



# independent auditor's report

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS 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 2013, 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 40 to 94.

### 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 these 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 2013 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, relating to financial reporting.

SIGNED BY: ANTHONY KWASI SARPONG (ICAG/P/1057)  
FOR AND ON BEHALF OF:  
KPMG: (ICAG/F/0036)  
CHARTERED ACCOUNTANTS  
13 YIYIWA DRIVE, ABELANKPE  
P O BOX GP 242  
ACCRA

20th February 2014

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# statements of comprehensive income

for the year ended 31 december 2013

	Note	The Group		The Bank	
		2013 GH¢'000	2012 GH¢'000	2013 GH¢'000	2012 GH¢'000
Interest income	6	473,557	353,354	457,803	344,261
Interest expense	7	(84,003)	(83,163)	(73,961)	(77,503)
<b>Net interest income</b>		<b>389,554</b>	<b>270,191</b>	<b>383,842</b>	<b>266,758</b>
Fees and commission income	8	113,697	92,087	114,012	91,996
Fees and commission expense	9	(1,679)	(1,736)	(1,679)	(1,736)
<b>Net fees and commission income</b>		<b>112,018</b>	<b>90,351</b>	<b>112,333</b>	<b>90,260</b>
Lease income	10	1,369	1,459	1,359	1,444
Net trading income	11	79,859	52,759	79,426	52,293
Dividend income	12	1,373	1,148	1,373	15,422
Other operating income	13	5,568	6,809	5,368	6,271
<b>Other income</b>		<b>88,169</b>	<b>62,175</b>	<b>87,526</b>	<b>75,430</b>
<b>Total income</b>		<b>589,741</b>	<b>422,717</b>	<b>583,701</b>	<b>432,448</b>
Impairment charge on loans and advances	14	(55,326)	(25,318)	(55,370)	(25,315)
Operating expenses	15	(267,061)	(211,466)	(266,489)	(210,948)
<b>Operating profit</b>		<b>267,354</b>	<b>185,933</b>	<b>261,842</b>	<b>196,185</b>
Share of profit of associates	39	520	293	-	-
<b>Profit before income tax</b>		<b>267,874</b>	<b>186,226</b>	<b>261,842</b>	<b>196,185</b>
Income tax	16	(70,589)	(53,669)	(69,434)	(53,016)
National fiscal stabilisation levy	16, 18	(6,652)	-	(6,546)	-
<b>Profit after tax</b>		<b>190,633</b>	<b>132,557</b>	<b>185,862</b>	<b>143,169</b>

The notes on pages 40 to 94 form an integral part of these financial statements.



# statements of comprehensive income

for the year ended 31 december 2013

## Statements of Comprehensive Income for the Year Ended 31 December 2013 (cont'd)

	Note	The Group		The Bank	
		2013 GH¢'000	2012 GH¢'000	2013 GH¢'000	2012 GH¢'000
<b>Profit after tax</b>		190,633	132,557	185,862	143,169
<b>Other comprehensive income</b>					
<i>Items that may be reclassified</i>					
<i>Subsequently to profit or loss</i>					
Change in value of available for sale investment securities	35(b)	300	(16,897)	1,256	(15,026)
Income tax relating to components of other comprehensive income	17	(1,285)	3,845	(1,523)	3,434
		-----	-----	-----	-----
Other comprehensive income for the year, net of tax		(985)	(13,052)	(267)	(11,592)
		-----	-----	-----	-----
<b>Total comprehensive income for the year</b>		189,648	119,505	185,595	131,577
		=====	=====	=====	=====
<b>Profit for the year attributable to:</b>					
Equity holders of the Bank		190,633	132,557	185,862	143,169
		=====	=====	=====	=====
<b>Earnings per share</b>					
Basic and diluted (in Ghana pesewas)	19	65	45	63	49
		==	==	==	==

The notes on pages 40 to 94 form an integral part of these financial statements.



