



**PRESS RELEASE**

**PR. No 230/2012**

**ECOBANK GHANA LIMITED (EBG)  
UN-AUDITED FINANCIAL STATEMENTS FOR THE  
HALF YEAR ENDING JUNE 30, 2012**

EBG has released its un-audited Financial Statements for the half-year ending June 30, 2012 as per the attached

Issued in Accra, this 31<sup>st</sup>  
day of July, 2012.

**- E N D -**

**Distribution:**

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

**For enquiries, contact:**

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

\*By

# Ecobank Ghana Limited and its Subsidiaries

Consolidated Financial Statements (un-audited) for the period ended 30 June 2012

## Financial highlights

June 2011 - June 2012	% Growth
Profit Before Tax	61%
Total Assets	65%
Loans	135%
Deposits	59%

## Income Statement

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

At 30 June, 2012

	Group 2012	Group 2011	Bank 2012	Bank 2011
Interest and similar income	154,528	79,842	146,851	74,023
Interest expense and similar charges	(31,422)	(22,377)	(29,575)	(17,979)
<b>Net interest income</b>	<b>123,106</b>	<b>57,465</b>	<b>117,276</b>	<b>56,044</b>
Fee and commission income	47,383	29,111	46,562	29,044
Fee and commission expense	(821)	(739)	(821)	(739)
<b>Net fee and commission income</b>	<b>46,562</b>	<b>28,372</b>	<b>45,741</b>	<b>28,305</b>
Lease income	608	1,054	608	1,054
Dividend income		460		460
Net trading income	28,027	18,861	27,393	17,688
Other operating income	879	934	879	931
<b>Net operating income before impairment losses</b>	<b>199,182</b>	<b>107,146</b>	<b>191,897</b>	<b>104,482</b>
Impairment losses on loans and advances	(16,396)	(425)	(16,396)	(425)
<b>Net operating income</b>	<b>182,786</b>	<b>106,721</b>	<b>175,501</b>	<b>104,057</b>
Operating expenses	(98,134)	(54,248)	(97,918)	(52,665)
Operating profit	84,651	52,473	77,583	51,392
Share of profit of associates	156	215	156	215
<b>Profit before income tax</b>	<b>84,808</b>	<b>52,688</b>	<b>77,739</b>	<b>51,607</b>
Income tax expenses	(23,516)	(15,218)	(21,767)	(14,984)
<b>Profit after tax</b>	<b>61,292</b>	<b>37,470</b>	<b>55,972</b>	<b>36,623</b>

## Consolidated Financial Position

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

At 30 June, 2012

	Group 2012	Group 2011	Bank 2012	Bank 2011
Cash and balances with Central Banks	241,275	152,016	241,275	152,016
Government Securities	564,942	575,310	523,148	487,608
Placements, loans & advances to banks	756,457	477,400	751,688	532,614
Trading Assets	456	1,185	456	1,185
Loans & advances to customers	1,251,098	532,437	1,248,506	527,038
Investment securities: available for sale	125,064	13,712	125,064	13,712
Investment in subsidiaries			2,400	2,400
Investment in associates	4,396	4,240	3,959	3,959
Intangible assets	5,260	1,531	5,260	1,531
Property, plant and equipment	60,728	38,358	56,679	38,227
Others assets	118,094	101,046	116,077	89,870
<b>Total Assets</b>	<b>3,127,770</b>	<b>1,897,235</b>	<b>3,074,512</b>	<b>1,850,160</b>
Deposits from banks & financial institutions	203,351	90,116	207,280	104,717
Deposits from customers	2,298,270	1,445,422	2,239,452	1,371,322
Other liabilities	88,941	62,034	107,629	84,469
Long term borrowings	139,185	80,572	139,185	80,572
<b>Total liabilities</b>	<b>2,729,747</b>	<b>1,678,144</b>	<b>2,693,546</b>	<b>1,641,080</b>
Share capital	229,339	100,000	229,339	100,000
Reserves	168,684	119,091	151,627	109,080
<b>Total equity</b>	<b>398,023</b>	<b>219,091</b>	<b>380,966</b>	<b>209,080</b>
<b>Total liabilities and equity</b>	<b>3,127,770</b>	<b>1,897,235</b>	<b>3,074,512</b>	<b>1,850,160</b>

