

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ECOBANK GHANA LIMITED

### Report on the Financial Statements

We have audited the financial statements of Ecobank Ghana Limited, which comprise the statements of financial position at 31 December 2012, statements of comprehensive income, changes in equity, and cash flows for the year then ended and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on pages 30 to 96.

### Directors' Responsibility for the Financial Statements

The Bank's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963, Act 179 and the Banking Act, 2004 Act 673 as amended by the Banking Amendment Act, 2007 Act 738 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements give a true and fair view of the consolidated and separate financial position of Ecobank Ghana Limited at 31 December 2012 and its consolidated and separate financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 1963, Act 179 and the Banking Act, 2004 Act 673 as amended by the Banking Amendment Act, 2007 Act 738.

### Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Act, 1963 Act 179 and Section 78 of the Banking Act, 2004 Act 673 as amended by the Banking Amendment Act, 2007 Act 738

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept and the statements of financial position and comprehensive income are in agreement with the books of account.

The Bank's transactions were within its powers. The Bank generally complied with the relevant provisions of the Banking Act, 2004 Act 673 as amended by the Banking Amendment Act, 2007 Act 738.



SIGNED BY: NII AMANOR DODOO (ICAG/P/1055)  
FOR AND ON BEHALF OF:  
KPMG: (ICAG/F/0036)  
CHARTERED ACCOUNTANTS  
13 YIYIWA DRIVE, ABELENKPE  
P O BOX GP 242  
ACCRA

26 February, 2013



# statements of comprehensive income

for the year ended 31 december 2012

	Note	The Group		The Bank	
		2012	2011	2012	2011
		GH¢'000	GH¢'000	GH¢'000	GH¢'000
Interest income	6	353,354	170,526	344,261	159,469
Interest expense	7	(83,163)	(41,926)	(77,503)	(33,932)
		-----	-----	-----	-----
<b>Net interest income</b>		<b>270,191</b>	<b>128,600</b>	<b>266,758</b>	<b>125,537</b>
		-----	-----	-----	-----
Fees and commission income	8	92,087	61,060	91,996	60,943
Fees and commission expense	9	(1,736)	(1,501)	(1,736)	(1,501)
		-----	-----	-----	-----
<b>Net fees and commission income</b>		<b>90,351</b>	<b>59,559</b>	<b>90,260</b>	<b>59,442</b>
		-----	-----	-----	-----
Lease income	10	1,459	1,704	1,444	1,698
Net trading income	11	52,759	41,388	52,293	41,264
Dividend income	12	1,148	682	15,422	682
Other operating income	13	6,809	2,615	6,271	2,896
		-----	-----	-----	-----
<b>Other income</b>		<b>62,175</b>	<b>46,389</b>	<b>75,430</b>	<b>46,540</b>
		-----	-----	-----	-----
<b>Total income</b>		<b>422,717</b>	<b>234,548</b>	<b>432,448</b>	<b>231,519</b>
		-----	-----	-----	-----
Impairment charge on loans and advances	14	(25,318)	(6,167)	(25,315)	(6,157)
Operating expenses	15	(211,466)	(123,128)	(210,948)	(122,743)
		-----	-----	-----	-----
<b>Operating profit</b>		<b>185,933</b>	<b>105,253</b>	<b>196,185</b>	<b>102,619</b>
Share of profit of associates	40	293	281	-	-
		-----	-----	-----	-----
<b>Profit before income tax</b>		<b>186,226</b>	<b>105,534</b>	<b>196,185</b>	<b>102,619</b>
Income tax	16	(53,669)	(27,876)	(53,016)	(27,383)
National fiscal stabilisation levy	18	-	(5,277)	-	(5,131)
		-----	-----	-----	-----
<b>Profit for the year</b>		<b>132,557</b>	<b>72,381</b>	<b>143,169</b>	<b>70,105</b>
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The notes on pages 39 to 96 form an integral part of these financial statements.

