Ecobank reports audited full year 2017 results

- Revenues down 7% to $1.8 billion (up 4% to GHC 8.1 billion)
- Operating profit before impairment losses down 5% to $699.7 million (up 6% to GHC 3.1 billion)
- Profit before tax up to $288.3 million (up to GHC 1.3 billion)
- Total assets up 9% to $22.4 billion (up 15% to GHC99.0 billion)
- Total equity up 23% to $2.2 billion (up 30% to GHC 9.6 billion)

Financial Highlights	Year ended 31 December 2017		Year ended 31 December 2016		% Change	
	US$'000	GHC'000	US$'000	GHC'000	US$	GHC
Income Statement :						
Revenue	1,831,202	8,079,648	1,972,263	7,787,979	-7%	4%
Operating profit before impairment losses	699,651	3,087,008	735,052	2,902,540	-5%	6%
Profit / (loss) before income tax	288,340	1,272,217	(131,341)	(518,631)	320%	345%
Income tax expense	(60,757)	(268,073)	(70,924)	(280,061)	14%	4%
Profit / (loss) for the year	228,534	1,008,340	(204,958)	(809,328)	212%	225%

Financial Highlights	As at 31 December 2017		As at 31 December 2016		% Change	
Statement of Financial Position :						
Total assets	22,431,604	99,017,586	20,510,974	85,758,434	9%	15%
Loans & advances to customers	9,357,864	41,307,483	9,259,374	38,714,369	1%	7%
Deposits from customers	15,203,271	67,110,279	13,496,720	56,431,136	13%	19%
Total equity	2,172,083	9,588,009	1,764,078	7,375,787	23%	30%

Our 2017 financial performance was an encouraging improvement on 2016. We delivered a profit before tax of $288 million compared to a loss of $131 million in the previous year. $1.8 billion of revenue remained largely unchanged from 2016 due to our decision to keep a tight lid on loan growth. Our customers showed their confidence in the firm’s value proposition by giving us more of their deposits, which grew by 13%.

Also, our actions to improve the firm’s efficiency were productive as will be our progressive moves to right-size and simplify our businesses, which have been designed to allow us to serve our customers better and create more sustainable value generation. We have reduced our efficiency ratio to 61.8% which evidences the effectiveness of these actions and we will continue to drive this ratio down.

2017 also marked 2 years into our 5-year ‘Roadmap to Leadership’ and digitisation strategy through which we have made real strides in fixing the foundations on which our businesses can grow. Among other things, we have reorganised our businesses, overhauled our risk management, improved our controls and systems, adopted technology to drive efficiency, and we are addressing capital allocation. In 2018 and beyond our focus will be on one thing: relentless execution. We will use all our resources to support our mission to serve our customers better, run our businesses more efficiently, and generate returns that meet and exceed the cost of equity.

In conclusion, I thank all Ecobankers for continuing to serve our customers with the financial solutions that they want and need.

By Order of the Board of Directors

AAyeyemi

Ade Ayeyemi
Group Chief Executive Officer

Greg Davis
Group Financial Officer

www.ecobank.com

Ecobank Transnational Incorporated
For the year ended 31 December 2017

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.

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.

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.

Approval of annual consolidated financial statements

The annual consolidated financial statements were approved by the board of directors on 22 nd February 2018 and signed on its behalf by:

Emmanuel Ikazoboh
Chairman
Group Chairman

Greg Davis
Group Chief Financial Officer

Ade Ayeyemi
Group Chief Executive Officer

Deloitte. GrantThornton

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECOBANK TRANSNATIONAL INCORPORATED

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Ecobank Transnational Incorporated** and its subsidiaries (together referred to as "the Group") which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of **Ecobank Transnational Incorporated** as at 31 December 2017, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in line with the requirements of the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B), together with other ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters noted below relate to the consolidated financial statements.

