as the regulatory credit reserve of the banks.

Restructurings were performed in line with regulatory directives for clients in vulnerable sectors however the impact of this on our impairments was minimal as the Bank's portfolio was largely resilient under the COVID crisis context.

c. Expected credit loss impairment model

The Bank's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either (i) over the following twelve months or (ii) over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

This impairment model measures credit loss allowances using a three-stage approach based on the extent of credit deterioration since origination:

- Stage 1 – Where there has not been a significant increase in credit risk (SIR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.
- Stage 2 – When a financial instrument experiences a SIR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

d. Measurement of expected credit loss

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio. The bank's portfolios have been segmented to ensure that they are consistent in terms of risk characteristics and to ensure better correlation with local macroeconomic variables. This segmentation factors in all specific characteristics associated with the bank's activities.

Details of these statistical parameters/inputs are as follows:

- PD – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.
- EAD – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

e. Forward-looking information

The Bank on a yearly basis analyses trends of probability of default, default rates, impairment expense amongst others and how these have evolved in line with the evolution of both historic and future key macro-economic variables. The key macro-economic variables that may have influenced risk levels include GDP growth, Inflation rates, unemployment rates, exchange rates amongst others. A study of both parameters is done to establish any possible correlation which then results in the application of an overlay.

The bank's portfolio had a minimal impact from COVID. As a result, there was no overlay specifically linked to COVID.

f. Macroeconomic factors

In its models, the Bank relies on a broad range of forward looking information as economic inputs, such as: GDP growth, inflation rates and central bank base rates. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgement.

The Bank determines allowance for credit losses using three probability-weighted forward-looking scenarios. The Bank considers both internal and external sources of information in order to achieve an unbiased measure of the scenarios used. The forecasts are created using internal and external models/data which are then modified to reflect future direction of relevant economic variables as well as a representative range of other possible forecast scenarios.

The most likely outcome is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables, credit risk and credit losses.

g. Assessment of significant increase in credit risk (SIR)

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors.

The common assessments for SIR on retail and non-retail portfolios include macroeconomic outlook, management judgement, delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the borrower . Quantitative models may not always be able to capture all reasonable and supportable information that may indicate a significant increase in credit risk. Qualitative factors may be assessed to supplement the gap. Examples of situations include changes in adjudication criteria for a particular group of borrowers;

changes in portfolio composition and natural disasters impacting certain portfolios. With regards to delinquency and monitoring, there is a rebuttable presumption that the credit risk of the financial instrument has increased since initial recognition when contractual payments are more than 30 days overdue.

Retail portfolio – For retail exposures, a significant increase in credit risk cannot be assessed using forward looking information at an individual account level. Therefore, the assessment must be done at the segment level. Segment migration thresholds exist for each PD model by product which considers the proportionate change in PD as well as the absolute change in PD. The thresholds used for PD migration are reviewed and assessed at least annually, unless there is a significant change in credit risk management practices in which case the review is brought forward.

Non-retail portfolio – The Bank uses a risk rating scale (IG codes) for its non-retail exposures. All non-retail exposures have an IG code assigned that reflects the probability of default of the borrower. Both borrower specific and non-borrower specific (i.e macroeconomic) forward looking information is considered and reflected in the IG rating. Significant increase in credit risk is evaluated based on the migration of the exposures among IG codes.

h. Expected life

When measuring expected credit loss, the Bank considers the maximum contractual period over which the Bank is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment, and extension and rollover options. For certain revolving credit facilities,the expected life is estimated based on the period over which the Bank is exposed to credit risk and how the credit losses are mitigated by management actions.

Presentation of allowance for credit losses in the Statement of Financial Position

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the financial assets;
- Debt instruments measured at fair value through other comprehensive income: no allowance is recognized in the Statement of Financial Position because the carrying value of these assets is their fair value. However, the allowance determined is presented in the accumulated other comprehensive income;
- Off-balance sheet credit risks include undrawn lending commitments, letters of credit and letters of guarantee: as a provision in other liabilities.

i. Modified financial assets

If the terms of a financial asset are modified or an existing financial asset is replaced with a new one, an assessment is made to determine if the financial asset should be derecognized. Where the modification does not result in derecognition, the date of origination continues to be used to determine SIR. Where modification results in derecognition, the modified financial asset is considered to be a new asset.

j. Definition of default

The Bank considers a financial instrument to be in default as a result of one or more loss events that occurred after the date of initial recognition of the instrument and the loss event has a negative impact on the estimated future cash flows of the instrument that can be reliably estimated. This includes events that indicate:

- significant financial difficulty of the borrower;
- default or delinquency in interest or principal payments;
- high probability of the borrower entering a phase of bankruptcy or a financial reorganization;
- measurable decrease in the estimated future cash flows from the loan or the underlying assets that back the loan.

The Bank considers that default has occurred and classifies the financial asset as impaired when it is more than 90 days past due unless reasonable and supportable information demonstrates that a more lagging default criterion is appropriate.

k. Write-off policy

The Bank writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, write-off is generally after receipt of any proceeds from the realization of security. In circumstances where the net realizable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier. Credit card receivables 180 days past due, are written-off. In subsequent periods, any recoveries of amounts previously written off are credited to the provision for credit losses in the profit or loss statement.

l. Restructured credit

Loans issued by the Bank may be subject to restructuring with the aim of securing the collection of the principal and interest by adjusting the contractual terms of the loan (e.g. reduced interest rate, rescheduled loan payments, partial debt forgiveness or additional collateral). Assets may only qualify for restructuring where the borrower is experiencing financial difficulties or insolvency (whether the borrower has already become insolvent or is certain to become insolvent if the loan is not restructured).

Where they still pass the SPPI test, restructured loans are still recorded in the Statement of Financial Position and their amortised cost prior to impairment is adjusted for a discount representing the negative difference between the present value of the new contractual cash flows resulting from the restructuring of the loan and the amortised cost prior to impairment less any partial debt forgiveness. This discount, representing earnings foregone, is booked to cost of risk in the Statement of Profit or Loss and Other Comprehensive Income .As a result, the associated interest income is still subsequently recognised at the initial effective interest rate of the loans. Post-restructuring, these assets are systematically classified in Stage 3 for impairment (credit-impaired exposures), as the borrowers are deemed to be in default. Stage 3 classification is maintained for at least one year, or longer if the Bank is uncertain that the borrowers will be able to meet their commitments. Once the loan is no longer classified in stage 3, the assessment of the significant increase of credit risk will be performed by comparing the credit risk level at the closing date and the level at the initial recognition date of the loan before restructuring.

m. Repossessed Properties /Collaterals

In its normal course of business, the Bank does not physically repossess properties or other assets in its loan portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the properties under legal repossession processes are not recorded on the Statement of Financial position.

2.18 Regulatory credit reserve

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 the income surplus (distributable reserves) to a non- distributable reserves in the statement of changes in equity, being the Regulatory Credit Reserve.

The non-distributable Regulatory Credit Reserve ensures that minimum regulatory provisioning requirements as established by the Bank of Ghana are maintained.

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 cash on hand, cash and balances with the Central B ank of Ghana and amounts due from banks and other financial institutions.

2.21 Borrowing

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

2.22 Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date are not derecognized in the Statement of Financial Position as the Bank retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognized in the statement of financial position as an asset with corresponding obligation to return it, including accrued interest as a liability within Cash collateral on securities lent and repurchase agreements, reflecting the transaction's economic substance as a loan to the Bank. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of agreement using the Effective Interest Rate (EIR). When the counterparty has the right to sell or re- pledge the securities, the Bank reclassifies those securities in its statement of financial position to Financial assets held for trading pledged as collateral or to Financial investments FVOCI pledged as collateral, as appropriate.

Conversely, securities purchased under agreements to resell at a specified future date are not recognized in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within Cash collateral on securities borrowed and reverse repurchase agreements, reflecting the transaction's economic substance as a loan by the Bank. The difference between the purchase and resale prices is recorded in Net interest income and is accrued over the life of the agreement using the EIR.

If securities purchased under agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within Financial liabilities held for trading and measured at fair value with any gains or losses included in Net trading revenue.

2.23 Financial guarantees, letters of credit and undrawn loan commitments

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the Statement of profit or loss and Other Comprehensive income. The premium received is recognised in the Statement of profit or loss and Other Comprehensive income in Net fees and commission income on a straight line basis over the life of the guarantee.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer.

2.23 Other Assets

Other current assets is a default classification for assets which cannot be classified under any of the major assets classification on the face of the account, or are immaterial and need to be aggregated for presentation in a single line item in the Statement of Financial Position . Accounts included in the other current assets classification may includes inventory of consumables, prepayments and sundry debtors.

3.0 Significant Accounting Estimates, Assumptions & Judgments

The preparation of financial statements, in conformity with the provisions of IFRS, requires management to make estimates, apply judgments and make assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and income and expenses made during the reporting period. Estimates made by management are based on historical experience and other assumptions that are believed to be reasonable. Key areas where management has made difficult, complex or subjective judgments, often as a result of matters that are inherently uncertain, include those relating to the allowance for impairment(Note 2.16.9) and the fair value of financial instruments (note 35). While management makes its best estimates and assumptions, actual results could differ from these estimates and assumptions.

3.1 Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable profits together with future tax planning strategies. Deferred tax is shown in Note 15b.

4. Application of new and revised International Financial Reporting Standards (IFRSs)

4.1 Standards and interpretations in issue but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below. The Bank intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 – Insurance contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. IFRS 17 introduces new accounting requirement for banking products with insurance features that may affect the determination of which instruments or which components thereof will be in the scope of IFRS 9 or IFRS 17.

Loan contracts that meet the definition of insurance but limit the compensation for insured events to the amount otherwise required to settle the policyholder's obligation created by the contract: Issuers of such loans – e.g. a loan with waiver on death – have an option to apply IFRS 9 or IFRS 17. The election would be made at a portfolio level and would be irrevocable.
IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

The Bank is currently in the process of assessing the impact of adopting IFRS 17 on its financial statements.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 Annual Improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.
The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Bank will apply the amendments to financial liabilities that are modified or exchanged on or after the

financial liabilities that are modified or exchanged on or after the beginning of the annual period in which it will first apply the amendment and does not expect this will result in a material impact on its financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.
The amendments are not expected to have a material impact on the Bank.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Bank is currently assessing the impact of the amendments to determine the impact they will have on the Bank's accounting policy disclosures.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Bank is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.
The amendments are not expected to have a material impact on the Bank.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Bank will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

5.	**Interest income**	**2021 GH**	2020 GH¢
	Placement	16,565,661	19,243,543
	Investments securities	95,664,661	45,302,861
	Loans and advances	398,762,607	454,916,975
		510,992,929	**519,463,379**

Interest income recognition was based on the effective interest rate (EIR).

6.	**Interest and similar expense**	**2021 GH¢**	2020 GH¢
	Savings accounts	39,024,090	35,322,870
	Current accounts	586,060	774,428
	Term deposits	52,470,259	64,649,461
	Borrowings	17,910,008	13,504,652
		109,990,417	**114,251,411**

Interest expense recognition was based on the effective interest rate (EIR).

7.	**Fees and commission income**	**2021 GH¢**	2020 GH¢
	Domestic operations	62,985,482	66,764,395
	Cards operations	14,489,734	10,383,711
		77,475,216	**77,148,106**

Fees and commission income was earned at a point in time

8.	**Fees and commission expense**	**2021 GH¢**	2020 GH¢
	Cards operations	24,411,185	20,908,369
	Cheque books	283,355	245,062
	Cash collection	2,557,668	1,693,778
		27,252,208	**22,847,209**

Fees and commission expenses were incurred at a point in time

9.	**Net trading revenue**	**2021 GH¢**	2020 GH¢
	Forex trading gains	160,227,667	148,253,870
	Forex trading losses	(119,434,315)	(106,593,626)
		40,793,352	**41,660,244**

Notes to the Financial Statements cont'd

10.	Net income from other financial instruments carried at fair value	2021 GH¢	2020 GH¢
	Gain from swap	32,561,315	37,772,649
	Margin on bond trading	20,302,059	14,948,032
	Fair value on equity instruments (Note 19a)	(27,729)	(303,265)
		52,835,645	**52,417,416**

11.	Other operating income/expense	2021 GH¢	2020 GH¢
	Exchange loss	(1,320,467)	(5,086,460)
	Rent/hiring fees	39,960	76,708
	Postages	94,351	61,402
	Dividend received from investment	-	133,640
	Miscellaneous and others*	92,625,692	169,838
		91,439,536	**(4,644,872)**

*Included in this amount is a figure of GH¢92,477,629 being prior year provision reversals. The provisions relate to Group technological service fees which were reversed following regulatory approvals and authorized payment limits.

12.	Net impairment loss on financial assets	2021 GH¢	2020 GH¢
	Specific impairment	33,976,556	57,825,973
	Portfolio impairment	8,450,423	(5,806,425)
	Total impairment	**42,426,979**	**52,019,548**
	Recoveries	(9,019,398)	(18,669,974)
	Net impairment	**33,407,581**	**33,349,574**

12a.	Total impairment	2021 GH¢	2020 GH¢
	Cash and cash equivalents (Note 17c)	243,616	113,319
	Investment securites	208,198	503,932
	Loans and advances (Note 20f)	30,474,332	51,884,527
	Lcs and guarantees (off balance sheet liabilities) (Note 32b)	(2,287,247)	(482,230)
	Equity Investment	9,285,350	-
	Other financial assets	4,502,730	
		42,426,979	**52,019,548**

*Included in the expected credit loss for loans and advances is an amount of GH¢3,540,476 in respect of loans written off in the current year.

