

## 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 2014, 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 12 to 85.

#### *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 2014 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: ANTHONY KWASI SARPONG (ICAG/P/1369)

FOR AND ON BEHALF OF:

KPMG: (ICAG/F/038)

CHARTERED ACCOUNTANTS

13 YIYIWA DRIVE, ABELENKPE

P O BOX GP 242

ACCRA

18 February, 2015

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	The Group		The Bank	
		2014 GH¢'000	2013 GH¢'000	2014 GH¢'000	2013 GH¢'000
Interest income	6	693,442	473,557	660,590	457,803
Interest expense	7	(137,722)	(84,003)	(117,658)	(73,961)
<b>Net interest income</b>		<b>555,720</b>	<b>389,554</b>	<b>542,932</b>	<b>383,842</b>
Fee and commission income	8	152,654	113,697	152,647	114,012
Fee and commission expense	9	(2,274)	(1,679)	(2,252)	(1,679)
<b>Net fees and commission income</b>		<b>150,380</b>	<b>112,018</b>	<b>150,395</b>	<b>112,333</b>
Lease income	10	1,969	1,369	1,957	1,359
Net trading income	11	139,198	79,859	138,665	79,426
Dividend income	12	5	1,373	5	1,373
Other revenue	(13a)	10,465	5,430	10,365	5,230
		<b>151,637</b>	<b>88,031</b>	<b>150,992</b>	<b>87,388</b>
<b>Revenue</b>		<b>857,737</b>	<b>589,603</b>	<b>844,319</b>	<b>583,563</b>
Other Income	(13b)	94	138	94	138
Impairment charge on loans and advances	14	(32,025)	(55,326)	(31,916)	(55,370)
Operating expenses	15	(379,469)	(267,061)	(378,960)	(266,489)
<b>Operating profit</b>		<b>446,337</b>	<b>267,354</b>	<b>433,537</b>	<b>261,842</b>
Share of profit of associates (net of tax)	39	604	520	-	-
<b>Profit before income tax</b>		<b>446,941</b>	<b>267,874</b>	<b>433,537</b>	<b>261,842</b>
Income tax	16	(104,790)	(70,589)	(102,247)	(69,434)
National fiscal stabilization levy	18	(22,186)	(6,652)	(21,677)	(6,546)
<b>Profits after tax</b>		<b>319,965</b>	<b>190,633</b>	<b>309,613</b>	<b>185,862</b>

The notes on page 54 to 125 form an integral part of these financial statements.

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

	Note	The Group		The Bank	
		2014 GH¢'000	2013 GH¢'000	2014 GH¢'000	2013 GH¢'000
<b>Profit after tax</b>		319,965	190,633	309,613	185,862
<b>Other comprehensive income Items that may be reclassified Subsequently to profit or loss</b>					
Change in value of available for sale investment securities	35(b)	3,051	300	2,548	1,256
Net amounts transferred to profit or loss	35(b)	3,813	105	3,813	-
Gains on revaluation of property	35(a)	44,137	-	44,137	-
Income tax relating to components of other comprehensive income	17	(7,384)	(1,285)	(7,258)	(1,523)
<b>Other comprehensive income for the year, net of tax</b>		43,617	(880)	43,240	(267)
<b>Total comprehensive income for the year</b>		363,582	189,753	352,853	185,595
<b>Profit for the year attributable to:</b>					
Equity holders of the Bank		319,965	190,633	309,613	185,862
<b>Comprehensive income for the year attributable to:</b>					
Equity holders of the Bank		363,582	189,753	352,853	185,595
<b>Earnings per share</b>					
Basic and diluted (in Ghana pesewas)	19	109	65	106	63

The notes on page 54 to 125 form an integral part of these financial statements.

## STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2014

	Note	The Group		The Bank	
		2014 GH¢'000	2013 GH¢'000	2014 GH¢'000	2013 GH¢'000
<b>Assets</b>					
Cash and balances with Bank of Ghana	20	609,153	427,387	609,153	427,387
Government securities	21	732,856	984,968	630,645	901,066
Loans and advances to Banks	22	1,465,640	945,729	1,458,413	946,123
Loans and advances to customers	23	2,709,517	2,126,820	2,707,093	2,124,530
Investment securities: available- for-sale	24	1,522	1,522	1,522	1,522
Investment in subsidiaries	25	-	-	16,773	16,773
Investment in associates	39	6,539	5,935	4,841	4,841
Intangible assets	26	5,699	7,311	5,699	7,311
Deferred tax	17	3,669	10	3,265	-
Property and equipment	27	133,931	71,914	133,915	71,863
Other assets	28	99,082	122,665	98,311	122,989
<b>Total assets</b>		<b>5,767,608</b>	<b>4,694,261</b>	<b>5,669,630</b>	<b>4,624,405</b>
<b>Liabilities</b>					
Deposits from Banks	29	176,394	519,207	302,211	478,362
Customer deposits	30	4,234,434	3,246,674	4,028,124	3,220,777
Other liabilities	31	330,142	224,348	327,318	224,359
Income tax	16	1,088	4,981	979	5,138
Deferred tax	17	-	-	-	541
Borrowings	32	227,127	138,122	227,127	138,122
<b>Total liabilities</b>		<b>4,969,185</b>	<b>4,133,332</b>	<b>4,885,759</b>	<b>4,067,299</b>

The notes on page 54 to 125 form an integral part of these financial statements.

## STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2014 (CONT'D)

	Note	The Group		The Bank	
		2014 GH¢'000	2013 GH¢'000	2014 GH¢'000	2013 GH¢'000
<b>Equity and reserves</b>					
Stated capital	33	226,641	226,641	226,641	226,641
Income surplus account	34	264,393	132,976	249,030	127,926
Revaluation reserve	35	55,676	12,059	56,947	13,707
Statutory reserve fund	36	241,443	164,001	240,983	163,580
Regulatory credit risk reserve	37	10,270	25,252	10,270	25,252
<b>Total equity attributable to equity holders of the Bank</b>		<b>798,423</b>	<b>560,929</b>	<b>783,871</b>	<b>557,106</b>
<b>Total liabilities and equity</b>		<b>5,767,608</b>	<b>4,694,261</b>	<b>5,669,630</b>	<b>4,624,405</b>

These financial statements were approved by the Board of Directors on 18 February, 2015 and signed on its behalf by:

Signed  
Lionel Van Lare Dosoo:

CHAIRMAN

Signed  
Samuel Ashitey Adjei

MANAGING DIRECTOR

The notes on page 54 to 125 form an integral part of these financial statements.

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

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 2013	226,641	85,780	12,939	117,483	13,369	456,212
<b>Total comprehensive income</b>						
Profit for the year	-	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 to 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 page 54 to 125 form an integral part of these financial statements.

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

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 2014	226,641	132,976	12,059	164,001	25,252	560,929
<b>Total comprehensive income</b>						
Profit for the year	-	319,965	-	-	-	319,965
Other comprehensive income, net of tax	-	-	43,617	-	-	43,617
<b>Total comprehensive income for the year</b>	-	<b>319,965</b>	<b>43,617</b>	-	-	<b>363,582</b>
<b>Transactions with equity holders</b>						
Dividends paid	-	(126,088)	-	-	-	(126,088)
<b>Total contribution by and distribution</b>						
equity holders	-	(126,088)	-	-	-	(126,088)
<b>Regulatory transfers</b>						
Statutory reserve	-	(77,442)	-	77,442	-	-
Credit risk reserve	-	14,982	-	-	(14,982)	-
	-	(62,460)	-	77,442	(14,982)	-
<b>Balance at 31 December 2014</b>	<b>226,641</b>	<b>264,393</b>	<b>55,676</b>	<b>241,443</b>	<b>10,270</b>	<b>798,423</b>

The notes on page 54 to 125 form an integral part of these financial statements.

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

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 2013	226,641	85,449	13,974	117,114	13,369	456,547
<b>Total comprehensive income for the year</b>						
Profit for the year	-	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 to 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>	<b>226,641</b>	<b>127,926</b>	<b>13,707</b>	<b>163,580</b>	<b>25,252</b>	<b>557,106</b>

The notes on page 54 to 125 form an integral part of these financial statements.



## STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D)

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 2014	226,641	127,926	13,707	163,580	25,252	557,106
<b>Total comprehensive income for the year</b>						
Profit for the year	-	309,613	-	-	-	309,613
Other comprehensive income, net of tax	-	-	43,240	-	-	43,240
<b>Total comprehensive income for the year</b>	-	309,613	43,240	-	-	352,853
<b>Transactions with equity holders</b>						
Dividends paid		(126,088)				(126,088)
<b>Total contribution by and distribution to equity holders</b>		(126,088)	-	-	-	(126,088)
<b>Regulatory transfers</b>						
Statutory reserve		(77,403)		77,403		-
Credit risk reserve		14,982			(14,982)	-
		(62,421)	-	77,403	(14,982)	-
<b>Balance at 31 December 2014</b>	226,641	249,030	56,947	240,983	10,270	783,871

The notes on page 54 to 125 form an integral part of these financial statements.

## STATEMENTS OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	The Group		The Bank	
	2014 GH¢'000	2013 GH¢'000	2014 GH¢'000	2013 GH¢'000
<b>Cash flows from operating activities</b>				
Interest paid	(114,837)	(77,255)	(107,654)	(70,538)
Interest received	641,156	472,939	617,123	457,185
Net fees and commissions	136,831	118,285	136,846	118,600
Other income received	10,465	5,425	10,365	5,225
Dividend received	5	1,373	5	1,373
Net trading income	190,956	98,199	190,423	97,766
Lease income	1,969	1,369	1,957	1,359
Payments to employees and suppliers	(416,172)	(246,964)	(415,758)	(246,866)
Tax paid	(141,912)	(75,290)	(139,147)	(73,920)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>308,461</b>	<b>298,081</b>	<b>294,160</b>	<b>290,184</b>
<b>Changes in operating assets and liabilities</b>				
Loans and advances	(85,445)	(671,402)	(94,021)	(670,703)
Other assets	45,908	(24,868)	47,003	(10,581)
Customer deposits	286,263	603,474	105,850	634,567
Other liabilities	44,659	90,146	54,766	93,252
Mandatory reserves	(158,598)	(80,532)	(158,598)	(80,532)
<b>Net cash generated from operating activities</b>	<b>441,248</b>	<b>214,899</b>	<b>249,160</b>	<b>256,187</b>

The notes on page 54 to 125 form an integral part of these financial statements.

## STATEMENTS OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	The Group		The Bank	
		2014 GH¢'000	2013 GH¢'000	2014 GH¢'000	2013 GH¢'000
<b>Cash flow from investing activities</b>					
Purchase of property and equipment	27	(31,173)	(26,697)	(31,173)	(26,697)
Purchase of software	26	(2,470)	(7,078)	(2,470)	(7,078)
Proceeds from sale of equipment	27	349	276	348	276
Government securities purchased		(1,101,137)	(1,320,537)	(923,874)	(1,238,856)
Proceeds from sale of Government securities		1,593,780	1,115,681	1,384,372	1,042,811
Loan and advances to banks		394,469	(312,524)	401,696	(312,525)
Investment in subsidiaries		-	-	-	(14,372)
<b>Net cash from (used in) investing activities</b>		<b>853,818</b>	<b>(550,879)</b>	<b>828,899</b>	<b>(556,441)</b>
<b>Cash flow from financing activities</b>					
Dividend paid		(126,088)	(85,036)	(126,088)	(85,036)
Repayment of borrowed funds	32	(20,049)	(14,398)	(20,049)	(14,398)
Proceeds from borrowed funds	32	53,451	2,090	53,451	2,090
<b>Net cash used in financing activities</b>		<b>(92,686)</b>	<b>(97,344)</b>	<b>(92,686)</b>	<b>(97,344)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,202,380</b>	<b>(433,324)</b>	<b>985,373</b>	<b>(397,598)</b>
Cash and cash equivalents at beginning of year		226,878	678,963	245,271	661,630
Effect of exchange rate fluctuations on cash and cash equivalents		(58,069)	(18,761)	(58,069)	(18,761)
<b>Cash and cash equivalents at end of year</b>	<b>38</b>	<b>1,371,189</b>	<b>226,878</b>	<b>1,172,575</b>	<b>245,271</b>

The notes on page 54 to 125 form an integral part of these financial statements.