

Financial Statements

The opportunities for further growth in Africa's trade – both with itself and other regions such as the Middle East, India, Latin America and Asia – are enormous.

Working closely with its strategic partners, Nedbank and QNB, Ecobank has strengthened its position to finance major international transactions across Africa.

This, coupled with its large branch network and its forex trading hub in Paris, places Ecobank in an unparalleled position to service multinational organisations, international financial institutions, NGOs and individuals.





Statement of Directors' responsibilities

Responsibility for annual consolidated financial statements

The Directors are responsible for the preparation of the consolidated financial statements for each financial year that give a true and fair view of the state of financial affairs of the Group at the end of the year and of its profit or loss. This responsibility includes ensuring that the Group:

- (a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and its subsidiaries;
- (b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- (c) prepares its consolidated financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, that are consistently applied.

The Directors accept responsibility for the annual consolidated financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards.

Nothing has come to the attention of the Directors to indicate that the company and its subsidiaries will not remain a going concern for at least twelve months from the date of this statement.

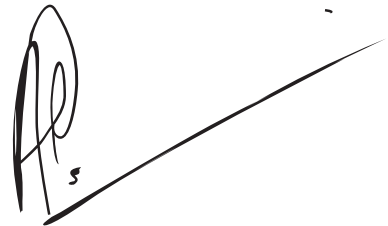
The Directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the company and its subsidiaries and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

Approval of annual consolidated financial statements

The annual consolidated financial statements were approved by the Board of Directors on 1 April 2015 and signed on its behalf by:



Emmanuel Ikazoboh
Chairman, Board of Directors



Albert Essien
Group Chief Executive Officer

Report of the Independent Auditors to the Members of Ecobank Transnational Incorporated

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Ecobank Transnational Incorporated and its subsidiaries (“the Group”) which comprise the consolidated statement of financial position as of 31 December 2014 and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, a summary of significant accounting policies and other explanatory notes.

Directors’ responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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 independent opinion on the consolidated 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 our audit to obtain reasonable assurance that 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 judgement, 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 company’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 opinion.

Opinion

In our opinion the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2014 and of its profits and cash flows for the year then ended in accordance with International Financial Reporting Standards.



For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria
FRC / 2013 / ICAN / 00000000980
7 April 2015

PricewaterhouseCoopers Chartered Accountants,
252E Muri Okunola Street, Victoria Island, Lagos, Nigeria



For: PricewaterhouseCoopers
Chartered Accountants
Abidjan, Cote d’Ivoire
7 April 2015

PricewaterhouseCoopers Chartered Accountants,
20 ème étage Immeuble Alpha 2000, Abidjan Côte d’Ivoire

Consolidated income statement

(In thousands of US dollars, except per share amounts)

Year ended 31 December	Note	2014	2013
Interest income	6	1,731,628	1,599,756
Interest expense	6	(622,221)	(548,998)
Net interest income		1,109,407	1,050,758
Fee and commission income	7	699,222	626,548
Fee and commission expense	7	(38,502)	(25,402)
Net fee and commission income		660,720	601,146
Net trading income	8	462,648	308,960
Net losses from investment securities	9	5,070	(1,581)
Other operating income	10	42,036	44,173
Other income		509,754	351,552
Operating income before impairment loss		2,279,881	2,003,456
Impairment losses for loans and advances	11	(229,312)	(362,628)
Impairment losses on other financial assets	12	(37,648)	(14,102)
Impairment losses on financial assets		(266,960)	(376,730)
Operating income after impairment loss		2,012,921	1,626,726
Staff expenses	13	(649,094)	(639,459)
Depreciation and amortisation	13	(126,685)	(134,898)
Other operating expenses	13	(715,354)	(630,607)
Total operating expenses		(1,491,133)	(1,404,964)
Operating profit		521,788	221,762
Share of (loss)/profit of associates	25	(2,239)	16
Profit before tax		519,549	221,778
Taxation	14	(122,024)	(65,728)
Profit for the year from continuing operations		397,525	156,050
Loss for the year from discontinued operations	29	(2,755)	(8,277)
Profit for the year		394,770	147,773
Attributable to:			
Owners of the parent (total)		337,863	95,541
Profit for the year from continuing operations		339,351	102,932
Profit for the year from discontinued operations		(1,488)	(7,391)
Non-controlling interest (total)		56,907	52,232
Profit for the year from continuing operations		58,174	53,118
Profit for the year from discontinued operations		(1,267)	(886)
		394,770	147,773
Earnings per share for the profit from continuing operations attributable to owners of the parent during the year (expressed in US cents per share)			
• Basic	15	1.83	0.60
• Diluted	15	1.72	0.56
Earnings per share for the profit from continuing operations attributable to non-controlling interest during the year (expressed in US cents per share)			
• Basic	15	(0.01)	(0.04)
• Diluted	15	(0.01)	(0.03)

