

ACCESS BANK (GHANA) PLC

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

	Dec 2020	Dec 2019
Interest income	639,536	397,521
Interest expense	(264,544)	(214,880)
Net interest income	374,992	182,641
Net fee and commission	39,187	64,510
Net trading income	151,386	118,930
Net impairment loss/(write-back) on financial assets	(17,018)	26,506
Other operating income	18,495	17,019
Total operating income	567,042	409,606
Personnel expenses	(82,114)	(70,899)
Depreciation and amortization	(33,730)	(31,575)
Other expenses	(95,730)	(87,047)
Profit before income tax	355,468	220,085
Taxation	(114,676)	(46,381)
Profit after tax	240,792	173,704
Other comprehensive income	7,526	(1,644)
Total comprehensive income for the period attributable to equity holders of the Bank	248,318	172,060
Earnings per share Basic & Diluted	1.36	1.00

SUMMARY STATEMENT OF CHANGES IN EQUITY

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

Year ended 31 December 2020	Stated capital	Statutory reserve	Credit risk reserve	Income surplus	Fair value reserve	Total
At 1 January 2020	400,000	241,054	157,171	6,588	(1,013)	803,800
Profit for the year	-	-	-	240,792	-	240,792
Changes in FV of financial assets - FVOCI	-	-	-	-	7,527	7,527
Total comprehensive income	-	-	-	240,792	7,527	248,319
Transfer to credit risk reserve	-	-	(75,114)	75,114	-	-
Transfer to statutory reserve	-	60,198	-	(60,198)	-	-
Total transactions with owners	-	60,198	(75,114)	14,916	-	-
At 31 December 2020	400,000	301,252	82,057	262,296	6,514	1,052,119
Year ended 31 December 2019	Stated capital	Statutory reserve	Credit risk reserve	Income surplus	Fair value reserve	Total
At 1 January 2019	400,000	154,202	116,549	(39,642)	631	631,740
Profit for the year	-	-	-	173,704	-	173,704
Changes in FV of financial assets - FVOCI	-	-	-	-	(1,644)	(1,644)
Total comprehensive income	-	-	-	173,704	(1,644)	172,060
Transfer to credit risk reserve	-	-	40,622	(40,622)	-	-
Transfer to statutory reserve	-	86,852	-	(86,852)	-	-
Total transactions with owners	-	86,852	40,622	(127,474)	-	-
At 31 December 2019	400,000	241,054	157,171	6,588	(1,013)	803,800

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

	Dec 2020	Dec 2019
Assets		
Cash and cash equivalents	973,734	1,094,344
Non-pledged trading Assets	1,235,083	600,000
Investment securities	2,018,889	1,351,980
Loans and advances to customers	1,126,926	1,292,867
Property, equipment and right-of-use asset	273,942	227,426
Intangible assets	2,248	2,028
Current Tax	13,819	8,913
Deferred income tax asset	36,630	37,325
Other assets	142,507	96,815
Total assets	5,823,778	4,711,698
Liabilities		
Deposits from banks	250,211	217,207
Deposits from customers	3,891,856	3,009,606
Borrowings	435,177	586,158
Deferred income tax liabilities	39,037	17,310
Other liabilities	155,378	77,617
Total liabilities	4,771,659	3,907,898
Equity		
Stated capital	400,000	400,000
Statutory reserve	301,252	241,054
Credit risk reserve	82,057	157,171
Income surplus	262,296	6,588
Fair value reserve	6,514	(1,013)
Total equity	1,052,119	803,800
Total equity and liabilities	5,823,778	4,711,698

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts are in thousands of Ghana Cedis)

	2020	2019
Cash flows from operating activities		
Profit before tax	355,468	220,085
Adjustments for:		
Depreciation of property, plant and equipment	20,737	16,836
Depreciation of Right-of-Use Asset	11,291	12,239
Write off of property, plant and equipment	1,043	803
Amortisation of intangible assets	1,702	2,500
Finance cost on lease obligation	2,692	2,938
Interest expense on borrowings	11,800	(15,021)
Impairment on financial instruments	17,018	(26,506)
Profit on disposal of property, plant and equipment	(42)	(166)
Gain on derecognition of leases	(10)	-
Change in loans and advances	144,533	(455,290)
Change in investment securities (including pledged assets)	(1,499,200)	(874,831)
Change in other assets	(44,119)	108,130
Change in deposits from customers	882,250	557,530
Change in deposits from banks	33,894	106,141
Change in other liabilities	82,951	5,231
Change in mandatory reserve deposit	(57,224)	(8,922)
Effect of exchange rate changes on cash held	(21,728)	(24,181)
Exchange loss on borrowings	14,879	96,128
Exchange loss on leases	925	-
Tax paid	(99,669)	(68,869)
Net cash used in operating activities	(140,809)	(345,225)
Cash flows from investing activities		
Purchase of property and equipment	(54,950)	(72,606)
Purchase of intangible assets	(551)	(334)
Prepaid lease payments included in ROU	(18,755)	-
Proceeds from sale of property and equipment	96	9,046
Net cash used in investing activities	(74,160)	(63,894)
Cash flows from financing activities		
Drawdown on borrowings	229,223	474,156
Repayment of borrowings	(406,883)	(300,763)
Interest paid on leases	(2,938)	-
Repayment of principal portion of Lease liability	(13,412)	-
Net cash generated from financing activities	(194,010)	173,393
Net increase in cash and cash equivalents	(408,979)	(235,726)
Effects of exchange rate changes on cash held	21,728	24,181
Cash and cash equivalents at 1 January	1,056,929	1,268,474
Cash and cash equivalents at 31 December	669,678	1,056,929
Total interest received	596,278	353,033
Total interest paid	(256,373)	(211,604)

