

Ecobank Ghana Limited and its Subsidiaries

Audited Summary Separate and Consolidated Financial Statements for the year ended 31 December 2020

Key Ratios	Cost to Income	47.9%
	Return on Average Assets	3.8%
	Return on Average Equity	26.0%
	Non Funded Income to Total Income	25.9%
Financial Highlights	Dec 2019 - Dec 2020	Growth
	Profit Before Tax	22%
	Total Assets	21%
	Deposits	21%

Summary statements of comprehensive income	Group		Bank	
(All amounts are expressed in thousands of Ghana Cedis)	2020	2019	2020	2019
Interest income	1,592,692	1,270,567	1,558,569	1,233,819
Interest expense	(223,711)	(202,891)	(229,647)	(209,483)
Net interest income	1,368,981	1,067,676	1,328,922	1,024,336
Fee and commission income	274,070	305,874	266,813	298,589
Fee and commission expense	(18,181)	(17,725)	(18,181)	(17,724)
Net fee and commission income	255,889	288,149	248,632	280,865
Net trading income	175,320	188,216	175,220	188,232
Other operating income	47,115	38,739	47,197	38,962
Dividend income	67	2,871	6,083	12,403
Gain on sale of equipment	1,012	36	1,012	36
	223,514	229,862	229,512	239,633
Revenue	1,848,384	1,585,687	1,807,066	1,544,834
Net impairment charge	(180,253)	(216,586)	(178,471)	(215,993)
Personnel expenses	(384,122)	(356,734)	(368,052)	(340,709)
Depreciation and amortisation	(50,198)	(58,228)	(47,291)	(55,336)
Finance cost on lease liabilities	(4,847)	(4,951)	(3,607)	(4,831)
Other operating expenses	(446,724)	(306,692)	(435,908)	(292,936)
Operating profit	782,240	642,496	773,737	635,029
Profit before income tax	782,240	642,496	773,737	635,029
Income tax expense	(232,366)	(197,550)	(229,920)	(193,082)
Profit for the year	549,874	444,946	543,817	441,947
Other comprehensive income				
Items that may be reclassified to profit or loss				
Change in value of investment securities measured at FVOCI	99,535	13,514	99,535	13,514
Items that will never be reclassified subsequently to profit or loss				
Revaluation of land and buildings	159,087	-	159,087	-
Remeasurement of post-employment benefit obligations	8,639	-	8,639	-
Income tax relating to components of other comprehensive income	(56,822)	(3,379)	(56,822)	(3,379)
Other comprehensive income for the year net of tax	210,439	10,135	210,439	10,135
Total comprehensive income for the year	760,313	455,081	754,256	452,082
Profit for the year attributable to:				
Parent	549,888	444,849	543,817	441,947
Non-controlling interest	(14)	97	-	-
Comprehensive income for the year attributable to:				
Parent	760,327	454,984	754,256	452,082
Non-controlling interest	(14)	97	-	-
Earnings per share				
Basic and diluted (in Ghana pesewas)	170	141	169	140

Summary statements of financial position	Group		Bank	
(All amounts are expressed in thousands of Ghana Cedis)	2020	2019	2020	2019
Assets				
Cash and balances with banks	3,817,067	2,717,101	3,813,114	2,705,958
Loans and advances to customers	4,977,797	5,380,308	4,926,367	5,318,113
Non-pledged trading assets	498,405	349,617	497,278	349,617
Non-trading assets	5,301,259	3,419,672	5,264,698	3,398,429
Other assets	608,632	723,244	605,573	764,616
Current income tax asset	-	22,165	-	19,091
Deferred income tax asset	3,170	4,563	603	4,392
Investment in subsidiaries	-	-	39,883	38,083
Non-current assets held for sale	32,670	28,327	32,670	28,327
Right-of-use-assets	42,052	86,142	37,518	75,130
Intangible assets	84,771	67,592	84,540	67,327
Property and equipment	584,793	430,066	580,170	428,491
Total assets	15,950,616	13,228,797	15,882,414	13,197,574
Liabilities				
Deposits from banks	1,076,158	1,195,805	1,489,968	1,195,805
Deposits from customers	11,804,516	9,728,758	11,386,442	9,725,040
Borrowings	42,521	58,594	42,521	58,594
Other liabilities	485,288	380,439	447,371	379,672
Current income tax liability	41,841	-	45,237	-
Lease liabilities	52,434	80,891	47,488	72,567
Total liabilities	13,502,758	11,444,487	13,459,027	11,431,678
Equity and reserves				
Stated capital	416,641	416,641	416,641	416,641
Retained earnings	1,118,918	747,082	1,100,646	733,885
Statutory reserve	569,058	500,085	563,430	495,453
Credit risk reserve	12,314	-	12,314	-
Other reserves	330,356	119,917	330,356	119,917
Non-controlling interest	571	585	-	-
Total equity attributable to equity holders	2,447,858	1,784,310	2,423,387	1,765,896
Total liabilities and equity	15,950,616	13,228,797	15,882,414	13,197,574

