

Ecobank Ghana Limited and its Subsidiaries

Consolidated Financial Statements (un-audited) for the period ended 31st March 2019

Key Ratios

| | |
|-----------------------------------|-----|
| Cost to Income | 45% |
| Return on Average Assets | 4% |
| Return on Average Equity | 32% |
| Non Funded Income to Total Income | 32% |

Financial Highlights

| | |
|-------------------------|--------|
| March 2018 – March 2019 | Growth |
| Profit Before Tax | 51% |
| Total Assets | 22% |
| Loans | 57% |
| Deposits | 12% |

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 | 276,952 | 242,891 | 246,815 | 227,693 |
| Interest expense | (43,136) | (50,808) | (27,502) | (37,856) |
| Net interest income | 233,816 | 192,083 | 219,313 | 189,837 |
| Fees and commission income | 54,183 | 51,717 | 52,913 | 51,581 |
| Fees and commission expense | (662) | (799) | (662) | (799) |
| Net fees and commission income | 53,521 | 50,918 | 52,251 | 50,782 |
| Net trading income | 49,179 | 34,326 | 49,158 | 34,301 |
| Other operating income | 6,938 | 5,778 | 6,921 | 5,740 |
| Dividend income | - | 172 | - | 172 |
| | 56,117 | 40,276 | 56,079 | 40,213 |
| Revenue | 343,454 | 283,277 | 327,643 | 280,832 |
| Gain on sale of equipment | 37 | 128 | 37 | 128 |
| Net Impairment loss on financial assets | (43,449) | (40,861) | (43,449) | (40,444) |
| Personnel expenses | (84,210) | (84,107) | (83,916) | (83,964) |
| Depreciation and amortisation | (9,375) | (8,469) | (9,375) | (8,469) |
| Other operating expenses | (62,616) | (54,289) | (52,846) | (54,895) |
| Operating profit | 143,841 | 95,679 | 138,094 | 93,188 |
| Share of profit of associates (net of tax) | 620 | 226 | - | - |
| Profit before income tax | 144,461 | 95,905 | 138,094 | 93,188 |
| Income tax expense | (42,971) | (28,477) | (40,235) | (28,316) |
| Profit for the year | 101,490 | 67,428 | 97,859 | 64,872 |
| Other Comprehensive Income | | | | |
| Items that will never be reclassified subsequently to profit or loss: | | | | |
| Gains on revaluation of investment securities | 20,393 | - | 20,393 | - |
| Related tax | (5,098) | - | (5,098) | - |
| Other comprehensive income for the year, net of tax | 15,295 | - | 15,295 | - |
| Total comprehensive income for the year | 116,785 | 67,428 | 113,154 | 64,872 |
| Profit for the year attributable to: Equity holders of the Bank | 101,490 | 67,428 | 97,859 | 64,872 |
| Comprehensive income for the year attributable to: Equity holders of the Bank | 116,785 | 67,428 | 113,154 | 64,872 |
| Earnings per share | | | | |
| Basic & diluted (in Ghana Cedis) | 1.26 | 0.92 | 1.21 | 0.88 |

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 cash equivalents | 2,574,813 | 2,867,625 | 2,546,480 | 2,876,603 |
| Loans & advances to customers | 4,537,273 | 2,898,856 | 4,539,106 | 2,930,159 |
| Non pledged trading assets | 638,639 | - | 638,639 | - |
| Investment securities | 2,494,157 | 2,546,852 | 2,492,801 | 2,498,377 |
| Investment in subsidiaries | - | - | 36,489 | 25,171 |
| Investment in associates | 10,809 | 8,773 | 10,809 | 4,841 |
| Current tax asset | 29,969 | - | 29,969 | - |
| Other assets | 370,734 | 320,578 | 290,624 | 313,486 |
| Deferred tax asset | 30,699 | 7 | 30,699 | 7 |
| Intangible assets | 8,044 | 4,287 | 8,044 | 4,287 |
| Non-current assets held for sale | 26,375 | 34,487 | 26,375 | 34,487 |
| Property and equipment | 441,706 | 457,534 | 437,704 | 457,531 |
| Total Assets | 11,163,218 | 9,138,999 | 11,087,739 | 9,144,949 |
| Liabilities | | | | |
| Deposits from banks | 552,295 | 234,994 | 862,773 | 557,102 |
| Deposits from customers | 7,834,168 | 6,965,590 | 7,521,770 | 6,662,984 |
| Borrowings | 95,657 | 197,017 | 67,140 | 196,771 |
| Current tax liabilities | - | 167 | - | 167 |
| Deferred tax liabilities | 30,168 | 30,168 | 30,168 | 30,168 |
| Other liabilities | 1,207,926 | 654,000 | 1,178,920 | 653,250 |
| Total liabilities | 9,720,214 | 8,081,936 | 9,660,771 | 8,100,442 |
| Equity and reserves | | | | |
| Stated capital | 416,641 | 226,641 | 416,641 | 226,641 |
| Income surplus | 302,617 | 263,139 | 287,109 | 263,656 |
| Revaluation reserve | 125,077 | 109,782 | 125,077 | 109,782 |
| Statutory reserve | 439,471 | 367,619 | 438,943 | 354,546 |
| Credit risk reserve | 159,198 | 89,882 | 159,198 | 89,882 |
| Total equity attributable to equity holders of the Bank | 1,443,004 | 1,057,063 | 1,426,968 | 1,044,507 |
| Total liabilities and equity | 11,163,218 | 9,138,999 | 11,087,739 | 9,144,949 |

