

Ecobank Ghana Limited

The Pan African Bank

Un-audited Financial Statements
For the six-month period ended
30th June 2020

Statements of Comprehensive Income	Note	Group		Bank	
		Jun-20	Jun-19	Jun-20	Jun-19
Interest income	6	734,608	596,027	713,001	586,870
Interest expense	7	(100,747)	(108,134)	(88,243)	(108,657)
Net interest income		633,861	487,893	624,758	478,213
Fees and commission income	8	117,384	114,170	92,593	109,453
Fees and commission expense	9	(4,370)	(2,081)	(4,370)	(2,081)
Net fee and commission income		113,014	112,089	88,223	107,372
Net trading income	10	116,226	97,222	116,159	97,175
Other operating income	11	15,357	14,669	15,316	14,640
Revenue		131,583	111,891	131,475	111,815
		878,458	711,873	844,456	697,400
Net Impairment charge		(142,148)	(84,754)	(142,076)	(84,754)
Personnel expenses	12	(167,550)	(159,882)	(157,343)	(157,995)
Depreciation and amortisation	13	(24,435)	(17,829)	(23,018)	(17,791)
Finance cost on lease liabilities		(2,075)	-	(2,075)	-
Other operating expenses	14	(179,856)	(145,657)	(168,938)	(147,205)
Gain on sale of equipment		405	72	405	72
Operating profit		362,799	303,823	351,411	289,727
Profit before income tax		362,799	303,823	351,411	289,727
Income tax expense	15	(109,545)	(90,051)	(101,568)	(82,220)
Profit after tax		253,254	213,772	249,843	207,507

Statements of Comprehensive Income	Group		Bank	
	Jun-20	Jun-19	Jun-20	Jun-19
Net income after tax	253,254	213,772	249,843	207,507
Other Comprehensive Income				
<i>Items that will never be reclassified subsequently to profit or loss:</i>				
Change in value of investment securities valued at FVOCI	79,924	20,393	79,924	20,393
Income tax relating to components of other comprehensive income	(19,981)	(5,098)	(19,981)	(5,098)
Other comprehensive income for the year, net of tax	59,943	15,295	59,943	15,295
Total comprehensive income for the period	313,197	229,067	309,786	222,802
<i>Profit for the year attributable to:</i>				
Parent	<u>253,230</u>	<u>213,772</u>	<u>249,843</u>	<u>207,507</u>
Non-controlling interest	<u>24</u>			
<i>Comprehensive income for the year attributable to:</i>				
Equity holders of the Bank	<u>313,197</u>	<u>229,067</u>	<u>309,786</u>	<u>222,802</u>

Earnings per share

Basic & diluted (in Ghana Cedis)

1.57	1.33	1.55	1.29
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Statements of Financial Position	Group			Bank		
	Jun-20	Jun-19	Dec-19	Jun-20	Jun-19	Dec-19
Assets						
Cash and balances with banks	3,306,983	2,574,813	2,717,101	3,195,080	2,546,480	2,705,958
Loans & advances to customers	4,631,903	4,537,273	5,380,308	4,587,175	4,539,106	5,318,113
Non pledged trading assets	1,288,462	638,639	349,617.00	1,288,462	638,639.00	349,617.00
Non-trading assets	3,603,395	2,494,157	3,419,672	3,548,983	2,492,801	3,398,429
Investment in subsidiaries	-	-	-	38,083	36,489	38,083
Investment in associate	-	10,809	-	-	10,809	-
Current income tax asset	-	29,969	22,165	-	29,969	19,091
Other assets	523,973	370,734	723,244	463,129	290,624	764,616
Deferred income tax asset	4,912	30,699	4,563	4,741	30,699	4,392
Intangible assets	52,403	8,044	67,592	52,403	8,044	67,327
Non-current assets held for sale	28,327	26,375	28,327	28,327	26,375	28,327
Right-of-use-assets	95,231	-	86,142	95,231	-	75,130.00
Property and equipment	538,075	441,706	430,066	421,313	437,704	428,491
Total Assets	14,073,664	11,163,218	13,228,797	13,722,927	11,087,739	13,197,574
Liabilities						
Deposits from banks	572,462	552,295	1,195,805	779,596	862,773	1,195,805
Deposits from customers	10,744,180	7,834,168	9,728,758	10,413,993	7,521,770	9,725,040
Borrowings	30,820	95,657	58,594	59,473	67,140	58,594
Deferred income tax liabilities	-	30,168	-	-	30,168	-
Other liabilities	535,737	1,207,926	380,439	301,513	1,178,920	379,672
Lease liabilities	92,670	-	80,891	92,670	-	72,567
Total liabilities	11,975,869	9,720,214	11,444,487.00	11,647,245	9,660,771	11,431,678.00
Equity and reserves						
Stated capital	416,641	416,641	416,641	416,641	416,641	416,641
Retained earnings	1,000,336	302,617	747,082	983,728	287,109	733,885
Other reserves	179,860	125,077	119,917	179,860	125,077	119,917
Statutory reserve	500,085	439,471	500,085	495,453	438,943	495,453
Credit risk reserve	-	159,198	-	-	159,198	-
Non-controlling interest	873	-	585	-	-	-
Total equity attributable to equity holders	2,097,795	1,443,004	1,784,310.00	2,075,682	1,426,968	1,765,896.00
Total liabilities and equity	14,073,664	11,163,218	13,228,797.00	13,722,927	11,087,739	13,197,574.00

