

Ecobank Ghana Limited and its Subsidiaries

Consolidated Financial Statements (un-audited) for the period ended 30th september 2018

Key Ratios

Cost to Income	49.43%
Return on Average Assets	3.74%
Return on Average Equity	31.88%
Non Funded Income to Total Income	34.99%

Financial Highlights

September 2017 - September 2018	Growth
Profit Before Tax	40.68%
Total Assets	21.21%
Loans	20.70%
Deposits	26.12%

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	752,421	671,869	685,380	633,714
Interest expense	(156,694)	(118,850)	(99,060)	(94,018)
Net interest income	595,727	553,019	586,320	539,696
Fees and commission income	159,588	151,882	154,628	151,745
Fees and commission expense	(2,170)	(2,505)	(2,170)	(2,505)
Net fees and commission income	157,418	149,377	152,458	149,240
Net trading income	145,992	102,606	145,944	102,514
Other operating income	17,091	17,070	17,044	17,066
Other revenue	172	2,081	172	2,081
Revenue	916,400	824,153	901,938	810,597
Other income	565	191	565	191
Net Impairment loss on financial assets	(98,929)	(144,273)	(98,929)	(144,273)
Personnel expenses	(247,923)	(245,977)	(247,357)	(245,671)
Depreciation and amortisation	(26,572)	(18,029)	(26,571)	(18,029)
Other expenses	(178,480)	(156,364)	(176,283)	(156,090)
Operating profit	365,061	259,701	353,363	246,725
Share of profit of associates (net of tax)	1,015	522	-	-
Profit before income tax	366,076	260,223	353,363	246,725
Income tax expense	(108,473)	(76,060)	(106,380)	(73,963)
Profits after tax	257,603	184,163	246,983	172,762
Profit for the period	257,603	184,163	246,983	172,762
Other Comprehensive Income				
Total comprehensive income for the period	257,603	184,163	246,983	172,762
Profit for the period attributable to:				
Equity holders of the Bank	257,603	184,163	246,983	172,762
Comprehensive income for the period attributable to:				
Equity holders of the Bank	257,603	184,163	246,983	172,762

Statements of financial position

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

	The Group		The Bank	
	2018	2017	2018	2017
Cash and bank balances	2,197,629	2,763,281	2,224,076	2,757,293
Loans & advances to customers	4,284,318	3,549,463	4,304,568	3,579,780
Investment securities	2,952,571	1,242,376	2,747,402	1,199,360
Investment in subsidiaries	-	-	30,819	19,179
Investment in associates	9,561	8,595	4,841	4,841
Deferred tax asset	7	9	7	9
Other assets	136,900	301,956	278,051	247,775
Intangible assets	8,505	4,848	8,505	4,848
Non-current assets held for sale	34,487	50,536	34,487	50,536
Property and equipment	447,048	387,567	447,044	387,663
Total assets	10,071,026	8,308,631	10,079,800	8,251,284
Liabilities				
Deposits from banks	489,063	226,803	668,526	473,276
Deposits from customers	7,649,086	6,065,114	7,475,844	5,782,545
Deferred tax liabilities	30,168	6,810	30,168	6,810
Current tax liability	6	1,961	6	1,961
Borrowings	185,407	217,970	179,803	212,395
Other liabilities	469,931	882,281	498,837	906,576
Total liabilities	8,823,661	7,400,939	8,853,184	7,383,563
Equity and reserves				
Stated capital	416,641	226,641	416,641	226,641
Income surplus	234,796	192,129	215,892	158,695
Revaluation reserve	109,782	50,129	109,782	50,129
Statutory reserve	387,264	346,048	385,419	339,511
Credit risk reserve	98,882	92,745	98,882	92,745
Total equity attributable to equity holders of the Bank	1,247,365	907,692	1,226,616	867,721
Total liabilities and equity	10,071,026	8,308,631	10,079,800	8,251,284