## Statements of Comprehensive Income for the Year Ended 31 December 2012 (Cont'd)

	Note	The Group		The Bank	
		2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
<b>Profit for the year</b>		132,557	72,381	143,169	70,105
<b>Other comprehensive income</b>					
Gains on revaluation of property	36(a)	-	7,750	-	7,750
Change in value of available for sale investment securities	36(b)	(16,897)	2,681	(15,026)	2,283
Income tax relating to components of other comprehensive income	17	3,845	(1,833)	3,434	(1,733)
		-----	-----	-----	-----
Other comprehensive income for the year, net of tax		(13,052)	8,598	(11,592)	8,300
		-----	-----	-----	-----
<b>Total comprehensive income for the year</b>		119,505	80,979	131,577	78,405
		=====	=====	=====	=====
<b>Profit for the year attributable to: Equity holders of the Bank</b>		132,557	72,381	143,169	70,105
		=====	=====	=====	=====
<b>Earnings per share</b>					
Basic and diluted (in Ghana pesewas)	19	45	31	49	30
		==	==	==	==

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# statement of financial position

at 31 December 2012

	Note	The Group		The Bank	
		2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
<b>Assets</b>					
Cash and cash equivalents	20	324,180	232,856	324,180	232,856
Government securities	21	691,405	573,295	630,617	518,676
Loans and advances to Banks	22	843,730	359,553	840,525	413,959
Trading assets	23	-	725	-	725
Loans and advances to customers	24	1,396,514	849,893	1,394,967	848,459
Investment securities: available-for-sale	25	1,517	10,872	1,517	10,872
Investment in subsidiaries	26	-	-	2,400	2,400
Investment in associates	40	5,415	4,240	4,841	3,959
Intangible assets	27	4,017	6,107	4,017	6,107
Income tax	16	2,223	2,313	2,175	2,128
Property and equipment	28	57,580	45,788	57,503	45,774
Other assets	29	101,489	46,541	116,101	42,091
<b>Total assets</b>		<b>3,428,070</b>	<b>2,132,183</b>	<b>3,378,843</b>	<b>2,128,006</b>
<b>Liabilities</b>					
Deposits from Banks	30	276,362	108,185	282,904	187,168
Customer deposits	31	2,464,605	1,608,256	2,407,615	1,540,670
Other liabilities	32	94,843	46,053	95,416	42,315
Deferred tax	17	3,958	3,963	4,271	3,864
Borrowings	33	132,090	103,127	132,090	103,127
<b>Total liabilities</b>		<b>2,971,858</b>	<b>1,869,584</b>	<b>2,922,296</b>	<b>1,877,144</b>
<b>Equity and reserves</b>					
Stated capital	34	226,641	100,000	226,641	100,000
Income surplus account	35	85,780	88,086	85,449	76,988
Revaluation reserve	36	12,939	24,587	13,974	24,162
Statutory reserve fund	37	117,483	45,743	117,114	45,529
Regulatory credit risk reserve	38	13,369	4,183	13,369	4,183
<b>Total equity attributable to equity holders of the Bank</b>		<b>456,212</b>	<b>262,599</b>	<b>456,547</b>	<b>250,862</b>
<b>Total liabilities and equity</b>		<b>3,428,070</b>	<b>2,132,183</b>	<b>3,378,843</b>	<b>2,128,006</b>

These financial statements were approved by the Board of Directors on 26 February 2012 and signed on its behalf by:

Signed

Lionel Van Lare Dosoo

CHAIRMAN

Signed

Samuel Ashitey Adjei

MANAGING DIRECTOR

The notes on pages 39 to 96 form an integral part of these financial statements.

