



FEATURE

ECOBANK TRANSNATIONAL INCORPORATED (ETI)

Ecobank Transnational Incorporated, a public limited liability company, was established as a bank holding company in October 1985. It was set up under a private sector initiative spearheaded by the Federation of West Africa Chambers of Commerce and industry with support from ECOWAS. In the early 1980's the main actors dominating and owning the banking industry in West Africa were foreigners and the state. To fill this vacuum, ETI was founded with the objective of getting African private sector to manage and own commercial banks in the sub-region. ETI started its operations with its first subsidiary in Togo in March 1988 and subsequently listed on the Ghana Stock Exchange in September 2006. ETI is the parent company of the Ecobank group of companies with 32 operating subsidiaries involved in commercial banking, investment banking and information technology.

The Group's core activity is providing financial products and services to its diversified clientele base which include Small and Medium-scale Companies, Non-governmental, Multinational Corporation and Individuals. Its range of products and services include Savings Accounts, Current Accounts, Loans and Overdrafts, Fund Transfer, Trade Finance, Internet Banking, Investment Services, Asset Management, Stock broking, Cash Management and Foreign Exchange.

A look at the financial performance of the Group over the last five years shows a steady growth in the top line indicator while the bottom line indicates a mixed performance. The Group's Net Interest Income of US\$459.03 million in 2009 grew to stand at US\$1,050.76 million by the end of 2013, representing a 128.91% growth over the period. Its Net Profit position however climbed from US\$64.60 million in 2009 to US\$286.73 million in 2012 before declining to US\$147.77 million by the end of 2013. This signifies a growth of 128.75% in the indicator over the five-year period.

Ecobank Transnational Incorporated has released its un-audited consolidated financial statement for the first quarter of 2014 and the results indicate an improved financial performance compared to the same period in 2013. Net Interest Income for the first quarter amounted to US\$271.75 million compared to the US\$240.43 million recorded in 2013. This represents an appreciation of 13.00% in Net Interest Income. Similarly, Net Fees and Commission Income also increased by 14.00% during the period. Operating income however fell by 53% with Gains/losses from investment securities moving from US\$0.36 million in 2013 to a loss of 0.01 million in 2014 first quarter. In relation to expenditure, Total operating expenses and Impairment losses went up by 11% and 69% respectively during the period. After deducting Tax Expenses, Net Profit for the period came to US\$90.87 million, indicating an 11.00% climb from US\$81.56 million in 2013. Subsequently, the Group's Earnings per Share (EPS) increased from US\$0.0051 in 2013 first quarter to US\$0.0057 by the end of 2014 first quarter.

The performance of ETI on the Ghanaian bourse since its listing in September 2006 mirrors the mixed financial performance of the Group over the years. Moving from an initial price of GHS2.2350 the stock price grew steadily to GHS2.2700 before the company embarked on a share split, thereby reducing the stock's price to GHS1.1350. The stock thereafter

bounced back to trade at GHS2.3200 before the company once again undertook a share split of one to five. This led to a stock price of GHS0.4640 in June 2008. Afterwards, the security's value recorded several fluctuations over the next five years and ended 2013 at GHS0.19. Currently, ETI is trading at GHS0.25 with a Price Earning (P/E) ratio of seven (7) as at Friday 20th June, 2014.

Income Statement

(All figures are expressed in USD, 000)

	2011	2012	2013	2014 Q1
Revenue	1,195,628	1,729,999	2,003,456	525,463
Net Interest Income	593,390	848,690	1,050,758	271,747
Net fees & Commissions	2,048	488,419	601,146	146,038
Net Profit	206,840	286,732	147,773	90,873

Balance Sheet Summary

(All figures are expressed in USD, 000)

	2011	2012	2013	2014 Q1
Total Assets	17,161,912	19,939,383	22,532,453	22,354,555
Total Liabilities	15,702,576	17,765,466	20,397,805	20,085,929
Total Equity	1,459,336	2,173,917	2,134,648	2,268,626

Ratios/Statistics

	2011	2012	2013	2014 Q1
Profit Margin (%)	17.30	16.57	7.38	17.29
Return on Assets (%)	1.21	1.44	1.31	0.41
Return on Equity (%)	15.27	14.29	7.04	4.37
Earnings Per Share (GH¢)	0.0167	0.0180	0.0185	0.0057
Dividend Per Share (GH¢)	0.4000	0.4000	-	-
Net Assets Per Share (GH¢)	0.1090	0.1257	0.2622	0.1302
Share price				
High (GH¢)	0.15	0.15	0.28	0.25*
Low (GH¢)	0.10	0.10	0.12	0.17*
Close (GH¢)	0.10	0.12	0.19	0.25*