Statements of cash flows

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

	The Group		The Bank	
	2018	2017	2018	2017
Cashflow from operating activities				
Interest paid	(148,550)	(115,546)	(96,098)	(93,047)
Interest received	742,848	684,731	683,603	625,679
Net fees and commissions	156,661	148,050	151,700	147,913
Other income received	17,263	17,151	17,216	19,147
Net trading income	145,992	92,630	145,944	92,615
Payments to employees and suppliers	(388,016)	(368,439)	(389,304)	(367,859)
Tax paid	(79,743)	(96,591)	(78,546)	(95,556)
Cashflow from operating activities before changes in operating assets and liabilities	446,455	363,986	434,515	328,892
Changes in operating assets and liabilities				
Loans and advances	(947,280)	209,065	(954,263)	161,898
Other assets	704,333	(120,306)	571,522	(110,871)
Customer deposits	1,107,438	644,894	1,025,064	463,576
Other liabilities	(209,822)	116,230	(176,984)	103,073
Mandatory reserves	(352,892)	(37,142)	(352,892)	(37,142)
Net cash generated from operating activities	301,777	812,741	112,447	580,534
Cash flow from investing activities				
Purchase of property and equipment	(49,162)	(70,906)	(49,162)	(70,906)
Purchase of software	(7,544)	(2,270)	(7,544)	(2,270)
Proceeds from sale of equipment	565	191	565	191
Proceeds from the sale of non-current assets held for sale	7,875	-	7,875	-
Government securities purchased	(3,933,656)	(2,804,170)	(3,556,107)	(2,316,461)
Proceeds from the sale of government securities	3,500,996	2,614,722	3,265,967	2,243,580
Net cash used in investing activities	(480,926)	(262,433)	(338,406)	(145,866)
Cash from financing activities				
Proceeds from borrowed funds	-	5,000	-	-
Repayment of borrowed funds	(41,309)	(28,922)	(41,309)	(27,464)
Dividend Paid	-	(240,447)	-	(240,447)
Net cash generated from/(used in) financing activities	(41,309)	(264,369)	(41,309)	(267,911)
Net increase (decrease) in cash and cash equivalents	225,997	649,925	167,247	495,649
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	75,487	(600)	75,487	(600)
Cash and cash equivalents at end of the period	1,618,489	2,897,853	1,419,033	2,599,286

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Consolidated Financial Statements (un-audited)
for the period ended 30th September 2018

Statements of changes in equity

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

The Group

	Stated Capital	Income Surplus	Revaluation Reserve	Statutory Reserve	Credit Risk Reserve	Total
Balance at 1 January 2018	226,641	208,393	109,782	355,064	137,047	1,036,927
Profit for the period	-	257,603	-	-	-	257,603
Statutory reserve	-	(32,200)	-	32,200	-	-
Transfer to stated capital	190,000	(190,000)	-	-	-	-
Credit risk reserve	-	(9,000)	-	-	9,000	-
IFRS 9 impact on opening balance	-	-	-	-	(47,165)	(47,165)
Balance at 30 September 2018	416,641	234,796	109,782	387,264	98,882	1,247,365

The Bank

	Stated Capital	Income Surplus	Revaluation Reserve	Statutory Reserve	Credit Risk Reserve	Total
Balance at 1 January 2018	226,641	198,782	109,782	354,546	137,047	1,026,798
Profit for the period	-	246,983	-	-	-	246,983
Statutory reserve	-	(30,873)	-	30,873	-	-
Transfer to stated capital	190,000	(190,000)	-	-	-	-
Credit risk reserve	-	(9,000)	-	-	9,000	-
IFRS 9 impact on opening balance	-	-	-	-	(47,165)	(47,165)
Balance at 30 September 2018	416,641	215,892	109,782	385,419	98,882	1,226,616

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.

3. Contingent liabilities	Group 2018	Group 2017	Bank 2018	Bank 2017
	GHC 000	GHC 000	GHC 000	GHC 000
Guarantees, indemnities and letters of credit	1,464,086	1,135,057	1,464,086	1,135,057
4. Quantitative Disclosures	i. Capital Adequacy Ratio		14.37%	10.23%
	ii. Non-performing loan Ratio		15.00%	12.04%
	iii. Liquid ratio		101.63%	93.00%
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, except for buildings which are carried at revalued amounts.

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.

8. Other Disclosures

A total of GH¢663,000 had been committed to corporate social responsibility activities as at September 2018

- 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

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The Pan African Bank