Key audit matter	**How our audit addressed the key audit matter**
Impairment of loans and advances to customers	
Loans and advances to customers constitute a significant portion of the total assets of Ecobank Transnational Incorporated. At 31 December 2017, gross loans and advances were US$9,913 million against which total loan impairment provisions of US$555 million were recorded, thus leaving a net loan balance of US$9,358 million which represents about 42% of the total assets as at the reporting date (see note 20). The basis of the provisions is summarised in the Accounting policies in the consolidated financial statements. In accordance with the provisions of *IAS 39, Financial Instruments: Recognition and Measurement*, the Directors have established the group's loan loss	We focused our testing of the impairment of loans and advances to customers on the key assumptions and inputs made by management and Directors. Specifically, our audit procedures included: We tested the design and operating effectiveness of the key controls to determine which loans and advances are impaired and provisions against those assets. These included testing: • System-based and manual controls over the timely recognition of impaired loans and advances; • Controls over the impairment calculation models including data inputs; • Controls over collateral valuation estimates; and

impairment methodology that addresses the two types of impairment allowances, specific and collective (which also includes latent or IBNR) impairments. The Directors exercise significant judgement when determining both when and how much to record as loan impairment provisions. This is due to the fact that a number of significant assumptions and inputs go into the determination of the specific and collective impairment amounts on loans and advances to customers. Some of these include: i. Estimate of probability of default ii. Estimate of loss given default iii. Loss emergence period iv. Exposure at default v. Credit rating or classification vi. Estimates of projected cash flows vii. Determination of effective interest rates Because of the significance of these estimates, judgements and the size of loans and advances portfolio, the audit of loan impairment provisions is considered a key audit matter.	• Governance controls, including attending key meetings that form part of the approval process for loan impairment provisions and assessing management's analysis and challenge in the actions taken as a result of the meetings. We tested a sample of loans and advances (including loans that had not been identified by management as potentially impaired) to form our own assessment as to whether impairment events had occurred and to assess whether impairments had been identified in a timely manner. We challenged management's judgement and we increased the focus on loans that were not reported as being impaired in sectors that are currently experiencing difficult economic and market conditions, such as the oil and gas sector. For the collective and latent impairment models used by the Group, we tested a sample of the data used in the models as well as assessing the model methodology and tested the calculations within the models. We involved our credit risk specialists who assessed whether the modelling assumptions used considered all relevant risks, and whether the additional adjustments to reflect un-modelled risks were reasonable in light of historical experience, economic climate, current operational processes and the circumstances of the customers as well as our own knowledge of practices used by other similar banks. We also tested the extraction from underlying systems of historical data used in the models. For individually assessed loans, sample of loans were selected for a review of their performance status. Where the loans were deemed to be impaired, a detailed evaluation of the estimates of the future expected cash flows from customers including amounts from realization of collateral held was done. This work involved assessing the work performed by external experts used by the Group to value the collateral or to assess the estimates of future cash flows. Where we determined that a more appropriate assumption or input in provision measurement could be made, we recalculated the provision on that basis and compared the results in order to assess whether there was any indication of error or management bias. Based on our review, we found that the group's impairment methodology, including the model, assumptions and key inputs used by management and Directors to estimate the

	amount of loan impairment losses were comparable with historical performance, and prevailing economic situations and that the estimated loan impairment losses determined was appropriate in the circumstances.
Valuation of goodwill	
Goodwill carrying value was US$232.7 million on the group's statement of financial position as at 31 December 2017. This asset has been recognised in the consolidated statement of financial position as a consequence of the acquisitive nature of the Group. In line with the requirements of the applicable accounting standard, IAS 36, *Impairment of Assets,* management conducts annual impairment tests to assess the recoverability of the carrying value of goodwill. This is performed using discounted cash flow models. As disclosed in note 26, there are a number of key sensitive judgements adopted by management in determining the inputs into these models which include: • Revenue growth • Operating margins • Exchange rate fluctuations and • The discount rates applied to the projected future cash flows. Accordingly, the impairment test of this asset is considered to be a key audit matter. The Management have developed a valuation model to enable a fair determination of the discounted cash flows for the significant Cash Generating Units (CGUs) to which the goodwill relates.	We focused our testing of the impairment of goodwill on the key assumptions made by management. Our audit procedures included: • We tested all relevant controls over the generation of the key inputs, e.g. financial forecasts, discount rate, revenue growth rate, etc. that go into the valuation calculation. • Engaging our internal specialists to assist with: – Critically evaluating whether the model used by management to calculate the value in use of the individual Cash Generating Units complies with the requirements of IAS 36, *Impairment of Assets*. – Validating the assumptions used to calculate the discount rates, projected cash flows and recalculating these rates. • Analysing the future projected cash flows used in the models to determine whether they are reasonable and supportable given the current macroeconomic climate and expected future performance of the Cash Generating Unit. • Subjecting the key assumptions to sensitivity analyses. • Comparing the projected cash flows, including the assumptions relating to revenue growth rates and operating margins, against historical performance to test the accuracy of management's projections. • Checking mathematical accuracy of the calculations We found that the assumptions used by management were comparable with historical performance and the expected future outlook and the discount rates used were appropriate in the circumstances. We consider the disclosure of the goodwill to be relevant and useful.