Summary statements of cashflows	Group		Bank	
(All amounts are expressed in thousands of Ghana Cedis)	2020	2019	2020	2019
Cash flows from operating activities				
Cash generated from operations	3,503,934	1,045,181	3,475,497	1,015,425
Tax paid	(223,789)	(233,621)	(218,625)	(227,216)
Cash flows from operating activities	3,280,145	811,560	3,256,872	788,209
Cash flow from investing activities				
Government securities – (net)	(1,787,256)	(894,314)	(1,768,668)	(669,580)
Proceeds from sale of property and equipment	1,012	210	1,012	210
Payments for property and equipment	(27,177)	(19,876)	(23,168)	(17,122)
Payments for intangible assets	(26,674)	(44,964)	(26,523)	(44,509)
Increase in investments in subsidiaries	-	-	(1,800)	(4,371)
Net cash used in investing activities	(1,840,095)	(958,944)	(1,819,147)	(735,372)
Cash flow from financing activities				
Repayment of borrowed funds	(16,073)	(104,349)	(16,073)	(104,349)
Principal elements of lease payments	(19,169)	(18,633)	(16,758)	(17,027)
Dividend paid	(96,765)	-	(96,765)	-
Net cash used in financing activities	(132,007)	(122,982)	(129,596)	(121,376)
Net increase/(decrease) in cash and cash equivalents	1,308,043	(270,366)	1,308,129	(68,539)
Cash and cash equivalents at beginning of year	1,721,107	1,991,473	1,726,085	1,794,624
Cash and cash equivalents at end of the year	3,029,150	1,721,107	3,034,214	1,726,085

Summary statements of changes in equity							
(All amounts are expressed in thousands of Ghana Cedis)							
GROUP 2020	Stated Capital	Retained Earnings	Statutory Reserve	Credit Risk Reserve	Other Reserves	Non-Controlling Interest	Total
At 1 January 2020	416,641	747,082	500,085	-	119,917	585	1,784,310
Profit for the year	-	549,888	-	-	-	(14)	549,874
Other comprehensive income, net of tax	-	-	-	-	210,439	-	210,439
Total comprehensive income for the year	-	549,888	-	-	210,439	(14)	760,313
Transactions with equity holders							
Dividends paid	-	(96,765)	-	-	-	-	(96,765)
Total contribution by and distribution to equity holders	-	(96,765)	-	-	-	-	(96,765)
Regulatory transfers							
Statutory reserve	-	(68,973)	68,973	-	-	-	-
Credit risk reserve	-	(12,314)	-	12,314	-	-	-
	-	(81,287)	68,973	12,314	-	-	-
At 31 December 2020	416,641	1,118,918	569,058	12,314	330,356	571	2,447,858

