

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

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the consolidated and separate financial statements of Ecobank Ghana Limited, which comprise the statements of financial position at 31 December 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 41 to 121.

### *Directors' Responsibility for the Financial Statements*

The directors are responsible for the preparation of financial statements that give a true and fair view 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 about 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 of financial statements that give a true and fair view 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 management, 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, these financial statements give a true and fair view of the consolidated and separate financial position of Ecobank Ghana Limited at 31 December 2015, and of its consolidated and separate financial

performance and consolidated and separate 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/2016/038),  
CHARTERED ACCOUNTANTS,  
13 YIYIWA DRIVE,  
ABELENKPE, P. O. BOX GP 242, ACCRA**

22 MARCH 2016

# ECOBANK GHANA LIMITED

## STATEMENTS OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTE	THE GROUP		THE BANK	
		2015 GH¢'000	2014 GH¢'000	2015 GH¢'000	2014 GH¢'000
Interest income	6	843,564	693,442	790,961	660,590
Interest expense	7	(161,323)	(137,722)	(125,529)	(117,658)
<b>NET INTEREST INCOME</b>		682,241	555,720	665,432	542,932
Fees and commission income	8	189,245	152,654	189,253	152,647
Fees and commission expense	9	(3,883)	(2,274)	(3,883)	(2,252)
<b>NET FEES AND COMMISSION INCOME</b>		185,362	150,380	185,370	150,395
Lease income	10	3,682	1,969	3,674	1,957
Net trading income	11	138,857	139,198	138,351	138,665
Dividend income	12	3,487	5	23,438	5
Other revenue	(13a)	9,500	10,465	9,500	10,365
		155,526	151,637	174,963	150,992
<b>REVENUE</b>		1,023,129	857,737	1,025,765	844,319
Other Income	(13b)	184	94	184	94
Impairment charge on loans and advances	14	(115,795)	(32,025)	(115,753)	(31,916)
Operating expenses	15	(449,806)	(379,469)	(449,117)	(378,960)
Operating profit		457,712	446,337	461,079	433,537
Share of profit of associates (net of tax)	39	848	604	-	-
<b>PROFIT BEFORE INCOME TAX</b>		458,560	446,941	461,079	433,537
Income tax expense	16	(137,294)	(126,976)	(133,556)	(123,924)
<b>PROFITS AFTER TAX FOR THE YEAR</b>		321,266	319,965	327,523	309,613

THE NOTES ON PAGES 50 TO 121 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

	NOTE	THE GROUP		THE BANK	
		2015 GH¢'000	2014 GH¢'000	2015 GH¢'000	2014 GH¢'000
<b>PROFIT AFTER TAX FOR THE YEAR</b>		321,266	319,965	327,523	309,613
<b>OTHER COMPREHENSIVE INCOME</b>					
<i>Items that may be reclassified Subsequently to profit or loss</i>					
Change in value of available for sale investment securities	35(b)	2,285	3,051	1,712	2,548
Net amounts transferred to profit or loss	35(b)	-	3,813	-	3,813
Gains on revaluation of property	35(a)	-	44,137	-	44,137
Income tax relating to components of other comprehensive income	17	(571)	(7,384)	(428)	(7,258)
Other comprehensive income for the year, net of tax		1,714	43,617	1,284	43,240
Total comprehensive income for the year		322,980	363,582	328,807	352,853
Profit for the year attributable to: Equity holders of the Bank		321,266	319,965	327,523	309,613
Comprehensive income for the year attributable to: Equity holders of the Bank		322,980	363,582	328,807	352,853
<b>EARNINGS PER SHARE</b>					
Basic and diluted (in Ghana pesewas)	19	110	109	112	106

THE NOTES ON PAGES 50 TO 121 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