<table>
<tr><td colspan="2">Valuation of investment properties</td></tr>
<tr><td>The group’s interest in investment properties is made up of landed properties and buildings (see note 28).

Investment properties are carried at fair value in line with the group’s accounting policies and in compliance with IAS 40, Investment Property. However, due to the non-current nature of the asset class, the materiality of the carrying amount to the ETI Group financial statements, and determination of their fair value which involve the exercise of significant management judgement, and use of several key inputs and assumptions, we consider this to be a key audit matter.

The Directors have engaged some Specialists, mostly professional Estate Surveyors and Valuers, to assist with the determination of the fair value of the properties and produce report of the assets’ fair valuation detailing the relevant assumptions used, key inputs and data that go into the valuation of the properties.</td><td>Our audit approach consisted of a combination of test of controls and specific test of details. We focused on testing and reviewing details of management assumptions and controls over generation of key inputs that go into the fair value determination of the investment properties and the carrying amount of related indebtedness

Our audit procedures included:

• Critically evaluating whether the model used by management to arrive at the fair value estimate of the investment property complies with the requirements of IAS 40, Investment Property.

• Validating the assumptions used to estimate the fair value and recalculating the valuation.

• Analysing future projected cash flows that underlie the fair value determination used in the models to determine whether they are reasonable and supportable given the current macroeconomic climate and prevailing market data vis-à-vis historical patterns.

• Subjecting the key assumptions to sensitivity analyses.

We found that the assumptions used by management were comparable with historical performance and expected future outlook and the estimated fair value determined was appropriate in the circumstances.</td></tr>
<tr><td colspan="2">Valuation of unquoted investments</td></tr>
<tr><td>The Group’s investment securities include unlisted equities for which there are no liquid market.

As contained in note 22, the assets are designated as available-for-sale instruments and are carried at fair value in line with the group’s accounting policies and requirements of IAS 39, Financial Instruments – Recognition and Measurement. Given the non-availability of market prices for these securities, determination of their fair valuation by management involve exercise of significant assumptions and judgements regarding the cash flow forecasts, growth rate and discount rate utilised in the valuation model. This is why it is considered a key audit matter.

The Directors have done a valuation to determine the fair value of the unquoted investment securities and details of the</td><td>We focused our attention on auditing the valuation of unlisted investment securities by looking specifically into the valuation model, inputs and key assumptions made by the management.

Our audit procedures included:
• Evaluated the operating effectiveness of controls over generation of key inputs that went into the valuation model.
• Critically evaluating whether the model used by management to calculate the fair value of the unquoted securities complies with the requirements of IAS 39, Financial Instruments – Recognition and Measurement.
• Validating the assumptions used to calculate the discount rates used and recalculating these rates.
• Subjecting the key assumptions to sensitivity analyses.
• Obtaining direct confirmation of the existence and units of the different holdings</td></tr>
</table>

valuation work including all relevant assumptions used, key inputs and data that go into the estimate of the fair value of the unquoted investments was made available for our review.	with the investees' registrars and/or secretariats. • Checking mathematical accuracy of the valuation calculations. We found that the assumptions used by management were comparable with the market, accord with best practice, key data and the discount rates used in estimating the fair value of the instruments were appropriate in the circumstances. We consider the disclosure relating to these instruments to be appropriate in the circumstances.

Other Information

The directors are responsible for the other information. The other information comprises the Statement of Directors' Responsibilities. The other information does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.
  If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee and the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

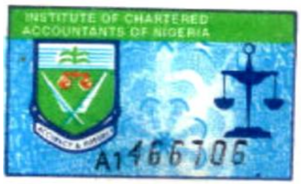
We also provide the audit committee and directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits derivable from such communication.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
7 March 2018

