

Ecobank Ghana PLC and its Subsidiaries

Summary Consolidated and Separate Financial Statements for the year ended 31 December 2023

Summary statements of comprehensive income

(All amounts are expressed in thousands of Ghana cedis)

	Group		Bank	
	2023	2022	2023	2022
Interest income	4,219,992	2,933,561	4,067,419	2,859,310
Interest expense	(699,119)	(411,573)	(595,382)	(393,334)
Net interest income	3,520,873	2,521,988	3,472,037	2,465,976
Fee and commission income	604,462	418,546	574,787	402,466
Fee and commission expense	(156,151)	(82,562)	(156,151)	(82,562)
Net fee and commission income	448,311	335,984	418,636	319,904
Net trading income	1,300,074	25,252	1,299,662	23,520
Other operating income	55,357	84,137	55,477	83,415
Gain on sale of equipment	592	697	585	697
	1,356,023	110,086	1,355,724	107,632
Net income	5,325,207	2,968,058	5,246,397	2,893,512
Net impairment charge	(1,820,948)	(1,705,126)	(1,822,235)	(1,697,929)
Modification loss	(937,762)	-	(937,762)	-
Personnel expenses	(666,566)	(537,918)	(636,254)	(514,453)
Depreciation and amortisation	(83,177)	(74,580)	(79,397)	(71,818)
Finance cost on lease liabilities	(6,846)	(7,950)	(5,610)	(7,526)
Other operating expenses	(824,668)	(669,702)	(799,161)	(654,879)
Net income before taxes and levies	985,240	(27,218)	965,978	(53,093)
Income tax expense (including levies)	(352,541)	11,914	(346,499)	19,548
Net income after tax	632,699	(15,304)	619,479	(33,545)
Other comprehensive income				
<i>Items that may be reclassified to profit or loss:</i>				
Change in value of investment securities valued at FVOCI	435,335	(355,153)	435,335	(355,153)
<i>Items that will never be reclassified subsequently to profit or loss</i>				
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	(111,761)	(76,814)	(111,761)	(76,814)
Other comprehensive income for the year, net of tax	323,574	237,739	323,574	237,739
Total comprehensive income for the year	956,273	222,435	943,053	204,194
<i>Profit for the period attributable to:</i>				
Parent	632,600	(15,322)	619,479	(33,545)
Non-controlling interest	99	18	-	-
<i>Comprehensive income for the period attributable to:</i>				
Parent	956,174	222,417	943,053	204,194
Non-controlling interest	99	18	-	-
Earnings per share				
Basic and Diluted (in Ghana pesewas)	196	(5)	192	(10)

Summary statements of changes in equity

(All amounts are expressed in thousands of Ghana cedis)

Group 2023	Stated capital	Retained earnings	Statutory reserve	Credit risk reserve	Other reserves	Non-controlling interest	Total
At 1 January 2023	416,641	1,199,629	641,710	48,123	399,085	607	2,705,795
Profit for the year	-	632,600	-	-	-	99	632,699
Other comprehensive income, net of tax	-	-	-	-	323,574	-	323,574
Total comprehensive income for the year	-	632,600	-	-	323,574	99	956,273
Regulatory transfers							
Statutory reserve	-	(77,926)	77,926	-	-	-	-
Credit risk reserve	-	(76,169)	-	76,169	-	-	-
Total regulatory transfers	-	(154,095)	77,926	76,169	-	-	-
At 31 December 2023	416,641	1,678,134	719,636	124,292	722,659	706	3,662,068

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 financial position

(All amounts are expressed in thousands of Ghana cedis)