*As at March 31, 2014

Investor Ratios

	2013	2014 Q1
Price to Book Value	0.72	1.92
Price Revenue Ratio	0.76	7.59
Price Earnings Ratio	10.29	43.92
Dividend Yield (%)	-	-
Year-to-date Return (%)	58.33	31.58



Price Information

Year Opening Price (GH¢)	Week Opening Price (GH¢)	Current Price (GH)	Weekly Change (GHS)	Weekly Change (%)	Year To Date (%)
01.01.14	13.06.04	20.06.14			
0.2668	0.2903	0.2906	0.0003 ▲	0.10 ▲	8.90 ▲

GHANA STOCK EXCHANGE NEWS

The Ghana Stock Exchange witnessed a decline in performance during the week under review with total volume and total value of trade falling by 79.27% and 57.22% respectively. In all, 2,366,325 shares were traded for a total consideration of GHS4,377,682.10 compared to the previous week's total trade of 11,419,136 shares worth GHS10,232,580.

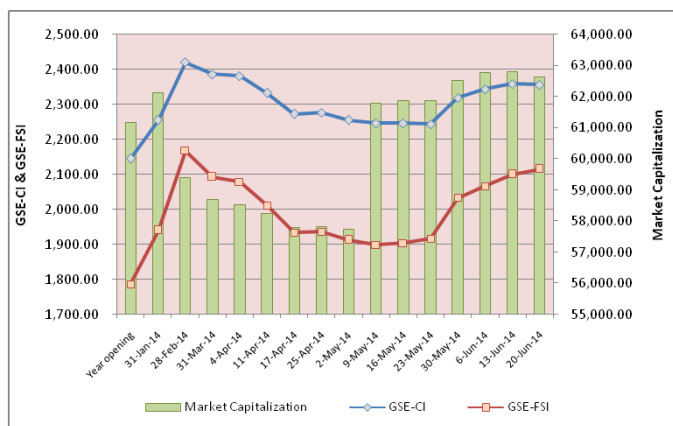
CAL Bank Limited was the most traded equity with a total volume of 782,847 shares representing 33.08% of total trade volume. On the other hand, Aluworks Limited was the least traded with 15 shares.

From a week opening position of 2,358.73 points, the GSE Composite Index (GSE-CI) slipped marginally by 1.93 points to stand at 2,356.80 points with a year-to-date return of 9.86%. The GSE-Financial Stocks Index (GSE-FSI) however gained 15.05 points to end the week at 2,114.85 points, from 2,099.80 points, with a year-to-date return of 18.37%.

The week's market activity resulted in a GHS150.70 million decrease in market capitalization from GHS62,791.21 million at the close of last week to GHS62,640.51 million as at the end of trading on Friday, 20th June, 2014.

The graph below shows the trend in the GSE Composite Index, GSE Financial Stocks Index and Market capitalization since the beginning of the year.

Chart 1 – Trend of Market Indicators



MONEY MARKET NEWS

Cedi Further Sinks

On the foreign currency market, the Ghana Cedi depreciated against its five major trading partners during the week under review. The local currency shed 2.44% of its value to the US Dollar, 2.87% to the British Pound, 3.04% to the Euro, 3.10% to the South African Rand and 2.49% against the Japanese Yen.

This led the local currency's year-to-date depreciation against the Dollar, the Pound, the Euro, the Rand and the Yen to 29.59%, 31.73%, 28.57%, 28.25% and 31.61% respectively.

The following table summarizes the interbank rates for the week under review.

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	13.06.14	20.06.14	13.06.14	20.06.14
US Dollar	2.9887	3.0685	2.9911	3.0711
Pound	5.0336	5.2306	5.0382	5.2356
Euro	4.0505	4.1791	4.0523	4.1818
Rand	0.2799	0.2874	0.2801	0.2875
Yen	0.0294	0.0301	0.0294	0.0301

Source: Bank of Ghana

Yields

Yields on government-backed securities continued to move in different directions during the week under review. The 91 and 182-day Treasury bills recorded decreases of 0.0224% and 0.0054% in yields while the yield on the 1-Year Note and the 2-Year Fixed Rate Note remained unchanged at 22.5000% and 23.0000% respectively.

