

# Ecobank Ghana Limited and its Subsidiaries

Consolidated Financial Statements (un-audited) for the period ended 31st March 2018

## Key Ratios

Cost to Income	51.84%
Return on Average Assets	3.08%
Return on Average Equity	25.58%
Non Funded Income to Total Income	32.19%

## Statements of comprehensive income

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

	The Group		The Bank	
	2018	2017	2018	2017
Interest income	242,891	247,044	227,693	236,325
Interest expense	(50,808)	(42,674)	(37,856)	(34,624)
<b>Net interest income</b>	<b>192,083</b>	<b>204,370</b>	<b>189,837</b>	<b>201,701</b>
Fees and commission income	51,717	48,730	51,581	48,728
Fees and commission expense	(799)	(765)	(799)	(765)
<b>Net fees and commission income</b>	<b>50,918</b>	<b>47,965</b>	<b>50,782</b>	<b>47,963</b>
Net trading income	34,326	38,064	34,301	37,886
Other operating income	5,778	5,491	5,740	5,491
Other revenue	172	2,070	172	2,070
<b>Revenue</b>	<b>283,277</b>	<b>297,960</b>	<b>280,832</b>	<b>295,111</b>
Other income	128	-	128	-
Net Impairment loss on financial assets	(40,861)	(33,678)	(40,444)	(33,678)
Personnel expenses	(84,107)	(83,367)	(83,964)	(83,267)
Depreciation and amortisation	(8,469)	(5,444)	(8,469)	(5,439)
Other expenses	(54,289)	(51,380)	(54,895)	(51,193)
<b>Operating profit</b>	<b>95,679</b>	<b>124,091</b>	<b>93,188</b>	<b>121,534</b>
Share of profit of associates (net of tax)	226	228	-	-
<b>Profit before income tax</b>	<b>95,905</b>	<b>124,319</b>	<b>93,188</b>	<b>121,534</b>
Income tax expense	(28,477)	(36,348)	(28,316)	(35,923)
<b>Profits after tax</b>	<b>67,428</b>	<b>87,971</b>	<b>64,872</b>	<b>85,611</b>
<b>Profit for the period</b>	<b>67,428</b>	<b>87,971</b>	<b>64,872</b>	<b>85,611</b>
<b>Other Comprehensive Income</b>				
<b>Total comprehensive income for the period</b>	<b>67,428</b>	<b>87,971</b>	<b>64,872</b>	<b>85,611</b>
<b>Profit for the period attributable to:</b>				
Equity holders of the Bank	67,428	87,971	64,872	85,611
<b>Comprehensive income for the period attributable to:</b>				
Equity holders of the Bank	67,428	87,971	64,872	85,611
<b>Earnings per share (annualised) : Basic &amp; diluted in GHC</b>	<b>0.92</b>	<b>1.20</b>	<b>0.88</b>	<b>1.17</b>

## Statements of financial position

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

	The Group		The Bank	
	2018	2017	2018	2017
<b>Assets</b>				
Cash and bank balances	2,867,625	3,294,668	2,876,603	3,160,829
Loans & advances to customers	2,898,856	3,233,247	2,930,159	3,268,524
Investment securities	2,546,852	1,138,891	2,498,377	1,109,574
Investment in subsidiaries	-	-	25,171	19,179
Investment in associates	8,773	8,301	4,841	4,841
Deferred tax asset	7	9	7	9
Other assets	320,578	263,112	313,486	260,261
Intangible assets	4,287	5,158	4,287	5,158
Non-current assets held for sale	34,487	63,726	34,487	63,726
Property and equipment	457,534	340,168	457,531	340,162
<b>Total Assets</b>	<b>9,138,999</b>	<b>8,347,280</b>	<b>9,144,949</b>	<b>8,232,263</b>
<b>Liabilities</b>				
Deposits from banks	234,994	398,601	557,102	539,267
Deposits from customers	6,965,590	5,869,002	6,662,984	5,601,444
Deferred tax liabilities	30,168	-	30,168	-
Current tax liability	167	222	167	222
Borrowings	197,017	235,295	196,771	229,549
Other liabilities	654,000	792,114	653,250	823,963
<b>Total liabilities</b>	<b>8,081,936</b>	<b>7,295,234</b>	<b>8,100,442</b>	<b>7,194,445</b>
<b>Equity and reserves</b>				
Stated capital	226,641	226,641	226,641	226,641
Income surplus	263,139	337,616	263,656	324,130
Revaluation reserve	109,782	50,129	109,782	50,129
Statutory reserve	367,619	334,066	354,546	333,324
Credit risk reserve	89,882	103,594	89,882	103,594
<b>Total equity attributable to equity holders of the Bank</b>	<b>1,057,063</b>	<b>1,052,046</b>	<b>1,044,507</b>	<b>1,037,818</b>
<b>Total liabilities and equity</b>	<b>9,138,999</b>	<b>8,347,280</b>	<b>9,144,949</b>	<b>8,232,263</b>