For: Grant Thornton
Chartered Accountants
Abidjan, Cote d'Ivoire
7 March 2018

Engagement Partner: David Achugamonu
FRC/2013/ICAN/0000000840



Engagement Partner: Moustapha Coulibaly

Audited Consolidated Income Statement

	Year ended 31 December 2017		Year ended 31 December 2016		% Change	
	US$'000	**GHC'000**	**US$'000**	**GHC'000**	**US$**	**GHC**
Interest income	1,570,320	6,928,581	1,672,852	6,605,679	-6%	4.9%
Interest expense	(593,001)	(2,616,445)	(566,406)	(2,236,597)	5%	17.0%
Net interest income	**977,319**	**4,312,136**	**1,106,446**	**4,369,082**	-12%	-1.3%
Fee and commission income	469,520	2,071,621	486,121	1,919,572	-3%	8%
Fee and commission expense	(69,140)	(305,060)	(52,492)	(207,277)	32%	47%
Net trading income	415,725	1,834,266	403,555	1,593,537	3%	15%
Net losses from investment securities	(5)	(22)	26,381	104,173	-100%	-100%
Other operating income	37,783	166,707	2,252	8,892	1578%	1775%
Non-interest revenue	**853,883**	**3,767,512**	**865,817**	**3,418,897**	-1%	10%
Operating income	**1,831,202**	**8,079,648**	**1,972,263**	**7,787,979**	**-7%**	**4%**
Staff expenses	(515,040)	(2,272,464)	(535,061)	(2,112,824)	-4%	8%
Depreciation and amortisation	(95,820)	(422,778)	(99,197)	(391,703)	-3%	8%
Other operating expenses	(520,691)	(2,297,398)	(602,953)	(2,380,912)	-14%	-4%
Total operating expenses	**(1,131,551)**	**(4,992,640)**	**(1,237,211)**	**(4,885,439)**	-9%	2%
Operating profit before impairment losses and taxation	**699,651**	**3,087,008**	**735,052**	**2,902,540**	**-5%**	**6%**
Impairment losses on :						
- loans and advances	(326,248)	(1,439,475)	(770,268)	(3,041,598)	-58%	-53%
- other financial assets	(84,806)	(374,182)	(93,583)	(369,536)	-9%	1%
Impairment losses on financial assets	**(411,054)**	**(1,813,657)**	**(863,851)**	**(3,411,134)**	**52%**	**47%**
Operating profit /(loss) after impairment losses	**288,597**	**1,273,351**	**(128,799)**	**(508,594)**	**324%**	**350%**
Share of loss of associates	(257)	(1,134)	(2,542)	(10,037)	-90%	-89%
Profit / (loss) before tax	**288,340**	**1,272,217**	**(131,341)**	**(518,631)**	**320%**	**345%**
Taxation	(60,757)	(268,073)	(70,924)	(280,061)	-14%	-4%
Profit / (loss) for the year from continuing operations	**227,583**	**1,004,144**	**(202,265)**	**(798,692)**	**213%**	**226%**
Profit /(loss) for the year from discontinued operations	951	4,196	(2,693)	(10,636)	135%	139%
Profit /(loss) for the year	**228,534**	**1,008,340**	**(204,958)**	**(809,328)**	**212%**	**225%**
Attributable to:						
Owners of the parent	**178,585**	**787,955**	**(249,898)**	**(986,784)**	**171%**	**180%**
- Continuing operations	178,071	785,689	(248,444)	(981,042)	172%	180%
- Discontinued operations	514	2,266	(1,454)	(5,742)	135%	139%
Non-controlling interests	**49,949**	**220,385**	**44,940**	**177,456**	**11%**	**24%**
- Continuing operations	49,512	218,455	46,179	182,348	7%	20%
- Discontinued operations	437	1,930	(1,239)	(4,892)	135%	139%
	228,534	**1,008,340**	**(204,958)**	**(809,328)**	**212%**	**225%**
Earnings per share from continuing operations attributable to owners of the parent during the year (expressed in United States cents per share /Ghana pesewas):						
- Basic (cents and pesewas)	0.72	3.19	(1.01)	(3.99)	172%	180%
- Diluted (cents and pesewas)	0.72	3.17	(1.01)	(3.98)	171%	180%
Earnings per share from discontinued operations attributable to owners of the parent during the year (expressed in United States cents /Ghana pesewas per share):						
- Basic (cents and pesewas)	0.00	0.01	(0.01)	(0.02)		
- Diluted (cents and pesewas)	0.00	0.01	(0.01)	(0.02)		

