

# Ecobank Ghana PLC and its Subsidiaries

Summary Separate and Consolidated Financial Statements for the year ended 31 December 2021

Key Ratios	Cost to Income	46%
	Return on Average Assets	3.4%
	Return on Average Equity	23%
	Non Funded Income to Total Income	24%
Financial Highlights	Dec 2020 - Dec 2021	Growth
	Profit Before Tax	14%
	Total Assets	12%
	Deposits	12%
	Revenue	10%

Summary statements of comprehensive income (All amounts are expressed in thousands of Ghana Cedis)	Group		Bank	
	2021	2020	2021	2020
Interest income	1,742,215	1,592,692	1,698,636	1,558,569
Interest expense	(197,210)	(223,711)	(194,541)	(229,647)
<b>Net interest income</b>	<b>1,545,005</b>	<b>1,368,981</b>	<b>1,504,095</b>	<b>1,328,922</b>
Fee and commission income	359,340	274,070	348,250	266,813
Fee and commission expense	(41,769)	(18,181)	(41,769)	(18,181)
<b>Net fee and commission income</b>	<b>317,571</b>	<b>255,889</b>	<b>306,481</b>	<b>248,632</b>
Net trading income	144,583	175,320	144,416	175,220
Other operating income	33,414	47,115	32,166	47,197
Dividend income	-	67	9,080	6,083
Gain on sale of equipment	366	1,012	357	1,012
	<b>178,363</b>	<b>223,514</b>	<b>186,019</b>	<b>229,512</b>
<b>Net income</b>	<b>2,040,939</b>	<b>1,848,384</b>	<b>1,996,595</b>	<b>1,807,066</b>
Net impairment charge	(203,512)	(180,253)	(200,779)	(178,471)
Personnel expenses	(397,044)	(384,122)	(379,896)	(368,052)
Depreciation and amortisation	(65,647)	(50,198)	(62,786)	(47,291)
Finance cost on lease liabilities	(5,279)	(4,847)	(4,354)	(3,607)
Other operating expenses	(475,725)	(446,724)	(462,462)	(435,908)
<b>Operating profit</b>	<b>893,732</b>	<b>782,240</b>	<b>886,318</b>	<b>773,737</b>
Net income before taxes and levies	893,732	782,240	886,318	773,737
Income tax expense (Including levies)	(311,835)	(232,366)	(306,876)	(229,920)
<b>Net income after tax</b>	<b>581,897</b>	<b>549,874</b>	<b>579,442</b>	<b>543,817</b>
<b>Other comprehensive income</b> <i>Items that may be reclassified to profit or loss</i>				
Change in value of investment securities measured at FVOCI	(209,022)	99,535	(209,022)	99,535
<i>Items that will never be reclassified subsequently to profit or loss</i>				
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	40,012	(56,822)	40,012	(56,822)
<b>Other comprehensive income for the year net of tax</b>	<b>(169,010)</b>	<b>210,439</b>	<b>(169,010)</b>	<b>210,439</b>
<b>Total comprehensive income for the year</b>	<b>412,887</b>	<b>760,313</b>	<b>410,432</b>	<b>754,256</b>
<i>Profit for the year attributable to:</i>				
Parent	581,879	549,888	579,442	543,817
Non-controlling interest	18	(14)	-	-
<i>Comprehensive income for the year attributable to:</i>				
Parent	412,869	760,327	410,432	754,256
Non-controlling interest	18	(14)	-	-
<b>Earnings per share</b> Basic and diluted (in Ghana pesewas)	180	170	180	169