## ECOBANK GHANA LIMITED

STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2015

	NOTE	THE GROUP		THE BANK	
		2015 GH¢'000	2014 GH¢'000	2015 GH¢'000	2014 GH¢'000
<b>ASSETS</b>					
Cash and balances with Bank of Ghana	20	772,942	609,153	772,942	609,153
Government securities	21	726,726	732,856	592,107	630,645
Loans and advances to Banks	22	1,450,007	1,465,640	1,448,930	1,458,413
Loans and advances to customers	23	3,117,873	2,709,517	3,116,749	2,707,093
Investment securities: available-for-sale	24	2,148	1,522	2,148	1,522
Investment in subsidiaries	25	-	-	16,773	16,773
Investment in associates	39	7,387	6,539	4,841	4,841
Intangible assets	26	8,852	5,699	8,852	5,699
Deferred tax	17	986	3,669	701	3,265
Income Tax	16	16,809	-	16,524	-
Property and equipment	27	252,833	133,931	252,832	133,915
Other assets	28	335,247	99,082	354,088	98,311
<b>TOTAL ASSETS</b>		<b>6,691,810</b>	<b>5,767,608</b>	<b>6,587,487</b>	<b>5,669,630</b>
<b>LIABILITIES</b>					
Deposits from Banks	29	205,123	176,394	286,934	302,211
Customer deposits	30	4,837,950	4,234,434	4,664,513	4,028,124
Other liabilities	31	437,008	330,142	433,036	327,318
Income tax	16	-	1,088	-	979
Borrowings	32	321,976	227,127	321,976	227,127
<b>TOTAL LIABILITIES</b>		<b>5,802,057</b>	<b>4,969,185</b>	<b>5,706,459</b>	<b>4,885,759</b>
<b>EQUITY AND RESERVES</b>					
Stated capital	33	226,641	226,641	226,641	226,641
Income surplus account	34	272,852	264,393	263,775	249,030
Revaluation reserve	35	57,390	55,676	58,231	56,947
Statutory reserve fund	36	282,412	241,443	281,923	240,983
Regulatory credit risk reserve	37	50,458	10,270	50,458	10,270
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>		<b>889,753</b>	<b>798,423</b>	<b>881,028</b>	<b>783,871</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6,691,810</b>	<b>5,767,608</b>	<b>6,587,487</b>	<b>5,669,630</b>

These financial statements were approved by the Board of Directors on 22 March 2016 and signed on its behalf by:

**SIGNED**

**CHAIRMAN**

Terence Ronald Darko

THE NOTES ON PAGES 50 TO 121 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

**SIGNED**

**MANAGING DIRECTOR**

Samuel Ashitey Adjei

# ECOBANK GHANA LIMITED

## STATEMENTS OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31 DECEMBER 2015

THE GROUP	STATED CAPITAL	INCOME SURPLUS ACCOUNT	REVALUATION RESERVE	STATUTORY RESERVE FUND	REGULATORY CREDIT RISK RESERVE	TOTAL
	GHC'000	GHC'000	GHC'000	GHC'000	GHC'000	GHC'000
<b>BALANCE AT 1 JANUARY 2014</b>	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>	-	319,965	43,617	-	-	363,582
<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	-	(77,442)	-	77,442	-	-
Credit risk reserve	-	14,982	-	-	(14,982)	-
-	-	(62,460)	-	77,442	(14,982)	-
<b>BALANCE AT 31 DECEMBER 2014</b>	226,641	264,393	55,676	241,443	10,270	798,423

THE NOTES ON PAGES 50 TO 121 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

THE GROUP (CONT'D)

	STATED CAPITAL	INCOME SURPLUS ACCOUNT	REVALUATION RESERVE	STATUTORY RESERVE FUND	REGULATORY CREDIT RISK RESERVE	TOTAL
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
<b>BALANCE AT 1 JANUARY 2015</b>	226,641	264,393	55,676	241,443	10,270	798,423
<b>TOTAL COMPREHENSIVE INCOME</b>						
Profit for the year	-	321,266	-	-	-	321,266
Other comprehensive income, net of tax	-	-	1,714	-	-	1,714
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	321,266	1,714	-	-	322,980
<b>TRANSACTIONS WITH EQUITY HOLDERS</b>						
Dividends paid	-	(231,650)	-	-	-	(231,650)
<b>TOTAL CONTRIBUTION BY AND DISTRIBUTION TO EQUITY HOLDERS</b>	-	(231,650)	-	-	-	(231,650)
<b>REGULATORY TRANSFERS</b>						
Statutory reserve	-	(40,969)	-	40,969	-	-
Credit risk reserve	-	(40,188)	-	-	40,188	-
	-	(81,157)	-	40,969	40,188	-
<b>BALANCE AT 31 DECEMBER 2015</b>	226,641	272,852	57,390	282,412	50,458	889,753

THE NOTES ON PAGES 50 TO 121 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

### THE BANK

	STATED CAPITAL	INCOME SURPLUS ACCOUNT	REVALUATION RESERVE	STATUTORY RESERVE FUND	REGULATORY CREDIT RISK RESERVE	TOTAL
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
<b>BALANCE AT 1 JANUARY 2014</b>	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 PAGES 50 TO 121 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