Total tenders received last week amounted to GHS447.21 million for short term securities out of which GHS447.20 million were sold. For the medium term securities, the GHS7.07 million tendered in were all sold.

This week, Government is targeting GHS673.00 million from the sale of both short and medium term securities.

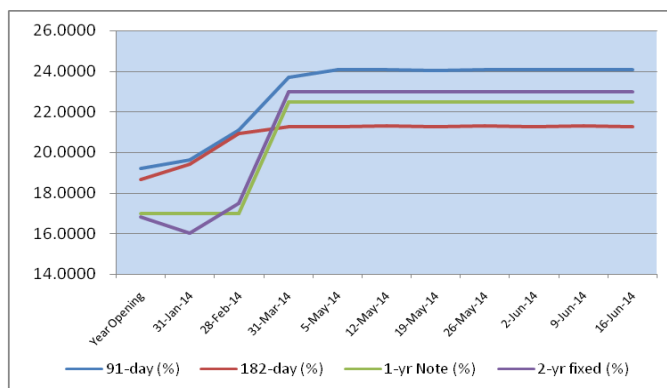
The table below shows the rates for the week under review alongside those of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	09.06.14 (% p.a.)	16.06.14 (% p.a.)	Week Change (%)
91 Day	24.0776	24.0552	0.0224 ▼
182 Day	21.2862	21.2808	0.0054 ▼
1-Year Note	22.5000	22.5000	-
2-Year Fixed Rate Note	23.0000	23.0000	-

Source: Bank of Ghana

Chart 2 – Trend of Yields on Money Market Securities



RELEVANT CORPORATE NEWS

ETI - TWO IFC MANAGED FUNDS TO CONVERT LOANS TO ETI SHARES

Ecobank Transnational Incorporated (ETI) has informed the Stock Exchange that the IFC ALAC Holding Company II and the IFC Capitalization (Equity) Fund, L.P. (two funds managed by the IFC, Member of the World Bank Group) would exercise their option to subscribe for ETI shares with effective date of 1st July 2014.

Their outstanding convertible loans are:

- US\$56,385,000 for the IFC Capitalization (Equity) Fund, L.P. and
- US\$18,795,000 for the IFC ALAC Holding Company II

These facilities would be converted to 628,742,514 ETI shares and 209,580,838 ETI shares respectively. The convertible debts of ETI would thus be reduced by US\$75,180,000. As a result, ETI would issue 838,323,352 additional shares, leading to a 4.9% increase in the total issued shares of the company from 17,212,152,208 to 18,050,475,560 shares.

ETI is taking all necessary steps to get the shares issued and listed on the three stock exchanges in line with the requirements.

GSE Press Release: 161/2014

ETI - ECOBANK ACQUIRES BANCO PROCREDIT AND COMMENCES TRADING IN MOZAMBIQUE

Ecobank Transnational Incorporated (ETI) and ProCredit Holding (PCH) have announced that they have concluded negotiations for the acquisition of the 96% stake in Banco ProCredit Mozambique previously held by ProCredit Holdings and DEON Foundation. The transaction has received the approval of the regulatory authorities in Mozambique and the Bank has started trading as Ecobank Mozambique, effective May 20th, 2014.

GSE Press Release: 162/2014

TWL - TULLOW REFINANCES ITS NORWAGIAN EXPLORATION LOAN FACILITY

Tullow Oil plc (Tullow) has announced that it has refinanced its NOK 2 billion (approximately \$330 million) Norwegian exploration loan facility and that it has successfully increased the size of the facility to NOK 3 billion (approximately \$500 million) and extended the availability to the end of 2017.