Summary statements of financial position (All amounts are expressed in thousands of Ghana Cedis)	Group		Bank	
	2021	2020	2021	2020
<b>Assets</b>				
Cash and balances with banks	2,686,057	3,817,067	2,870,571	3,813,114
Loans and advances to customers	5,693,754	4,977,797	5,634,861	4,926,367
Non-pledged trading assets	1,764,528	498,405	1,764,528	497,278
Non-trading assets	6,229,493	5,301,259	6,012,495	5,264,698
Other assets	788,623	608,632	788,044	605,573
Current income tax asset	3,721	-	-	-
Deferred income tax asset	59,477	3,170	56,066	603
Investment in subsidiaries	-	-	39,883	39,883
Right-of-use-assets	53,309	42,052	45,530	37,518
Intangible assets	41,206	84,771	41,143	84,540
Property and equipment	572,691	584,793	570,888	580,170
Non-current assets held for sale	32,670	32,670	32,670	32,670
<b>Total assets</b>	<b>17,925,529</b>	<b>15,950,616</b>	<b>17,856,679</b>	<b>15,882,414</b>
<b>Liabilities</b>				
Deposits from banks	1,298,811	1,076,158	1,653,588	1,489,968
Deposits from customers	13,228,449	11,804,516	12,877,525	11,386,442
Borrowings	25,537	42,521	25,537	42,521
Other liabilities	632,186	485,288	591,293	447,371
Current income tax liability	-	41,841	609	45,237
Lease liabilities	57,204	52,434	51,711	47,488
<b>Total liabilities</b>	<b>15,242,187</b>	<b>13,502,758</b>	<b>15,200,263</b>	<b>13,459,027</b>
<b>Equity and reserves</b>				
Stated capital	416,641	416,641	416,641	416,641
Retained earnings	1,463,241	1,118,918	1,442,569	1,100,646
Statutory reserve	641,525	569,058	635,860	563,430
Credit risk reserve	-	12,314	-	12,314
Other reserves	161,346	330,356	161,346	330,356
Non-controlling interest	589	571	-	-
<b>Total equity attributable to equity holders</b>	<b>2,683,342</b>	<b>2,447,858</b>	<b>2,656,416</b>	<b>2,423,387</b>
<b>Total liabilities and equity</b>	<b>17,925,529</b>	<b>15,950,616</b>	<b>17,856,679</b>	<b>15,882,414</b>

Summary statements of cashflows (All amounts are expressed in thousands of Ghana Cedis)	Group		Bank	
	2021	2020	2021	2020
<b>Cash generated from operations</b>				
Profit before tax	893,732	782,240	886,318	773,737
Depreciation of Right-of-use assets	16,833	13,509	15,097	11,748
Amortisation of intangible assets	23,061	9,495	22,870	9,310
Depreciation of property and equipment	25,753	27,194	24,819	26,233
Impairment - other assets	9,247	(57)	9,247	(57)
Impairment - investment in debt and equity instrument	1,230	(309)	1,230	(309)
Impairment - loans and advances	261,451	216,114	258,437	213,965
Impairment - contingent liabilities	5,826	(12,053)	5,826	(12,053)
Unrealised exchange loss on leases	973	1,543	973	1,543
Unrealised exchange loss on borrowings	767	1,299	767	1,299
Fair value loss on equity securities	1,599	-	1,599	-
Unrealised exchange gain on cash and cash equivalents	(10,729)	(94,927)	(10,903)	(94,927)
Gain on disposal of property and equipment	(366)	(1,012)	(357)	(1,012)
Interest expense on borrowing	2,274	2,470	2,274	2,470
Remeasurement of leases	191	13,360	-	10,850
Interest expense on leases	5,279	4,847	4,354	3,607
Changes in operating assets and liabilities				
Loans and advances	(977,408)	186,397	(966,931)	177,781
Other assets	(189,238)	114,669	(191,718)	159,100
Other liabilities	152,724	101,435	149,748	64,285
Deposits from banks	222,653	(119,647)	163,620	294,163
Deposits from customers	1,423,933	2,075,758	1,491,083	1,661,402
Mandatory reserves	(177,838)	52,572	(177,886)	61,589
Placements	-	37,879	-	19,615
<b>Cash generated from operations</b>	<b>1,691,947</b>	<b>3,412,776</b>	<b>1,690,467</b>	<b>3,384,339</b>
Tax paid	(373,692)	(223,789)	(366,955)	(218,625)
<b>Cash flows from operating activities</b>	<b>1,318,255</b>	<b>3,188,987</b>	<b>1,323,512</b>	<b>3,165,714</b>
<b>Cash flow from investing activities</b>				
Government securities - (net)	(2,465,170)	(1,787,256)	(2,286,781)	(1,768,668)
Proceeds from sale of property and equipment	366	1,012	357	1,012
Payments for property and equipment	(17,307)	(27,177)	(15,537)	(23,168)
Payments for intangible assets	(23)	(26,674)	-	(26,523)
Increase in investments in subsidiaries	-	-	-	(1,800)
<b>Net cash used in investing activities</b>	<b>(2,482,134)</b>	<b>(1,840,095)</b>	<b>(2,301,961)</b>	<b>(1,819,147)</b>
<b>Cash flow from financing activities</b>				
Repayment of borrowed funds	(20,025)	(19,842)	(20,025)	(19,842)
Principal elements of lease payments	(26,107)	(19,169)	(24,213)	(16,758)
Dividend paid	(177,403)	(96,765)	(177,403)	(96,765)
<b>Net cash used in financing activities</b>	<b>(223,535)</b>	<b>(135,776)</b>	<b>(221,641)</b>	<b>(133,365)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,387,414)</b>	<b>1,213,116</b>	<b>(1,200,090)</b>	<b>1,213,202</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>10,729</b>	<b>94,927</b>	<b>10,903</b>	<b>94,927</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>3,029,150</b>	<b>1,721,107</b>	<b>3,034,214</b>	<b>1,726,085</b>
<b>Cash and cash equivalents at end of the year</b>	<b>1,652,465</b>	<b>3,029,150</b>	<b>1,845,027</b>	<b>3,034,214</b>

