

Ecobank Ghana Limited and its Subsidiaries

Consolidated Financial Statements (un-audited) for the period ended 30th June 2019

Key Ratios

Cost to Income	46.3%
Return on Average Assets	4.1%
Return on Average Equity	31.8%
Non Funded Income to Total Income	31.2%

Financial Highlights

June 2018 - June 2019	Growth
Profit Before Tax	37.1%
Total Assets	8.8%
Loans	16.3%
Deposits	19.0%

Statements of comprehensive income

(All amounts are in thousands of Ghana cedis unless otherwise stated)

	The Group		The Bank	
	2019	2018	2019	2018
Interest income	611,849	478,657	586,870	438,439
Interest expense	(109,451)	(100,486)	(108,657)	(66,041)
Net interest income	502,398	378,171	478,213	372,398
Fees and commission income	117,586	107,563	109,453	106,152
Fees and commission expense	(2,081)	(1,400)	(2,081)	(1,400)
Net fees and commission income	115,505	106,163	107,372	104,752
Net trading income	97,222	88,926	97,175	88,886
Other operating income	14,794	12,552	14,640	12,548
Dividend income	-	172	-	172
	112,016	101,650	111,815	101,606
Revenue	729,919	585,984	697,400	578,756
Gain on sale of equipment	72	335	72	335
Net impairment loss on financial assets	(85,407)	(68,725)	(84,754)	(68,725)
Personnel expenses	(167,565)	(162,537)	(157,995)	(162,356)
Depreciation and amortisation	(18,527)	(17,545)	(17,791)	(17,544)
Other operating expenses	(151,708)	(114,298)	(147,205)	(114,249)
Operating profit	306,784	223,214	289,727	216,217
Share of profit of associates (net of tax)	-	588	-	-
Profit before income tax	306,784	223,802	289,727	216,217
Income tax expense	(91,079)	(66,433)	(82,220)	(64,946)
Profit for the year	215,705	157,369	207,507	151,271
Other Comprehensive Income				
Items that will never be reclassified subsequently to profit or loss:				
Gains on revaluation of investment securities	17,210	-	17,210	-
Related tax	(4,303)	-	(4,303)	-
Other comprehensive income for the year, net of tax	12,907	-	12,907	-
Total comprehensive income for the year	228,612	157,369	220,414	151,271
Profit for the year attributable to:				
Equity holders of the Bank	215,705	157,369	207,507	151,271
Comprehensive income for the year attributable to:				
Equity holders of the Bank	228,612	157,369	220,414	151,271
Earnings per share				
Basic & diluted (in Ghana Cedis)	1.34	0.92	1.29	0.88

Consolidated cashflow statement

(All amounts are in thousands of Ghana cedis unless otherwise stated)

	The Group		The Bank	
	2019	2018	2019	2018
Cash flows from operating activities				
Interest paid	(109,305)	(89,922)	(108,783)	(62,538)
Interest received	605,258	459,374	564,018	414,569
Net fees and commissions	116,328	105,876	104,779	104,465
Other income received	14,919	12,724	14,640	12,720
Net trading income	100,783	88,926	100,768	88,886
Payments to employees and suppliers	(324,918)	(254,699)	(297,117)	(255,691)
Tax paid	(87,890)	(53,162)	(85,660)	(52,364)
Cash flows from operating activities before changes in operating assets and liabilities	315,175	269,117	292,645	250,047
Changes in operating assets and liabilities				
Loans and advances	(559,072)	(553,610)	(555,735)	(510,832)
Other assets	(17,988)	305,380	(9,056)	331,457
Customer deposits	1,105,804	675,744	1,046,621	345,918
Other liabilities	(876,080)	465,195	(831,362)	420,214
Mandatory reserves	(465,015)	(317,176)	(465,015)	(317,176)
Net cash generated from operating activities	(497,176)	844,650	(521,902)	519,628
Cash flows from investing activities				
Purchase of property and equipment	(2,790)	(47,653)	(2,599)	(47,653)
Purchase of software	(96)	(6,748)	(81)	(6,748)
Proceeds from sale of equipment	81	335	72	335
Government securities purchased	(1,796,491)	(1,192,678)	(1,778,042)	(1,069,055)
Proceeds from the sale of government securities	2,123,266	1,828,895	2,079,485	1,685,246
Net cash used in investing activities	323,970	582,151	298,835	562,125
Cash from financing activities				
Repayment of borrowed funds	(112,847)	(32,513)	(112,847)	(32,513)
Net cash used in financing activities	(112,847)	(32,513)	(112,847)	(32,513)
Net increase in cash and cash equivalents	(286,053)	1,394,288	(335,914)	1,049,240
Cash and cash equivalents at beginning of year	2,000,096	1,317,005	1,794,624	1,176,299
Effect of exchange rate fluctuations on cash and cash equivalents	-	(20,692)	-	(20,692)
Cash and cash equivalents at end of the period	1,714,043	2,690,601	1,458,710	2,204,847

Statements of financial position

(All amounts are in thousands of Ghana cedis unless otherwise stated)