## Consolidated cashflow statement

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

	The Group		The Bank	
	2018	2017	2018	2017
<b>Cashflow from operating activities</b>				
Interest paid	(46,371)	(40,668)	(36,584)	(33,352)
Interest received	227,788	228,176	211,316	219,948
Net fees and commissions	50,771	43,447	50,634	43,190
Other income received	5,950	7,561	5,912	7,561
Net trading income	32,638	37,313	32,615	37,180
Payments to employees and suppliers	(134,047)	(130,887)	(134,512)	(125,234)
Tax paid	(26,581)	(38,135)	(26,182)	(37,667)
<b>Cashflow from operating activities before changes in operating assets and liabilities</b>	<b>110,148</b>	<b>106,807</b>	<b>103,199</b>	<b>111,626</b>
<b>Changes in operating assets and liabilities</b>				
Loans and advances	264,222	(30,715)	224,903	(57,964)
Other assets	661,117	(79,151)	637,895	(74,940)
Customer deposits	419,506	450,080	367,592	283,547
Other liabilities	721,216	(101,363)	639,109	(62,872)
Mandatory reserves	(155,416)	(62,923)	(155,416)	(62,923)
<b>Net cash generated from operating activities</b>	<b>1,910,645</b>	<b>175,928</b>	<b>1,714,083</b>	<b>24,848</b>
<b>Cash flow from investing activities</b>				
Purchase of property and equipment	(1,528)	(23,507)	(1,528)	(23,507)
Purchase of software	(1,004)	(663)	(1,004)	(663)
Proceeds from sale of equipment	128	77	128	77
Government securities purchased	(677,196)	(3,940,986)	(620,713)	(3,924,987)
Proceeds from the sale of government securities	770,075	3,521,635	702,781	3,500,654
<b>Net cash used in investing activities</b>	<b>90,475</b>	<b>(443,444)</b>	<b>79,664</b>	<b>(448,426)</b>
<b>Cash from financing activities</b>				
Repayment of borrowed funds	(8,443)	(6,576)	(8,443)	(6,576)
<b>Net cash generated from/(used in) financing activities</b>	<b>(8,443)</b>	<b>(6,576)</b>	<b>(8,443)</b>	<b>(6,576)</b>
<b>Net gain on exchange rate changes on cash and cash equivalents</b>				
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,102,825</b>	<b>(167,285)</b>	<b>1,888,503</b>	<b>(318,528)</b>
Cash and cash equivalents at beginning of year	1,317,005	2,248,528	1,176,299	2,104,237
Effect of exchange rate fluctuations on cash and cash equivalents	(795)	19,758	(795)	19,758
<b>Cash and cash equivalents at end of the period</b>	<b>3,419,035</b>	<b>2,101,001</b>	<b>3,064,007</b>	<b>1,805,467</b>

## 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 2017 and in addition IFRS 9 Financial Instruments, which became effective on January 1, 2018 has been applied.

	Group 2018		Group 2017		Bank 2018		Bank 2017	
	GHC 000		GHC 000		GHC 000		GHC 000	
<b>3. Contingent liabilities</b>								
<b>Guarantees, indemnities and letters of credit</b>	<b>1,302,152</b>	<b>942,310</b>	<b>1,302,152</b>	<b>942,310</b>				
<b>4. Quantitative Disclosures</b>	i. Capital Adequacy Ratio				12.62%		15.49%	
	ii. Non-performing loan Ratio				19.11%		17.53%	
<b>5. Qualitative Disclosures</b>	i. Default in statutory liquidity (times)				Nil		Nil	
	ii. Default in statutory liquidity sanction (GHC'000)				Nil		Nil	

### 6. 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.

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

**Credit Risk:** Our Credit Risk Management Model has four elements: Portfolio Planning and Target Marketing; Credit Origination and Maintenance; Problem Recognition and Remedial Management; and Portfolio Management.

Our credit exposures are within a defined target market and capital constraints. Individual transactions are assessed by an internal credit rating system. The portfolio is managed by respecting concentration limits in industry, currency tenors etc. Credits with signs of delinquency are taken through our various processes of Collections and Remedial Management.

**Market Risk:** Our market risk management policy is designed to ensure that all significant market risks are identified, measured, and managed in a consistent and effective manner in order to stabilize earnings and protect capital under a broad range of market conditions.

**Liquidity Risk:** This is to ensure that we possess adequate sources of liquidity to meet the Bank's financial liabilities when they fall due and be able to replace funds when they are withdrawn. This falls under the supervision of the Assets and Liabilities Committee

**Operational Risk:** In managing operational risk and losses, the bank establishes procedures to be employed in the handling of each situation. These procedures, prior approved by the Board, have been well disseminated and explained to staff. These broad policy directives cover among others areas like internal/external fraud, employment practices and work safety, clients' products and business practices, use of physical assets, business disruptions and system failures etc.

- 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