	Group		Bank	
	2023	2022	2023	2022
Assets				
Cash and balances with banks	11,256,764	6,398,282	11,255,251	6,443,617
Loans and advances to customers	9,517,709	8,866,042	9,444,131	8,802,239
Non pledged trading assets	213,016	1,116,676	213,016	1,116,676
Non-trading assets	9,816,651	6,743,075	9,775,154	6,617,538
Other assets	749,097	933,597	717,807	924,487
Current income tax asset	-	85,256	-	80,083
Deferred income tax asset	752,527	420,843	747,495	416,840
Investment in subsidiaries	-	-	22,562	39,883
Right-of-use-assets	72,360	48,318	62,472	38,670
Intangible assets	6,143	20,695	5,988	20,690
Property and equipment	1,260,397	1,255,289	1,258,760	1,253,410
Non-current assets held for sale	18,000	19,952	18,000	19,952
Total assets	33,662,664	25,908,025	33,520,636	25,774,085
Liabilities				
Deposits from banks	2,358,229	1,843,006	3,010,316	2,635,136
Deposits from customers	26,338,790	20,423,861	25,642,117	19,590,418
Borrowings	149,228	9,972	149,228	9,972
Other liabilities	1,059,966	860,236	1,023,772	819,338
Current income tax liability	32,923	-	37,304	-
Lease liabilities	61,460	65,155	54,218	58,593
Total liabilities	30,000,596	23,202,230	29,916,955	23,113,457
Equity and reserves				
Stated capital	416,641	416,641	416,641	416,641
Retained earnings	1,678,134	1,199,629	1,626,794	1,160,919
Statutory reserve	719,636	641,710	713,295	635,860
Credit risk reserve	124,292	48,123	124,292	48,123
Other reserves	722,659	399,085	722,659	399,085
Non-controlling interest	706	607	-	-
Total equity attributable to equity holders	3,662,068	2,705,795	3,603,681	2,660,628
Total liabilities and equity	33,662,664	25,908,025	33,520,636	25,774,085

Summary statements of changes in equity

(All amounts are expressed in thousands of Ghana cedis)

Bank 2023	Stated capital	Retained earnings	Statutory reserve fund	Credit risk	Other reserves	Total
At 1 January 2023	416,641	1,160,919	635,860	48,123	399,085	2,660,628
Profit for the year	-	619,479	-	-	-	619,479
Other comprehensive income, net of tax	-	-	-	-	323,574	323,574
Total comprehensive income for the year	-	619,479	-	-	323,574	943,053
Regulatory transfers						
Statutory reserve	-	(77,435)	77,435	-	-	-
Credit risk reserve	-	(76,169)	-	76,169	-	-
Total regulatory transfers	-	(153,604)	77,435	76,169	-	-
At 31 December 2023	416,641	1,626,794	713,295	124,292	722,659	3,603,681

Bank 2022	Stated capital	Retained earnings	Statutory reserve fund	Credit risk	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

Ecobank Ghana PLC and its Subsidiaries

Summary Consolidated and Separate Financial Statements for the year ended 31 December 2023

Summary statements of cash flows

(All amounts are expressed in thousands of Ghana cedis)