	The Group		The Bank	
	2019	2018	2019	2018
Assets				
Cash and balances with banks	2,711,120	2,405,185	2,678,479	2,386,300
Loans & advances to customers	4,624,270	3,976,518	4,595,724	4,044,630
Non pledged trading assets	549,240	841,446	549,240	841,446
Non-trading assets	2,183,167	2,071,431	2,226,120	1,929,018
Investment in subsidiaries	-	-	36,489	30,819
Investment in associates	-	9,135	10,809	4,841
Other assets	347,460	253,312	206,381	333,081
Deferred tax asset	33,008	7	33,008	7
Intangible assets	8,412	8,821	8,412	8,821
Non-current assets held for sale	26,375	34,487	26,375	34,487
Property and equipment	454,622	452,749	458,550	452,745
Total Assets	10,937,674	10,053,091	10,829,587	10,066,195
Liabilities				
Deposits from banks	310,475	741,547	676,067	1,177,232
Deposits from customers	8,604,507	7,227,956	8,202,006	6,797,238
Borrowings	87,180	181,192	63,371	178,736
Current tax liabilities	1,837	1,531	1,837	1,531
Deferred tax liabilities	34,471	30,168	34,471	30,168
Other liabilities	343,640	714,566	317,607	741,386
Total liabilities	9,382,110	8,896,960	9,295,359	8,926,291
Equity and reserves				
Stated capital	416,641	416,641	416,641	416,641
Income surplus	415,808	147,091	396,757	132,144
Revaluation reserve	122,689	109,782	122,689	109,782
Statutory reserve	440,379	374,735	438,943	373,455
Credit risk reserve	159,198	107,882	159,198	107,882
Non controlling interest	849	-	-	-
Total equity attributable to equity holders of the Bank	1,555,564	1,156,131	1,534,228	1,139,904
Total liabilities and equity	10,937,674	10,053,091	10,829,587	10,066,195

Ecobank Ghana Limited and its Subsidiaries

Consolidated Financial Statements (un-audited)
for the period ended 30th June 2019

Statements of changes in equity

(In thousands of Ghana cedis)

The Bank	Stated Capital	Income Surplus	Revaluation Reserve	Statutory Reserve Fund	Credit Risk Reserve	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January 2019	416,641	189,250	109,782	438,943	159,198	1,313,814
Profit for the period	-	207,507	-	-	-	207,507
Revaluation gains (net of tax)	-	-	12,907	-	-	12,907
Balance as at 30 June 2019	416,641	396,757	122,689	438,943	159,198	1,534,228

Disclosures

- The consolidated financial statements have been prepared in accordance with International Financial Reporting standards.
- The accounting policies applied in the preparation of these financial statements were consistent with those applied in the preparation of the annual consolidated statements of 31 December 2018

3. Contingent liabilities	Group 2019	Group 2018	Bank 2019	Bank 2018
	GHC 000	GHC 000	GHC 000	GHC 000
Guarantees and indemnities	855,817	414,253	855,817	414,253
Documentary letters of credit	1,063,387	1,151,837	1,063,387	1,151,837
	1,919,204	1,566,090	1,919,204	1,566,090

4. Quantitative Disclosures		
i. Capital Adequacy ratio	-	12.79%
Capital Adequacy ratio per Capital Requirements Directive (CRD)	13.18%	-
ii. Non-performing loan ratio	11.21%	13.74%
iii. Liquid ratio	91.32%	108.00%
iv. Common equity Tier 1 ratio	11.12%	-
v. Leverage ratio	7.20%	-

5. Qualitative Disclosures		
i. Default in statutory liquidity (times)	Nil	Nil
ii. Default in statutory liquidity sanction (GHC'000)	Nil	Nil

6. Significant Accounting Policies

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Additional information required by the Companies Act, 1963 (Act 179) and the Banks and Specialised Deposit- Taking Institution Act, 2016 (Act 930) have been included, where appropriate. The financial statements have been prepared under the historical cost convention, unless otherwise stated

7. Risk Management Concept and Framework

The bank's Risk Management Concept and Framework is outlined in our Strategy, Policies, Processes and Governance structure and is based on core principles designed to ensure that we achieve our mission and serve our customers efficiently and effectively. Our Risk Appetite is defined within this framework. Policies and Processes are in place to guide our conduct of business within set risk appetite thresholds and guide effective corrective measures to deviations. Our Board of Directors approves this policy annually. The Risk Committee, the Managing Director and Risk Management Department coordinate, facilitate, and oversee the effectiveness and integrity of the risk management framework. The Internal and external audit functions in turn provide timely and objective assurance regarding the continuing appropriateness and adequacy of compliance with this framework, and report to the Audit and Risk sub-committee of the Board.

The principal risks faced by the bank are categorized into three; Credit, Market and Operational Risk.

- During the period under review, Ecobank Ghana increased its stake in Pan African Savings and Loans from 49% to 94% by acquiring the shares of Accion International and International Finance Corporation (IFC).
- The financial statements do not contain any untrue statement, misleading facts or omit material facts, to the best of my knowledge.

Signed
Daniel Sackey
Managing Director

Signed
Edward N. Botchway
Executive Director