# statements of financial position

for the year ended 31 december 2013

		The Group		The Bank	
	Note	2013 GH¢'000	2012 GH¢'000	2013 GH¢'000	2012 GH¢'000
<b>Assets</b>					
Cash and cash equivalents	20	427,387	324,180	427,387	324,180
Government securities	21	984,968	691,405	901,066	630,617
Loans and advances to Banks	22	945,729	843,730	946,123	840,525
Loans and advances to customers	23	2,126,820	1,396,514	2,124,530	1,394,967
Investment securities: available- for-sale	24	1,522	1,517	1,522	1,517
Investment in subsidiaries	25	-	-	16,773	2,401
Investment in associates	39	5,935	5,415	4,841	4,841
Intangible assets	26	7,311	4,017	7,311	4,017
Income tax	16	-	2,223	-	2,175
Deferred Tax	17	10	-	-	-
Property and equipment	27	71,914	57,580	71,863	57,503
Other assets	28	122,665	101,489	122,989	116,100
<b>Total assets</b>		<b>4,694,261</b>	<b>3,428,070</b>	<b>4,624,405</b>	<b>3,378,843</b>
<b>Liabilities</b>					
Deposits from Banks	29	519,207	276,362	478,362	282,904
Customer deposits	30	3,246,674	2,464,605	3,220,777	2,407,615
Other liabilities	31	224,348	94,843	224,359	95,416
Income Tax	16	4,981	-	5,138	-
Deferred tax	17	-	3,958	541	4,271
Borrowings	32	138,122	132,090	138,122	132,090
<b>Total liabilities</b>		<b>4,133,332</b>	<b>2,971,858</b>	<b>4,067,299</b>	<b>2,922,296</b>
<b>Equity and reserves</b>					
Stated capital	33	226,641	226,641	226,641	226,641
Income surplus account	34	132,976	85,780	127,926	85,449
Revaluation reserve	35	12,059	12,939	13,707	13,974
Statutory reserve fund	36	164,001	117,483	163,580	117,114
Regulatory credit risk reserve	37	25,252	13,369	25,252	13,369
<b>Total equity attributable to equity holders of the Bank</b>		<b>560,929</b>	<b>456,212</b>	<b>557,106</b>	<b>456,547</b>
<b>Total liabilities and equity</b>		<b>4,694,261</b>	<b>3,428,070</b>	<b>4,624,405</b>	<b>3,378,843</b>

These financial statements were approved by the Board of Directors on 20 February 2014 and signed on its behalf by:

Signed  
Lionel Van Lare Dosoo  
CHAIRMAN

Signed  
Samuel Ashitey Adjei  
MANAGING DIRECTOR

The notes on pages 40 to 94 form an integral part of these financial statements.



# statements of changes in equity

## For the year ended 31 December 2013

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
Balance at 1 January 2012	100,000	88,086	24,587	45,743	4,183	262,599
Transfer from TTB	-	-	1,404	-	1,293	2,697
<b>Total comprehensive income</b>						
Profit after tax	-	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>						
Dividends paid	-	(55,230)	-	-	-	(55,230)
Additional shares issued	126,641	-	-	-	-	126,641
<b>Total Contribution by and distribution equity holders</b>	126,641	(55,230)	-	-	-	71,411
<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 40 to 94 form an integral part of these financial statements.



# statements of changes in equity (cont'd)

For the year ended 31 December 2013

The Group (cont'd)	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
Balance at 1 January 2013	226,641	85,780	12,939	117,483	13,369	456,212
<b>Total comprehensive income</b>						
Profit after tax	-	190,633	-	-	-	190,633
Other comprehensive income, net of tax	-	-	(880)	-	-	(880)
<b>Total comprehensive income for the year</b>	-	190,633	(880)	-	-	189,753
<b>Transactions with equity holders</b>						
Dividends paid	-	(85,036)	-	-	-	(85,036)
<b>Total Contribution by and distribution equity holders</b>	-	(85,036)	-	-	-	(85,036)
<b>Regulatory transfers</b>						
Statutory reserve	-	(46,518)	-	46,518	-	-
Credit risk reserve	-	(11,883)	-	-	11,883	-
	-	(58,401)	-	46,518	11,883	-
<b>Balance at 31 December 2013</b>	226,641	132,976	12,059	164,001	25,252	560,929

The notes on pages 40 to 94 form an integral part of these financial statements.



# statements of changes in equity (cont'd)

## For the year ended 31 December 2013

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
Balance at 1 January 2012	100,000	76,988	24,162	45,529	4,183	250,862
Transfer from TTB	-	-	1,404	-	1,293	2,697
<b>Total comprehensive income for the year</b>						
Profit after tax	-	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>						
Dividends paid	-	(55,230)	-	-	-	(55,230)
Additional shares issued	126,641	-	-	-	-	126,641
<b>Total Contribution by and distribution equity holders</b>	126,641	(55,230)	-	-	-	71,411
<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 40 to 94 form an integral part of these financial statements.