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 | (41,556) | (46,371) | (28,616) | (36,584) |
| Interest received | 261,192 | 227,788 | 249,423 | 211,316 |
| Net fees and commissions | 50,928 | 50,771 | 49,658 | 50,634 |
| Other income received | 6,938 | 5,950 | 6,921 | 5,912 |
| Net trading income | 47,806 | 32,638 | 47,806 | 32,615 |
| Payments to employees and suppliers | (142,668) | (134,047) | (132,603) | (134,512) |
| Tax paid | (38,325) | (26,581) | (37,830) | (26,182) |
| Cash flows from operating activities before changes in operating assets and liabilities | 144,315 | 110,148 | 154,759 | 103,199 |
| Changes in operating assets and liabilities | | | | |
| Loans and advances | (434,415) | 264,222 | (461,073) | 224,903 |
| Other assets | (160,369) | 661,117 | (160,362) | 637,895 |
| Customer deposits | 571,547 | 419,506 | 554,079 | 367,592 |
| Other liabilities | 57,063 | 721,216 | 12,228 | 639,109 |
| Mandatory reserves | (344,027) | (155,416) | (344,027) | (155,416) |
| Net cash generated from operating activities | (165,886) | 2,020,793 | (244,396) | 1,817,282 |
| Cash flows from investing activities | | | | |
| Purchase of property and equipment | (2,599) | (1,528) | (2,599) | (1,528) |
| Purchase of software | (81) | (1,004) | (81) | (1,004) |
| Proceeds from sale of equipment | 37 | 128 | 37 | 128 |
| Government securities purchased | (1,572,912) | (677,196) | (1,571,240) | (620,713) |
| Proceeds from the sale of government securities | 1,281,100 | 770,075 | 1,263,069 | 702,781 |
| Net cash used in investing activities | (294,455) | 90,475 | (310,814) | 79,664 |
| Cash from financing activities | | | | |
| Repayment of borrowed funds | (106,827) | (8,443) | (106,827) | (8,443) |
| Net cash used in financing activities | (106,827) | (8,443) | (106,827) | (8,443) |
| Net increase in cash and cash equivalents | (567,168) | 2,102,825 | (662,037) | 1,888,503 |
| Cash and cash equivalents at beginning of year | 1,991,473 | 1,317,005 | 1,794,624 | 1,176,299 |
| Effect of exchange rate fluctuations on cash and cash equivalents | - | (795) | - | (795) |
| Cash and cash equivalents at end of the period | 1,424,305 | 3,419,035 | 1,132,587 | 3,064,007 |

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 Fund | Credit Risk Reserve | Total |
|--------------------------------|----------------|----------------|---------------------|------------------------|---------------------|-----------|
| Balance at 1 January 2019 | 416,641 | 201,127 | 109,782 | 439,471 | 159,198 | 1,326,219 |
| Profit for the period | - | 101,490 | - | - | - | 101,490 |
| Revaluation gains (net of tax) | - | - | 15,295 | - | - | 15,295 |
| Balance as at 31 March 2019 | 416,641 | 302,617 | 125,077 | 439,471 | 159,198 | 1,443,004 |
| THE BANK | Stated Capital | Income Surplus | Revaluation Reserve | Statutory Reserve Fund | Credit Risk Reserve | Total |
| Balance at 1 January 2019 | 416,641 | 189,250 | 109,782 | 438,943 | 159,198 | 1,313,814 |
| Profit for the period | - | 97,859 | - | - | - | 97,859 |
| Revaluation gains (net of tax) | - | - | 15,295 | - | - | 15,295 |
| Balance as at 31 March 2019 | 416,641 | 287,109 | 125,077 | 438,943 | 159,198 | 1,426,968 |

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

| 3. Contingent liabilities | Group 2019 GHC 000 | Group 2018 GHC 000 | Bank 2019 GHC 000 | Bank 2018 GHC 000 |
|-------------------------------|-----------------------|-----------------------|----------------------|----------------------|
| Guarantees and indemnities | 516,433 | 354,040 | 516,433 | 354,040 |
| Documentary letters of credit | 963,975 | 948,112 | 963,975 | 948,112 |
| | 1,480,408 | 1,302,152 | 1,480,408 | 1,302,152 |

4. Quantitative Disclosures

| | | |
|---|--------|--------|
| i. Capital Adequacy ratio | - | 12.62% |
| Capital Adequacy ratio (per Capital Requirements directive) | 13.35% | - |
| ii. Non-performing loan ratio | 11.67% | 19.11% |
| iii. Liquid ratio | 92% | 88% |

5. Qualitative Disclosures

| | | |
|--|-----|-----|
| i. Default in statutory liquidity (times) | Nil | Nil |
| ii. Default in statutory liquidity sanction (GHC000) | 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. 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.

- 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. Batchway
Executive Director