Audited Consolidated Statement of Comprehensive Income

	Year ended 31 December 2017		Year ended 31 December 2016		% Change	
	US$'000	GHC'000	US$'000	GHC'000	US$	GHC
Profit /(loss) for the year	**228,534**	**1,008,340**	**(204,958)**	**(809,328)**	**212%**	**225%**
Other comprehensive income:						
Items that may be subsequently reclassified to profit or loss:						
Exchange difference on translation of foreign operations	101,172	446,391	(624,797)	(2,467,169)	116%	118%
Net fair value gain / (loss) on available-for-sale financial assets	43,970	194,005	(54,135)	(213,766)	181%	191%
Taxation relating to components of other comprehensive income that may be subsequently reclassed to profit or loss	(1,805)	(7,964)	22,658	89,471	-108%	-109%
Items that will not be reclassified to profit or loss:						
Property and equipment - net revaluation gain	6,255	27,598	6,221	24,565	1%	12%
Remeasurements of defined benefit obligations	(6,064)	(26,755)	(6,153)	(24,297)	1%	-10%
Taxation relating to components of other comprehensive income that will not be reclassed profit or loss	(3,144)	(13,872)	(5,704)	(22,524)	45%	38%
Other comprehensive profit /(loss) for the year, net of taxation	140,384	619,403	(661,910)	(2,613,720)	121%	124%
Total comprehensive profit /(loss) for the year	**368,918**	**1,627,743**	**(866,868)**	**(3,423,048)**	**-143%**	**-148%**
Attributable to:						
Owners of the parent	**304,611**	**1,344,007**	**(908,501)**	**(3,587,446)**	**134%**	**137%**
-Continuing operations	304,097	1,341,739	(907,047)	(3,581,704)	134%	137%
-Discontinued operations	514	2,268	(1,454)	(5,742)	135%	139%
Non-controlling interests	**64,307**	**283,736**	**41,633**	**164,398**	**54%**	**73%**
-Continuing operations	63,870	281,806	42,872	169,290	49%	66%
-Discontinued operations	437	1,930	(1,239)	(4,892)	135%	139%
	368,918	**1,627,743**	**(866,868)**	**(3,423,048)**	**143%**	**148%**

Ecobank
The Pan African Bank

Audited Consolidated Statement of Financial Position

Assets	As at 31 December 2017		As at 31 December 2016		%Change	
	US$'000	GHC'000	US$'000	GHC'000	US$	GHC
Cash and balances with central banks	2,661,745	11,749,475	2,462,302	10,295,131	8%	14%
Financial assets held for trading	36,557	161,370	77,408	323,651	-53%	-50%
Derivative financial instruments	39,267	173,332	68,204	285,168	-42%	-39%
Loans and advances to banks	1,685,806	7,441,485	1,413,699	5,910,817	19%	26%
Loans & advances to customers	9,357,864	41,307,483	9,259,374	38,714,369	1%	7%
Treasury bills and other eligible bills	1,718,977	7,587,908	1,228,492	5,136,448	40%	48%
Investment securities: available for sale	4,405,240	19,445,610	3,272,824	13,684,004	35%	42%
Pledged assets	298,561	1,317,908	518,205	2,166,667	-42%	-39%
Others assets	760,724	3,357,988	850,821	3,557,368	-11%	-6%
Investments in associates	9,964	43,983	10,135	42,375	-2%	4%
Intangible assets	283,664	1,252,150	280,766	1,173,911	1%	7%
Property and equipment	924,163	4,079,440	861,047	3,600,124	7%	13%
Investment properties	43,514	192,079	35,819	149,763	21%	28%
Deferred income tax assets	121,715	537,274	102,007	426,501	19%	26%
	22,347,761	98,647,485	20,441,103	85,466,297	9%	15%
Assets held for sale	83,843	370,101	69,871	292,137	20%	27%
Total Assets	22,431,604	99,017,586	20,510,974	85,758,434	9%	15%
Liabilities						
Deposits from other banks	1,772,414	7,823,790	2,022,352	8,455,656	-12%	-7%
Deposits from customers	15,203,271	67,110,279	13,496,720	56,431,136	13%	19%
Derivative financial instruments	32,497	143,448	23,102	96,592	41%	49%
Borrowed funds	1,728,756	7,631,075	1,608,564	6,725,567	7%	13%
Other liabilities	1,210,908	5,345,190	1,342,635	5,613,691	-10%	-5%
Provisions	52,450	231,525	28,782	120,340	82%	92%
Current income tax liabilities	58,107	256,496	54,539	228,033	7%	12%
Deferred income tax liabilities	64,269	283,696	60,169	251,573	7%	13%
Retirement benefit obligations	24,064	106,223	15,731	65,773	53%	61%
	20,146,736	88,931,722	18,652,594	77,988,361	8%	14%
Liabilities held for sale	112,785	497,855	94,302	394,286	20%	26%
Total Liabilities	20,259,521	89,429,577	18,746,896	78,382,647	8%	14%
Equity						
Equity attributable to owners holders of the parents						
Share capital	2,113,957	4,536,378	2,114,332	4,538,034	0%	0%
Retained earnings and reserves	(233,213)	3,765,602	(536,408)	2,059,425	-57%	83%
Shareholders Equity	1,880,744	8,301,980	1,577,924	6,597,459	19%	26%
Non-controlling interests	291,339	1,286,029	186,154	778,328	57%	65%
Total Equity	2,172,083	9,588,009	1,764,078	7,375,787	23%	30%
Total Liabilities and Equity	22,431,604	99,017,586	20,510,974	85,758,434	9%	15%

