

Ecobank Ghana PLC and its Subsidiaries

Summary Consolidated and Separate Financial Statements for the year ended 31 December 2022

Financial Highlights	GROWTH		
	2022	Group	Bank
	Total Assets	45%	44%
	Loans and advances to customers	56%	56%
	Customer deposits	54%	52%
Net income	40%	40%	

Summary statements of comprehensive income

(All amounts are expressed in thousands of Ghana Cedis)

	Group		Bank	
	2022	2021	2022	2021
Interest income	2,933,561	1,742,215	2,859,310	1,698,636
Interest expense	(411,573)	(197,210)	(393,334)	(194,541)
Net interest income	2,521,988	1,545,005	2,465,976	1,504,095
Fee and commission income	418,546	359,340	402,466	348,250
Fee and commission expense	(82,562)	(41,769)	(82,562)	(41,769)
Net fee and commission income	335,984	317,571	319,904	306,481
Net trading income	25,252	144,583	23,520	144,416
Other operating income	84,137	107,656	83,415	83,415
Dividend income	-	-	-	9,080
Gain on sale of equipment	697	366	697	357
Net income	2,968,058	2,115,181	2,893,512	2,070,556
Net impairment charge	(1,705,126)	(277,754)	(1,697,929)	(274,740)
Personnel expenses	(537,918)	(397,044)	(514,453)	(379,896)
Depreciation and amortisation	(74,580)	(65,647)	(71,818)	(62,786)
Finance cost on lease liabilities	(7,950)	(5,279)	(7,526)	(4,354)
Other operating expenses	(669,702)	(475,725)	(654,879)	(462,462)
Net (loss)/income before taxes and levies	(27,218)	893,732	(53,093)	886,318
Income tax expense (including levies)	11,914	(311,835)	19,548	(306,876)
Net (loss)/income after tax	(15,304)	581,897	(33,545)	579,442
Other comprehensive income				
Items that may be reclassified to profit or loss:				
Change in value of investment securities valued at FVOCI	(355,153)	(209,022)	(355,153)	(209,022)
Items that will never be reclassified subsequently to profit or loss:				
Revaluation of land and buildings	674,870	-	674,870	-
Remeasurement of post-employment benefit obligations	(5,164)	-	(5,164)	-
Income tax relating to components of other comprehensive income	(76,814)	40,012	(76,814)	40,012
Other comprehensive income for the year, net of tax	237,739	(169,010)	237,739	(169,010)
Total comprehensive income for the year	222,435	412,887	204,194	410,432
Profit for the period attributable to:				
Parent	(15,322)	581,879	(33,545)	579,442
Non-controlling interest	18	18	-	-
Comprehensive income for the period attributable to:				
Parent	222,417	412,869	204,194	410,432
Non-controlling interest	18	18	-	-
Earnings per share				
Basic & diluted (in Ghana pesewas)	(5)	180	(10)	180

Summary statements of financial position

(All amounts are expressed in thousands of Ghana Cedis)

	Group		Bank	
	2022	2021	2022	2021
Assets				
Cash and balances with banks	6,398,282	2,686,057	6,443,617	2,870,571
Loans and advances to customers	8,866,042	5,693,754	8,802,239	5,634,861
Non-pledged trading assets	1,116,676	1,764,528	1,116,676	1,764,528
Non-trading assets	6,743,075	6,229,493	6,617,538	6,012,495
Other assets	933,597	788,623	924,487	788,044
Current income tax asset	85,256	3,721	80,083	-
Deferred income tax asset	420,843	59,477	416,840	56,066
Investment in subsidiaries	-	-	39,883	39,883
Right-of-use-assets	48,318	53,309	38,670	45,530
Intangible assets	20,695	41,206	20,690	41,143
Property and equipment	1,255,289	572,691	1,253,410	570,888
Non-current assets held for sale	19,952	32,670	19,952	32,670
Total Assets	25,908,025	17,925,529	25,774,085	17,856,679
Liabilities				
Deposits from banks	1,843,006	1,298,811	2,635,136	1,653,588
Deposits from customers	20,423,861	13,228,449	19,590,418	12,877,525
Borrowings	972	25,537	972	25,537
Other liabilities	860,236	632,186	819,338	591,293
Current income tax liability	-	-	-	609
Lease liabilities	65,155	57,204	58,593	51,711
Total liabilities	23,202,230	15,242,187	23,113,457	15,200,263
Equity and reserves				
Stated capital	416,641	416,641	416,641	416,641
Retained earnings	1,199,629	1,463,241	1,160,919	1,442,569
Statutory reserve	641,710	641,525	635,860	635,860
Credit risk reserve	48,123	-	48,123	-
Other reserves	399,085	161,346	399,085	161,346
Non-controlling interest	607	589	-	-
Total equity attributable to equity holders	2,705,795	2,683,342	2,660,628	2,656,416
Total liabilities and equity	25,908,025	17,925,529	25,774,085	17,856,679