13.	Personnel expenses	2021 GH¢	2020 GH¢
	Salaries, bonuses and staff allowances	108,047,866	100,671,892
	Social security fund contribution	7,117,426	6,553,859
	Provident fund contribution	5,602,865	5,031,328
	Medicals	4,635,152	4,440,712
	Insurance	860,677	793,309
	Termination expenses	3,918,729	4,608,554
	Training	539,124	262,664
	Other employee costs	1,214,738	3,135,173
	Directors emoluments (Note 13a)	3,580,290	3,194,354
		135,516,867	**128,691,845**

Notes to the Financial Statements cont'd

The average number of persons employed by the Bank during the year was 537 (2020: 562).

The Bank contributes to a three-tier defined contribution plan. The employee pays 5.5% and the Bank pays 13% making a total of 18.5%. The Bank transfers 13.5% to the first tier , 5% to a privately managed and mandatory second tier for lump sum benefit .The third tier is a voluntary provident fund and personal pension scheme to which the Bank contributes 10% of staff basic salary.

13a. Directors emoluments

	2021 GH¢	2020 GH¢
Directors salaries and allowances	2,628,396	2,391,327
Directors expenses	134,027	187,365
Directors fees	817,867	615,662
	3,580,290	**3,194,354**

14. Other operating expenses

	2021 GH¢	2020 GH¢
Donations	442,883	1,281,617
Advertising and marketing	4,509,393	2,091,360
Office expenses (Note 14a)	39,250,437	42,650,604
Administrative expenses	8,795,286	7,179,894
General expenses (Note 14b)	97,597,308	78,482,560
	150,595,307	**131,686,035**

14a. Office expenses

	2021 GH¢	2020 GH¢
Utilities	6,588,880	6,176,802
Maintenance of computer software & hardware	11,286,715	13,230,373
Network and communication	4,936,948	6,887,939
Office and computer stationery	948,498	1,600,018
Repairs to furniture & equipment	2,154,873	1,772,071
Resource hiring	5,880,750	4,972,948
Other office expenses	7,453,773	8,010,453
	39,250,437	**42,650,604**

14b. General expenses

	2021 GH¢	2020 GH¢
Professional fees and charges	3,389,445	4,868,460
Repairs and rental of equipment	2,655,211	1,786,031
It and support services	63,350,166	43,674,912
Other general expenses	28,202,486	28,153,157
	97,597,308	**78,482,560**

14c. Auditors' remuneration

	2021 GH¢	2020 GH¢
Statutory audit	**613,813**	**555,040**

Auditors' remuneration in relation to statutory audit amounted to GH¢ 613,813 (2020 : GH¢ 555,040).

15. Income tax expense

GH¢	**2021 GH¢**	2020 GH¢
Corporate tax (24a)	(83,513,629)	(71,823,122)
Deferred tax (15b)	11,528,917	15,483,504
National stabilization levy (15c)	(14,098,333)	(11,081,502)
Financial sector recovery levy (15d)	(11,554,021)	-
Charge to statement of profit or loss and other comprehensive income	**(97,637,066)**	**(67,421,120)**

15a. Corporate & deferred tax

	2021 GH¢	2020 GH¢
Analysis of charge for the year		
Corporate tax (24a)	(83,513,629)	(71,823,122)
Deferred tax (15b)	11,528,917	15,483,504
	(71,984,712)	**(56,339,618)**

The corporate tax charge on the profit is based on Ghana's corporate tax rate of 25% (2020:25%).

	2021 GH¢	2020 GH¢
15b. Deferred tax		
Balance as at 1 january	15,309,433	271,230
Tax expense recognised in profit or loss during the year	11,528,917	15,483,504
Tax recognised in OCI during the year	172,356	(445,301)
Balance as at 31 December	**27,010,706**	15,309,433

Deferred tax assets and liabilities are attributable to the following:

		2021			**2020**	
	Assets GH¢	**Liabilities GH¢**	**Net GH¢**	**Assets GH¢**	**Liabilities GH¢**	**Net GH¢**
Property, plant and equipment	-	(41,223,420)	(41,223,420)	-	(41,223,420)	(41,223,420)
Provisions and contingencies	68,507,070	-	68,507,070	56,978,154	-	56,978,154
FVOCI instrument	-	(272,945)	(272,945)	-	(445,301)	(445,301)
Net tax liabilities/(assets)	68,507,070	(41,496,365)	27,010,706	56,978,154	(41,668,721)	15,309,433

Notes to the Financial Statements cont'd

		2021 GH¢	2020 GH¢
15c.	**National stabilization levy**		
	Analysis of charge for the Year		
	Charge to statement of profit or loss and other comprehensive income	(14,098,333)	(11,081,502)

In accordance with the National Fiscal Stabilization Act, 2013 (Act 862) all companies in Banking, Non Bank Financial Institutions, Insurance, Mining, Brewery and Communication are supposed to pay a levy of 5% of profit before tax towards National Fiscal Stability .

15d.	**Financial Sector Recovery Levy**	**2021 GH¢**	2020 GH¢
	Analysis of charge for the year		
	Charge to statement of profit or loss and other comprehensive income	(11,554,021)	-

The Financial Sector Recovery Levy was instituted as a levy on banks to raise revenue to support the financial sector reforms and to provide for related matters. Thus , in accordance with the Financial Sector Recovery Levy Act, 2021 (Act 1067) , all Banking Instituitions (excluing rural banks and community banks) are required to pay 5% of profit before tax as a Levy . The Act was gazetted on 31 March,2021.

15e. Factors affecting the corporate 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:

	2021 GH¢	2020 GH¢
Pretax profit for the year	281,966,699	221,630,035
Tax charge thereon at Ghana corporate tax rate of 25%	70,491,675	55,407,509
Factors affecting Charge:		
Non deductible expenses	20,132,453	25,676,460
Income exempted	(18,639,418)	(24,744,351)
National Stabilisation Levy	14,098,335	11,081,502
Financial Sector Recovery Levy	11,554,021	-
Tax on corporate profit (Note 15)	**97,637,067**	**67,421,120**
Effective Corporate Income tax rate	**34.6%**	**30.4%**

The tax charge on profit for the year is based on Ghana's corporate tax rate of 25% . A National Stabilisation Levy and a Financial Sector Recovery Levy are also both charged at 5% each (2020 : Corporate tax 25%, National Stabilisation Levy 5%).

16. 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:

	2021	2020
Profit attributable to shareholders of the Bank (GH¢)	184,329,633	154,208,915
Number of Shares		
Weighted Average number of oustanding ordinary shares	709,141,367	709,141,367
Basic Earning per Share (GH¢)	0.260	0.217
Diluted Earnings per Share (GH¢)	0.260	0.217

Diluted Earnings per Share
The Bank has no category of dilutive potential ordinary shares.

17. Cash and cash equivalents

	2021 GH¢	2020 GH¢
Cash on hand and cash balances with bank of ghana (Note 17a)	681,248,249	640,873,048
Due from banks and other institutions (Note 17b)	283,381,957	921,536,236
Gross cash and cash equivalent	**964,630,206**	**1,562,409,284**
Less impairment	(669,284)	(425,668)
	963,960,922	**1,561,983,616**

17a. Cash on hand and cash balances with Bank of Ghana

	2021 GH¢	2020 GH¢
Cash on hand	122,795,991	94,416,351
Balance with Bank of Ghana	558,452,258	546,456,697
	681,248,249	**640,873,048**

17b. Due from banks and other institutions

	2021 GH¢	2020 GH¢
Nostro account balances	182,786,981	902,686,159
Items in course of collection	10,594,976	18,850,077
Placement with local banks	90,000,000	-
	283,381,957	**921,536,236**

An analysis of changes in the gross carrying amount in relation to cash and cash equivalents is as follows:

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

2021 (GH¢)	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total Individual
Cash and cash equivalents	964,630,206	-	-	964,630,206
Total	**964,630,206**	**-**	**-**	**964,630,206**

2021 (GH¢)	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
Gross carrying amount as at 1 January 2021	1,562,409,284	-	-	1,562,409,284
New assets originated or purchased	964,630,206	-	-	964,630,206
Assets derecognised or repaid (excluding write offs)	(1,562,409,284)	-	-	(1,562,409,284)
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Amounts written off	-	-	-	-
Total	**964,630,206**	**-**	**-**	**964,630,206**

Notes to the Financial Statements cont'd

2020 (GH¢)	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
Cash and cash equivalents	1,562,409,284	-	-	1,562,409,284
Total	**1,562,409,284**	**-**	**-**	**1,562,409,284**

2020 (GH¢)	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
Gross carrying amount as at 1 January 2020	1,295,953,080	-	-	1,295,953,080
New assets originated or purchased	1,562,409,284	-	-	1,562,409,284
Assets derecognised or repaid (excluding write offs)	(1,295,953,080)	-	-	(1,295,953,080)
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Amounts written off	-	-	-	-
Total	**1,562,409,284**	**-**	**-**	**1,562,409,284**

		2021 GH¢	2020 GH¢
17c.	**Impairment allowance for cash and cash equivalents**		
	Opening balance	425,668	312,349
	Charge for the year	243,616	113,319
	Closing stock of provision	669,284	425,668

2021 GH¢	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
ECL allowance as at 1 January 2021	425,668	-	-	425,668
New assets originated or purchased	669,284	-	-	669,284
Assets derecognised or repaid (excluding write offs)	(425,668)	-	-	(425,668)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Total	**669,284**	**-**	**-**	**669,284**

2020 GH¢	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
ECL allowance as at 1 January 2020	312,349	-	-	312,349
New assets originated or purchased	425,668	-	-	425,668
Assets derecognised or repaid (excluding write offs)	(312,349)	-	-	(312,349)
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Amounts written off	-	-	-	-
Total	**425,668**	**-**	**-**	**425,668**

18. Non-pledged trading assets

	2021 GH¢	2020 GH¢
Government bonds	100,845,857	51,322,316
Treasury bills	42,310,423	16,574,160
	143,156,280	**67,896,476**

18a. Non pledged trading assets

	2021 FV Through P&L GH¢	2020 FV Through P&L GH¢
Balance as at 1 January	67,896,476	57,523,936
Additions	142,657,354	68,612,759
Disposals	(67,896,476)	(57,523,936)
Fair value	498,926	(716,283)
Balance as at 31 December	**143,156,280**	**67,896,476**

None of the financial instruments was pledged as collateral during the year (2020: Nil).

19. Equity investments

	2021 GH¢	2020 GH¢
Advans Ghana (Note 19a)	2,923,386	2,951,115
YUP Ghana	9,285,350	9,285,350
Impairment	(9,285,350)	-
Total	**2,923,386**	**12,236,465**

	2021 GH¢	2020 GH¢
19a. Advans Ghana		
Balance as at 1 January	2,951,115	3,254,380
Fair value	(27,729)	(303,265)
	2,923,386	**2,951,115**

Advans Ghana is a Savings and Loans company which specializes in the collection of deposits and giving of credits. Societe Generale Ghana has a 6.22% (previously 10%) stake in the ownership of the company. It is an unlisted equity investment which is carried at fair value through profit or loss.

YUP Ghana Limited, has been incorporated as a private company limited by shares. The Company was registered with 500,000,000 shares of no-par value. The e company is authorized to carry on the distribution of electronic money. SG Ghana held a 35.6% interest in YUP Ghana Limited and recognised its investment using the equity method. At year end, management has determined that there is objective evidence that the investment is impaired. Thus, SG Ghana has calculated the amount of impairment as the difference between the carrying value and its recoverable amount and has been recognised in the statement of profit or loss.

Advans Ghana will be held under our investment company SSBI.

20. Loans and advances

	2021 GH¢	2020 GH¢
Overdrafts	501,743,477	534,694,886
Term loans	2,115,073,457	2,114,641,416
Export financing	-	413,136
Staff loan	71,006,599	68,657,097
Equipment finance lease	117,035,204	107,362,816
Gross loans and advances (Note 20d)	2,804,858,737	2,825,769,351
Amortised cost adjustment	(28,390,451)	(28,334,030)
Interest in suspense	(37,956,512)	(24,898,406)
Less: allowances for impairment (Note 20e)	(234,145,097)	(209,830,240)
	2,504,366,677	**2,562,706,675**

Loans and advances

	2021 GH¢	2020 GH¢
Current	2,497,536,711	2,596,040,746
Other loans especially mentioned	94,735,487	39,977,578
Gross performing loans	2,592,272,198	2,636,018,324
Substandard	15,406,958	26,654,272
Doubtful	17,803,061	35,124,623
Loss	179,376,520	127,972,132
Gross non performing loans	212,586,539	189,751,027
Total gross loans	**2,804,858,737**	**2,825,769,351**

Notes to the Financial Statements cont'd

20a. Other statistics

		2021 GH¢	2020 GH¢
i.	Loan loss provision ratio	8.35%	7.43%
ii.	Gross non-performing loan ratio	7.58%	6.72%
iii.	50 Largest exposure (gross funded loan and advances to total exposure)	62.02%	65.50%
iv.	Liquidity ratio	108.78%	88.26%
v.	Leverage ratio	12.57%	12.59%
vi.	Off-balance sheet exposures (GH¢m)	1,079.86	665.07

20b. Analysis by type of customers

	2021 GH¢	2020 GH¢
Individual	920,323,902	833,960,192
Private enterprise	1,442,944,151	1,486,476,662
Public enterprise	137,511,614	219,946,201
Government departments and agencies	233,072,471	219,528,425
Staff	71,006,599	65,857,871
	2,804,858,737	**2,825,769,351**

20c. Analysis by industry sector

	2021 GH¢	2020 GH¢
Agriculture, forestry and fishing	296,962,528	340,659,130
Mining and quarrying	60,219,929	52,316,025
Manufacturing	287,030,719	267,007,161
Construction	11,591,330	8,762,270
Electricity, gas and water	201,165,848	148,531,412
Commerce and finance	160,187,200	232,869,730
Transport, storage, communication and services	1,681,177,356	1,681,204,549
Miscellaneous	106,523,827	94,419,074
	2,804,858,737	**2,825,769,351**

20d. Analysis of gross loans and advances

The table below shows the credit quality and the maximum exposure to credit risk based on year-end stage classification. The amounts presented are gross of impairment allowances.