Summary statements of changes in equity (All amounts are expressed in thousands of Ghana Cedis)	GROUP 2021						
	Stated capital	Retained earnings	Statutory reserve	Credit risk reserve	Other reserves	Non-controlling interest	Total
<b>At 1 January 2021</b>	<b>416,641</b>	<b>1,118,918</b>	<b>569,058</b>	<b>12,314</b>	<b>330,356</b>	<b>571</b>	<b>2,447,858</b>
Profit for the year	-	581,879	-	-	-	18	581,897
Other comprehensive income, net of tax	-	-	-	-	(169,010)	-	(169,010)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>581,879</b>	<b>-</b>	<b>-</b>	<b>(169,010)</b>	<b>18</b>	<b>412,887</b>
<b>Transactions with equity holders</b>							
Dividends paid	-	(177,403)	-	-	-	-	(177,403)
<b>Total contribution by and distribution to equity holders</b>	<b>-</b>	<b>(177,403)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(177,403)</b>
<b>Regulatory transfers</b>							
Statutory reserve	-	(72,467)	72,467	-	-	-	-
Credit risk reserve	-	12,314	-	(12,314)	-	-	-
	-	(60,153)	72,467	(12,314)	-	-	-
<b>At 31 December 2021</b>	<b>416,641</b>	<b>1,463,241</b>	<b>641,525</b>	<b>-</b>	<b>161,346</b>	<b>589</b>	<b>2,683,342</b>

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
<b>At 1 January 2020</b>	<b>416,641</b>	<b>747,082</b>	<b>500,085</b>	<b>-</b>	<b>119,917</b>	<b>585</b>	<b>1,784,310</b>
Profit for the year	-	549,888	-	-	-	(14)	549,874
Other comprehensive income, net of tax	-	-	-	-	210,439	-	210,439
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>549,888</b>	<b>-</b>	<b>-</b>	<b>210,439</b>	<b>(14)</b>	<b>760,313</b>
<b>Transactions with equity holders</b>							
Dividends paid	-	(96,765)	-	-	-	-	(96,765)
<b>Total contribution by and distribution to equity holders</b>	<b>-</b>	<b>(96,765)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(96,765)</b>
<b>Regulatory transfers</b>							
Regulatory transfers	-	(68,973)	68,973	-	-	-	-
Credit risk reserve	-	(12,314)	-	12,314	-	-	-
	-	(81,287)	68,973	12,314	-	-	-
<b>At 31 December 2020</b>	<b>416,641</b>	<b>1,118,918</b>	<b>569,058</b>	<b>12,314</b>	<b>330,356</b>	<b>571</b>	<b>2,447,858</b>

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The Pan African Bank

# Ecobank Ghana PLC and its Subsidiaries

Summary Separate and Consolidated Financial Statements for the year ended 31 December 2021

## Summary statements of changes in equity (All amounts are expressed in thousands of Ghana Cedis)

BANK 2021	Stated capital	Retained earnings	Statutory reserve	Credit risk reserve	Other reserves	Total
<b>At 1 January 2021</b>	<b>416,641</b>	<b>1,100,646</b>	<b>563,430</b>	<b>12,314</b>	<b>330,356</b>	<b>2,423,387</b>
Profit for the year	-	579,442	-	-	-	579,442
Other comprehensive income, net of tax	-	-	-	-	(169,010)	(169,010)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>579,442</b>	<b>-</b>	<b>-</b>	<b>(169,010)</b>	<b>410,432</b>
<b>Transactions with equity holders</b>						
Dividends paid	-	(177,403)	-	-	-	(177,403)
<b>Total contribution by distribution to equity holders</b>	<b>-</b>	<b>(177,403)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(177,403)</b>
<b>Regulatory transfers</b>						
Statutory reserve	-	(72,430)	72,430	-	-	-
Credit risk reserve	-	12,314	-	(12,314)	-	-
	-	(60,116)	72,430	(12,314)	-	-
<b>At 31 December 2021</b>	<b>416,641</b>	<b>1,442,569</b>	<b>635,860</b>	<b>-</b>	<b>161,346</b>	<b>2,656,416</b>