Summary statements of cash flows

(All amounts are expressed in thousands of Ghana Cedis)

	Group		Bank	
	2022	2021	2022	2021
Cash generated from operations				
(Loss)/profit before tax	(27,218)	893,732	(53,093)	886,318
Depreciation and amortisation expense	74,580	65,647	71,818	62,786
Impairment charge	1,705,126	277,754	1,697,929	274,740
Unrealised exchange gains - net	(270,474)	(7,390)	(272,220)	(7,564)
Non-current assets written-off	8,375	-	8,375	-
Gain on disposal of property and equipment	(697)	(366)	(697)	(357)
Interest expense on borrowing	1,577	2,274	1,577	2,274
Remeasurement of leases	(847)	191	(1,286)	-
Interest expense on leases	7,950	5,279	7,526	4,354
Changes in operating assets and liabilities				
Loans and advances	(3,230,583)	(977,408)	(3,223,045)	(966,931)
Other assets	(175,910)	(189,238)	(167,380)	(191,718)
Other liabilities	238,453	152,724	238,448	149,748
Deposits from banks	544,195	222,653	981,548	163,620
Deposits from customers	719,542	1,423,933	6,712,893	1,491,083
Mandatory reserves	(1,682,854)	(177,838)	(1,680,202)	(177,886)
Cash generated from operations	4,387,085	1,691,947	4,322,191	1,690,467
Tax paid	(507,709)	(373,692)	(498,732)	(366,955)
Cash flows from operating activities	3,879,376	1,318,255	3,823,459	1,323,512
Cash flows from investing activities				
Government securities - net	(1,881,177)	(2,465,170)	(1,967,056)	(2,286,781)
Proceeds from sale of property and equipment	697	366	697	357
Payments for property and equipment	(35,731)	(17,307)	(34,604)	(15,537)
Payments for intangible assets	(2,749)	(23)	(2,749)	-
Net cash used in investing activities	(1,918,960)	(2,482,134)	(2,003,712)	(2,301,961)
Cash flows from financing activities				
Repayment of borrowed funds	(28,290)	(20,025)	(28,290)	(20,025)
Principal elements of lease payments	(26,321)	(26,107)	(23,005)	(24,213)
Dividend paid	(199,982)	(177,403)	(199,982)	(177,403)
Net cash used in financing activities	(254,593)	(223,535)	(251,277)	(221,641)
Net increase/(decrease) in cash and cash equivalents	1,705,823	(1,387,414)	1,568,470	(1,200,090)
Effects of exchange rate changes on cash and cash equivalents	290,465	10,729	292,211	10,903
Cash and cash equivalents at the beginning of the year	1,652,465	3,029,150	1,845,027	3,034,214
Cash and cash equivalents at the end of the year	3,648,753	1,652,465	3,705,708	1,845,027

Summary statements of changes in equity

(All amounts are expressed in thousands of Ghana Cedis)

GROUP 2022	Stated capital	Retained earnings	Statutory reserve	Credit risk reserve	Other reserves	Non-controlling interest	Total
At 1 January 2022	416,641	1,463,241	641,525	-	161,346	589	2,683,342
(Loss)/profit for the year	-	(15,322)	-	-	-	18	(15,304)
Other comprehensive income, net of tax	-	-	-	-	237,739	-	237,739
Total comprehensive income for the year	-	(15,322)	-	-	237,739	18	222,435
Transactions with equity holders							
Dividends paid	-	(199,982)	-	-	-	-	(199,982)
Total transactions with equity holders	-	(199,982)	-	-	-	-	(199,982)
Regulatory transfers							
Statutory reserve	-	(185)	185	-	-	-	-
Credit risk reserve	-	(48,123)	-	48,123	-	-	-
Total regulatory transfers	-	(48,308)	185	48,123	-	-	-
At 31 December 2022	416,641	1,199,629	641,710	48,123	399,085	607	2,705,795

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
At 1 January 2021	416,641	1,118,918	569,058	12,314	330,356	571	2,447,858
Profit for the year	-	581,879	-	-	-	18	581,897
Other comprehensive income, net of tax	-	-	-	-	(169,010)	-	(169,010)
Total comprehensive income for the year	-	581,879	-	-	(169,010)	18	412,887
Transactions with equity holders							
Dividends paid	-	(177,403)	-	-	-	-	(177,403)
Total transactions with equity holders	-	(177,403)	-	-	-	-	(177,403)
Regulatory transfers							
Statutory reserve	-	(72,467)	72,467	-	-	-	-
Credit risk reserve	-	12,314	-	(12,314)	-	-	-
Total regulatory transfers	-	(60,153)	72,467	(12,314)	-	-	-
At 31 December 2021	416,641	1,463,241	641,525	-	161,346	589	2,683,342