2021 GH¢	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
Corporate lending	1,697,959,024	13,056,542	83,035,000	1,794,050,566
Retail lending	830,595,666	86,483,505	93,729,000	1,010,808,171
Gross loan balance	**2,528,554,690**	**99,540,047**	**176,764,000**	**2,804,858,737**

2020 GH¢	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
Corporate lending	1,772,289,664	21,162,854	95,749,138	1,889,201,656
Retail lending	810,431,147	26,798,374	99,338,174	936,567,695
Gross loan balance	**2,582,720,811**	**47,961,228**	**195,087,312**	**2,825,769,351**

An analysis of changes in the gross carrying amount in relation to corporate lending is as follows:

2021 GH¢	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
Gross carrying amount as at 1 January 2021	1,772,289,664	21,162,854	95,749,138	1,889,201,656
New assets originated or purchased	519,690,552	13,056,542	59,903,353	592,650,447
Assets derecognised or repaid (excluding write offs)	(594,021,046)	(21,162,854)	(72,532,800)	(687,716,700)
Transfers to stage 1	8,358,206	(1,922,524)	(6,435,681)	-
Transfers to stage 2	(17,683,397)	19,791,250	(2,107,853)	-
Transfers to stage 3	(1,567,995)	-	1,567,995	-
Amounts written off	(146)	-	(84,691)	(84,837)
Total	**1,687,065,838**	**30,925,268**	**76,059,461**	**1,794,050,566**

2020 GH¢	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
Gross carrying amount as at 1 January 2020	1,844,755,709	19,681,318	187,753,968	2,052,190,995
New assets originated or purchased	717,863,282	7,410,523	39,859,443	765,133,248
Assets derecognised or repaid (excluding write offs)	(769,497,290)	(8,166,564)	(62,636,601)	(840,300,455)
Transfers to stage 1	(1,362,818)	1,362,818	-	-
Transfers to stage 2	(8,097,578)	8,097,578	-	-
Transfers to stage 3	(11,206,974)	(7,220,058)	18,427,032	-
Amounts written off	(164,667)	(2,761)	(87,654,704)	(87,822,132)
Total	**1,772,289,664**	**21,162,854**	**95,749,138**	**1,889,201,656**

An analysis of changes in the gross carrying amount in relation to Retail lending is as follows:

2021 GH¢	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
Gross carrying amount as at 1 January 2021	810,431,147	26,798,374	99,338,174	936,567,695
New assets originated or purchased	445,952,240	82,270,300	31,209,774	559,432,314
Assets derecognised or repaid (excluding write offs)	(425,771,817)	(22,582,680)	(33,199,487)	(481,553,985)
Transfers to stage 1	83,111,791	(66,252,813)	(16,858,978)	-
Transfers to stage 2	5,041,919	3,180,597	(8,222,516)	-
Transfers to stage 3	(987,568)	(1,524)	989,091	-
Amounts written off	(15,904)	(2,489)	(3,619,461)	(3,637,853)
Total	**917,761,808**	**23,409,766**	**69,636,597**	**1,010,808,171**

2020 GH¢	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
Gross carrying amount as at 1 January 2020	793,870,926	22,479,741	75,884,126	892,234,793
New assets originated or purchased	368,034,220	5,653,156	15,732,333	389,419,709
Assets derecognised or repaid (excluding write offs)	(318,826,936)	(8,585,486)	(9,490,791)	(286,215,796)
Transfers to stage 1	6,220,797	(5,323,516)	(897,281)	-
Transfers to stage 2	(19,411,236)	19,411,236	-	-
Transfers to stage 3	(19,455,240)	(6,836,102)	26,291,342	-
Amounts written off	(1,384)	(655)	(8,181,555)	(8,183,594)
Total	**810,431,147**	**26,798,374**	**99,338,174**	**936,567,695**

20e. Analysis of impairment allowances

2021 GH¢	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
Corporate lending	42,614,504	2,245,725	78,138,550	122,998,780
Retail lending	9,669,593	21,677,795	79,798,929	111,146,317
Gross loan balance	**52,284,097**	**23,923,521**	**157,937,479**	**234,145,097**

2020 GH¢	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
Corporate lending	46,324,999	3,886,871	77,989,000	128,200,870
Retail lending	9,079,967	6,629,403	65,920,000	81,629,370
Gross loan balance	**55,404,966**	**10,516,274**	**143,909,000**	**209,830,240**

20f. Analysis of impairment allowances

	2021 GH¢	2020 GH¢
At 1 January	209,830,240	253,990,687
Loans written off during the year	(2,619,000)	(90,427,001)
	207,211,240	163,563,686
Increase in provision	26,933,857	46,266,554
At 31 December	**234,145,097**	**209,830,240**

Impairment allowance for loans and advances to corporate customers

2021 GH¢	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
Gross carrying amount as at 1 January 2021	46,324,999	3,886,871	77,989,000	128,200,870
New assets originated or purchased	13,511,954	2,245,725	6,964,000	22,721,680
Assets derecognised or repaid (excluding write offs)	(17,222,449)	(3,886,871)	(6,729,450)	(27,838,770)
Transfers to stage 1	217,313	(49,986)	(167,328)	-
Transfers to stage 2	(3,041,544)	3,404,095	(362,551)	-
Transfers to stage 3	-	-		-
Amounts written off	-	-	(85,000)	(85,000)
Total	**39,790,273**	**5,599,835**	**77,608,672**	**122,998,780**

2020 GH¢	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
Gross carrying amount as at 1 January 2020	58,137,922	1,075,166	131,541,839	190,754,927
New assets originated or purchased	18,648,333	4,216,353	3,658,600	59,450,686
Assets derecognised or repaid (excluding write offs)	(29,575,483)	(1,130,862)	(3,414,391)	(34,120,736)
Transfers to stage 1	224,868	(224,868)	(2,742,138)	-
Transfers to stage 2	(242,927)	242,927	-	-
Transfers to stage 3	(417,978)	(741,581)	1,159,559	-
Amounts written off	-	-	(87,884,007)	(87,884,007)
Total	**46,324,999**	**3,886,871**	**77,989,000**	**128,200,870**

Impairment allowance for loans and advances to retail customers

2021 GH¢	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
Gross carrying amount as at 1 January 2021	9,079,967	6,629,403	65,920,000	81,629,370
New assets originated or purchased	4,985,972	20,489,005	23,831,929	49,306,906
Assets derecognised or repaid (excluding write offs)	(4,396,346)	(5,440,612)	(7,419,000)	(17,255,959)
Transfers to stage 1	847,289	(668,573)	(178,715)	-
Transfers to stage 2	1,290,107	754,723	2,044,830	-
Transfers to stage 3	-	-	-	-
Amounts written off	-	-	(2,534,000)	(2,534,000)
Total	**11,806,989**	**21,763,945**	**77,575,384**	**111,146,317**

2020 GH¢

	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
Gross carrying amount as at 1 January 2020	10,471,882	2,635,519	50,128,358	63,235,759
New assets originated or purchased	4,508,296	6,167,443	25,765,000	36,440,739
Assets derecognised or repaid (excluding write offs)	(7,481,723)	498,953	(8,521,358)	(15,504,128)
Transfers to stage 1	2,010,756	(1,292,931)	(717,825)	-
Transfers to stage 2	(218,975)	218,975	-	-
Transfers to stage 3	(210,269)	(1,598,556)	1,808,825	-
Amounts written off	-	-	(2,543,000)	(2,543,000)
Total	**9,079,967**	**6,629,403**	**65,920,000**	**81,629,370**

Loan provisioning/impairment are 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. Where credit loss provisions per IFRS principles is more than provisions per Bank of Ghana guidelines, no regulatory credit reserve is required.

When the credit loss provision calculated under IFRS principles is less than what is required under the Bank of Ghana guidelines, transfers are made from the income surplus account into the non- distributable regulatory credit reserves.

	2021 GH¢	2020 GH¢
Provisions per Bank of Ghana guidelines	185,168,207	157,495,753
Provisions per IFRS	234,145,097	209,830,240

No credit risk reserve was made in 2021 and 2020 as IFRS provision is greater than provision under Bank of Ghana guidelines.

21.	**Investment securities**	**2021**	2020
	Debt instruments measured at amortised cost	1,383,955,004	427,587,822
	Debt instruments measured at Fair value through OCI	87,240,744	108,961,776
		1,471,195,749	**536,549,598**

21a.

	Debt instruments measured at amortised cost	**Debt instruments measured at Fair value through OCI**	**Debt instruments measured at amortised cost**	**Debt instruments measured at Fair value through OCI**
	GH¢	GH¢	GH¢	GH¢
Cost	1,384,667,134	86,148,964	428,091,754	107,180,571
Fair value		1,091,781	-	1,781,205
Less impairment	(712,130)	-	(503,932)	-
	1,383,955,004	**87,240,744**	**427,587,822**	**108,961,776**

Lien on investment securities

Included in debt instruments measured at amortised cost is an amount of GH¢20million placed with the Bank of Ghana (BoG) by Societe Generale Ghana PLC as integrity capital as part of the requirement for a Dedicated Electronic Money Issuer (DEMI) licence for YUP Ghana,an associated company of Societe Generale Ghana Plc. The said amount has been invested by the Bank of Ghana (BoG) in a 5 year Bond bearing an interest of 21.5% per annum and is expected to mature in March 2025. The aforementioned and its accrued interest (GH¢ 7.73M as at December 2021) is a regulatory requirement and may only be made available to Societe Generale Ghana PLC in the instances where the licence is cancelled,expired or revoked and after all the liabilities held by YUP Ghana Limited has been settled.

Debt instruments measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk and year-end stage classification. The amounts presented is net of impairment allowances.

2021 GH¢

	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
Government Bills and Bonds	1,383,955,004	-	-	1,383,955,004
Total exposure	**1,383,955,004**	**-**	**-**	**1,383,955,004**

An analysis of changes in the gross carrying amount and year-end stage classification is, as follows:

	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
Gross carrying amount as at 1 January 2020	428,091,754	-	-	428,091,754
New assets originated or purchased	1,057,882,493	-	-	1,057,882,443
Assets derecognised or matured (excluding write offs)	(101,307,113)	-	-	(101,307,113)
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Amounts written off	-	-	-	-
Total	**1,384,667,134**	**-**	**-**	**1,384,667,134**

21b. Impairment allowance for Debt Instruments at Amortized Cost

	2021 GH¢	2020 GH¢
Opening balance	503,932	-
Charge for the year	208,198	503,932
Closing stock of provision	**712,130**	**503,932**

2021 GH¢

	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
ECL allowance as at 1 January 2021	503,932	-	-	503,932
New assets originated or purchased	327452	-	-	327452
Assets derecognised or repaid (excluding write offs)	(119,255)	-	-	(119,255)
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Amounts written off	-	-	-	-
Total	**712,130**	**-**	**-**	**712,130**

2020 GH¢

	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
Government bills and bonds	427,587,822	-	-	427,587,822
Total exposure	**427,587,822**	**-**	**-**	**427,587,822**

An analysis of changes in the gross carrying amount and year-end stage classification is, as follows:

	Stage 1 Individual	Stage 2 Individual	Stage 3 Collective	Total
Gross carrying amount as at 1 January 2020	83,104,992	-	-	83,104,992
New assets originated or purchased	437,842,702	-	-	437,842,702
Assets derecognised or matured (excluding write offs)	(92,855,940)	-	-	(92,855,940)
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Amounts written off	-	-	-	-
Total	**428,091,754**	**-**	**-**	**428,091,754**

Impairment allowance for debt instruments measured at amortised cost

2020 GH¢

	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
ECL allowance as at 1 January 2020	-	-	-	-
New assets originated or purchased	(503,932)	-	-	(503,932)
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Amounts written off	-	-	-	-
Total	**(503,932)**	**-**	**-**	**(503,932)**

22. Property, plant and equipment

	2021 GH¢	2020 GH¢
Property, plant and equipment (22b)	255,268,418	290,748,100
	255,268,418	**290,748,100**

22a. Depreciation and amortization

	2021 GH¢	2020 GH¢
Property, plant and equipment (Note 22b)	30,463,364	32,459,174
Intangible assets (Note 23)	4,344,234	1,128,990
	34,807,598	**33,588,164**