# statements of changes in equity

## For the year ended 31 December 2012

The Group	Stated capital GH¢'000	Income surplus account GH¢'000	Revaluation reserve GH¢'000	Statutory reserve fund GH¢'000	Regulatory credit risk reserve GH¢'000	Total GH¢'000
<b>Balance at 1 January 2011</b>	100,000	72,566	15,989	36,980	2,111	227,646
<b>Total comprehensive income</b>						
Profit for the year	-	72,381	-	-	-	72,381
Other comprehensive income, net of tax	-	-	8,598	-	-	8,598
<b>Total comprehensive income for the year</b>	-	72,381	8,598	-	-	80,979
<b>Transactions with equity holders</b>						
Dividend paid	-	(46,026)	-	-	-	(46,026)
Contributions to equity holders	-	(46,026)	-	-	-	(46,026)
<b>Regulatory transfers</b>						
Statutory reserve	-	(8,763)	-	8,763	-	-
Credit risk reserve	-	(2,072)	-	-	2,072	-
	-	(10,835)	-	8,763	2,072	-
<b>Balance at 31 December 2011</b>	100,000	88,086	24,587	45,743	4,183	262,599

The notes on pages 39 to 96 form an integral part of these financial statements.



## statements of changes in equity cont'd

For the year ended 31 December 2012

The Group	Stated capital GH¢'000	Income surplus account GH¢'000	Revaluation reserve GH¢'000	Statutory reserve fund GH¢'000	Regulatory credit risk reserve GH¢'000	Total GH¢'000
<b>Balance at 1 January 2012</b>	100,000	88,086	24,587	45,743	4,183	262,599
<b>Total comprehensive income</b>						
Profit for the year	-	132,557	-	-	-	132,557
Other comprehensive income, net of tax	-	-	(13,052)	-	-	(13,052)
<b>Total comprehensive income for the year</b>	-	132,557	(13,052)	-	-	119,505
<b>Transactions with equity holders</b>						
Dividend paid	-	(55,230)	-	-	-	(55,230)
Additional shares issued	126,641	-	-	-	-	126,641
Transfer from TTB	-	-	1,404	-	1,293	2,697
<b>Contributions to equity holders</b>	126,641	(55,230)	1,404	-	1,293	74,108
<b>Regulatory transfers</b>						
Statutory reserve	-	(71,740)	-	71,740	-	-
Credit risk reserve	-	(7,893)	-	-	7,893	-
	-	(79,633)	-	71,740	7,893	-
<b>Balance at 31 December 2012</b>	226,641	85,780	12,939	117,483	13,369	456,212

The notes on pages 39 to 96 form an integral part of these financial statements.

# statements of changes in equity cont'd

For the year ended 31 December 2012

The Bank	Stated capital GH¢'000	Income surplus account GH¢'000	Revaluation reserve GH¢'000	Statutory reserve fund GH¢'000	Regulatory credit risk reserve GH¢'000	Total GH¢'000
<b>Balance at 1 January 2011</b>	100,000	63,744	15,862	36,766	2,111	218,483
<b>Total comprehensive income for the year</b>						
Profit for the year	-	70,105	-	-	-	70,105
Other comprehensive income, net of tax	-	-	8,300	-	-	8,300
<b>Total comprehensive income for the year</b>	-	70,105	8,300	-	-	78,405
<b>Transactions with equity holders</b>						
Dividend paid	-	(46,026)	-	-	-	(46,026)
<b>Contributions to equity holders</b>	-	(46,026)	-	-	-	(46,026)
<b>Regulatory transfers</b>						
Statutory reserve	-	(8,763)	-	8,763	-	-
Credit risk reserve	-	(2,072)	-	-	2,072	-
	-	(10,835)	-	8,763	2,072	-
<b>Balance at 31 December 2011</b>	100,000	76,988	24,162	45,529	4,183	250,862

The notes on pages 39 to 96 form an integral part of these financial statements.