## 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
<b>At 1 January 2020</b>	<b>416,641</b>	<b>733,885</b>	<b>495,453</b>	<b>-</b>	<b>119,917</b>	<b>1,765,896</b>
Total comprehensive income	-	543,817	-	-	-	543,817
Profit for the year	-	543,817	-	-	-	543,817
Other comprehensive income, net of tax	-	-	-	-	210,439	210,439
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>543,817</b>	<b>-</b>	<b>-</b>	<b>210,439</b>	<b>754,256</b>
<b>Transactions with equity holders</b>						
Dividends paid	-	(96,765)	-	-	-	(96,765)
<b>Total contribution by distribution to equity holders</b>	<b>-</b>	<b>(96,765)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(96,765)</b>
<b>Regulatory transfers</b>						
Statutory reserve	-	(67,977)	67,977	-	-	-
Credit risk reserve	-	(12,314)	-	12,314	-	-
	-	(80,291)	67,977	12,314	-	-
<b>At 31 December 2020</b>	<b>416,641</b>	<b>1,100,646</b>	<b>563,430</b>	<b>12,314</b>	<b>330,356</b>	<b>2,423,387</b>

## Independent Auditor's Report

To the members of Ecobank Ghana PLC

### Our opinion

In our opinion, the accompanying summary financial statements of Ecobank Ghana PLC (the "Bank") and its subsidiaries (together the "Group"), are consistent, in all material respects, with the audited financial statements of the Bank standing alone and the Group for the year ended 31 December 2021, on the basis described in the notes.

### The summary financial statements

The summary financial statements derived from the audited financial statements for the year ended 31 December 2021 comprise:

- the summary separate and consolidated statements of financial position as at 31 December 2021;
- the summary separate and consolidated statements of comprehensive income for the year then ended;
- the summary separate and consolidated statements of changes in equity for the year then ended;
- the summary separate and consolidated statements of cash flows for the year then ended; and
- the related notes to the summary separate and consolidated financial statements.

The summary separate and 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 separate and consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited separate and consolidated financial statements and the auditor's report thereon. The audited financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited separate and consolidated financial statements.

### The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 14 March 2022. 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 separate and consolidated financial statements of the current period.

### Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary separate and 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).

Signed  
PricewaterhouseCoopers (ICAG/F/2022/028)  
Chartered Accountants  
Accra, Ghana  
16 March 2022



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## Disclosures

1. The audited financial statements were prepared in accordance with International Financial Reporting standards.

	Group		Bank	
	Dec 2021 GHC '000	Dec 2020 GHC '000	Dec 2021 GHC '000	Dec 2020 GHC '000
<b>2. Contingent liabilities</b>				
Guarantees and indemnities	1,295,583	1,184,757	1,295,583	1,184,757
Documentary letters of credit	1,145,837	983,383	1,145,837	983,383
Loan Commitments	632,864	740,465	632,864	740,465
	<b>3,074,284</b>	<b>2,908,605</b>	<b>3,074,284</b>	<b>2,908,605</b>
<b>3. Quantitative Disclosures</b>				
i. Capital Adequacy ratio	20.41%	19.57%	20.24%	19.18%
ii. Non-performing loan ratio Per BOG	13%	6.31%	12%	6.20%
Per IFRS	6.22%	6.75%	6.12%	6.77%
iii. Liquid ratio			69.84%	104.84%
iv. Common equity Tier 1 ratio			20.08%	17.18%
v. Leverage ratio			11.23%	10.15%
vi. Default in statutory liquidity (times)	Nil	1	Nil	1
vii. Default in statutory liquidity sanction (GHC'000)	Nil	27	Nil	27
viii. Other regulatory sanctions (GHC'000)	23	2,567	17	2,567

### 4. General Information

Ecobank Ghana PLC (The Bank) and its subsidiaries (together the Group) provide 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 public listed 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 separate and consolidated financial statements were authorised for issue by the Board of Directors on 22 February 2022.

### 5. Summary of Significant Accounting Policies

The principal accounting policies of the Group have been applied consistently to all periods in these summary 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, 2021. 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; Credit, Market, Liquidity 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 €2.227m was committed to corporate social responsibility (CSR) programs, with a key focus on education, health, financial inclusion and 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

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