22b. Depreciation and amortization

2021 GH¢	**Land & Building**	**Right of Use Assets**	**Computers**	**Furniture & Equipment**	**Motor Vehicles**	**Assets in Course of Construction**	**Total**
Cost/valuation	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 1 January	81,063,823	217,114,235	22,816,602	52,092,312	8,975,095	37,248,483	419,310,550
Additions	117,254	3,277,747	2,185,520	1,288,335	-	3,108,041	9,976,898
Transfers	2,145,810	1,916,523	1,336,494	9,426,358	-	(14,825,184)	-
Reclassification						(14,993,214)	(14,993,214)
Write offs	-	-	-	-	(77,043)	-	(77,043)
Disposal	-	-	-	-	-	-	
Balance as at 31 December	**83,326,887**	**222,308,505**	**26,338,617**	**62,807,004**	**8,898,052**	**10,538,126**	**414,217,191**
Depreciation							
Balance at 1 January	28,280,704	32,786,662	21,102,781	38,629,549	7,762,755	-	128,562,451
Charge for the year	6,423,825	16,177,253	1,395,521	5,639,193	827,572	-	30,463,364
Transfers	-	-	-	-	-	-	-
Disposal	-	-	-	-	(77,043)	-	(77,043)
Balance as at 31 December	**34,704,529**	**48,963,915**	**22,498,302**	**44,268,742**	**8,513,284**	**-**	**158,948,773**
NBV as at 31 December 2021	**48,622,358**	**173,344,590**	**3,840,314**	**18,538,262**	**384,768**	**10,538,126**	**255,268,418**

2020 GH¢	**Land & Building**	**Right of Use Assets**	**Computers**	**Furniture & Equipment**	**Motor Vehicles**	**Assets in Course of Construction**	**Total**
Cost/valuation	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 1 January	79,832,821	203,966,119	21,868,925	49,743,300	8,621,695	22,939,034	386,971,894
Additions	184,493	13,108,407	947,679	1,736,399	353,400	16,011,855	32,342,233
Transfers	1,046,506	39,709	-	612,615	-	(1,698,830)	-
Write offs	-	-	-	-	-	(3,577)	(3,577)
Disposal	-	-	-	-	-	-	-
Balance as at 31 December	**81,063,820**	**217,114,235**	**22,816,604**	**52,092,314**	**8,975,095**	**37,248,482**	**419,310,550**

Notes to the Financial Statements cont'd

2020	Land & Building	Right of Use Assets	Computers	Furniture & Equipment	Motor Vehicles	Assets in Course of Construction	Total
Depreciation	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 1 January	22,482,411	15,027,290	19,966,852	32,597,788	6,028,935	-	96,103,276
Charge for the year	6,862,604	16,695,061	1,135,928	6,031,760	1,733,821	-	32,459,174
Transfers	(1,064,311)	1,064,311	-	-	-	-	-
Disposal	-	-	-	-	-	-	-
Balance as at 31 December	**28,280,704**	**32,786,662**	**21,102,780**	**38,629,548**	**7,762,756**	**-**	**128,562,450**
NBV as at 31 December 2020	**52,783,116**	**184,327,573**	**1,713,824**	**13,462,766**	**1,212,339**	**37,248,482**	**290,748,100**

23. Intangible assets

	2021 GH¢	2020 GH¢
Computer software		
Cost		
Balance as at 1 January	21,866,496	21,201,601
Additions	3,096,343	664,895
Reclassification (Note 22b)	14,993,214	-
Balance as at 31 December	**39,956,054**	**21,866,496**
Amortisation		
Balance as at 1 January	20,602,025	19,473,036
Charge for the year	4,344,234	1,128,990
Balance as at 31 December	**24,946,260**	**20,602,026**
31 December	**15,009,794**	**1,264,470**

The amortization periods and key factors considered in determining the useful life are the same as disclosed in note 2.8 above.

24. Corporate Tax: assets/liabilities

	2021 GH¢	2020 GH¢
Corporate tax (note 24a)	(22,731,274)	(24,680,582)
National stabilization levy (Note 24b)	1,559,711	(1,071,942)
Financial sector recovery levy (Note 24c)	(153,621)	-
	(21,325,184)	**(25,752,524)**

24a. Corporate tax

	2021 GH¢	2020 GH¢
Balance as at 1 January	(24,680,582)	(35,602,172)
Charge to statement of profit or loss and other comprehensive income	(83,513,629)	(71,823,122)
Payment/credit during the year	85,462,937	82,744,712
Balance as at 31 December	**(22,731,274)**	**(24,680,582)**

24b. National stabilization levy

	2021 GH¢	2020 GH¢
Balance as at 1 January	(1,071,942)	(149,158)
Charge to statement of profit or loss and other comprehensive income	(14,098,333)	(11,081,502)
Payment/credit during the year	16,729,986	10,158,718
Balance as at 31 December	**1,559,711**	**(1,071,942)**

The levy charged on the profit is based on a rate of 5% .

In accordance with the National Fiscal Stabilization Act, 2013, (Act 862) all companies in Banking, Non Bank Financial Institutions, Insurance, Mining, Brewery and Communication are supposed to pay a levy of 5% of profit before tax towards National Fiscal Stability.

24c. Financial sector recovery levy

	2021 GH¢	2020 GH¢
Balance as at 1 January	-	-
Charge to statement of profit or loss and other comprehensive income	(11,554,021)	-
Payment/credit during the year	11,400,401	-
Balance as at 31 December	**(153,621)**	**-**

The levy charged on the profit is based on a rate of 5%.

The Financial Sector Recovery Levy was instititted as a levy on banks to raise revenue to support the financial sector reforms and to provide for related matters. Thus , In accordance with the Financial Sector Recovery Levy Act, 2021 (Act 1067), all Banking Instituitions (excluding rural banks and community banks) are required to pay 5% of profit before tax as a Levy. The Act was gazetted on 31 March 2021.

25. Other assets

	2021 GH¢	2020 GH¢
Stationery and consumable stocks	49,626	151,806
Prepayments and sundry debtors (Note 25a)	53,995,388	66,308,069
Accrued income	85,173	51,644
	54,130,187	**66,511,519**

25a. Prepayments and sundry debtors

	GH¢	GH¢
Finance lease prepayment	3,094,407	1,343,217
Unpaid customer charges	8,899,518	6,569,231
Deferred staff cost	13,110,105	14,209,047
Rent prepayment	285,788	536,954
Medical prepayment	3,134,072	3,070,767
Bills payment	-	3,590,921
Other sundry debtors and prepayment*	25,471,498	36,987,932
	53,995,388	**66,308,069**

*Included in sundry debtors and prepayment is an amount of GH¢12,648,119 due from YUP Ghana (A company for which SG Ghana holds 35.6% interest). At year end, management has determined that there is objective evidence that the receivable is impaired. Thus, SG Ghana has calculated the amount of impairment of loss of GH¢4,502,730 as the difference between the carrying amount and the recoverable value and has recognised the loss within in the statement of profit or loss.

26. Derivative liabilities held for risk management

	2021 GH¢	2020 GH¢
Fx swap	40,509,648	-
	40,509,648	**-**

Derivative Financial Instruments

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year end and are indicative of neither the market risk nor the credit risk.

2021	Fair value of derivatives held for trading GH¢	Notional amount GH¢
Foreign Exchange SWAP	**40,509,648**	**575,730,000**

2020	Fair value of derivatives held for trading GH¢	Notional amount GH¢
Foreign Exchange SWAP	**-**	**-**

Most of the Bank's derivative trading activities relate to deals with customers that are normally offset by transactions with other counterparties. The Bank may also take positions with the expectation of profiting from favourable movements in prices, rates or indices.

The derivatives of the bank are fair valued at level 2 using the discounted cash flow method. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rate at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

27. Borrowings

	2021 GH¢	2020 GH¢
Socgen borrowing	422,616,338	318,912,566
European international bank	16,748,123	22,480,716
Proparco	17,163,281	24,873,505
IFC	132,336,887	-
	588,864,628	**366,266,787**

	Socgen Borrowing	European International Bank	Propaco	IFC	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
Opening Balance	318,912,566	22,480,716	24,873,505	-	366,266,787
Movements within the year:					
Cash movements	103,616,000	(5,659,995)	(7,654,800)	131,383,438	221,684,643
Non cash movements	87,772	(72,598)	(55,424)	953,450	913,199
Closing bBalance	**422,616,338**	**16,748,123**	**17,163,281**	**132,336,887**	**588,864,628**

The Bank has not had any defaults of principal, interest or other breaches with regard to any liabilities during 2021 or 2020.

Societe de Promotion et de Participation pour la Cooperation Economique (PROPARCO): TThis is a US$30million long-term credit line ('the facility') granted to the bank. The first draw down of USD 6million has a fixed interest rate of 5.12% and matured on 30 April 2020. The second draw down of US$ 4million has a fixed interest rate of 5.19% and matured on 30 April 2020. The third draw down was EUR7.5million. The related interest rate is 6-months Libor plus a margin of 370 basis points and will mature on 30 April 2024. As at 31 December 2021 the amount outstanding is €2.5million.

European Investment Bank (EIB): This is a €20million credit facility extended to the bank by EIB. The loan could be drawn in EUR and/or USD and to be used to finance up to 50% of the banks capital expenditure intended to develop the bank's intermediation capacities (such as developing its branch network, IT Systems, training etc.) and for financing eligible Private Sector Small and Medium Sized Enterprises. The interest rate on the drawn portion is fixed at 5.422% and matures on 1 April 2024. As at 31 December 2021 the outstanding balance is US$2.75million.

SocGen Borrowing: The bank took two facilitities from the group. The first one is a US$65.8million renewable 1 year credit line.The second is a 7 year loan facility of US$55million at Libor 3-months plus a margin of 376 basis points and will mature in 4 May 2027. As at 31 December 2021 the total amount outstanding on both facilities was US$70million.

International Finance Corporation (IFC): This is a 5 year US$50m facility granted to support funding in the SME business space. The first draw down of US$25million was done on 24 June 2021 at a rate of 3 month Libor plus a spread of 227 basis point. As at 31 December 2021, total amount outstanding is US$21.875million.

28. Deposit from customers

	2021 GH¢	2020 GH¢
Retail customers		
Term deposits	441,267,773	436,274,367
Current deposits	839,164,957	818,411,367
Savings deposits	567,775,555	524,037,991
Corporate customers		
Term deposits	119,142,367	224,964,145
Current deposits	1,422,000,000	1,475,797,067
Savings deposits	1,790,031	1,858,384
Interest payable on deposits		
Deposits from customers	3,391,140,683	3,481,343,321
Deposits from banks	1,916,501	3,945,938
	3,393,057,184	**3,485,289,259**

28a. Analysis by type of deposits

	2021 GH¢	2020 GH¢
Financial institutions	16,357,750	48,601,920
Individuals and other private enterprise	3,340,670,661	3,422,906,822
Government departments and agencies	3,189,699	2,858,513
Public enterprises	32,839,074	10,922,004
	3,393,057,184	3,485,289,259
20 Largest depositors to total deposit ratio	**23.38%**	**24.30%**

29. Other liabilities

	2021 GH¢	2020 GH¢
Creditors	44,593,839	32,841,345
Other creditors and provisions (Note 29a)	190,609,987	88,753,380
Accruals (Note 29b)	129,496,312	190,708,168
	364,700,139	**312,302,893**

29a. Other creditors and provisions

	2021 GH¢	2019 GH¢
Payment orders	6,886,659	7,394,104
Statutory deductions	3,488,010	2,406,032
Uncleared effects (Note 29c)	124,298,103	58,379,042
Other commitments & credit balances	14,162,296	9,444,919
Staff related provisions (Note 29d)	2,600,000	2,537,000
Provisions on contingencies	1,540,029	3,827,276
Bills payment	16,144,722	-
Other provisions (Note 29d)	21,490,169	4,765,007
	190,609,987	**88,753,380**

29b. Accruals

	2021 GH¢	2020 GH¢
Staff & related accruals	7,694,177	5,868,608
Audit fees	751,980	229,267
Software maintenance	24,354,864	78,086,122
IT, marketing & other shared services	86,019,571	67,812,265
Other accruals	10,675,720	38,711,906
	129,496,312	**190,708,168**

29c. Uncleared effects

This comprises uncleared balances on customer cheques and balances on customer transit accounts pending onward transfers.

Aging analysis of uncleared effects	**Total GH¢**	**2021 Below 3 months GH¢**	**2021 3 to 6 months GH¢**	**2021 6 to 12 months GH¢**	**2021 Above 1 year GH¢**
Uncleared effects	**124,298,103**	**89,752,751**	**17,480,237**	**6,537,951**	**10,527,164**

	Total GH¢	2020 Below 3 months GH¢	2020 3 to 6 months GH¢	2020 6 to 12 months GH¢	2020 Above 1 year GH¢
Uncleared effects	58,379,042	55,134,614	896,557	2,263,411	84,460

29d. Provisions

2021	Other Provisions GH¢	Staff Provisions GH¢	Total GH¢
As at 1 January 2021	4,765,007	2,537,000	7,302,007
Provisions made during the year	16,982,413	63,000	17,045,413
Provisions reversed during the year	(257,251)	-	(257,251)
As at 31 December 2021	**21,490,169**	**2,600,000**	**24,090,169**

2020			
As at 1 January 2020	4,825,103	-	4,825,103
Provisions made during the year	272,391	2,537,000	2,809,391
Provisions reversed during the year	(332,487)	-	(332,487)
As at 31 December 2020	**4,765,007**	**2,537,000**	**7,302,007**

Staff Provisions: This relates to provisions made for staff reorganization and/or termination . The provisions made reflect Management's best estimate of the expected outflow in the coming year.