The notes detailed in the full Annual Report are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

(All amounts in thousands of US dollars unless otherwise stated)

Year ended 31 December	Note	2014	2013
Profit for the year		394,770	147,773
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Exchange difference on translation of foreign operations		(433,754)	(55,911)
Available-for-sale investments:			
Net valuation loss taken to equity	40	(40,389)	(52,486)
Remeasurements of post-employment benefit obligations	37	691	(1,486)
Taxation relating to components of other comprehensive income that may be subsequently reclassified to profit or loss	36	984	11,801
		(472,468)	(98,082)
Items that will not be reclassified to profit or loss:			
Property and equipment – net revaluation gain	27	112,179	2,493
Taxation relating to components of other comprehensive income that will not be reclassified profit or loss	36	(40,181)	(517)
		71,998	1,976
Other comprehensive loss for the year, net of tax		(400,470)	(96,106)
Total comprehensive (loss)/income for the year		(5,700)	51,667
Total comprehensive (loss)/income attributable to:			
Owners of the parent		(41,000)	(2,649)
• Continuing operations		(39,513)	4,742
• Discontinued operations		(1,488)	(7,391)
Non-controlling interests		35,300	54,317
• Continuing operations		36,568	55,203
• Discontinued operations		(1,267)	(886)
		(5,700)	51,667

Items in the statement above are disclosed net of tax. The deferred income tax relating to each component of other comprehensive income is disclosed in Note 36.

Consolidated statement of financial position

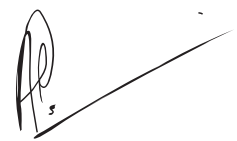
(All amounts in thousands of US dollars unless otherwise stated)

As at 31 December	Note	2014	2013
Assets			
Cash and balance with central banks	16	3,546,543	2,877,868
Financial assets for trading	17	279,434	114,917
Derivative financial instruments	18	247,664	141,346
Loans and advances to banks	19	1,882,501	1,312,150
Loans and advances to customers	20	12,311,642	11,421,605
Treasury bills and other eligible bills	21	1,276,120	1,127,927
Investment securities: available-for-sale	22	1,435,580	1,893,489
Pledged assets	23	1,032,146	1,135,434
Other assets	24	486,318	689,913
Investments in associates	25	16,773	21,993
Intangible assets	26	410,257	496,748
Property and equipment	27	920,690	872,145
Investment properties	28	168,167	168,048
Deferred income tax assets	36	113,110	122,747
		24,126,945	22,396,330
Assets held for sale	29	116,617	136,123
Total assets		24,243,562	22,532,453
Liabilities			
Deposits from other banks	30	912,841	706,953
Deposits from customers	31	17,436,970	16,489,904
Other deposits	32	573,300	677,960
Derivative financial instruments	18	20,478	1,454
Borrowed funds	33	1,540,264	1,303,406
Other liabilities	34	801,573	926,098
Provisions	35	26,368	28,511
Current income tax liabilities		69,061	63,818
Deferred income tax liabilities	36	65,405	44,450
Retirement benefit obligations	37	12,957	8,019
		21,459,216	20,250,573
Liabilities held for sale	29	129,261	147,232
Total liabilities		21,588,477	20,397,805
Equity			
Capital and reserves attributable to the equity holders of the parent entity			
Share capital and premium	39	1,979,523	1,409,001
Retained earnings and reserves	40	471,302	527,435
Total equity and reserves attributable		2,450,825	1,936,436
Non-controlling interests in equity		204,260	198,212
Total equity		2,655,085	2,134,648
Total liabilities and equity		24,243,562	22,532,453

The financial statements were approved for issue by the board of directors on 1 April 2015 and signed on its behalf by:



Emmanuel Ikazoboh
Chairman, Board of Directors



Albert Essien
Group Chief Executive Officer

Consolidated statement of changes in equity

(All amounts in thousands of US dollars unless otherwise stated)