Ecobank Ghana PLC and its Subsidiaries

Summary Consolidated and Separate Financial Statements for the year ended 31 December 2022

Summary statements of changes in equity

(All amounts are expressed in thousands of Ghana Cedis)

BANK 2022	Stated capital	Retained earnings	Statutory reserve	Credit risk reserve	Other reserves	Total
At 1 January 2022	416,641	1,442,569	635,860	-	161,346	2,656,416
Loss for the year	-	(33,545)	-	-	-	(33,545)
Other comprehensive income, net of tax	-	-	-	-	237,739	237,739
Total comprehensive income for the year	-	(33,545)	-	-	237,739	204,194
Transactions with equity holders						
Dividends paid	-	(199,982)	-	-	-	(199,982)
Total transactions with equity holders	-	(199,982)	-	-	-	(199,982)
Regulatory transfers						
Credit risk reserve	-	(48,123)	-	48,123	-	-
Total regulatory transfers	-	(48,123)	-	48,123	-	-
At 31 December 2022	416,641	1,160,919	635,860	48,123	399,085	2,660,628

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
At 1 January 2021	416,641	1,100,646	563,430	12,314	330,356	2,423,387
Profit for the year	-	579,442	-	-	-	579,442
Other comprehensive income, net of tax	-	-	-	-	(169,010)	(169,010)
Total comprehensive income for the year	-	579,442	-	-	(169,010)	410,432
Transactions with equity holders						
Dividends paid	-	(177,403)	-	-	-	(177,403)
Total transactions with equity holders	-	(177,403)	-	-	-	(177,403)
Regulatory transfers						
Statutory reserve	-	(72,430)	72,430	-	-	-
Credit risk reserve	-	12,314	-	(12,314)	-	-
Total regulatory transfers	-	(60,116)	72,430	(12,314)	-	-
At 31 December 2021	416,641	1,442,569	635,860	-	161,346	2,656,416

Independent Auditor's Report

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

Our opinion

In our opinion, the accompanying summary consolidated financial statements of Ecobank Ghana PLC (the "Bank"), are consistent, in all material respects, with the audited consolidated financial statements of the Bank for the year ended 31 December 2022, 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 2022 comprise:

- the summary consolidated statement of financial position as at 31 December 2022;
- 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, and 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 consolidated 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 6 April 2023. That report also includes 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 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).

Signed 
PricewaterhouseCoopers (ICAG/F/2023/028)
Chartered Accountants
Accra, Ghana
6 April 2023



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Disclosures

1. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

	Group		Bank	
	2022 GHC '000	2021 GHC '000	2022 GHC '000	2021 GHC '000
2. Contingent liabilities				
Guarantees and indemnities	636,407	1,295,583	636,407	1,295,583
Documentary letters of credit	1,333,529	1,145,837	1,333,529	1,145,837
Loan Commitments	735,951	632,864	735,951	632,864
	2,705,887	3,074,284	2,705,887	3,074,284

3. Quantitative Disclosures

i. Capital Adequacy ratio	15.03%	20.41%	14.63%	20.24%
ii. Non-performing loan ratio	9.65%	12.60%	9.47%	12.00%
iii. Liquid ratio			48.37%	69.84%
iv. Common equity Tier 1 ratio			12.09%	20.08%
v. Leverage ratio			74.0%	11.23%

4. Qualitative Disclosures

i. Default in statutory liquidity (times)	Nil	Nil	Nil	Nil
ii. Default in statutory liquidity sanction (GHC'000)	Nil	Nil	Nil	Nil
iii. Other regulatory sanctions (GHC'000)	10,673	22	10,613	17

5. 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 separate and consolidated financial statements were authorised for issue by the Board of Directors on 27 March 2023.

6. 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 summary financial statements in this publication is an extract from the financial statements for the year ended 31 December, 2022. The full set of the financial statements are available for inspection at the Bank's Head Office at 2 Morocco Lane, Accra.

The summary financial statement 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.

7. 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.

8. Corporate Social Responsibility

Ecobank recognizes the role communities play in ensuring the Group remains in business. Giving back to these communities is a core objective for the Group at both the corporate and individual levels. During the year, the Group continued with its corporate social responsibility (CSR) programs with a key focus on education, health, financial inclusion and others. A total of GH¢ 2.051 million (2021: GH¢2.227 million) was committed to CSR activities in the year.

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

Signed
Daniel Sackey
Managing Director

Signed
Edward Nortey Botchway
Executive Director


The Pan African Bank