



PRESS RELEASE

PR. No 112/2020

ECOBANK GHANA LIMITED (EGH) -
AUDITED FINANCIAL STATEMENTS
FOR THE YEARENDED 31 DECEMBER 2019

EGH has released its Audited Financial Statements for the year ended December 31, 2019 as per the attached.

Issued in Accra, this 20th
day of March, 2020

- E N D -

att'd.

Distribution:

1. All LDMs
2. General Public
3. Company Secretary, EGH
4. GCB Registrars, (Registrars for EGH shares)
5. Custodians
6. Central Securities Depository
7. Securities and Exchange Commission
8. GSE Council Members
9. GSE Notice Board

For enquiries, contact:

Head Listing, GSE on 0302 669908, 669914, 669935

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Ecobank Ghana Limited and its Subsidiaries

Audited Summary Separate and Consolidated Financial Statements for the year ended 31 December 2019

Key Ratios	Cost to Income	
	Return on Average Assets	45.8%
	Return on Average Equity	3.8%
	Non Funded Income to Total Income	28.6%
	32.7%	
Financial Highlights	Dec 2018 - Dec 2019	
	Profit Before Tax	Growth 26.9%
	Total Assets	26.5%
	Loans	29.7%
	Deposits	27.9%

Summary statements of comprehensive income (All amounts are expressed in thousands of Ghana Cedis)	Group		Bank	
	2019	2018	2019	2018
Interest income	1,270,567	1,083,659	1,233,819	1,073,540
Interest expense	(202,891)	(205,973)	(209,483)	(212,588)
Net interest income	1,067,676	877,686	1,024,336	860,952
Fee and commission income	305,874	188,652	298,589	188,582
Fee and commission expense	(17,725)	(5,349)	(17,724)	(5,312)
Net fee and commission income	288,149	183,303	280,865	183,270
Net trading income	188,216	211,608	188,232	211,580
Other operating income	38,739	34,729	38,962	34,692
Dividend income	2,871	172	12,403	12,208
	229,826	246,509	239,597	258,480
Revenue	1,585,651	1,307,498	1,544,798	1,302,702
Gain on sale of equipment	36	454	36	454
Net impairment charge	(216,586)	(129,365)	(215,993)	(129,499)
Personnel expenses	(356,734)	(379,411)	(340,709)	(378,839)
Depreciation and amortisation	(58,228)	(35,987)	(55,336)	(35,986)
Finance cost on lease liabilities	(4,951)	-	(4,831)	-
Other operating expenses	(306,692)	(258,240)	(292,936)	(257,858)
Operating profit	642,496	504,949	635,029	500,974
Share of profit of associates (net of tax)	-	1,302	-	-
Profit before tax	642,496	506,251	635,029	500,974
Income tax expense	(197,550)	(166,283)	(193,082)	(163,384)
Profit after tax	444,946	339,968	441,947	337,590
Other comprehensive income Items that will never be reclassified subsequently to profit or loss				
Change in value of investment securities measured at FVOCI	13,514	-	13,514	-
Income tax relating to components of other comprehensive income	(3,379)	-	(3,379)	-
Other comprehensive income for the year, net of tax	10,135	-	10,135	-
Total comprehensive income for the year	455,081	339,968	452,082	337,590
Profit for the year attributable to:				
Parent	444,849	339,968	441,947	337,590
Non-controlling interest	97	-	-	-
Comprehensive income for the year attributable to:				
Parent	454,984	339,968	452,082	337,590
Non-controlling interest	97	-	-	-
Earnings per share Basic and diluted (in Ghana pesewas)	141	110	140	109

Summary statements of financial position (All amounts are expressed in thousands of Ghana Cedis)	Group		Bank	
	2019	2018	2019	2018
Assets				
Cash and balances with banks	2,717,101	2,443,686	2,705,958	2,482,151
Loans and advances to customers	5,380,308	4,149,511	5,318,113	4,123,153
Non-pledged trading assets	349,617	594,244	349,617	594,244
Non trading assets	3,419,672	2,530,104	3,398,429	2,483,327
Other assets	723,244	230,859	764,616	244,507
Current income tax asset	22,165	-	19,091	-
Deferred income tax	4,563	538	4,392	531
Investment in associates	-	9,849	-	4,841
Investment in subsidiaries	-	-	38,083	28,871
Non-current asset held for sale	28,327	26,375	28,327	26,375
Right-of-use-assets	86,142	-	75,130	-
Intangible assets	67,592	26,583	67,327	26,583
Property and equipment	430,066	443,016	428,491	443,013
Total assets	13,228,797	10,454,765	13,197,574	10,457,596
Liabilities				
Deposits from banks	1,195,805	204,495	1,195,805	204,495
Deposits from customers	9,728,758	7,608,841	9,725,040	7,627,083
Borrowings	58,594	162,943	58,594	162,943
Other liabilities	380,439	1,145,765	379,672	1,141,457
Current income tax liability	-	6,502	-	7,804
Lease liabilities	80,891	-	72,567	-
Total liabilities	11,444,487	9,128,546	11,431,678	9,143,782
Equity and reserves				
Stated capital	416,641	416,641	416,641	416,641
Retained earnings	747,082	201,127	733,885	189,250
Other reserves	119,917	109,782	119,917	109,782
Statutory reserve	500,085	439,471	495,453	438,943
Credit risk reserve	-	159,198	-	159,198
Non-controlling interest	585	-	-	-
Total equity attributable to equity holders	1,784,310	1,326,219	1,765,896	1,313,814
Total liabilities and equity	13,228,797	10,454,765	13,197,574	10,457,596