	Group		Bank	
	2023	2022	2023	2022
Cash generated from operations				
Profit/(loss) before tax	985,240	(27,218)	965,978	(53,093)
Depreciation and amortisation expense	83,177	74,580	79,397	71,818
Impairment charge	1,820,950	1,705,126	1,822,235	1,697,929
Unrealised exchange gains - net	(702,896)	(270,474)	(702,896)	(272,220)
Non-current assets written-off	-	8,375	-	8,375
Gain on disposal of property and equipment	(592)	(697)	(585)	(697)
Interest expense on borrowings	15,119	1,577	15,119	1,577
Remeasurement of leases	304	(847)	-	(1,286)
Derecognition of leases	(327)	-	(197)	-
Derecognition of rights-of-use assets	134	-	-	-
Interest expense on leases	6,846	7,950	5,610	7,526
Changes in operating assets and liabilities				
Loans and advances	(1,253,529)	(3,230,583)	(1,240,470)	(3,223,045)
Other assets	232,071	(175,910)	222,407	(167,380)
Other liabilities	158,871	238,453	195,420	238,448
Deposits from banks	515,223	544,195	375,180	981,548
Deposits from customers	5,914,929	7,195,412	6,051,699	6,712,893
Mandatory reserves	216,412	(1,682,854)	204,791	(1,680,202)
Cash generated from operations	7,991,932	4,387,085	7,993,688	4,322,191
Tax paid	(677,807)	(507,709)	(671,531)	(498,732)
Net cashflow from operating activities	7,314,125	3,879,376	7,322,157	3,823,459
Cash flows from investing activities				
Government securities - net	(2,309,841)	(1,881,177)	(2,439,548)	(1,967,056)
Proceeds from sale of property and equipment	1,216	697	1,209	697
Payments for property and equipment	(48,777)	(35,731)	(47,917)	(34,604)
Disposal of subsidiaries	-	-	17,321	-
Payments for intangible assets	(3,034)	(2,749)	(2,811)	(2,749)
Proceeds from sale of non-current assets held for sale	1,952	-	1,952	-
Net cash used in investing activities	(2,358,484)	(1,918,960)	(2,469,794)	(2,003,712)
Cash flows from financing activities				
Repayment of borrowed funds	(24,863)	(28,290)	(24,863)	(28,290)
Loan drawdown	149,000	-	149,000	-
Principal elements of lease payments	(60,544)	(26,321)	(56,837)	(23,005)
Dividend paid	-	(199,982)	-	(199,982)
Net cash used in financing activities	63,593	(254,593)	67,300	(251,277)
Net (decrease)/increase in cash and cash equivalents	5,019,234	1,705,823	4,919,663	1,568,470
Effects of exchange rate changes on cash and cash equivalents	703,863	290,465	703,863	292,211
Cash and cash equivalents at beginning of year	3,648,753	1,652,465	3,705,708	1,845,027
Cash and cash equivalents at end of year	9,371,850	3,648,753	9,329,234	3,705,708

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 2023, 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 2023 comprise:

- the summary consolidated and separate statement of financial position as at 31 December 2023;
- the summary consolidated and separate statement of comprehensive income for the year then ended;
- the summary consolidated statement of changes in equity for the year then ended;
- the summary consolidated and separate statements of cash flows for the year then ended; and
- the related notes to the summary consolidated financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards with the IAS 29 directive issued by the Institute of Chartered Accountants, Ghana (ICAG), the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited 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 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 28 March 2024. 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 financial statements of the current period.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary 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 Asledu-Antwi (ICAG/P/1138).

Signed
PricewaterhouseCoopers (ICAG/F/2024/028)
Chartered Accountants
Accra, Ghana
28 March 2024



Disclosures

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

2. Contingent liabilities

	Group		Bank	
	2023 GHC '000	2022 GHC '000	2023 GHC '000	2022 GHC '000
Guarantees and indemnities	1,062,438	636,407	1,062,438	636,407
Documentary letters of credit	983,620	1,333,529	983,620	1,333,529
Loan commitments	495,827	735,951	495,827	735,951
	2,541,885	2,705,887	2,541,885	2,705,887

3. Quantitative Disclosures

i. Capital adequacy ratio	13.65%	15.03%	13.49%	14.63%
ii. Non-performing loan ratio Per BOG	22.44%	9.65%	22.41%	9.47%
iii. Liquid ratio	54.50%	50.56%	52.89%	48.37%
iv. Common equity Tier 1 ratio	11.73%	12.50%	11.57%	12.09%
v. Leverage ratio	7.80%	7.92%	7.68%	7.83%
vi. Default in statutory liquidity (times)	Nil	Nil	Nil	Nil
vii. Default in statutory liquidity sanction (GHC'000)	Nil	Nil	Nil	Nil
viii. Other regulatory sanctions (GHC'000)	28,550	10,673	28,550	10,613

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 separate and consolidated financial statements were authorised for issue by the Board of Directors on 27th March 2024.

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 with IAS29 directive. 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, 2023. 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.

6. 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 other 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 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¢ 3.379 million (2022: GH¢ 2.051 million) was committed to CSR activities in the year.

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

Signed
Samuel Ashitey Adjey
Board Chairman

Signed
Patience Enyonam Akyianu
Director