GROUP 2019	Stated Capital	Retained Earnings	Statutory Reserve	Credit Risk Reserve	Other Reserves	Non-Controlling Interest	Total
At 1 January 2019	416,641	201,127	439,471	159,198	109,782	-	1,326,219
Acquisition of subsidiary	-	(1,567)	4,089	-	-	488	3,010
	416,641	199,560	443,560	159,198	109,782	488	1,329,229
Profit for the year	-	444,849	-	-	-	97	444,946
Other comprehensive income, net of tax	-	-	-	-	10,135	-	10,135
Total comprehensive income for the year	-	444,849	-	-	10,135	97	455,081
Transactions with equity holders	-	-	-	-	-	-	-
Regulatory transfers							
Statutory reserve	-	(56,525)	56,525	-	-	-	-
Credit risk reserve	-	159,198	-	(159,198)	-	-	-
	-	102,673	56,525	(159,198)	-	-	-
At 31 December 2019	416,641	747,082	500,085	-	119,917	585	1,784,310

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Ecobank Ghana Limited and its Subsidiaries

Audited Summary Separate and Consolidated Financial Statements for the year ended 31 December 2020

Summary statements of changes in equity						
(All amounts are expressed in thousands of Ghana Cedis)						
BANK 2020	Stated Capital	Retained Earnings	Statutory Reserve	Credit Risk Reserve	Other Reserves	Total
At 1 January 2020	416,641	733,885	495,453	-	119,917	1,765,896
Total comprehensive income						
Profit for the year	-	543,817	-	-	-	543,817
Other comprehensive income, net of tax	-	-	-	-	210,439	210,439
Total comprehensive income for the year	-	543,817	-	-	210,439	754,256
Transactions with equity holders						
Dividends paid		(96,765)	-	-	-	(96,765)
Total contribution by distribution to equity holders	-	(96,765)	-	-	-	(96,765)
Regulatory transfers						
Statutory reserve	-	(67,977)	67,977	-	-	-
Credit risk reserve	-	(12,314)	-	12,314	-	-
	-	(80,291)	67,977	12,314	-	-
At 31 December 2020	416,641	1,100,646	563,430	12,314	330,356	2,423,387

BANK 2019	Stated Capital	Retained Earnings	Statutory Reserve	Credit Risk Reserve	Other Reserves	Total
At 1 January 2019	416,641	189,250	438,943	159,198	109,782	1,313,814
Total comprehensive income						
Profit for the year	-	441,947	-	-	-	441,947
Other comprehensive income, net of tax	-	-	-	-	10,135	10,135
Total comprehensive income for the year	-	441,947	-	-	10,135	452,082
Transactions with equity holders	-	-	-	-	-	-
Regulatory transfers						
Statutory reserve	-	(56,510)	56,510	-	-	-
Credit risk reserve	-	159,198	-	(159,198)	-	-
	-	102,688	56,510	(159,198)	-	-
At 31 December 2019	416,641	733,885	495,453	-	119,917	1,765,896

Independent Auditor's Report

On the summary consolidated financial statements to the members of Ecobank Ghana Limited

Our opinion

In our opinion, the accompanying summary consolidated financial statements of Ecobank Ghana Limited (the "Bank"), are consistent, in all material respects, with the audited consolidated financial statements of the Bank for the year ended 31 December 2020, on the basis described in the notes.

The summary financial statements

The Bank's summary consolidated financial statements derived from the audited consolidated financial statements for the year ended 31 December 2020 comprise:

- the summary consolidated statement of financial position as at 31 December 2020;
- the summary consolidated statement of comprehensive income for the year then ended;
- the summary consolidated statement of changes in equity for the year then ended;
- the summary statement of cash flows for the year then ended; and
- the related notes to the summary consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The audited financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 25 March 2021. That report also include the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited consolidated financial statements of the current period.

Directors' responsibility for the summary financial statements

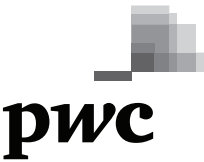
The directors are responsible for the preparation of the summary consolidated financial statements on the basis described in the notes.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

The engagement partner on the audit resulting in this independent auditor's report is Michael Asiedu-Antwi (ICAG/P/1138).