**THE BANK (CONT'D)**

	STATED CAPITAL	INCOME SURPLUS ACCOUNT	REVALUATION RESERVE	STATUTORY RESERVE FUND	REGULATORY CREDIT RISK RESERVE	TOTAL
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
<b>BALANCE AT 1 JANUARY 2015</b>	226,641	249,030	56,947	240,983	10,270	783,871
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>						
Profit for the year	-	327,523	-	-	-	327,523
Other comprehensive income, net of tax	-	-	1,284	-	-	1,284
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	327,523	1,284	-	-	328,807
<b>TRANSACTIONS WITH EQUITY HOLDERS</b>						
Dividends paid	-	(231,650)	-	-	-	(231,650)
<b>TOTAL CONTRIBUTION BY AND DISTRIBUTION TO EQUITY HOLDERS</b>	-	(231,650)	-	-	-	(231,650)
<b>REGULATORY TRANSFERS</b>						
Statutory reserve	-	(40,940)	-	40,940	-	-
Credit risk reserve	-	(40,188)	-	-	40,188	-
	-	(81,128)	-	40,940	40,188	-
<b>BALANCE AT 31 DECEMBER 2015</b>	226,641	263,775	58,231	281,923	50,458	881,028

THE NOTES ON PAGES 50 TO 121 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.



## ECOBANK GHANA LIMITED

STATEMENTS OF CASHFLOWS FOR THE  
YEAR ENDED 31 DECEMBER 2015

	NOTE	THE GROUP		THE BANK	
		2015 GH¢'000	2014 GH¢'000	2015 GH¢'000	2014 GH¢'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Interest paid		(160,395)	(114,837)	(124,601)	(107,654)
Interest received		843,564	641,156	790,961	617,123
Net fees and commissions		185,362	136,831	185,370	136,846
Other income received		9,500	10,465	9,500	10,365
Dividend received		3,487	5	23,438	5
Net trading income		173,269	190,956	172,763	190,423
Lease income		3,682	1,969	3,674	1,957
Payments to employees and suppliers		(470,854)	(416,172)	(470,193)	(415,758)
Tax paid		(153,079)	(141,912)	(148,923)	(139,147)
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES</b>		434,536	308,461	441,989	294,160
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES</b>					
Loans and advances		(297,700)	(85,445)	(298,958)	(94,021)
Other assets		(232,631)	45,908	(252,243)	47,003
Customer deposits		234,910	286,263	267,783	105,850
Other liabilities		99,446	44,659	98,311	54,766
Mandatory reserves		(122,709)	(158,598)	(122,709)	(158,598)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		115,852	441,248	134,173	249,160
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of property and equipment	27	(134,026)	(31,173)	(134,026)	(31,173)
Purchase of software	26	(7,677)	(2,470)	(7,677)	(2,470)
Proceeds from sale of equipment	27	184	349	184	348
Government securities purchased		(1,567,240)	(1,101,137)	(1,338,629)	(923,874)
Proceeds from sale of Government securities		1,799,711	1,593,780	1,568,240	1,384,372
Purchase of AFS investment		(626)	-	(626)	-
Loan and advances to banks		127,964	394,469	121,814	401,696
<b>NET CASH FROM INVESTING ACTIVITIES</b>		218,290	853,818	209,280	828,899

THE NOTES ON PAGES 50 TO 121 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

	NOTE	THE GROUP		THE BANK	
		2015 GH¢'000	2014 GH¢'000	2015 GH¢'000	2014 GH¢'000
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Dividend paid		(231,650)	(126,088)	(231,650)	(126,088)
Repayment of borrowed funds	32	(95,326)	(20,049)	(95,326)	(20,049)
Proceeds from borrowed funds	32	150,990	53,451	150,990	53,451
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(175,986)</b>	<b>(92,686)</b>	<b>(175,986)</b>	<b>(92,686)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>158,156</b>	<b>1,202,380</b>	<b>167,467</b>	<b>985,373</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>1,371,189</b>	<b>226,878</b>	<b>1,172,575</b>	<b>245,271</b>
<b>EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS</b>		<b>(17,786)</b>	<b>(58,069)</b>	<b>(17,786)</b>	<b>(58,069)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	38	<b>1,511,559</b>	<b>1,371,189</b>	<b>1,322,256</b>	<b>1,172,575</b>

THE NOTES ON PAGES 50 TO 121 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.