



PRESS RELEASE

PR. No 194/2014

**ECOBANK GHANA LIMITED (EBG) –
UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE HALF YEAR ENDING JUNE 30, 2014**

EBG has released its un-audited Financial Statements for the period ending June 30, 2014 as per the attached.

Issued in Accra, this 29th
day of July, 2014.

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att'd.

Distribution:

1. All LDMs
2. General Public
3. Company Secretary, EBG
4. GCB Registrars, (Registrars for EBG shares)
5. Central Securities Depository
6. SEC
7. GSE Council Members
8. GSE Notice Board

For enquiries, contact:

**General Manager/Head of Listings, GSE on 0302 669908, 669914,
669935**

**JEB*

Ecobank Ghana Limited and its Subsidiaries

Consolidated Financial Statements (un-audited) for the period ended 30th June, 2014

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

Financial highlights

Growth: June 2013 - June 2014	
Profit Before Tax	97%
Total Assets	52%
Loans	53%
Deposits	36%

Key Ratios	
Cost to Income Ratio	41.39%
Return on Average Equity	5.97%
Return on Average Assets	53.70%
Non Funded Income to Total Income	32.78%

Statement of Comprehensive Income

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

For the year ended 30th June

	Group 2014	Group 2013	Bank 2014	Bank 2013
Interest and similar income	320,932	226,342	309,145	217,159
Interest expense and similar charges	(61,006)	(44,430)	(54,763)	(42,287)
Net interest income	259,926	181,912	254,382	174,872
Fees and commission income	67,602	56,227	67,686	53,381
Fees and commission expense	(1,471)	(854)	(1,471)	(854)
Net fees and commission income	66,131	55,373	66,215	52,527
Lease income	747	726	747	726
Dividend income	5	3	5	3
Net trading income	54,084	27,036	53,373	25,865
Other operating income	5,803	2,540	864	1,631
Net operating income before impairment losses	386,696	267,590	375,586	255,624
Impairment charge on loans and advances	(12,639)	(33,476)	(12,852)	(32,676)
Net operating income	374,057	234,114	362,734	222,948
Operating expenses	(160,278)	(125,660)	(154,579)	(117,021)
Operating profit	213,779	108,454	208,155	105,927
Share of profit of associates	334	284	-	-
Profit before income tax	214,113	108,738	208,155	105,927
Income tax expenses	(49,648)	(28,251)	(47,650)	(28,104)
National fiscal stabilisation levy	(10,518)	-	(10,408)	-
Profit after tax	153,947	80,487	150,097	77,823

Statement of Financial Position

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

As at 30th June

	Group 2014	Group 2013	Bank 2014	Bank 2013
Cash and balances with Central Banks	1,008,142	377,846	1,008,142	377,846
Government Securities	877,872	769,985	816,823	757,269
Placements, loans & advances to banks	952,648	716,066	934,312	708,218
Loans & advances to customers	2,637,594	1,720,717	2,624,876	1,702,479
Investment securities: available for sale	2,522	2,993	2,522	2,993
Investment in subsidiaries	-	-	16,673	2,400
Investment in associates	5,175	5,409	4,841	5,125
Intangible assets	5,105	8,094	5,105	8,094
Property, plant and equipment	86,402	58,295	86,352	58,161
Other assets	156,696	103,478	126,485	100,392
Total Assets	5,732,156	3,762,883	5,626,131	3,722,977
Deposits from banks & financial institutions	971,068	320,062	1,149,076	318,563
Deposits from customers	3,667,146	2,702,675	3,421,355	2,691,668
Other liabilities	338,759	157,057	306,997	131,986
Long term borrowings	167,587	131,426	167,587	131,426
Total liabilities	5,144,560	3,311,220	5,045,015	3,273,643
Stated capital	226,641	226,641	226,641	226,641
Income surplus account	159,643	81,231	151,936	78,236
Revaluation reserve	12,059	13,040	13,707	13,974
Statutory reserve fund	164,001	117,382	163,580	117,114
Regulatory credit risk reserve	25,252	13,369	25,252	13,369
Total equity	587,596	451,663	581,116	449,334
Total liabilities and equity	5,732,156	3,762,883	5,626,131	3,722,977