STATEMENTS OF CHANGES IN EQUITY
THE GROUP

	Stated capital	Retained earnings	Other reserves	Statutory reserve Fund	Credit risk reserve	Non-controlling interest	Total
	GHC'000	GHC'000	GHC'000	GHC'000	GHC'000	GHC'000	GHC'000
Balance at 1 January 2020	416,641	747,082	119,917	500,085	-	585	1,784,310
Profit for the period	-	253,254	-	-	-	-	253,254
Revaluation gains (net of tax)	-	-	59,943	-	-	-	59,943
Non-controlling interest						288	288
Balance as at 30 June 2020	416,641	1,000,336	179,860	500,085	-	873	2,097,795

THE BANK

	Stated Capital	Retained earnings	Other reserves	Statutory Reserve Fund	Regulatory Credit Risk	Total
	GHC'000	GHC'000	GHC'000	GHC'000	GHC'000	GHC'000
Balance at 1 January 2020	416,641	733,885	119,917	495,453	-	1,765,896
Profit for the period	-	249,843	-	-	-	249,843
Revaluation gains (net of tax)	-	-	59,943	-	-	59,943
Balance as at 30 June 2020	416,641	983,728	179,860	495,453	-	2,075,682

Statements of Cash flows	Group		Bank	
	Jun-20	Jun-19	Jun-20	Jun-19
Cash flows from operating activities				
Profit before tax	362,799	303,823	351,411	289,727
Depreciation expense	24,435	17,829	23,018	17,791
Impairment	113,269	51,574	113,269	51,574
Unrealised losses/(gains) - net	(21,031)	(3,561)	(21,040)	(3,592)
Gain on disposal of property and equipment	-	(72)	-	(72)
IFRS 16 initial impact	-	-	-	-
Additions to right-of-use assets	(9,089)	-	(9,089)	-
Interest expense on leases	2,075	-	2,075	-
Changes in operating assets and liabilities				
Loans and advances	573,357	(559,072)	570,737	(555,735)
Other assets	167,725	(17,988)	111,082	(9,056)
Other liabilities	(169,535)	(796,902)	(169,640)	(768,799)
Deposits from banks	(623,343)	(478,771)	(623,343)	(478,771)
Deposits from customers	986,982	1,105,804	688,953	1,046,621
Mandatory reserves	478,933	(465,015)	478,933	(465,015)
Placements	327,608	435,708	327,608	435,708
Cash flows from operating activities	2,214,185	(406,643)	1,843,974	(439,619)
Tax paid	(50,149)	(87,890)	(49,399)	(85,660)
Cash flows from operating activities	2,164,036	(494,533)	1,794,575	(525,279)
Cash flows from investing activities				
Government securities – net	(1,091,213)	323,970	(1,046,071)	298,835
Proceeds from sale of property and equipment	405	37	405	37
Payments for property and equipment	(6,843)	(2,599)	(6,820)	(2,599)
Payments for intangible assets	(49,276)	(81)	(49,276)	(81)
Net cash used in investing activities	(1,146,927)	321,327	(1,101,762)	296,192
Cash flows from financing activities				
Repayment of borrowed funds	10,131	(112,847)	10,131	(106,827)
Net cash used in financing activities	10,131	(112,847)	10,131	(106,827)
Net (decrease)/increase in cash and cash equivalents	1,027,240	(286,053)	702,944	(335,914)
Cash and cash equivalents at 1 January	1,721,107	2,000,096	1,726,085	1,794,624
Cash and cash equivalents at 30 June	2,748,347	1,714,043	2,429,029	1,458,710

DISCLOSURES

1. The consolidated financial statements have been prepared in accordance with International Financial Reporting standards.
2. 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 2019
3. Contingent liabilities

	Group Jun-20 GHC '000	Group Jun-19 GHC '000	Group Dec-19 GHC '000	Bank Jun-20 GHC '000	Bank Jun-19 GHC '000	Bank Dec-19 GHC '000
Guarantees and indemnities	717,880	855,817	756,796	717,880	855,817	756,796
Documentary letters of credit	<u>1,172,216</u>	<u>1,063,387</u>	<u>964,492</u>	<u>1,172,216</u>	<u>1,063,387</u>	<u>964,492</u>
	<u>1,890,096</u>	<u>1,919,204</u>	<u>1,721,288</u>	<u>1,890,096</u>	<u>1,919,204</u>	<u>1,721,288</u>

4. Quantitative Disclosures

i. Capital Adequacy ratio per Capital Requirements Directive (CRD)	18.54%	13.18%	18.58%
ii. Non-performing loan ratio	9.30%	11.21%	7.32%
iii. Liquid ratio	94.06%	91.32%	87.85%
iv. Common equity Tier I ratio	16.54%	11.12%	17.75%
v. Leverage ratio	9.64%	7.20%	10.21%

5. Qualitative Disclosures

i. Default in statutory liquidity (times)	1	Nil	Nil
ii. Default in statutory liquidity sanction (GHC'000)	27	Nil	Nil
iii. Other regulatory sanctions (GHC'000)	2,429	Nil	Nil

6. During the period, Ecobank liquidated its subsidiary Ecobank Capital Advisors

7. Basis of Presentation

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, 2019 (Act 992) and the Banking Act, 2004 (Act 673) as amended by the Banking Amendment Act, 2007 (Act 738) have been included, where appropriate. The consolidated financial statements have been prepared under the historical cost convention, except for buildings which are measured at revalued amounts and available-for-sale financial assets carried at fair values.

8. Qualitative Disclosures

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

Dan Sackey
Managing Director

Dr. Edward N. Botchway
Executive Director