GSE Press Release: 163/2014

COMPANIES THAT DECLARED FINAL DIVIDENDS IN 2012

Company	Final Dividend Per Share	Qualifying date	Book Closure	Payment Date
AYRTN	GHC0.00125	Jun 25	Jun 26 - 27	Aug 8
AADS	GHC0.0009			Apr 2
AGA	GHC0.0900			Apr 2
BOPP	GHC0.0770	Apr 23	April 24 - 26	May 10
CAL	GHC0.035	Mar 22	Mar 25 - 26	Apr 30
CMLT	GHC0.0060	Jun 26	Jun 27	Aug 30
EBG	GHC0.29	Apr 10	Apr 11 - 18	May 10
EGL	GHC0.016	May 17	May 20 - 22	Jun 28
ETI	0.4 US cents	Jul 5	Jul 5	Jul 19
FML	GHC0.06	Apr 19	April 22 - 24	May 8
GCB	GHC0.14	May 31	Jun 3 - 7	Jun 28
GOIL	GHC0.015	Aug 15	Aug 16	Aug 30
MLC	GHC0.015	Jun 25	June 26 - 28	July 19
PBC	GHC0.0062	Mar 15	March 18 - 22	May 7
PZ	GHC0.0046	Sept 23	Sept 24 - 27	Oct 14
SCB	GHC0.47	May 17	May 20 - 21	Jun 28
SOGEGH	GHC0.04	Mar 22	Mar 25 - 26	May 15
SPL	GHC0.0022	Sept 26	Sept 27	Oct 8
TBL	20 Bututs	Apr 18	Apr 19	Apr 30
TOTAL	GHC0.69	Jul 18	Jul 19 - 24	Jul 26
UNIL	GHC0.2560	Apr 10	April 11 - 24	May 24
UTB	GHC0.02	Apr 12	Apr 15 - 17	May 31

COMPANIES THAT HAVE DECLARED DIVIDENDS FOR 2013

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
INTERIM DIVIDEND				
EGL	GHC0.020	Oct 1 (2013)	Oct 2 - 3	Nov 4
TOTAL	GHC0.0771	Dec 18 (2013)	Dec 19 - 20	Dec 24
FINAL DIVIDEND*				
CAL	GHC0.053	Mar 21	Mar 24 - 26	Apr 30
SOGEGH	GHC0.06	Mar 27	Mar 28 - 31	May 15
EBG	GHC0.43	April 21	April 22-29	May 14
HFC	GHC0.035	April 21	April 22-23	May 15
FML	GHC 0.09	May 5th	May 6-7	June 12
BOPP	GHC 0.0334	May 7th	May 8-9	June 20
EGL	GHC 0.025	May 19th	May 20-22	June 30
SCB	GHC1.15	May23rd	May 26-27	June30
TBL	25 bututs	May 29th	May 30	June 4
TOTAL	GHC0.0985	June 11	June 18	June 25
GOIL	GHC0.0160	June 11	June 12	
MLC	GHC0.010	June25	June 26-28	July21