Statement of Cash flows

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

As at 30th June

	Group 2014	Group 2013	Bank 2014	Bank 2013
Cash flow from operating activities				
Interest paid	(61,195)	(43,171)	(52,554)	(41,028)
Interest received	329,569	197,881	317,682	188,698
Net fees and commissions receipts	66,131	55,372	66,215	52,527
Other income received	5,803	2,540	864	1,347
Dividend received	5	3	5	3
Net trading income	45,769	25,875	45,254	24,704
Lease income	747	726	747	726
Payments to employees and suppliers	(150,916)	(108,414)	(145,268)	(101,424)
Corporate tax and national stabilization levy paid	(45,692)	(31,298)	(44,634)	(31,055)
Cashflow from operating activities before changes in operating assets and liabilities	190,221	99,514	188,311	94,498
Changes in operating assets and liabilities				
Loans and advances	(517,693)	(167,999)	(488,535)	(172,642)
Other assets	16,891	40,907	(23,081)	58,605
Investment securities	-	(1,476)	-	(1,476)
Customer deposits	420,472	238,070	200,578	284,053
Other liabilities	(114,411)	32,930	(82,638)	29,357
Mandatory Reserves	(171,941)	36,396	(171,941)	36,396
Net cash generated from operating activities	(366,682)	178,828	(565,617)	234,293
Cashflow from investing activities				
Purchase of property and equipment	(14,488)	(715)	(14,489)	(658)
Purchase of software	(36)	(5,538)	(36)	(5,538)
Proceeds from sale of equipment	217	163	217	163
Government securities purchased	(359,968)	(433,526)	(202,555)	(459,882)
Proceeds from sale of Government securities	464,543	209,756	284,277	185,642
Net cash used in investing activities	90,268	(229,860)	67,414	(280,273)
Cashflow from financing activities				
Repayment of borrowed funds	(12,563)	(6,702)	(12,563)	(6,702)
Dividend Paid	(126,088)	(85,036)	(126,088)	(85,036)
Net cash generated from/(used in) financing activities	(138,651)	(91,738)	(138,651)	(91,738)
Net increase (decrease) in cash and cash equivalents	(224,844)	(43,256)	(448,543)	(43,220)
Cash and cash equivalents at beginning of year	678,963	678,963	661,630	661,630
Cash and cash equivalents at the end of the period	454,119	635,707	213,087	618,410

Ecobank Ghana Limited and its Subsidiaries

Consolidated Financial Statements (un-audited) for the period ended 30th June, 2014

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

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 2013.

3. Contingent liabilities

	Group 2014 GHS 000	Group 2013 GHS 000	Bank 2014 GHS 000	Bank 2013 GHS 000
Guarantees, indemnities and letters of credit	808,955	771,156	808,955	771,156

4. Earnings per share (annualised)

	GHS	GHS	GHS	GHS
Basic	1.05	0.55	1.02	0.53
Diluted	1.05	0.55	1.02	0.53

5. Quantitative disclosures

	2014	2013
i. Capital Adequacy ratio	15.52%	13.69%
ii. Non-performing loan ratio	5.20%	6.46%

6. Qualitative Disclosures

- Risk Management Concept and Framework:** The risk management framework of Ecobank Ghana outlines its Strategy, Policy, Governance, Processes and Risk Appetite. Within this framework, the bank defines its risk appetite to inform how credit decisions are made. Risk management policies are put in place to ensure that once the risk appetite thresholds have been breached, risk management treatments and business control measures are implemented to bring the exposure levels back within accepted thresholds. The Bank's Board of Directors articulate and approve the policy on risk appetite annually. The Risk Committee of the Board, the Managing Director and Risk Management coordinate, facilitate, and oversee the effectiveness and integrity of the bank's risk management framework. The Internal Audit function and the bank's external auditors in turn provide timely and objective assurance regarding the continuing appropriateness and adequacy of compliance with this framework, and ensure proper corporate governance, reports are sent to the Audit and Risk sub-committee of the Board of Directors.

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

- Credit Risk:** This is the most material risk faced by the bank and traditionally arises from actual failure or possibility of failure of a borrower or counterparty to meet its obligations on schedule.

Ecobank's Credit Risk Management approach has milestones commencing with credit origination, and runs through deal structuring, credit appraisal and sanctioning, credit disbursement, post disbursement monitoring and control, debt restructuring and recoveries. Each of these functions is performed by the appropriate business unit so as to ensure avoidance of conflict of interest and separation of power.

Disclosures

The bank takes on exposures within its defined target market and capital constraints. Individual credit transactions are assessed and managed by an internal credit rating system. The portfolio is also managed by respecting maximum limits set for sector/industry concentrations; currency mix; business segment concentrations, tenor profiles etc. to ensure diversification, eliminate undesirable concentrations and maintain a good portfolio quality.

- Market Risk:** At Ecobank, market risk comprises price risk, liquidity risk and counterparty credit risk in treasury operations. Price risk measures the impact on earnings resulting from changes in interest rates, foreign exchange rates, equity and commodity prices and their implied volatilities. Both the bank's trading and non-trading books are exposed to price risk. Liquidity risk on the other hand refers to the risk that the bank is unable or perceived to be unable to meet its financial commitments.

The objective of Ecobank's market risk management policy framework is to ensure that all significant market risks are identified, measured, and managed in a consistent and effective manner in order to stabilize earnings and capital under a broad range of market conditions and to ensure that the Bank possesses adequate sources of liquidity under the supervision of the bank's Asset and Liability Committee (ALCO).

Under Market Risk, the Trading Book is monitored by Position Size, Factor Sensitivities, Stop Loss Limits, Management Action Triggers and Value at Risk (VaR). The Banking Book is also monitored using Re-pricing Maturity Gap analysis, Currency Mismatch Analysis and Liquidity Gap Analysis.

- Operational Risk:** Operational Risk refers to "the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events".

Ecobank records all loss events. This enables us to learn from such occurrences over time, test and model our exposure to similar loss occurrences and improve ways of preventing such loss events in the future using internal models. In managing operational risk and losses, the bank establishes procedures to be employed in each transaction handling and situation. These procedures having been prior approved at the Board Level, have been well distributed 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.

	2014	2013
7. i. Default in statutory liquidity	Nil	Nil
ii. Default in statutory liquidity sanction	Nil	Nil

The financial statements do not contain any untrue statement, misleading facts or omit material facts, to the best of my knowledge

Signed

Samuel Ashitey Adjey

Signed

George Mensah-Asante