Audited Consolidated Statement of Cash Flows

	Year ended 31 December 2017		Year ended 31 December 2016		% Change	
	US$'000	GHC'000	US$'000	GHC'000	US$	GHC
Cash flows from operating activities						
Profit /(loss) before tax	288,340	1,272,217	(131,341)	(518,631)	320%	345%
Net trading income - foreign exchange	(37,498)	(165,447)	(82,938)	(327,502)	-55%	-49%
Net loss /(gain) from investment securities	5	22	(26,381)	(104,173)	100%	100%
Fair value loss on investment properties	827	3,651	29,672	117,167	-97%	-97%
Impairment losses on loans and advances	326,248	1,439,475	770,268	3,041,598	-58%	-53%
Impairment losses on other financial assets	84,806	374,182	93,583	369,536	-9%	1%
Depreciation of property and equipment	80,557	355,435	85,112	336,084	-5%	6%
Net interest income	(977,319)	(4,312,136)	(1,106,446)	(4,369,080)	-12%	-1%
Amortisation of software and other intangibles	15,263	67,343	14,084	55,615	8%	21%
Profit on sale of property and equipment	(3,253)	(14,353)	(938)	(3,706)	247%	287%
Share of loss of associates	257	1,134	2,542	10,037	-90%	-89%
Income taxes paid	(77,608)	(342,425)	(121,712)	(480,612)	-36%	-29%
Changes in operating assets and liabilities						
Trading assets	40,851	180,243	93,926	370,892	-57%	-51%
Derivative financial assets	28,937	127,676	76,021	300,188	-62%	-57%
Other treasury bills	(542,527)	(2,393,742)	(30,695)	(121,206)	1667%	1875%
Loans and advances to banks	(156,834)	(691,987)	371,394	1,466,542	-142%	-147%
Loans and advances to customers	(244,255)	(1,077,704)	1,988,569	7,852,368	-112%	-114%
Pledged assets	219,644	969,115	240,881	951,178	-9%	2%
Other assets	33,931	149,712	(337,193)	(1,331,490)	110%	111%
Mandatory reserve deposits	(163,158)	(719,888)	440,073	1,737,739	-137%	-141%
Due to customers	1,706,551	7,529,661	(2,930,833)	(11,573,135)	158%	165%
Derivative liabilities	9,395	41,453	21,766	85,949	-57%	-52%
Other provisions	23,668	104,428	88	347	26795%	29995%
Other liabilities	(131,727)	(581,207)	293,576	1,159,259	-145%	-150%
Interest received	1,570,320	6,928,581	1,672,852	6,605,677	-6%	5%
Interest paid	(593,001)	(2,616,445)	(566,406)	(2,236,597)	5%	17%
Net cashflow from operating activities	**1,502,420**	**6,628,994**	**859,524**	**3,394,044**	**75%**	**95%**
Cash flows from investing activities						
Purchase of software	(26,355)	(116,284)	(31,321)	(123,679)	-16%	-6%
Purchase of property and equipment	(256,194)	(1,130,381)	(227,390)	(897,908)	13%	26%
Proceeds from sale of property and equipment	147,896	652,548	20,860	82,371	609%	692%
Purchase of investment securities	(1,631,773)	(7,199,725)	(1,513,241)	(5,975,413)	8%	20%
Purchase of investment properties	(8,688)	(38,331)	(1,101)	(4,348)	689%	782%
Proceeds from sale and redemption of securities	809,340	3,570,978	387,046	1,528,349	109%	134%
Net cashflow used in investing activities	**(965,774)**	**(4,261,195)**	**(1,365,147)**	**(5,390,628)**	**-29%**	**-21%**
Cash flows from financing activities						
Repayment of borrowed funds	(533,110)	(2,352,194)	(505,938)	(1,997,826)	5%	18%
Proceeds from borrowed funds	410,980	1,813,330	744,999	2,941,817	-45%	-38%
Dividends paid to non-controlling shareholders	(23,378)	(103,150)	(32,715)	(129,183)	-29%	-20%
Dividends paid to owners of the parent	-	-	(48,200)	(190,330)	n/a	n/a
Net cashflow (used in) /from financing activities	**(145,508)**	**(642,014)**	**158,146**	**624,478**	**-192%**	**-203%**
Net increase /(decrease) in cash and cash equivalents	**391,138**	**1,725,785**	**(347,478)**	**(1,372,106)**	**-213%**	**-226%**
Cash and cash equivalents at start of year	2,020,838	8,449,325	2,610,050	9,903,573	-23%	-15%
Effects of exchange differences on cash and cash equivalents	(446,365)	(1,498,510)	(241,734)	(82,142)	85%	1724%
Cash and cash equivalents at end of the year	**1,965,611**	**8,676,600**	**2,020,838**	**8,449,325**	**-3%**	**3%**