	Note	Attributable to equity holders of the Company			Total	Non- controlling interests	Total equity
		Share capital and premium	Retained earnings	Other reserves			
At 1 January 2013		1,409,001	630,192	(33,005)	2,006,188	167,729	2,173,917
Net changes in available for sale investments, net of taxes	40	-	-	(40,685)	(40,685)	-	(40,685)
Foreign currency translation differences	40	-	-	(56,353)	(56,353)	442	(55,911)
Remeasurements of post-employment benefit obligations	37	-	-	(1,486)	(1,486)	-	(1,486)
Net gains on revaluation of property		-	-	1,976	1,976	-	1,976
Other comprehensive income for the year		-	-	(96,548)	(96,548)	442	(96,106)
Profit for the year		-	95,541	-	95,541	52,232	147,773
Total comprehensive income for the year		-	95,541	(96,548)	(1,007)	52,674	51,667
Dividend relating to 2012		-	(68,879)	-	(68,879)	(22,191)	(91,070)
Transfer to general banking reserves	40	-	(24,913)	24,913	-	-	-
Transfer to statutory reserve	40	-	(57,172)	57,172	-	-	-
Convertible loans – equity component		-	-	134	134	-	134
At 31 December 2013/1 January 2014		1,409,001	574,768	(47,334)	1,936,436	198,212	2,134,648
Net changes in available for sale investments, net of taxes	40	-	-	(39,405)	(39,405)	-	(39,405)
Foreign currency translation differences	40	-	-	(412,148)	(412,148)	(21,606)	(433,754)
Remeasurements of post-employment benefit obligations	37	-	-	691	691	-	691
Net gains on revaluation of property		-	-	71,998	71,998	-	71,998
Other comprehensive income for the year		-	-	(378,864)	(378,864)	(21,606)	(400,470)
Profit for the year		-	337,863	-	337,863	56,907	394,770
Total comprehensive income for the year		-	337,863	(378,864)	(41,001)	35,301	(5,700)
Dividend relating to 2013	40	-	-	-	-	(29,252)	(29,252)
Treasury shares	39	1,932	-	-	1,932	-	1,932
Transfer from share option reserve	40	-	1,066	(1,066)	-	-	-
Transfer to general banking reserves	40	-	(208,558)	208,558	-	-	-
Transfer to statutory reserve	40	-	(154,459)	154,459	-	-	-
Net proceeds from shares issued:	40						
• Convertible loans		345,048	-	-	345,048	-	345,048
• Private placement	39	208,376	-	-	208,376	-	208,376
• share option exercised	39	34	-	-	34	-	34
Convertible loans – equity component	40	15,132	-	(15,132)	-	-	-
At 31 December 2014		1,979,523	550,680	(79,378)	2,450,825	204,260	2,655,085

Consolidated statement of cash flows

(All amounts in thousands of US dollars unless otherwise stated)

Year ended 31 December	Note	2014	2013
Cash flow from operating activities			
Profit before tax		519,549	221,778
Adjustments for:			
Net trading income – foreign exchange	8	(15,601)	(54,468)
Net (gain)/loss from investment securities	9	(5,070)	1,581
Fair value (gain)/loss on investment properties	10	(699)	8,472
Gain on bargain purchase	10	(568)	-
Impairment losses on loans and advances	11	229,312	362,628
Impairment losses on other financial assets	12	37,648	14,102
Depreciation of property and equipment	13	101,215	110,379
Net interest income	6	(1,109,407)	(1,050,758)
Amortisation of software and other intangibles	13	25,470	24,519
Impairment charges:			
• Property and equipment	13	27	-
Loss/(Profit) on sale of property and equipment		960	(1,755)
Share of loss/(gain) profit of associates	25	2,239	(16)
Income taxes paid		(86,189)	(88,895)
Changes in operating assets and liabilities			
• Trading assets		(164,517)	(22,063)
• Derivative financial assets		(106,318)	2,071
• Other treasury bills		274,650	(391,457)
• Loans and advances to banks		(285,549)	451,675
• Loans and advances to customers		(686,701)	(2,162,352)
• Pledged assets		103,288	(435,380)
• Other assets		203,595	(109,803)
• Mandatory reserve deposits		(439,091)	(522,048)
• Other deposits		(104,660)	308,600
• Due to customers		947,066	1,869,426
• Derivative liabilities		19,024	1,325
• Other provisions		(2,143)	2,471
• Other liabilities		(124,525)	193,438
Interest received		1,731,628	1,599,756
Interest paid		(622,221)	(548,998)
Net cash flow from/(used in) operating activities		442,412	(215,771)
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		(2,901)	-
Disposal of subsidiaries, net of cash disposed		-	(5,807)
Purchase of software	26	(10,874)	(17,158)
Purchase of property and equipment	27	(181,440)	(163,877)
Proceeds from sale of property and equipment		29,752	38,478
Purchase of investment securities	22	(4,113,497)	(4,301,604)
Purchase of investment properties		(484)	(11,519)
Proceeds from sale and redemption of securities		4,310,257	4,591,754
Net cash flow from investing activities		30,814	130,267
Cash flows from financing activities			
Repayment of borrowed funds		(432,915)	(897,690)
Proceeds from borrowed funds		669,773	970,249
Proceeds of subscription of ordinary shares	39	208,376	-
Proceeds from sale of treasury shares		1,158	-
Dividends paid to non-controlling shareholders		(29,252)	(23,834)
Dividends paid to owners of the parent	40	-	(68,879)
Net cash flow from/(used in) financing activities		417,140	(20,154)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at start of year	42	1,641,749	1,813,053
Effects of exchange differences on cash and cash equivalents		(159,024)	(65,646)
Cash and cash equivalents at end of year	42	2,373,090	1,641,749