**All dates for final dividends are in 2014*

Listed Equities	% of Market Capitalization	Week Opening Price (GH¢)	Week Closing Price (GH¢)	Price Change (GH¢)	Weekly Return (%)	Year-to-Date Return (%)	P/E Ratio	Dividend Yield (%)	Return on Assets (%)	Price/Book Value	Price/Revenue
	20.06.14	13.06.14	20.06.14		20.06.14	20.06.14	20.06.14	20.06.14	20.06.14	20.06.14	20.06.14
ACI	0.002	0.03	0.03	-	-	-50.00	-	-	-11.48	0.18	0.24
AGA	23.75	37.00	37.00	-	-	-	-	0.24	-19.21	-1.05	1.67
ALW	0.02	0.05	0.05	-	-	-	-	-	-3.52	0.22	0.09
AYRTN	0.06	0.17	0.17	-	-	-	89	0.74	4.94	1.79	3.08
BOPP	0.13	2.41	2.42	0.01 ▲	0.41	-24.61	16	3.18	12.64	1.93	2.38
CAL	0.76	0.88	0.87	0.01 ▼	-1.14	-10.31	4	4.02	5.92	0.75	0.62
CLYD	0.002	0.04	0.04	-	-	-	8	-	1.10	0.02	0.002
CMLT	0.002	0.15	0.15	-	-	-6.25	13	4.00	3.86	0.60	0.26
CPC	0.07	0.02	0.02	-	-	-	-	-	-2.68	-7.77	0.66
EBG	3.32	7.05	7.10	0.05 ▲	0.71	25.56	7	4.08	1.42	0.32	7.61
EGL	0.37	1.78	1.80	0.02 ▲	1.12	-4.26	-	0.89	11.47	1.42	0.74
ETI	6.37	0.24	0.25	0.01 ▲	4.17	31.58	7	-	1.16	0.69	0.83
FML	1.27	6.96	6.83	0.13 ▼	-1.87	3.17	37	0.88	21.45	10.38	5.71
GCB	2.31	5.35	5.45	0.10 ▲	1.87	12.37	6	2.57	6.73	3.10	2.54
GGBL	1.71	5.25	5.07	0.18 ▼	-3.43	-18.23	261	-	3.77	5.09	4.76
GOIL	0.38	1.00	0.95	0.05 ▼	-5.00	6.74	14	1.58	5.52	3.42	0.03
GSR	1.12	2.75	2.75	-	-	-	-	-	1.09	0.01	0.03
GWEB	0.002	0.04	0.04	-	-	-	-	-	2.25	-0.60	2.48
HFC	0.73	1.60	1.55	0.05 ▼	-3.13	61.46	12	-	3.73	1.21	1.17
MCA	0.04	3.10	3.10	-	-	-	2	-	27.56	1.29	2.64
MLC	0.02	0.29	0.29	-	-	-23.68	-	5.17	-1.31	0.15	0.15
PKL	0.003	0.06	0.06	-	-	-	-	-	-35.20	-1.47	1.70
PBC	0.11	0.14	0.14	-	-	-17.65	9	4.43	-2.70	1.70	0.06
PZ	0.15	0.57	0.57	-	-	-27.85	-	-	0.26	2.48	1.26
SCB	3.33	18.01	18.07	0.06 ▲	0.33	20.95	9	2.60	1.70	0.96	2.01
SIC	0.14	0.40	0.44	0.04 ▲	10.00	12.82	19	-	228.66	1.18	0.79
SPL	0.005	0.04	0.04	-	-	-	5	-	8.45	1.07	0.44
SOEGEH	0.45	0.90	0.85	0.02 ▼	-5.56	13.33	12	4.71	2.99	1.47	1.44
SWL	0.001	0.04	0.04	-	-	33.33	16	-	38.67	0.38	0.08
TBL	0.08	0.24	0.24	-	-	-31.43	5	-	2.94	0.11	0.06
TOTAL	1.17	6.57	6.54	0.03 ▼	-0.46	29.25	20	10.55	10.59	0.84	0.07
TRANSOL	0.004	0.03	0.03	-	-	-	16	-	11.50	-0.70	13.71
TLW	49.95	34.79	34.50	0.29 ▼	-0.83	-1.37	26	-	1.88	5.73	11.78
UNIL	1.76	17.62	17.62	-	-1.56	-3.77	-	1.45	7.32	33.75	3.41
UTB	0.29	0.40	0.40	-	8.11	-11.11	20	5.00	0.73	0.09	0.39
Depository Shares											
AADS	0.09	0.52	0.52	-	-	-	-	0.17	-	-	-
Preference Shares											
SCB-PREF	0.02	0.55	0.55	-	-	5.77	-	-	1.70	0.03	0.05
ETF											
GLD	0.02	23.00	23.00	-	-	-11.98	-	-	-	-	-

Key ABL—Accra Brewery Ltd, ACI—African Champion Industries, AGA—AngloGold Ashanti Ltd, ALW—Aluworks Ltd, AYRTN—Ayrton Drug Manufacturing Ltd, BOPP—Benso Oil Palm Plantation Ltd, CAL—CAL Bank Ltd, CFAO—CFAO Ghana Ltd, CLYD—Clydestone Ghana Ltd, CMLT—Camelot Ghana Ltd, CPC—Cocoa Processing Company Ltd, EBG—Ecobank Ghana Ltd, EGL—Enterprise Group Ltd, ETI—Ecobank Transnational Incorporated, FML—Fan Milk Ltd, GCB—Ghana Commercial Bank Ltd, GGBL—Guinness Ghana Breweries Ltd, GOIL—Ghana Oil Company Ltd, GSR—Gold Star Resources Ltd, GWEB—Golden Web Ltd, HFC—HFC Bank Ltd, MAC—Mega African Capital, MLC—Mechanical Lloyd Company Ltd, PKL—Pioneer Kitchenware Ltd, PBC—Produce Buying Company Ltd, PZ—PZ Cussons Ghana Company Ltd, SCB—Standard Chartered Bank Ltd, SIC—SIC

■ As at December 2013 ■ As at September 2013 ■ As at May 2013 ■ As at March 2013 ■ As at December 2012 ■ As at September 2012 ▲ Price Gainers ▼ Price Decliners