Audited Statement of Changes in Equity

in US$'000

	Share Capital	PPE Revaluation Surplus	Available for Sale Fin. Assets reserves	Currency Translation Reserve	Other Reserves	Retained Earnings	Total equity and reserves attributable	Non-Controlling Interest	Total Equity
At 1 January 2016	**2,029,698**	**137,937**	**(5,175)**	**(1,086,227)**	**740,349**	**529,427**	**2,346,009**	**177,236**	**2,523,245**
Changes in Equity for 2016:									
Foreign currency translation differences	-	-	-	(621,490)	-	-	(621,490)	(3,307)	(624,797)
Net fair value (loss) on available-for-sale financial assets	-	-	(31,477)	-	-	-	(31,477)	-	(31,477)
Property and equipment - net revaluation gain	-	517	-	-	-	-	517	-	517
Remeasurements of post-employment benefit obligations	-	-	-	-	(6,153)	-	(6,153)	-	(6,153)
Loss for the year	-	-	-	-	-	(249,898)	(249,898)	44,940	(204,958)
Total Comprehensive loss for the year	**-**	**517**	**(31,477)**	**(621,490)**	**(6,153)**	**(249,898)**	**(908,501)**	**41,633**	**(866,868)**
Transfer to other group reserve	-	-	-	-	104,281	-	104,281	-	104,281
Dividend relating to 2015	-	-	-	-	-	(48,200)	(48,200)	(32,715)	(80,915)
Treasury shares	70	-	-	-	-	-	70	-	70
Transfer from share option reserve	-	-	-	-	(12,037)	12,037	-	-	-
Transfer to general banking reserves	-	-	-	-	(6,827)	6,827	-	-	-
Transfer to statutory reserve	-	-	-	-	19,346	(19,346)	-	-	-
Conversion of preference shares	84,564	-	-	-	-	-	84,564	-	84,564
Convertible loans - equity component	-	-	-	-	(299)	-	(299)	-	(299)
At 31 December 2016 / 1 January 2017	**2,114,332**	**138,454**	**(36,652)**	**(1,707,717)**	**838,660**	**230,847**	**1,577,924**	**186,154**	**1,764,078**
Changes in Equity for 2017 :									
Foreign currency translation differences	-	-	-	86,814	-	-	86,814	14,358	101,172
Net fair value gain on available-for-sale financial assets	-	-	42,165	-	-	-	42,165	-	42,165
Property and equipment - net revaluation gain	-	3,111	-	-	-	-	3,111	-	3,111
Remeasurements of post-employment benefit obligations	-	-	-	-	(6,064)	-	(6,064)	-	(6,064)
Profit for the year	-	-	-	-	-	178,585	178,585	49,949	228,534
Total Comprehensive Income	**-**	**3,111**	**42,165**	**86,814**	**(6,064)**	**178,585**	**304,611**	**64,307**	**368,917**
Transfer to consolidation reserve	-	-	-	-	130,447	(130,447)	-		-
Dividend relating to 2016	-	-	-	-	-	-	-	(23,378)	(23,378)
Treasury shares	(375)	-	-	-	-	-	(375)	-	(375)
Transfer from share option reserve	-	-	-	-	344	(344)	-	-	-
Minority interest	-	-	-	-	-	-	-	64,256	64,256
Transfer to general banking reserves	-	-	-	-	17,049	(17,049)	-	-	-
Transfer to statutory reserve	-	-	-	-	45,450	(45,450)	-	-	-
Convertible loans - equity component	-	-	-	-	(1,416)		(1,416)	-	(1,416)
At 31 December 2017	**2,113,957**	**141,565**	**5,513**	**(1,620,903)**	**1,024,470**	**216,142**	**1,880,744**	**291,339**	**2,172,083**