## statements of changes in equity cont'd

For the year ended 31 December 2012

The Bank (cont'd)	Income Stated capital GH¢'000	surplus account GH¢'000	Statutory Revaluation reserve GH¢'000	Regulatory reserve fund GH¢'000	credit risk reserve GH¢'000	Total GH¢'000
<b>Balance at 1 January 2012</b>	100,000	76,988	24,162	45,529	4,183	250,862
<b>Total comprehensive income for the year</b>						
Profit for the year	-	143,169	-	-	-	143,169
Other comprehensive income, net of tax	-	-	(11,592)	-	-	(11,592)
<b>Total comprehensive income for the year</b>	-	143,169	(11,592)	-	-	131,577
<b>Transactions with equity holders</b>						
Dividend paid	-	(55,230)	-	-	-	(55,230)
Additional shares issued	126,641	-	-	-	-	126,641
Acquisition of TTB	-	-	1,404	-	1,293	2,697
<b>Contributions to equity holders</b>	126,641	(55,230)	1,404	-	1,293	74,108
<b>Regulatory transfers</b>						
Statutory reserve	-	(71,585)	-	71,585	-	-
Credit risk reserve	-	(7,893)	-	-	7,893	-
	-	(79,478)	-	71,585	7,893	-
<b>Balance at 31 December 2012</b>	226,641	85,449	13,974	117,114	13,369	456,547

The notes on pages 39 to 96 form an integral part of these financial statements.



# statements of cash flows

For the year ended 31 December 2012

	Note	The Group		The Bank	
		2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
<b>Cash flows from operating activities</b>					
Interest paid		(84,028)	(37,928)	(77,358)	(30,945)
Interest received		338,403	162,965	329,267	151,951
Net fees and commissions		84,084	59,559	83,993	59,442
Other income received		5,642	2,615	5,104	2,615
Dividend received		1,148	682	1,148	682
Net trading income		49,363	37,642	49,521	37,642
Lease income		1,459	1,704	1,444	1,698
Payments to employees and suppliers		(173,327)	(123,128)	(172,846)	(122,743)
Tax paid		(49,739)	(34,183)	(49,222)	(33,537)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>					
		173,005	69,928	171,051	66,805
<b>Changes in operating assets and liabilities</b>					
Loans and advances		(119,503)	(343,175)	(119,388)	(342,083)
Other assets		43,112	(16,388)	38,605	(12,002)
Customer deposits		522,611	491,924	533,206	453,735
Other liabilities		(68,095)	18,885	(79,189)	14,766
Mandatory reserves		(51,928)	(73,011)	(51,928)	(73,011)
<b>Net cash generated from operating Activities</b>					
		499,202	148,163	492,357	108,210
<b>Cash flow from investing activities</b>					
Purchase of property and equipment	28	(15,241)	(5,804)	(15,141)	(5,802)
Purchase of software	27	(151)	(5,499)	(151)	(5,499)
Proceeds from sale of equipment	28	2,873	206	2,873	206
Government securities purchased	21	(1,223,351)	(556,461)	(1,226,377)	(542,000)
Proceeds from sale of Government securities		1,171,253	454,275	1,174,733	429,197
Proceeds from sale of AFS investment		9,355	(6,488)	9,355	(6,488)
Loans and advances to banks		(85,116)	-	(85,115)	-
Investment in associate		(882)	-	(882)	-
Proceeds from sale of trading assets		725	-	725	-
<b>Net cash used in investing activities</b>					
		(140,535)	(119,771)	(139,980)	(130,386)

The notes on pages 39 to 96 form an integral part of these financial statements.



# statements of cash flows cont'd

For the year ended 31 December 2012

	Note	The Group		The Bank	
		2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
<b>Cash from financing activities</b>					
Dividend paid		(55,230)	(46,026)	(55,230)	(46,026)
Repayment of borrowed funds	33	(10,336)	(27,646)	(10,336)	(27,646)
Proceeds from borrowed funds	33	20,820	49,718	20,820	49,718
<b>Net cash used in financing activities</b>		<b>(44,746)</b>	<b>(23,954)</b>	<b>(44,746)</b>	<b>(23,954)</b>
<b>Net increase in cash and cash equivalents</b>		<b>313,921</b>	<b>4,438</b>	<b>307,631</b>	<b>(46,130)</b>
Cash and cash equivalents at beginning of year	39	365,042	360,604	353,999	400,129
<b>Cash and cash equivalents at end of year</b>	<b>39</b>	<b>678,963</b>	<b>365,042</b>	<b>661,630</b>	<b>353,999</b>

The notes on pages 39 to 96 form an integral part of these financial statements.