# statements of changes in equity (cont'd)

## For the year ended 31 December 2013

The Bank (cont'd)	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
Balance at 1 January 2013	226,641	85,449	13,974	117,114	13,369	456,547
<b>Total comprehensive income</b>						
Profit after tax	-	185,862	-	-	-	185,862
Other comprehensive income, net of tax	-	-	(267)	-	-	(267)
<b>Total comprehensive income for the year</b>	-	185,862	(267)	-	-	185,595
<b>Transactions with equity holders</b>						
Dividends paid	-	(85,036)	-	-	-	(85,036)
<b>Total Contribution by and distribution equity holders</b>	-	(85,036)	-	-	-	(85,036)
<b>Regulatory transfers</b>						
Statutory reserve	-	(46,466)	-	46,466	-	-
Credit risk reserve	-	(11,883)	-	-	11,883	-
	-	(58,349)	-	46,466	11,883	-
<b>Balance at 31 December 2013</b>	226,641	127,926	13,707	163,580	25,252	557,106

The notes on pages 40 to 94 form an integral part of these financial statements.



# statements of cash flows

For the year ended 31 December 2013

	Note	The Group		The Bank	
		2013 GH¢'000	2012 GH¢'000	2013 GH¢'000	2012 GH¢'000
<b>Cash flows from operating activities</b>					
Interest paid		(77,255)	(84,028)	(70,538)	(77,358)
Interest received		472,939	338,403	457,185	329,267
Net fees and commissions		118,285	84,084	118,600	83,993
Other income received		5,425	5,642	5,225	5,104
Dividend received		1,373	1,148	1,373	1,148
Net trading income		98,199	49,363	97,766	49,521
Lease income		1,369	1,459	1,359	1,444
Payments to employees and suppliers		(228,730)	(173,327)	(228,632)	(172,846)
Tax paid		(75,290)	(49,739)	(73,920)	(49,222)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>					
		316,315	173,005	308,418	171,051
<b>Changes in operating assets and liabilities</b>					
Loans and advances		(785,014)	(119,503)	(784,315)	(119,388)
Other assets		(27,443)	43,112	(13,156)	38,605
Customer deposits		782,069	522,611	813,162	533,206
Other liabilities		100,540	(68,095)	103,646	(79,189)
Mandatory reserves		(80,532)	(51,928)	(80,532)	(51,928)
<b>Net cash generated from operating Activities</b>					
		305,935	499,202	347,223	492,357
<b>Cash flow from investing activities</b>					
Purchase of property and equipment	27	(26,697)	(15,241)	(26,697)	(15,141)
Purchase of software	26	(7,078)	(151)	(7,078)	(151)
Proceeds from sale of equipment	27	276	2,873	276	2,873
Government securities purchased		(1,320,537)	(1,223,351)	(1,238,856)	(1,226,377)
Proceeds from sale of Government securities		1,115,681	1,171,253	1,042,811	1,174,733
Proceeds from sale of AFS investment		-	9,355	-	9,355
Loan and advances to banks		(422,321)	(85,116)	(422,322)	(85,115)
Investment in associate		-	(882)	-	(882)
Investment in subsidiaries		-	-	(14,372)	-
Proceeds from sale of trading assets		-	725	-	725
<b>Net cash used in investing activities</b>					
		(660,776)	(140,535)	(666,238)	(139,980)

The notes on pages 40 to 94 form an integral part of these financial statements.



# statements of cash flows (cont'd)

## For the year ended 31 December 2013

	Note	The Group 2013 GH¢'000	2012 GH¢'000	The Bank 2013 GH¢'000	2012 GH¢'000
<b>Cash from financing activities</b>					
Dividend paid		(85,036)	(55,230)	(85,036)	(55,230)
Repayment of borrowed funds	32	(14,398)	(10,336)	(14,398)	(10,336)
Proceeds from borrowed funds	32	2,090	20,820	2,090	20,820
<b>Net cash used in financing activities</b>		<b>(97,344)</b>	<b>(44,746)</b>	<b>(97,344)</b>	<b>(44,746)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(452,085)</b>	<b>313,921</b>	<b>(416,359)</b>	<b>307,631</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>678,963</b>	<b>365,042</b>	<b>661,630</b>	<b>353,999</b>
<b>Cash and cash equivalents at end of year</b>	38	<b>226,878</b>	<b>678,963</b>	<b>245,271</b>	<b>661,630</b>

The notes on pages 40 to 94 form an integral part of these financial statements.