Audited Statement of Changes in Equity

in GHC'000

	Share Capital	PPE Revaluation Surplus	Available for Sale Fin. Assets reserves	Currency Translation Reserve	Other Reserves	Retained Earnings	Total equity and reserves attributable	Non-Controlling Interest	Total Equity
At 1 January 2016	**4,203,835**	**309,899**	**(19,517)**	**1,790,856**	**1,936,592**	**680,032**	**8,901,697**	**672,504**	**9,574,201**
Changes in Equity for 2016:									
Foreign currency translation differences	-	-		(1,725,372)	-	-	(1,725,372)	57,550	(1,667,822)
Net fair value (loss) on available-for-sale financial assets	-	-	(124,295)	-	-	-	(124,295)	-	(124,295)
Property and equipment - net revaluation gain	-	2,040	-	-	-	-	2,040	-	2,040
Remeasurements of post-employment benefit obligations	-	-	-	-	(24,296)	-	(24,296)	-	(24,296)
Loss for the year	-	-	-	-	-	(986,785)	(986,785)	177,457	(809,328)
Total Comprehensive loss for the year	**-**	**2,040**	**(124,295)**	**(1,725,372)**	**(24,296)**	**(986,785)**	**(2,858,707)**	**235,007**	**(2,623,700)**
Transfer to other group reserve	-	-	-	-	411,781		411,781	-	411,781
Dividend relating to 2015	-	-	-	-	-	(190,330)	(190,330)	(129,183)	(319,513)
Treasury shares	276	-	-	-		-	276	-	276
Share option reserve exercised	-	-	-	-	(47,532)	47,532	-	-	-
Transfer to general banking reserves	-	-	-	-	(26,956)	26,956	-	-	-
Transfer to statutory reserve	-	-	-	-	76,392	(76,392)	-	-	-
Bonus issue	333,922	-	-	-	-	-	333,922	-	333,922
Convertible loans - equity component	-	-	-	-	(1,181)	-	(1,181)	-	(1,181)
At 31 December 2016 / 1 January 2017	**4,538,034**	**311,939**	**(143,812)**	**65,484**	**2,324,800**	**(498,986)**	**6,597,459**	**778,328**	**7,375,787**
Changes in Equity for 2016 :									
Foreign currency translation differences	-	-	-	751,460	-	-	751,460	106,953	858,413
Net fair value gain on available-for-sale financial assets	-	-	186,040	-	-	-	186,040	-	186,040
Property and equipment - net revaluation gain	-	13,726	-	-	-	-	13,726	-	13,726
Remeasurements of post-employment benefit obligations	-	-	-	-	(26,756)	-	(26,756)	-	(26,756)
Loss for the year	-	-	-	-	-	787,955	787,955	220,384	1,008,339
Total Comprehensive Income	**-**	**13,726**	**186,040**	**751,460**	**(26,756)**	**787,955**	**1,712,425**	**327,338**	**2,039,763**
Transfer to consolidation reserve	-	-	-	-	575,559	(575,559)	-	-	-
Dividend relating to 2016	-	-	-	-	-	-	-	(103,150)	(103,150)
Treasury shares	(1,656)	-	-	-	-	-	(1,656)	-	(1,656)
Share option reserve exercised	-	-	-	-	1,518	(1,518)	-	-	-
Minority interest	-	-	-	-	-	-	-	283,513	283,513
Transfer to general banking reserves	-	-	-	-	75,224	(75,224)	-	-	-
Transfer to statutory reserve	-	-	-	-	200,535	(200,535)	-	-	-
Convertible loans - equity component	-	-	-	-	(6,248)	-	(6,248)	-	(6,248)
At 31 December 2017	**4,536,378**	**325,665**	**42,228**	**816,943**	**3,144,633**	**(563,867)**	**8,301,980**	**1,286,029**	**9,588,009**

DISCLOSURES

1. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

2. The accounting policies applied in the preparation of these financial statements were consistent with those applied in the preparation of the annual consolidated financial statements of 31 December 2017.

3. Contingent liabilities in respect of bankers acceptance, guarantees, letters of credits and commitments to extend credit not provided for in the financial statements were US$3.9 billion (GHC 17.3 billion) (31 Dec 2016: US$ 4.3 billion (GHC 18.1 billion))

CORPORATE ACTION

Proposed Dividend	: 2017:Nil
AGM Date	24th April 2018
AGM Venue	Lome,Togo