Summary statements of cashflows (All amounts are expressed in thousands of Ghana Cedis)	Group		Bank	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before tax	642,496	506,251	635,029	500,974
Depreciation expense	58,228	35,987	55,336	35,986
Impairment	140,890	134,295	140,385	134,429
Unrealised losses/(gains) - net	2,983	(22,720)	2,983	(22,720)
Gain on disposal of property and equipment	(36)	(454)	(36)	(454)
IFRS 16 initial impact	(2,081)	-	(1,359)	-
Additions to right-of-use assets	(2,589)	-	(1,369)	-
Interest expense on leases	4,951	-	4,831	-
Changes in operating assets and liabilities				
Loans and advances	(1,387,152)	(1,573,816)	(1,350,810)	(1,547,301)
Other assets	(494,697)	262,723	(524,266)	278,291
Other liabilities	(737,617)	438,069	(734,075)	437,693
Deposits from banks	991,310	(401,957)	991,310	(510,393)
Deposits from customers	2,119,917	665,236	2,097,957	668,872
Non-current assets held for sale	(1,952)	8,112	(1,952)	8,112
Mandatory reserves	(443,200)	1,297,682	(443,200)	1,297,682
Placements	160,292	175,920	160,292	175,948
Cash flows from operating activities	1,032,743	1,525,328	1,014,056	1,457,119
Tax paid	(233,621)	(149,996)	(227,216)	(147,195)
Net cash flows from operating activities	799,122	1,375,332	786,840	1,309,924
Cash flows from investing activities				
Government securities (net)	(894,314)	(591,189)	(669,580)	(586,275)
Proceeds from sale of property and equipment	210	454	210	454
Payments for property and equipment	(19,876)	(18,373)	(17,122)	(18,372)
Payments for intangible assets	(44,964)	(27,025)	(44,509)	(27,025)
Decrease in investments in associate	9,849	-	-	-
Increase in investments in subsidiaries	-	-	(4,371)	-
Assets held for sale	-	-	-	4,350
Net cash used in investing activities	(949,095)	(636,133)	(735,372)	(626,868)
Cash flows from financing activities				
Repayment of borrowed funds	(104,349)	(52,381)	(104,349)	(52,381)
Financing lease repayment	(16,044)	-	(16,658)	-
Bonus shares issued	-	(12,350)	-	(12,350)
Net cash used in financing activities	(120,393)	(64,731)	(120,007)	(64,731)
Net (decrease)/increase in cash and cash equivalents	(270,366)	674,468	(68,539)	618,325
Cash and cash equivalents at beginning of year	1,991,473	1,317,005	1,794,624	1,176,299
Cash and cash equivalents at end of the year	1,721,107	1,991,473	1,726,085	1,794,624

Summary statements of changes in equity (All amounts are expressed in thousands of Ghana Cedis)	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
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
Regulatory transfers	-	(56,525)	56,525	-	-	-	-
Statutory reserve	-	159,198	-	(159,198)	-	-	-
Credit risk reserve	-	-	-	(159,198)	-	-	-
	-	102,673	56,525	(159,198)	-	-	-
At 31 December 2019	416,641	747,082	500,085	-	119,917	585	1,784,310