Other Provisions: This relates to provisions for legal cases, registrar services and other incidental business costs.Provision for legal cases is the best estimate of claims from legal actions brought against the Bank. A fair assessement by the Bank indicates probable judgement against the Bank. Provision for registrar services and incidental business cost relates to business expenses for which timing and outflow is uncertain.

30. Stated capital

	2021	2020
a. Authorised ordinary shares		
Number of ordinary shares of no par value	1,000,000,000	1,000,000,000

		2021		2020
b. Issued and fully paid ordinary shares	Number GH¢	Amount	Number	Amount GH¢
Issued and fully paid ordinary shares	709,141,367	404,245,427	709,141,367	404,245,427

31. Dividend declared and paid

	2021 GH¢	2020 GH¢
Equity dividend on ordinary shares:		
Dividend declared	80,842,116	31,911,361
Dividend paid during the year	(80,842,116)	(31,911,361)
Balance as at 31 December	**-**	**-**

Dividends are treated as appropriation of profit in the year of approval by shareholders.

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

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

	2021		2020	
	Interest Paid	Interest Received	Interest Paid	Interest Received
	GH¢	GH¢	GH¢	GH¢
Societe Generale borrowing	12,528,079	97,847	10,670,773	137,705

b. Related party balances at December

Lending to related parties:

	2021 GH¢	2020 GH¢
Officers and employees other than Directors	71,006,599	68,657,096
Nostro account balances with Societe Generale Group	89,041,751	783,910,594

c. Loans to Directors

There were no loans to directors during the period.

d. Controlling relationship

Societe Generale Group is related by virtue of its ultimate (100%) controlling interest in SG Financial Services Holding, which has significant controlling interest in the shareholding in Societe Generale Ghana PLC.

33. Commitments and Contingent Liabilities

33a. Breakdown of Commitments and Contingent Liabilities

	2021 GH¢	2020 GH¢
Guarantees and indemnities	24,384,146	195,746,677
Letters of credit & others	178,601,059	126,073,791
Other undrawn commitments	58,162,811	70,176,925
Spot and forward purchase	818,711,895	273,673,892
	1,079,859,911	**665,671,285**

To meet the financial needs of customers, the Bank enters into various irrevocable commitments and contingent liabilities. These consist of financial guarantees, letters of credit and other commitments to lend. Even though these obligations may not be recognised on the statement of financial position, they contain credit risk and, therefore, form part of the overall risk of the Bank.

Letters of credit and guarantees (including standby letters of credit) commit the Bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Guarantees and standby letters of credit carry a similar credit risk to loans. The nominal values of such commitments are listed below.

Impairment losses on guarantees and other commitments

An analysis of changes in the gross carrying amount and the corresponding allowance for impairment losses in relation to guarantees and other commitments is, as follows:

Financial guarantees

The table below shows the credit quality and the maximum exposure and year-end stage classification.

	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
Financial guarantees	1,079,859,911	-	-	1,079,859,911
Total outstanding exposure	**1,079,859,911**	**-**	**-**	**1,079,859,911**

An analysis of changes in the gross carrying amount in relation to contingent liabilities is as follows:

	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
Gross carrying amount as at 1 January 2020	665,671,285	-	-	665,671,285
New assets originated or purchased	1,079,859,911	-	-	1,079,859,911
Assets derecognised or matured (excluding write offs)	(665,671,285)	-	-	(665,671,285)
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Amounts written off	-	-	-	-
Total outstanding exposure	**1,079,859,911**	**-**	**-**	**1,079,859,911**

33b. Impairment allowance for contingent liabilities

	2021 GH¢	2020 GH¢
Opening balance	3,827,276	4,309,506
Charge for the year	(2,287,247)	(482,230)
Closing stock of provision	1,540,029	3,827,276

	Stage 1 Collective	Stage 2 Collective	Stage 3 Specific	Total
Gross carrying amount as at 1 January 2021.	3,827,276	-	-	3,827,276
New assets originated or purchased	-	-	-	-
Assets derecognised or matured (excluding write offs)	(2,287,247)	-	-	(2,287,247)
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	-	-
Amounts written off	-	-	-	-
At 31 December 2021	**1,540,029**	**-**	**-**	**1,540,029**

To meet the financial needs of customers, the Bank enters into various irrevocable commitments and contingent liabilities. These consist of financial guarantees, letters of credit and other commitments to lend. Even though these obligations may not be recognised on the statement of financial position, they contain credit risk and,therefore, form part of the overall risk of the Bank.

Letters of credit and guarantees (including standby letters of credit) commit the Bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Guarantees and standby letters of credit carry a similar credit risk to loans. The nominal values of such commitments are listed below.

Impairment losses on guarantees and other commitments

An analysis of changes in the gross carrying amount and the corresponding allowance for impairment losses in relation to guarantees and other commitments is, as follows:

Financial guarantees

The table below shows the credit quality and the maximum exposure and year-end stage classification

34. Legal liability

Litigation is a common occurrence in the Banking industry due to the nature of the business undertaken. The Bank has formal controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Bank makes adjustments to account for any adverse effects which the claims may have on its financial standing. At year-end, the Bank had several unresolved legal claims.

Adequate provision has been made for all the relevant litigations for which losses may be probable. The probable outflow which could result from all such litigation, based on the current status of the various legal proceedings, is estimated to be no more than GH¢4,022,869 while the timing of the outflow is uncertain.

35. Analysis of financial assets and liabilities

Financial assets and liabilities are measured on an on-going basis either at fair value or at amortized 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:

31 December 2021	Financial Assets at FVPL	Loan and Advances at amortised cost	Debt Instrument Designated at FVOCI	Debt Instrument at amortised cost	Total Carrying Amount
Financial assets	GH¢	GH¢	GH¢	GH¢	GH¢
Cash and cash equivalents	-	963,960,922	-	-	963,960,922
Non-pledged trading assets	143,156,280	-	-	-	143,156,280
Investment securities	-	-	87,240,744	1,383,955,004	1,471,183,749
Loans and advances to customers	-	2,504,366,677	-	-	2,504,366,677
Investments (other than securities)	2,923,386	-	-	-	2,923,386
Other assets	-	54,130,187	-	-	54,130,187
Total financial assets	**146,079,666**	**3,522,457,786**	**87,240,744**	**1,383,955,004**	**5,139,733,201**
Total non-financial assets	**-**	**-**	**-**	**-**	**297,288,918**
Total assets					**5,437,022,119**

Notes to the Financial Statements cont'd

Financial liabilities	Financial Assets at FVPL GH¢	Financial Liabilities Measured at Amortised Cost GH¢	Total Carrying Amount GH¢
Deposits from banks and customers	-	3,393,057,184	3,393,057,184
Borrowings	-	588,864,628	588,864,628
Derivative Liabilities Held for Risk Management	40,509,648	-	40,509,648
Other liabilities	-	386,025,322	386,025,322
Total financial liabilities	**40,509,648**	**4,367,947,135**	**4,408,456,782**
Total non-financial liabilities			**1,028,565,337**
Total liabilities and shareholders fund			**5,437,022,119**

31 December 2020 Financial liabilities	Financial Assets at FVPL GH¢	Loan and Advances at amortised cost GH¢	Equity Instrument Designated at FVOCI GH¢	Debt Instrument at amortised cost GH¢	Total Carrying Amount GH¢
Cash & cash equivalents	-	1,561,983,616	-	-	1,561,983,616
Non-pledged trading assets	67,896,476	-	-	-	67,896,476
Investment securities	-	-	108,961,776	427,587,822	536,549,598
Loans and advances to customers	-	2,562,706,675	-	-	2,562,706,675
Investments (other than securities)	12,236,465	-	-	-	12,236,465
Other assets	-	66,511,519	-	-	66,511,519
Total financial assets	**80,132,941**	**4,191,201,810**	**108,961,776**	**427,587,822**	**4,807,884,349**
Total non-financial assets					**307,322,003**
Total assets					**5,115,206,352**

The fair values approximates their carrying amounts. Hence no further disclosure on fair values.

Financial liabilities	Financial Liabilities Measured at Amortised Cost GH¢	Total Carrying Amount GH¢
Deposits from banks and customers	3,485,289,259	3,485,289,259
Borrowings	366,266,787	366,266,787
Other liabilities	338,055,417	338,055,417
Total financial liabilities	**4,189,611,463**	**4,189,611,463**
Total non-financial liabilities		**925,594,889**
Total liabilities and shareholders fund		**5,115,206,352**

36. Determination of fair value and fair values hierarchy

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by the valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs have a significant effect on the recorded fair.
- Level 3: Techniques for which inputs have a significant effect on the recorded fair value that are not based on observable market data.

Financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker codes, investment in private equity funds with fair values obtained via fund Managers and assets that are valued using the Bank's own models whereby the majority of assumptions are market observable.

Non-market observable inputs means that fair values are determined in whole, or in parts, using a valuation technique, based on assumptions that are neither supported by prices from observable current market transactions in the same instrument, nor are they based on available market data. The main asset classes in this category are unlisted equity investments and debt instruments. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Therefore, observable inputs reflect the Bank's own assumption about the assumptions that market participants will use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available which might include the Bank's own data. Valuation was conducted by KOA Consult and Value Properties.

The following shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy done on a recurring basis.

31 December 2021	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
	GH¢	GH¢	GH¢	GH¢	GH¢
Assets:					
Non-Pledged Trading assets	18	-	143,156,280	-	143,156,280
Equity investment	19	-	2,923,386	-	2,923,386
Total Assets			**146,079,666**	**-**	**146,079,666**
Liabilities:					
Derivative Financial Liabilities	26	-	40,509,648	-	40,509,648
Total Liabilities		**-**	**40,509,648**	**-**	**40,509,648**

31 December 2020	Note	Level 1	Level 2	Level 3	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
Non-Pledged Trading assets	18	-	67,896,476	-	67,896,476
Equity investment	19	-	12,236,465	-	12,236,465
Total Assets		**-**	**80,132,941**	**-**	**80,132,941**

There were no transfers between levels 1 and 2 within the period.

Level 2 valuation technique
The assets in Level 2 comprise mainly Government of Ghana securities (Treasury Bills). They are valued using published results of tender for Government of Ghana and Bank of Ghana bill, notes and bonds at the financial year end.

Level 3 valuation technique
The assets in Level 3 comprise revaluation gain on the Bank's fixed assets. Fair value of the properties was determined using the market comparable method. The valuations have been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition.

37. Financial 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 frequency of meetings are:

i. Credit Risk Committee - Quarterly;
ii. Asset and Liabilities Committee - Bi-monthly;
iii. Market Risk Committee - Quarterly;
iv. Operational Risk Committee (Periodic and Permanent Control, Business Continuity Planning and Compliance) - Quarterly.

Risk management
Risk Management is done under specialists units of Credit and Market Risk Department and Operational and Permanent Control Division. These Units are responsible for implementing and maintaining risk related procedures to ensure independent control process is maintained. Societe Generale Ghana Risk 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 and 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 control
Risk Control is done under the various specialist units of Risk Management where monitoring of compliance with risk principles, policies and limits across the Bank is undertaken. Each business group has its own unit which is responsible for the independent control risks, including monitoring the risk of exposures against limits and the assessment of risks of new products and structured transactions. These units also ensure the complete capture of the risk in risk measurement and reporting systems through the various committees to the Board.

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 control systems
The bank has in place internal control systems and mechanisms aimed at ensuring that legal and regulatory provisions, ethics, and professional practices are complied with, internal processes of the bank are functioning properly and the financial information are reliable. The system is particularly designed to identify malfunctions and irregularities, to efficiently control risks, and to make sure that information systems are reliable. Internal control system distinguishes two levels of control: Permanent Control which forms the first level of control and Periodic Controls as a second level of control.

Permanent Control is essential for the bank's internal control structure and is defined as all procedures implemented on a permanent basis to guarantee that operations carried out on an operational level are correctly handled, secure and valid. It is based on day-to-day security, which is everyone's responsibility and on formal supervision carried out by management.

Periodic control activities are performed by dedicated and specialized teams of auditors which are independent from the operational entities. The scope of Periodic Controls encompasses all the bank's activities and can focus on any aspect of these activities, without any restrictions.

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 the bank is exposed to and how they are managed are as below:

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 Bank of Ghana 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 (at least yearly) 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.
- 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.

- analyze 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 and performed

Using provisions made on facilities above 90 days, the credit risk exposure for the bank is considered to be stable over a three year period.

Maximum credit exposure

	2021 GH¢	2020 GH¢
Due from bank and other financial institution	283,381,957	921,536,236
Non-pledged trading assets	143,156,280	67,896,476
Debt instruments at amortised cost	1,383,955,004	427,587,822
Loans and advances	2,804,858,737	2,825,769,351
Unsecured contingent liabilities and commitments	1,079,859,911	665,074,990
	5,695,211,890	**4,907,864,875**

Fair value of collateral held

The Bank holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

An estimate of the fair value of collateral and other security enhancements held against financial assets is shown below:

	2021 GH¢	2020 GH¢
Against impaired assets	243,630,045	299,019,226
Against past due but not impaired assets	34,877,174	75,009,807
	278,507,219	**374,029,033**

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 Societe Generale Group and monitored daily to ensure that its funding requirements can be met at all times and that a stock of high quality liquid assets is maintained.

The net liquidity gap resulting from liquidity analysis of assets and liabilities of the Bank as of 31 December 2020 is shown in the table below.