Signed

Samuel Ashitey Adjei  
Managing Director

Signed

Lionel Van Lare Dosoo  
Board Chairman

## Consolidated Cashflow Statement

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

At 30 June, 2012

	Group 2012	Group 2011	Bank 2012	Bank 2011
<b>Cashflow from operating activities</b>				
Interest paid	(19,854)	(15,170)	(22,535)	(14,560)
Interest received	129,847	67,948	124,469	63,950
Net fees and commissions receipts	45,619	28,372	44,798	28,305
Other income received	1,822	934	1,822	931
Dividend received		460		460
Net trading income	25,213	17,039	25,227	15,914
Lease income	590	1,046	590	1,046
Payments to employees and suppliers	(91,205)	(40,889)	(90,496)	(38,864)
Corporate tax and national stabilization levy paid	(17,534)	(16,579)	(17,190)	(16,189)
<b>Cashflow from operating activities before changes in operating assets and liabilities</b>	<b>74,498</b>	<b>43,161</b>	<b>66,685</b>	<b>40,993</b>
Changes in operating assets and liabilities				
Loans and advances	(388,715)	(36,394)	(384,530)	(31,347)
Other assets	(62,289)	(71,011)	(67,311)	(59,619)
Investment securities	(114,192)	3,648	(114,192)	3,648
Customer deposits	690,014	329,090	698,782	284,387
Other liabilities	33,007	37,587	38,375	56,919
Mandatory Reserves	26,789	56,902	26,789	56,902
<b>Net cash generated from operating activities</b>	<b>184,614</b>	<b>319,822</b>	<b>197,913</b>	<b>310,890</b>
<b>Cashflow from investing activities</b>				
Purchase of property and equipment	(12,235)	(2,452)	(12,235)	(2,452)
Purchase of software		1,154		1,154
Proceeds from sale of equipment	119	26	119	26
Government securities	8,353	(106,497)	(4,471)	(83,633)
<b>Net cash used in investing activities</b>	<b>(3,763)</b>	<b>(107,769)</b>	<b>(16,587)</b>	<b>(84,905)</b>
<b>Cashflow from financing activities</b>				
Proceeds from borrowed funds	14,511	27,807	14,511	27,807
Repayment of borrowed funds	(2,479)	(23,264)	(2,479)	(23,264)
Dividend Paid	(55,207)	(46,026)	(55,207)	(46,026)
<b>Net cash generated from/(used in) financing activities</b>	<b>(43,175)</b>	<b>(41,483)</b>	<b>(43,175)</b>	<b>(41,483)</b>
Net gain on exchange rate changes on cash and cash equivalents				
Net increase (decrease) in cash and cash equivalents	212,174	213,731	204,836	225,495
Cash and cash equivalents at beginning of year	365,042	360,366	353,999	400,051
<b>Cash and cash equivalents at the end of the period</b>	<b>577,216</b>	<b>574,097</b>	<b>558,835</b>	<b>625,546</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 2011.
- Contingent liabilities

	Group 2012	Group 2011	Bank 2012	Bank 2011
	GHC 000	GHC 000	GHC 000	GHC 000
<b>Guarantees, indemnities and letters of credit</b>	<b>850,067</b>	<b>502,659</b>	<b>850,067</b>	<b>502,659</b>
4. Earnings per share (annualised)	GHC	GHC	GHC	GHC
Basic	0.42	0.33	0.38	0.32
Diluted	0.42	0.33	0.38	0.32

- Quantitative Disclosures
  - Capital Adequacy Ratio
  - Non-performing loan Ratio
- 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, Market 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.

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). Alternatively, the Banking Book is 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.

7.		2012	2011
i. Default in Statutory Liquidity		Nil	Nil
ii. Default in Statutory Liquidity Sanction		Nil	Nil