SUMMARY NOTES

1. Reporting entity

Access Bank (Ghana) Plc (the Bank) is a public limited liability company incorporated in Ghana licensed to carry out universal banking. The address of the Bank's registered office is Starlets '91 Road, Opposite Accra Sports Stadium, P. O. Box GP 353, Osu Accra. The Bank is listed on the Ghana Stock Exchange. The parent company is Access Bank Plc incorporated in the Federal Republic of Nigeria.

For Companies Act, 2019 (Act 992) reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by part of the income statement, in these financial statements.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are consistent with the accounting policies applied in preparation of the audited financial statements of the Bank for the year ended 31 December 2020. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy.

Additional information required under the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) have been included, where appropriate.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the bank's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4 to the full financial statements.

These financial statements are presented in Ghana Cedi, which is the Bank's functional currency.

2.2 Contingent Liabilities

Credit risk exposures relating to off-balance sheet items for the Bank are as follows:

	Dec 2020	Dec 2019
Contingent liabilities: Bonds and guarantees	240,201	435,584
Commitments: Clean Line Facilities for Letters of Credit	137,224	107,846

2.3 Risk Management

2.3.1 Quantitative Disclosures

	Dec 2020	Dec 2019
i. Capital Adequacy Ratio (%)	36.43	21.75
ii. Leverage ratio (%)	11.19	12.17
iii. Non-performing loans (%)	18.5	21.6
iv. Liquid ratio	94.49	93.72
v. Default in statutory liquidity	1	Nil
vi. Default in statutory liquidity sanction (GHS'000)	3	Nil
vii. Breach of single obligor limit (GHS'000)	Nil	Nil

2.3.2 Qualitative Disclosures

- The Bank's risk management framework defines the approach to risk management.
- The scope of risks that are directly managed by the Bank is as follows: Credit risk, Operational Risk, Market and Liquidity risk, Legal and Compliance risk, Strategic risk, Reputational risk and Capital risk.
- Key elements of the Bank's risk management framework are as follows:
 - Establishment of the Bank's risk philosophy, culture and objectives;
 - Establishment of the Bank's risk management governance framework;
 - Articulation of the Bank's risk management stakeholders and development of an action plan to meet their risk management expectations; and
 - Establishment of policies and procedures to identify, measure, monitor, report and control the risks the Bank faces. The processes adopted for risk management for the year ended 31 December 2020 are consistent with those adopted for the year ended 31 December 2019.

SUMMARY REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 December 2020 in accordance with the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) which discloses the state of the affairs of the Bank.

Statement of directors' responsibility

The directors are responsible for the preparation of financial statements for each financial year, which gives a true and fair view of the state of affairs of the Bank and the profit or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates

that are reasonable and prudent and followed International Financial Reporting Standards and complied with the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The directors are responsible for ensuring that the Bank keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Bank. The directors are also responsible for safeguarding the assets of the bank and taking reasonable steps for the prevention and detection of fraud and other irregularities.

We have no plans or intentions, for example to dispose of the business or cease operations that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Nature of business

The Bank is authorised by Bank of Ghana to carry on the business of universal banking.

Holding company

The Bank is a subsidiary of Access Bank Plc, a company incorporated in the Federal Republic of Nigeria and licensed to undertake banking and related services.

Approval of the financial statements

The Board of Directors approved the financial statements on 30 March, 2021 and were signed on their behalf by:

Signed
Frank Beecham
Chairman

Signed
Olumide Olatunji
Managing Director

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ACCESS BANK (GHANA) PLC

Opinion

The summary financial statements, which comprise the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of Access Bank (Ghana) Plc for the year ended 31 December 2020.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the basis of preparation and the notes to the summary financial statements.

Summary financial statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRS), the Companies Act, 2019 (Act 992) and The Banks and 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 our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 31 March 2021. That report also includes the communication of other key 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.

Management's responsibility for the summary financial statements

Management is responsible for the preparation of the summary financial statements in accordance with the Bank of Ghana guide for financial publication for banks and Bank of Ghana (BOG) licensed financial Institutions.

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 Standards on Auditing (ISA) 810 (Revised), Engagement to Report on Summary Financial Statements.

The engagement partner on the audit resulting in this independent auditor's report is Pamela Des Bordes (ICAG/P/1329).

For and on behalf of Ernst & Young (ICAG/F/2021/126)
Chartered Accountants
Accra, Ghana
31st March 2021



More information:

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