Maturity analysis of assets and liabilities

The table shows a summary of assets and liabilities analysed according to their undiscounted contractual terms of the transactions and models of historic client behaviour as well as conventional assumptions for some balance sheet items.

As at 31 December 2021	Total GH¢	Below 3 months GH¢	3 to 6 months GH¢	6 to 12 months GH¢	Above 1 year GH¢
Assets					
Cash and cash equivalents	963,248,795	963,248,795	-	-	-
Non-pledged trading assets	143,156,280	143,156,280	-	-	-
Debt instruments at fair value through other comprehensive income	87,240,744	-	-	-	87,240,744
Investment securities	1,384,667,134	1,331,168,093	21,146,405	1,011,716	31,340,919
Loans and advances to customers	2,504,366,677	497,833,962	303,401,761	508,086,205	1,195,044,749
Equity investments	2,923,386	-	-	-	2,923,386
Other assets	54,130,184	37,891,129	10,826,037	5,413,018	
Property, plant and equipment	255,268,418	-	-	-	255,268,418
Intangible assets	15,009,794	-	-	-	15,009,794
Deferred tax assets	27,010,707	27,010,707	-	-	-
Total assets	**5,437,022,119**	**3,000,308,966**	**335,374,203**	**514,510,940**	**1,586,828,010**
Liabilities					
Deposits from banks	1,916,501	1,916,501	-	-	-
Deposits from customers	3,391,140,683	1,043,511,541	461,185,629	450,845,989	1,435,597,523
Borrowings	588,864,628	108,860,563	6,307,983	25,077,046	448,619,037
Derivative liabilities held for risk management	40,509,648	40,509,648	-	-	-
Current tax liabilities	21,325,186	21,325,186	-	-	-
Other liabilities	364,700,136	138,816,628	138,816,668	87,066,839	-
Total liabilities	**4,408,456,782**	**1,354,940,067**	**606,310,281**	**562,989,874**	**1,884,216,560**
Net liquidity gap	**1,028,565,337**	**1,645,368,899**	**(270,936,078)**	**(48,062,324)**	**(297,388,550)**
Contingent liabilities	**261,148,100**	**122,661,628**	**54,859,066**	**80,577,097**	**3,050,310**

Notes to the Financial Statements cont'd

As at 31 December 2020	Total GH¢	Below 3 months GH¢	3 to 6 months GH¢	6 to 12 months GH¢	Above 1 year GH¢
Assets					
Cash and cash equivalents	1,561,983,616	1,561,983,616	-	-	-
Non-pledged trading assets	67,896,476	67,896,476	-	-	-
Debt instruments at fair value through other comprehensive income	108,961,776	-	-	-	108,961,776
Investment securities	427,587,822	353,201,522	13,109,189	29,284,201	31,992,910
Loans and advances to customers	2,562,706,675	435,599,801	454,323,741	422,650,850	1,250,132,283
Equity investments	12,236,465	-	-	-	12,236,465
Other assets	66,511,519	41,499,925	19,453,462	5,558,132	
Property, plant and equipment	290,748,100	-	-	-	290,748,100
Intangible assets	1,264,470	-	-	-	1,264,470
Deferred tax assets	15,309,433	15,309,433	-	-	-
Total assets	**5,115,206,352**	**2,504,991,350**	**487,034,445**	**456,849,171**	**1,666,331,386**
Liabilities					
Deposits from banks	3,945,938	3,945,938	-	-	-
Deposits from customers	3,481,343,321	990,495,465	641,908,961	458,440,299	1,390,498,596
Borrowings	366,266,787	3,168,110	3,214,257	6,382,367	353,502,054
Current tax liabilities	25,752,524	25,752,524	-	-	-
Other liabilities	312,302,893	93,690,868	93,690,868	124,921,157	-
Total liabilities	**4,189,611,463**	**1,117,052,905**	**738,814,085**	**589,743,822**	**1,744,000,650**
Net liquidity gap	**925,594,889**	**1,387,938,444**	**(251,779,641)**	**(132,894,651)**	**(77,669,264)**
Contingent liabilities	**665,076,000**	**447,272,834**	**101,719,762**	**89,965,055**	**26,118,349**

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 analysed through the internal ALM Report or the Group Report Structural Risk Committee.
Societe Generale Ghana PLC has a large and diversified deposit base which serves as a large part of mid and long-term financing resources.

Contractual maturities of undiscounted cash flows of financial assets and liabilities

The table shows a summary of financial assets and liabilities analysed according to their undiscounted contractual terms of the transactions and models of historic client behaviour (models determined with the contribution of the Group), as well as conventional assumptions for some balance sheet items.

Notes to the Financial Statements cont'd

As at 31 December 2021	Total GH¢	Below 3 months GH¢	3 to 6 months GH¢	6 to 12 months GH¢	Above 1 year GH¢
Financial assets					
Cash and cash equivalents	963,248,795	963,248,795	-	-	-
Non-pledged trading assets	143,156,280	143,156,280	-	-	-
Debt instruments at fair value through other comprehensive income	87,240,744	-	-	-	87,240,744
Debt instruments at amortised cost	1,563,556,858	1,501,728,024	23,926,499	1,158,439	36,743,895
Loans and Advances to Customers	2,799,083,006	516,365,831	325,990,022	583,740,241	1,372,986,912
Equity investments	2,923,386	-	-	-	2,923,386
Total financial assets	**5,559,209,069**	**3,124,498,930**	**349,916,521**	**584,898,680**	**1,499,894,937**
Financial liabilities					
Deposits from banks	1,916,501	1,916,501	-	-	-
Deposits from customers	3,421,828,257	1,060,875,539	471,172,240	454,182,955	1,435,597,523
Borrowings	607,370,049	109,852,641	7,459,642	26,424,679	463,633,087
Total financial liabilities	**4,031,114,807**	**1,172,644,680**	**478,631,882**	**480,607,634**	**1,899,230,611**

As at 31 December 2020	Total GH¢	Below 3 months GH¢	3 to 6 months GH¢	6 to 12 months GH¢	Above 1 year GH¢
Financial assets					
Cash and cash equivalents	1,561,983,616	1,561,983,616	-	-	-
Non-pledged trading assets	67,896,476	67,896,476	-	-	-
Debt instruments at fair value through othercomprehensive income	108,961,776	-	-	-	108,961,776
Debt instruments at amortised cost	488,740,938	437,006,335	15,150,438	33,049,554	3,534,611
Loans and Advances to Customers	2,859,413,075	451,684,323	487,875,549	485,076,381	1,434,776,821
Equity investments	12,236,465	-	-	-	12,236,465
Total financial assets	**5,099,232,346**	**2,518,570,750**	**503,025,987**	**518,125,935**	**1,559,509,674**
Financial liabilities					
Deposits from banks	3,945,938	3,945,938	-	-	-
Deposits from customers	3,538,538,820	1,022,353,891	661,940,918	463,745,415	1,390,498,596
Borrowings	370,474,208	-	7,727,987	7,587,228	355,158,992
Total financial liabilities	**3,912,958,966**	**1,026,299,829**	**669,668,905**	**471,332,643**	**1,745,657,588**

Structural interest rate

The interest rate risk is the incurred risk in case of interest rate variations because of all on-and off- financial position 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 Credit Risk Committee. The Finance department of the Group is responsible for checking the risk level of Societe Generale Ghana Plc.

Societe Generale Ghana PLC'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 Group Financial Committee (COFI). The sensitivity is defined as the variation in the net present value of future (maturities of up to 20 years) residual fixed rate positions (surplus or deficits) for a 10 basis point parallel increase or decrease in the yield curve. The limit for Societe Generale Ghana PLC for the various currencies is within the range of EUR -0.58 and 0.18 million (i.e. between GH¢ -3.96 and 1.23 million). This limit is -0.39% and 0.12% of shareholders' equity in reference to the lower and upper limits respectively.

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

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).

Sensitivity of projected increase or decrease in interest rate is analysed below.

31 December	**Increase/decrease in basis points 2021**		**Effect on profit before tax 2021**		**Effect on equity 2021**	
USD	+1%	-1%	9,784,215	(9,784,215)	6,848,951	(6,848,951)
EURO	+1%	-1%	1,193,607	(1,193,607)	835,525	(835,525)
GH¢	+1%	-1%	18,054,938	(18,054,938)	12,638,457	(12,638,457)

31 December	**Increase/decrease in basis points 2021**		**Effect on profit before tax 2021**		**Effect on equity 2021**	
USD	+1%	-1%	8,996,743	(8,996,743)	6,297,720	(6,297,720)
EURO	+1%	-1%	1,316,850	(1,316,850)	921,795	(921,795)
GH¢	+1%	-1%	17,937,903	(17,937,903)	12,556,532	(12,556,532)

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 the currency exposure table below.

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 of the Front Office.

Exchange rate sensitivity analysis

The Bank's foreign exchange exposures comprise trading and non-trading foreign currency translation exposures. Foreign exchange exposures are principally derived from customer driven transactions. The sensitivity rates used represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for the changes in foreign currency rates. A positive number below indicates an increase in profit or equity whilst a negative number indicates a decrease in profit or equity. The profits below are the result of a net long exposure in the foreign currency coupled with an increase in the foreign currency rate. The losses on the other hand are mainly due to a net long exposure in the foreign currency coupled with a decrease in the foreign currency rate.

31 December	Increase/decrease in basis points 2021		Effect on profit before tax 2021		Effect on equity 2021	
			GH¢	GH¢	GH¢	GH¢
USD	+1%	-1%	(82,013)	82,013	(57,409)	57,409
GBP	+1%	-1%	1,481	(1,481)	1,036	(1,036)
EUR	+1%	-1%	(283,816)	283,816	(198,671)	198,671
Other currencies	+1%	-1%	23,135	(23,135)	16,195	(16,195)

31 December	Increase/decrease in basis points 2020		Effect on profit before tax 2020		Effect on equity 2020	
			GH¢	GH¢	GH¢	GH¢
USD	+1%	-1%	(181,787)	181,787	(127,251)	127,251
GBP	+1%	-1%	6,777	(6,777)	4,744	(4,744)
EUR	+1%	-1%	(219,505)	219,505	(153,654)	153,654
Other currencies	+1%	-1%	11,960	(11,960)	8,372	(8,372)

Exchange rate sensitivity analysis

The following 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-determined 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.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. In Ghana, market activities is mostly affected by movements in the dollar. The cedi has depreciated consistently over the last three years. The Statement o f Financial Position of SG Ghana is structured to take the upside of such a depreciating trend. The currency risk of the bank has been stable over a three year period.SG Ghana manages currency risk by monitoring the open currency positions on a daily basis. The objective of monitoring the open position in foreign currency is to manage foreign exchange risk due to movements in rates as well as changes in liquidity positions. The bank has adopted the Bank of Ghana requirement that banks maintain a total open position which is not more than 10% of their net worth. Within this limit, banks are also required to maintain single currency open positions not more than 5% of net worth. The bank uses the mid revaluation rates published by the Bank of Ghana at the end of each working day. The year end rates used for foreign exchange translations of the major currencies are as follows: US$6.0061, EUR6.8281 and GBP8.1272.

Currency Exposure

The table below summarises the Bank's exposure to foreign exchange rate risks at year- end. The amounts stated in the table are the cedi equivalent of the foreign currencies.

31 December 2021

	USD GH¢	GBP GH¢	EURO GH¢	Others GH¢	Total GH¢
Assets					
Cash and balances with bank of ghana	7,505,108	2,407,683	13,527,944	-	23,440,735
Due from other banks and financial institutions	133,453,630	28,096,627	170,109,673	2,338,000	333,139,930
Other assets	709	-	-	-	710
Loan and advances to customers	978,421,540	-	119,360,728	-	1,097,782,268
Total assets	**1,119,380,987**	**30,504,310**	**302,998,345**	**2,338,000**	**1,455,221,642**
Liabilities					
Due to other banks and financial institutions	568,327,213	-	17,070,250	-	585,397,463
Due to customers	992,155,792	24,631,840	177,090,318	25,510	1,193,903,460
Other liabilities	169,210,808	5,724,420	137,797,495	25	312,732,748
Total liabilities	**1,729,693,813**	**30,356,260**	**331,958,063**	**25,535**	**2,092,033,671**
Net on balance sheet position	**(610,312,826)**	**148,050**	**(28,959,718)**	**2,312,465**	**(636,812,029)**
Net off balance sheet position	**602,111,525**	**-**	**578,160**	**-**	**602,689,685**
Net open position	**(8,201,301)**	**148,050**	**(28,381,558)**	**2,312,465**	**(34,122,344)**

Notes to the Financial Statements cont'd

31 December 2020

	USD GH¢	GBP GH¢	EURO GH¢	Others GH¢	Total GH¢
Assets					
Cash and balances with bank of ghana	6,911,313	5,241,501	6,205,637	-	18,358,451
Due from other banks and financial institutions	712,537,223	21,644,828	297,829,013	1,221,934	1,033,232,998
Other assets	680	-	0	40	720
Loan and advances to customers	899,674,319	383	131,684,968	-	1,031,359,670
Total assets	**1,619,123,535**	**26,886,712**	**435,719,618**	**1,221,974**	**2,082,951,839**
Liabilities					
Due to other banks and financial institutions	338,987,770	-	24,725,050	-	363,712,820
Due to customers	1,158,019,032	25,036,008	246,159,468	25,948	1,429,240,456
Other liabilities	71,173,055	1,173,006	187,475,690	-	259,821,751
Total liabilities	**1,568,179,857**	**26,209,014**	**458,360,208**	**25,948**	**2,052,775,027**
Net on balance sheet position	50,943,678	677,698	(22,640,590)	1,196,026	30,176,812
Net off balance sheet position	(69,122,400)	-	690,067	-	(68,432,333)
Net open position	**(18,178,722)**	**677,698**	**(21,950,523)**	**1,196,026**	**(38,255,521)**

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.