Summary statements of changes in equity (All amounts are expressed in thousands of Ghana Cedis)	Group 2018						
	Stated Capital	Retained Earnings	Other Reserves	Statutory Reserves	Credit Risk Reserve	Total	
At 1 January 2018	226,641	208,291	109,782	355,064	137,047	1,036,825	
IFRS 9 related adjustments - 1 Jan 2018	-	(7,876)	-	-	-	(7,876)	
Impairment provisions on other financial assets	-	(39,289)	-	-	-	(39,289)	
Release of credit risk reserve due to IFRS 9 adoption	-	16,751	-	-	(16,751)	-	
Current income tax effect on IFRS 9 first day	-	6,439	-	-	-	6,439	
Deferred tax impact on IFRS 9 first day	-	5,352	-	-	-	5,352	
Restated balance as at 1 January 2018	226,641	189,668	109,782	355,064	120,296	1,001,451	
Profit for the year	-	339,968	-	-	-	339,968	
Total comprehensive income for the year	-	339,968	-	-	-	339,968	
Transactions with equity holders							
Additional shares issued and transferred from	190,000	(190,000)	-	-	-	-	
Income surplus to stated capital	-	(15,200)	-	-	-	(15,200)	
Tax on transfer to stated capital	-	-	-	-	-	-	
Total contribution by and distribution to equity holders	190,000	(205,200)	-	-	-	(15,200)	
Regulatory transfers	-	(84,407)	-	84,407	-	-	
Statutory reserve	-	(38,902)	-	-	38,902	-	
Credit risk reserve	-	-	-	-	38,902	-	
	-	(123,309)	-	84,407	38,902	-	
At 31 December 2018	416,641	201,127	109,782	439,471	159,198	1,326,219	

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The Pan African Bank

Ecobank Ghana Limited and its Subsidiaries

Audited Summary Separate and Consolidated Financial Statements for the year ended 31 December 2019

Summary statements of changes in equity

(All amounts are expressed in thousands of Ghana Cedis)

Bank 2019	Stated Capital	Retained Earnings	Other Reserves	Statutory Reserve	Credit Risk Reserve	Total
At 1 January 2019	416,641	189,250	109,782	438,943	159,198	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
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	119,917	495,453	-	1,765,896
Bank 2018						
At 1 January 2018	226,641	198,782	109,782	354,546	137,047	1,026,798
IFRS 9 related adjustments - 1 Jan 2018	-	-	-	-	-	-
Impairment provision on other financial assets	-	(7,876)	-	-	-	(7,876)
Impairment provisions on loans and contingents	-	(39,289)	-	-	-	(39,289)
Release of credit risk reserve due to IFRS 9 adoption	-	16,751	-	-	(16,751)	-
Current income tax effect on IFRS 9 first day	-	6,439	-	-	-	6,439
Deferred tax impact on IFRS 9 first day	-	5,352	-	-	-	5,352
Restated balance as at 1 January 2018	226,641	180,159	109,782	354,546	120,296	991,424
Profit for the year	-	337,590	-	-	-	337,590
Total comprehensive income for the year	-	337,590	-	-	-	337,590
Transactions with equity holders						
Additional shares issued and transferred from						
Income surplus to stated capital	190,000	(190,000)	-	-	-	-
Tax on transfer to stated capital	-	(5,200)	-	-	-	(5,200)
Total contribution by and distribution to equity holders	190,000	(205,200)	-	-	-	(15,200)
Regulatory transfers						
Statutory reserve	-	(84,397)	-	84,397	-	-
Credit risk reserve	-	(38,902)	-	-	38,902	-
	-	(123,299)	-	84,397	38,902	-
Balance at 31 December 2018	416,641	189,250	109,782	438,943	159,198	1,313,814

Independent Auditor's Report

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

Our opinion

In our opinion, the accompanying summary financial statements of Ecobank Ghana Limited (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 2019, 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 2019 comprise:

- the summary separate and consolidated statements of financial position as at 31 December 2019;
- 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. 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 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).

PricewaterhouseCoopers (ICAG/F/2020/028)
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 2019 GHC '000	Group 2018 GHC '000	Bank 2019 GHC '000	Bank 2018 GHC '000
Guarantees and indemnities	756,796	739,281	756,796	739,281
Documentary letters of credit	964,492	1,056,149	964,492	1,056,149
Credit commitment	1,061,087	341,418	1,061,087	341,418
	2,782,375	2,136,848	2,782,375	2,136,848

3. Quantitative Disclosures

i. Capital Adequacy ratio	-	14.73%
Capital Adequacy ratio per Capital Requirements Directive (CRD)	18.58%	-
ii. Non-performing loan ratio - BOG	5.6%	11.50%
ii. Non-performing loan ratio - IFRS	7.32%	13.34%
iii. Liquid ratio	87.85%	68.05%
iv. Common equity Tier 1 ratio	17.75%	-
v. Leverage ratio	10.21%	-
b) i. Default in statutory liquidity (times)	Nil	Nil
ii. Default in statutory liquidity sanction (GHC'000)	Nil	Nil

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 21 February 2020.

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.

Additional information required by the Companies Act, 2019 (Act 992) and the Banking Act, 2016 (Act 930) 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 held to collect and sell financial assets carried at fair value.

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, 2019. 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 GHS751,065 was committed to corporate social responsibility (CSR) programs, with a key focus on education and health 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

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