PricewaterhouseCoopers (ICAG/F/2021/028)
Chartered Accountants
Accra, Ghana



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Disclosures				
1. The consolidated financial statements have been prepared in accordance with International Financial Reporting standards.				
2. Contingent liabilities	Group 2020 GHC '000	Group 2019 GHC '000	Bank 2020 GHC '000	Bank 2019 GHC '000
Guarantees and indemnities	1,184,757	756,796	1,184,757	756,796
Documentary letters of credit	983,383	964,492	983,383	964,492
Loan commitments	740,465	1,061,087	740,465	1,061,087
	2,908,605	2,782,375	2,908,605	2,782,375
3. Quantitative Disclosures				
i. Capital Adequacy ratio per Capital Requirements Directive (CRD)	19.57%	18.34%	19.18%	18.58%
ii. Non-performing loan ratio	6.31%	5.72%	6.20%	5.70%
iii. Liquid ratio			104.84%	87.85%
iv. Common equity Tier 1 ratio			17.18%	17.75%
v. Leverage ratio			10.15%	10.21%
i. Default in statutory liquidity (times)	1	Nil	1	Nil
ii. Default in statutory liquidity sanction (GHC'000)	27	Nil	27	Nil
iii. Other regulatory sanctions (GHC'000)	2,567	152	2,567	128

4. General Information

Ecobank Ghana Limited (The Bank) and its subsidiaries (together the Group) provides retail, corporate and investment banking and other financial services in Ghana. Ecobank Transnational Incorporated (ETI), the parent company, holds 68.93% of the issued ordinary shares of the Bank.

The Bank is a limited liability company, incorporated and domiciled in Ghana. The address of its registered office is, 2 Morocco Lane, Off Independence Avenue, Ministerial Area, Accra, Private Mail Bag, General Post Office, Accra.

The Bank is listed on the Ghana Stock Exchange.

The consolidated and separate financial statements were authorised for issue by the Board of Directors on 23 February 2021.

5. Summary of Significant Accounting Policies

The principal accounting policies of the Group have been applied consistently to all periods in these financial statements.

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 (IASB) and the International Financial Reporting Standards Interpretations Committee (IFRIC) interpretations. Additional information required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institution Act, 2016 (Act 930) have been included, where appropriate. The financial statements have been prepared under the historical cost convention, unless otherwise stated.

The financial statements of the subsidiaries used to prepare the consolidated financial statements were prepared as of the Bank's reporting date. The consolidation principles are unchanged as against the previous year.

The financial statements in this publication is an extract from the financial statements for the year ended 31 December, 2020. The full set of the financial statements are available for inspection at the Bank's Head Office at 2 Morocco Lane, Accra.

The financial statements are presented in Ghana Cedis, which is the Group's functional and presentation currency. Except otherwise indicated, financial information presented in Ghana Cedis has been rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of revision and future periods, if the revision affects both current and future periods.

6. 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 categorised into three; Credit, Market and Operational Risk.

Credit Risk: Our Credit Risk Management model has four elements: Portfolio Planning and Target Marketing; Credit Origination and Maintenance; Problem Recognition and Remedial Management; and Portfolio Management.

Our credit exposures are within a defined target market and capital constraints. Individual transactions are assessed by an internal credit rating system. The portfolio is managed by respecting concentration limits in industry, currency tenors etc. Credits with signs of delinquency are taken through our various processes of Collections and Remedial Management.

Market Risk: Our market risk management policy is to ensure that all significant market risks are identified, measured, and managed in a consistent and effective manner in order to stabilise earnings and protect capital under a broad range of market conditions. It is also to ensure that we possess adequate sources of liquidity under the supervision of the Asset and Liability Committee (ALCO).

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

Liquidity Risk: This is to ensure that we possess adequate sources of liquidity to meet the Bank's financial liabilities when they fall due and be able to replace funds when they are withdrawn. This falls under the supervision of the Assets and Liabilities Committee.

Operational Risk: We record 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 the handling of each situation. These procedures, prior approved by the Board, have been well disseminated 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. Corporate social responsibilities

During the year a total of ₵2,123m was committed to corporate social responsibility (CSR) programs, with a key focus on education and supporting the fight against Covid-19 amongst others.

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

Signed
Terence Ronald Darko
Chairman

Signed
Daniel Sackey
Managing Director