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.

Societe Generale Ghana PLC has adopted the Societe Generale 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 Societe Generale 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 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 Societe Generale Group instructions, standards and/or processes are identified and controlled. Using incidence of non compliance and fines, the risk of non compliance has been stable over a three year period.

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 train and advise staff and increase their awareness of compliance issues.

38. Regulatory breaches
The Bank was fined an amount of GH¢2,259,178 by the Bank of Ghana (BoG) in respect of regulatory breaches in relation to the breach of single obligor limit and late submission of returns.

39. Segmental reporting
For management purposes, the bank is organized broadly into three operating segments based on products and services as follows;

- Retail Banking- This Unit primarily serves the needs of individuals, high net worth clients, institutional clients and very small businesses. It is principally responsible for providing loans and other credit facilities, as well as mobilizing deposits and providing other transactions.
- Corporate Banking- This Unit is principally responsible for providing loans and other credit facilities, as well as mobilizing deposits and providing other transactions to the Bank's corporate clients.
- Treasury- This Unit undertakes the bank's funding activities. It also manages the liquidity position of the Bank through activities such as borrowings, and investing in liquid assets such as short-term placements and government debt securities.

Management monitors the operating results of each Business Units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the financial statements. The main source of difference is the use of a transfer pricing mechanism in apportioning investment income for the segment.

Notes to the Financial Statements cont'd

31 December 2021	Retail Banking GH¢	Corporate Banking GH¢	Treasury GH¢	Total GH¢
Revenue				
Interest and similar revenue (3 parties)	257,730,555	253,262,374	-	510,992,929
Interest and similar expense	(62,561,826)	(47,409,641)	(18,950)	(109,990,417)
Net interest margin	**195,168,729**	**205,852,733**	**(18,950)**	**401,002,512**
Fees & commission revenue	49,866,714	26,927,625	680,877	77,475,216
Fees & commission expense	(24,684,622)	(2,567,586)	-	(27,252,208)
Net commission income	**25,182,092**	**24,360,039**	**680,877**	**50,223,008**
Net trading revenue	415,549	40,377,803	-	40,793,352
Net income from other financial instruments carried at fair value	-	(27,729)	52,863,374	52,835,645
Other operating income	34,905,667	56,533,869	-	91,439,536
Total other operating income	**35,321,216**	**96,883,943**	**52,863,374**	**185,068,533**
Total operating income	**255,662,037**	**327,096,715**	**53,525,301**	**636,294,053**
Net impairment loss on financial assets	**(26,714,611)**	(6,692,970)	-	(33,407,581)
Operating income net of impairment charges	**228,947,426**	**320,403,745**	**53,525,301**	**602,886,472**
Personnel expenses	(67,365,683)	(57,546,041)	(10,605,143)	(135,516,867)
Depreciation/ amortisation	(16,384,331)	(15,832,480)	(2,590,788)	(34,807,599)
Other operating expenses	(60,511,345)	(77,415,827)	(12,668,135)	(150,595,307)
Total operating expense	**(144,261,359)**	(150,794,348)	(25,864,066)	(320,919,773)
Profit before tax	**84,686,067**	**169,609,397**	**27,661,235**	**281,966,699**
Total assets	**2,178,829,833**	**3,241,212,669**	**16,979,617**	**5,437,022,119**
Total liabilites	**2,101,326,756**	**2,266,620,378**	**40,509,648**	**4,408,456,782**

No revenue from transactions with a single customer or counter party amounted to 10% or more of the Bank's total revenue in 2021 or 2020. All Segment revenue are from external customers only. The Accounting policies of the reportable segments are the same as the Bank. There were no intra company profit for the period under review.

Notes to the Financial Statements cont'd

31 December 2020	Retail Banking GH¢	Corporate Banking GH¢	Treasury GH¢	Total GH¢
Revenue				
Interest & similar revenue (3 parties)	253,301,527	266,161,852	-	519,463,379
Interest & similar expense	(63,574,762)	(50,185,179)	(491,470)	(114,251,411)
Net interest margin	**189,726,765**	**215,976,673**	**(491,470)**	**405,211,968**
Fees & commission revenue	47,445,767	29,303,732	398,607	77,148,106
Fees & commission expense	(21,145,168)	(1,702,041)	-	(22,847,209)
Net commission income	**26,300,599**	**27,601,691**	**398,607**	**54,300,897**
Net trading revenue	11,599,263	30,060,981	-	41,660,244
Net income from other financial instruments carried at fair value	-	-	52,417,416	52,417,416
Other operating income	(4,053,252)	(591,620)	-	(4,644,872)
Total other operating income	**7,546,011**	**29,469,361**	**52,417,416**	**89,432,788**
Total operating income	**223,573,375**	**273,047,725**	**52,324,553**	**548,945,653**
Net impairment loss on financial assets	(16,853,410)	(16,496,164)	-	(33,349,574)
Operating income net of impairment charges	**206,719,965**	**256,551,561**	**52,324,553**	**515,596,079**
Personnel expenses	(64,807,084)	(53,088,864)	(10,795,897)	(128,691,845)
Depreciation/ amortisation	(16,566,882)	(14,284,014)	(2,737,267)	(33,588,164)
Other operating expenses	(53,632,798)	(65,501,151)	(12,552,086)	(131,686,035)
Total operating expense	**(135,006,765)**	**(132,874,029)**	**(26,085,250)**	**(293,966,044)**
Profit before tax	**71,713,201**	**123,677,531**	**26,239,303**	**221,630,035**
Total assets	**2,062,121,285**	**3,033,810,292**	**15,962,102**	**5,115,206,352**
Total liabilites	**2,006,059,483**	**2,183,551,980**	**-**	**4,189,611,463**

40. 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 rating and healthy capital ratios in order to support its business and to maximise shareholders value. The Bank manages its capital structure and makes adjustment to it in the light of changes in the economic conditions and 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 company 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. Revaluation reserve
This amount comprises revaluation of property, plant and equipment.

e. 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 the Banks and Specialized Deposit Taking Institutions Act, 2016 (Act 930).

f. Credit risk 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.

g. 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.

h. Other reserves
This is made up of FVOCI reserves on debt securities and FVOCI on equity investments. FVOCI reserve on debt securities records unrealized gains and losses on government securities.

	2021 FVOCI reserve GH¢	**2020 FVOCI reserve GH¢**
Opening balances	1,335,904	-
Movements in Fair Value	(689,424)	1,781,205
Investment securities measured at FVOCI- tax	172,356	(445,301)
	818,835	**1,335,904**

j. Capital adequacy
The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision and adopted by the Bank of Ghana. The capital adequacy ratio of the Bank as of 31 December 2021 is shown below:

	2021 Actual GH¢	2020 Actual GH¢
Ordinary share paid up capital	404,245,427	404,245,427
Income surplus	69,064,959	34,250,388
Profit to date	184,329,633	154,208,915
Reserve fund	246,436,222	207,883,993
	904,076,240	**800,588,723**
Regulatory adjustments	93,779,813	78,641,338
CET 1 Capital	**810,296,427**	**721,947,385**
CET 2 Capital	61,835,129	61,835,129
Total regulatory capital	**872,131,557**	**783,782,514**
Risk-weighted assets		
Credit Risk	2,989,067,556	2,992,450,809
Market Risk	40,130,738	41,086,804
Operational Risk	868,255,691	736,026,536
Total Risk Weighted Assets	**3,897,453,985**	**3,769,564,149**
Common Equity Tier 1 / RWA	**20.79%**	**19.15%**
Capital adequacy Ratio	**22.38%**	**20.79%**

41. Compliance status of externally imposed capital requirement

During the past year Societe Generale Ghana PLC had complied in full with all its externally imposed capital requirements.

Analysis of Shareholdings

Category	Number of shareholders	Number of shares	Percentage Holding %
1-1,000	27,032	8,251,397	1.16%
1,001-5,000	5,176	8,846,588	1.25%
5,001-10,000	889	5,563,288	0.79%
Over 10,000	674	686,480,094	96.80%
	33,771	**709,141,367**	**100.0%**

42. Subsequent events

On 24 February 2022, the Board affirmed the decision of its ultimate parent to start the winding up of its investment in YUP subsequent to an approval from Bank of Ghana. management has determined that there is objective evidence that the investment is impaired. A provision calculated as the difference between the carrying value and its recoverable amount has been recognised in the statement of profit or loss for the year ended 2021.

43. Value added statement

Value added statements for the year ended 31 December 2021	2021 GH¢	2020 GH¢
Interest earned and other operating income	773,536,678	686,044,273
Direct cost	(137,242,625)	(137,098,620)
Value added by banking services	636,294,053	548,945,653
Non - banking income	-	623,961
Impairments	(33,407,581)	(33,349,574)
Value added	**602,886,472**	**515,596,079**
Distributes as follows:		
To employees :-		
Directors (without executives)	(951,893)	(803,027)
Executive directors	(2,628,396)	(2,391,327)
Other employees	(132,888,471)	(126,300,518)
To government :-		
Income tax	(97,637,066)	(67,421,120)
To providers of capital :-		
Dividend to shareholders		
To expansion and growth :-		
Depreciation	(30,463,364)	(32,459,174)
Amortisation	(4,344,234)	(1,128,990)
Other operating cost	(149,643,414)	(130,883,008)
To retained earnings	184,329,633	154,208,915

44. Twenty Largest Shareholders

Shareholders Account Name		Number of Holding	% Owned
1	SG-FINANCIAL SERVICES HOLDING	427,079,030	60.22
2	SOCIAL SECURITY AND NATIONAL INSURANCE TRUST (SSNIT)	137,262,404	19.36
3	OFORI DANIEL	48,241,241	6.80
4	SCGN / ENTERPRISE LIFE ASS. CO. POLICY HOLDERS	9,989,540	1.41
5	SCGN/'EPACK INVESTMENT FUND LIMITED TRANSACTION	3,713,443	0.52
6	AMENUVOR GIDEON	3,693,934	0.52
7	SCGN/CITIBANK KUWAIT INV AUTHORITY	3,428,568	0.48
8	SOCIETE GENERAL EMPLOYEES' SHARE OWNERSHIP	3,348,127	0.47
9	SCGN/DATABANK BALANCED FUND LIMITED	2,538,447	0.36
10	ENO INTERNATIONAL LLC.	2,494,761	0.35
11	SCGN/JPMORGAN BK LUX SA RE ROBECO AFRIKA FONDS N.V, 056898600288	2,193,248	0.31
12	SCGN/CACEIS BANK RE:HMG GLOBETROTTER	2,125,646	0.30
13	ADJEPON-YAMOAH, BEATRICE E. MRS	1,982,930	0.28
14	EDC/TEACHERS EQUITY FUND	1,746,206	0.25
15	MR PHILIP OPOKU-MENSAH	1,471,399	0.21
16	HFCN/ EDC GHANA BALANCED FUND LIMITED	1,381,333	0.19
17	SCGN/SSB EATON VANCE TAX-, MANAGED EMERGING MARKET FUND	1,345,362	0.19
18	MBG ESSPA SCHEME	1,009,233	0.14
19	ZBGC/UNIVERSAL PENSION MASTER TRUST SCHEME	977,356	0.14
20	MINING INDUSTRY MASTER TRUST OCCUPATIONAL PENSION SCHEME	976,348	0.14
	Total	**656,998,556**	**92.65**
	Others	**52,142,811**	**7.35**
	Grand Total	**709,141,367**	**100.00%**

45. Director's shareholding

Director	Shareholding
NIL	-

46. ANALYSIS OF SHAREHOLDING AT 31 DECEMBER 2020

	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES	% HOLDING
NON DEPOSITORY	24,317	19,366,686	2.73
DEPOSITORY (CSD)	9,454	689,774,681	97.27
TOTAL	33,771	709,141,367	100.00

NOTES:

i. In compliance with the current restrictions on public gatherings in force pursuant to the imposition of Restrictions Act, 2020 (Act 1012) and consequent Regulatory Directives, attendance and participation by all members and/or their proxies in this year's Annual General Meeting of the Company shall be strictly virtual (i.e. by online participation).

ii. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend (via online participation) and vote on his/her behalf. Such a proxy need not be a member of the Company.

iii. The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting (via online participation). Where a member attends the meeting in person (participates on line), the proxy appointment shall be deemed to be revoked.

iv. A copy of the Form of Proxy can be downloaded from the Societe Generale Ghana website **https://societegenerale.com.gh** and may be filled and sent via email to registrars@nthc.com.gh or deposited at the registered office of the **Registrars of the Company, NTHC Company Limited**, Martco House, Dede Awula Street, Off Kwame Nkrumah Avenue, Adabraka Accra to arrive **no later than 48 hours before the appointed time for the meeting**.

v. **A unique token number** will be sent to shareholders by email and/or SMS from 16 September 2022 to give them access to the meeting. Shareholders who do not receive this token can contact the **Registrars NTHC Company Limited**, 18 Gamel Abdul Nasser Avenue, Ringway Estate, Opposite the British High Commission Accra or on telephone number 059 310 5735 or by email registrars@nthc.com.gh or any time after 16 September 2022 but before the date of the AGM to be sent the unique token.

vi. **To gain access to the Virtual Annual General Meeting**, shareholders must visit https://sgghanaagm.com and input their unique token number shared with them to gain access to the meeting. For shareholders who do not submit proxy forms to the Registrar of the Company prior to the meeting they may vote electronically during the Virtual AGM; again, using their unique token number. Further assistance on accessing the meeting and voting electronically can be found on **https://societegenerale.com.gh and https://sgghanaagm.com**

For further information, please contact the Registrar:

NTHC Company Limited
18 Gamel Abdul Nasser Avenue
Ringway Estate
Opposite the British High Commission
PO Box KIA 9563, Accra
Telephone No: 059 310 5735
Email: registrars@nthc.com.gh

PROXY FORM

SOCIETE GENERALE GHANA PLC
PROXY FORM FOR ANNUAL GENERAL MEETING

I/We ……
(Block Capital Please)

Of ………
being member/members of SOCIETE GENERALE GHANA PLC

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 Virtual Annual General meeting to be held on Thursday 29 September 2022 at 11:00a.m. and at every adjournment thereof):

RESOLUTION		FOR	AGAINST
1.	To receive the accounts		
2.	To declare a dividend		
3.	To re-elect as non-executive director Mr. Georges Wega		
4.	To re-elect as non-executive director Mr. Arnaud De Gaudemaris		
5.	To re- elect as an Executive Director Mr Hakim Ouzzani		
5.	To elect as an Independent Non-Executive Director Mrs. Juliana Asante		
7.	To elect as an Independent Non-Executive Director Mr Yvon Puyou		
8.	To approve directors fees		
9.	To appoint Auditors		
10.	To authorize the Directors to fix the remuneration of the Auditors		

Signed this …………… day of ……………………………………………………………………… 2021

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

RESOLUTION TO BE PASSED
AT THE ANNUAL GENERAL MEETING

BOARD RESOLUTIONS

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

1. **RECEIVE THE 2021 ACCOUNTS**
The Board shall propose the acceptance of the 2021 Financial Statements as the true and fair view of the state of affairs of the company for the year ended 31 December 2021.

2. **RESOLUTION NO 2 TO DECLARATION OF DIVIDEND FOR 2021**

3. **RESOLUTION NO 3 TO RE-ELECT MR GEORGES WEGA AS A DIRECTOR**
Pursuant to Section 60 of the Constitution of the Company Mr Georges Wega retires by rotation and being eligible; offers himself for re-election as a Director.

4. **RESOLUTION NO 3 TO RE-ELECT MR ARNAUD DE GAUDEMARIS AS A DIRECTOR**
Pursuant to Section 60 of the Constitution of the Company Mr Arnaud De Gaudemaris retires by rotation and being eligible; offers himself for re-election as a Director.

5. **RESOLUTION NO 3 TO RE-ELECT MR HAKIM OUZZANI AS A DIRECTOR**
Pursuant to Section 60 of the Constitution of the Company Mr Hakim Ouzzani retires by rotation and being eligible; offers himself for re-election as a Director.

6. **RESOLUTION NO 4 TO ELECT MRS JULIANA ASANTE AS A DIRECTOR**
Pursuant to Section 60 of the Constitution of the Company, the Board of Directors nominated Mrs Juliana Asante. Having received the approval of the Bank of Ghana and being eligible Mrs Juliana Asante offers herself for election as an Independent Director.

7. **RESOLUTION NO 4 TO ELECT MR YVON PUYOU AS A DIRECTOR**
Pursuant to Section 60 of the Constitution of the Company, the Board of Directors nominated Mr. Yvon Puyou as a Director. Having received the approval of the Bank of Ghana and being eligible, Mr. Yvon Puyou offers himself for election as a Non-Executive Director

8. **APPROVE DIRECTORS FEES**
In accordance with Section 185(1)(2) of the Companies Act, 2019(Act 992) and Section 78(3) of the Constitution of the Bank it is hereby proposed that the Directors remuneration be paid at such a rate not exceeding an aggregate of GH¢1,583,920 It is further proposed that the Board of Directors be given the mandate to approve the emoluments of the Executive Director.

9. **TO APPOINT AUDITORS**

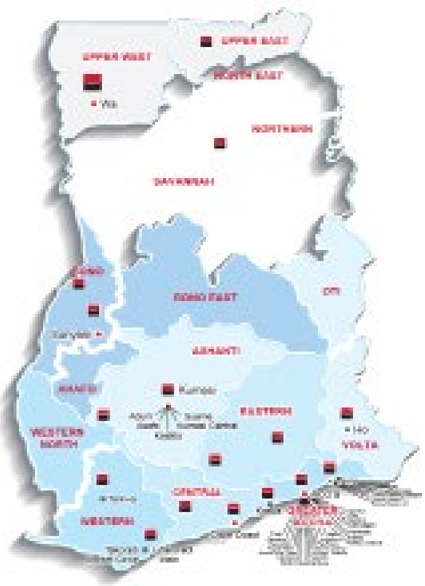
10. **TO AUTHORIZE THE DIRECTORS TO FIX THE REMUNERATION OF THE AUDITORS**

THE REGISTRAR
NTHC LIMITED
MARTCO HOUSE
P.O.BOX KA 9563
AIRPORT
ACCRA

FOLD HERE

FOLD HERE

VISIT ANY OF OUR 40 OUTLETS ACROSS GHANA



NAME OF BRANCH	ADDRESS	PHONE NO	DIGITAL ADDRESS
GREATER ACCRA			
Accra Main	P. O. Box 13119, Accra	0302 208 600 / 0302911021	GA-047-7257
Accra New Town	P O Box 13119, Accra	0302228816	GA-044-7774
Achimota	P O Box 13119, Accra	030287481670	GA-204-7822
Airport City	P O Box 13119, Accra	0307011347	GL-126-6927
Ashaiman	P.O.Box Co 2885, Tema	0307011516 / 0307011654	GB-018-9776
Burma Camp Spot bank	P O Box 13119, Accra	030 7011828	GL-068-0179
Dansoman	P O Box 13119, Accra	0302 322 547-8	GA-071-6867
Derby Avenue	P O Box 13119, Accra	0303 979588-9	GA-182-6036
East Legon	P O Box 13119, Accra	03022543729	GA-268-4215
Faanofa	P O Box 13119, Accra	0302 252580/0302234704	GA-098-3044
Kaneshie	P O Box 13119, Accra	0302 682 848	GA-263-6749
Kaneshie Market	P O Box 13119, Accra	0303 978422	GA-262-4893
Lapaz	P O Box 13119, Accra	0303 979 557 / 0303 979 558	GA-464-7418
Lotteries Agency	P O Box 13119, Accra	030 2687370/2672610	GA-143-0073
Madina	P O Box 13119, Accra	0577650807 / 0307012822	GM-019-0748
North Industrial Area	P O Box 13119, Accra	0302 229811	GA-171-2867
Okaishie	P O Box 13119, Accra	0577650384 / 5	GA-141-2594
Osu	P O Box 13119, Accra	0302790385	GA-035-5968
Premier Towers	P O Box 13119, Accra	0577650803	GA-110-6897
Spintex Road	P O Box 13119, Accra	0302 981983	GT-334-4009
Tema Community 2	P O Box Co 2885, Tema	0303202558/0577670228	GT-055-2185
Tema Fishing Harbour	P O Box Co 1668, Tema	0577650811/ 0577650912	GT-062-1064
Tudu	P O Box 13119, Accra	0577 680 508	GA-142-6841
ASHANTI REGION			
Adum	P O Box 4542, Kumasi	0577 650922	AK-036-1042
Kumasi Central	P O Box 4542, Kumasi	0577 650972-4	AK-016-5588
Suame	P O Box 4542, Kumasi	0303873691	AK-030-7453
Kejetia	P O Box 4542, Kumasi	020 2801070	AK-006-1538
BONO REGION			
Berekum	P O Box 48, Berekum	0577650984	BB-007-0912
Sunyani	P O Box 1131, Sunyani	0352027050	BS-0006-3640
CENTRAL REGION			
Cape Coast	P O Box 1019,Cape Coast	0332132159	CC-023-6570
Dunkwa	P O Box 64, Dunkwa	0302947741	CU-0080-2373
Kasoa	P O Box 13119, Accra	0303932443 / 0302984478	CX-0703-0850
EASTERN REGION			
Akim Oda	P O Box 325, Akim Oda	057765084950	EB-0005-0639
Koforidua	P O Box 987, Koforidua	0577650936	EN-013-8804
NORTHERN REGION			
Tamale	P O Box 192, Tamale	0372023253	NT-0008-6851
UPPER EAST REGION			
Bolgatanga	P O Box 344, Bolgatanga	0382023305	UB-0001-1721
UPPER WEST REGION			
Wa	P O Box 240, Wa	0392022147	XW-0018-3168
VOLTA REGION			
Ho	P O Box HP - 360, Ho	0362028651	VH-0004-4396
WESTERN NORTH REGION			
Bibiani	P O Box 50, Bibiani	031 2950831/0950832	WB-0001-2589
WESTERN REGION			
Tarkwa	P O Box 219, Tarkwa	031 2320851/0320850	WT-0004-1130
Takoradi	P O Box 660, Takoradi	0577650941	WS-202-4608
Takoradi Market Circle	P O Box 660, Takoradi	0312033268	WS-231-3607

DIGITAL ZONES			
37 MILLITARY HOSPITAL	P. O. Box 13119, Accra	0302 208600	GA-037-6809
METHODIST UNIVERSITY	P. O. Box 13119, Accra	0302 208600	GA-504-6707
UNIVERSITY OF GHANA	P. O. Box 13119, Accra	0302 208600	GA-419-6820
KOFORIDUA TECHNICAL UNIVERSITY	P. O. Box 13119, Accra	0302 208600	EN-112-9021
UNIVERSITY OF MINES AND TECHNOLOGY	P. O. Box 13119, Accra	0302 208600	WT-0036-6729
TAKORADI TECHNICAL UNIVERSITY	P. O. Box 13119, Accra	0302 208600	WS-203-2478
KUMASI TECHNICAL UNIVERSITY	P. O. Box 13119, Accra	0302 208600	AK-040-6138
UNIVERSITY OF DEVELOPMENT STUDIES	P. O. Box 13119, Accra	0302 208600	NT-0273-6382

HEAD OFFICE BUSINESS UNITS			
CORPORATE BANKING	P. O. Box 13119, Accra	0302 208600	GA-048-6240
SME BANKING	P. O. Box 13119, Accra	0302 208600	GA-048-6240
GLOBAL TRANSACTION BANKING	P. O. Box 13119, Accra	0302 208600	GA-048-6240

CALL
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THE FUTURE IS YOU

SOCIETE GENERALE
GHANA

Notes

SG GHANA FACTORING PRODUCT

OVERVIEW

As the only one of its kind in the country, the SG Ghana factoring service has been designed to help you reduce your outstanding receivables and improve your cash flow. You can now conveniently finance, manage and secure your invoices.

Our factoring service offers a comprehensive receivables and payment management solution that includes transaction financing, credit protection, sales ledger administration and payment collection.

The platform is internet-based and secure, allowing you to follow your real-time transactions with ease and convenience, whenever you choose.

BENEFIT TO SUPPLIER

Factoring is a short term working capital solution that allows a company to assign its receivables to the bank and benefit from at least 3 of the following services:

- Financing based on assigned accounts receivables (80 – 90% of invoices)
- Accounts receivables administration by the bank
- Outsourced collection of the accounts receivables
- Protection against debtor risk of non payment (credit insurance)

HOW FACTORING WORKS

1 **Goods/Services** – Supplier delivers the goods and sends the invoices to buyer

2 **Documents** – Supplier assigns the invoices to SG Ghana and sends copies of the invoices for financing

3 **Financing** – SG Ghana finances Supplier with up to 80% of the invoice value, less interest and commission

4 **Invoice payment** – On due date of the invoice, Buyer pays SG Ghana the full invoice amount.

5 **Transfer the difference** – SG Ghana transfers the remaining amount of the invoice to Supplier

6 **Collection procedures** – If Buyer does not pay on time, SG Ghana starts its collection procedures

DOCUMENTARY REQUIREMENT FOR SUPPLIER

- Company and management profile
- Company registration documents
- Last two audited financial statements
- Three samples of invoices to buyer
- Photo ID of Managing Director

WHY BUY WHEN YOU CAN LEASE?

OVERVIEW

Finance lease allows you to make use of an asset/equipment owned by the bank for a specific repayment period.

With it, you will have unrestricted access to the asset and can purchase the item at a reduced cost at the end of the lease term.

Simply choose the type of asset you need for your business and bring the pro-forma invoice to the bank. You can choose from a wide range of brand new asset/equipment.

TYPE OF ASSET

- Passenger cars (saloons, pick-ups, SUVs)
- Trucks
- Generator Sets
- Industrial Equipment

BENEFITS

- Rental payments are structured according to your cash flow needs
- Choose the most convenient duration for your repayment (up to 60 months)
- Use of the asset/equipment is unrestricted during the lease term
- Have the option of purchasing the asset/equipment at the end of the repayment period

PRODUCT DYNAMISM

Tenor	Financing Percentage	Customer Contribution	Residual Value	Vehicle Insurance	Vehicle Ownership
12 to 60 months	80%	20%	1%	Comprehensive	Bank

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