



**ECOBANK TRANSNATIONAL INCORPORATED**

**Condensed Unaudited Consolidated Financial Statements**

**For period ended 31 March 2019**

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## Press Release

### Ecobank Group reports performance for First Quarter 2019

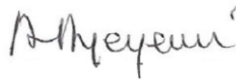
- Gross earnings down 15% to \$551.3 million (down 3% to GHC 2.8 billion)
- Operating profit before impairment losses down 27% to \$131.2 million (down 17% to GHC 659.6 million)
- Profit before tax down 8% to \$102.5 million (up 5% to GHC 515.6 million)
- Profit after tax down 7% to \$84.5 million (up 6% to GHC 425.2 million)
- Total assets down 4% to \$21.8 billion (up 2% to GHC 110.5 billion)
- Loans and advances to customers down 6% to \$8.6 billion (down 1% to GHC 43.6 billion)
- Deposits from customers down 5% to \$15.2 billion (up 1% to GHC 77.2 billion)
- Total equity flat to \$1.8 billion (up 5% to GHC 9.2 billion)

| Financial Highlights   | Period ended<br>31 March 2019 |             | Period ended<br>31 March 2018 |             | % Change |      |
|--|-------------------------------|-------------|-------------------------------|-------------|----------|------|
|  | US\$'000                      | GHC'000     | US\$'000                      | GHC'000     | US\$     | GHC  |
| <b>Income Statement:</b>   |                               |             |                               |             |          |      |
| Gross Earnings   | 551,256                       | 2,772,533   | 649,624                       | 2,867,059   | -15%     | -3%  |
| Revenue  | 388,180                       | 1,952,345   | 464,963                       | 2,052,073   | -17%     | -5%  |
| Operating profit before impairment losses  | 131,152                       | 659,627     | 179,006                       | 790,026     | -27%     | -17% |
| Profit before tax  | 102,517                       | 515,608     | 110,906                       | 489,472     | -8%      | 5%   |
| Profit for the period  | 84,540                        | 425,193     | 91,135                        | 402,216     | -7%      | 6%   |
| Earnings per share from continuing operations attributable to owners of the parent during the period (expressed in United States cents / kobo per share):      |                               |             |                               |             |          |      |
| Basic (cents and pesewas)  | 0.25                          | 1.28        | 0.31                          | 1.38        | -19%     | -8%  |
| Diluted (cents and pesewas)  | 0.25                          | 1.27        | 0.31                          | 1.38        | -19%     | -8%  |
| Earnings per share from discontinued operations attributable to owners of the parent during the period (expressed in United States cents / pesewas per share): |                               |             |                               |             |          |      |
| Basic (cents and pesewas)  | 0.01                          | 0.05        | 0.01                          | 0.01        |          |      |
| Diluted (cents and pesewas)  | 0.01                          | 0.05        | 0.01                          | 0.01        |          |      |
| Financial Highlights   | As at<br>31 March 2019        |             | As at<br>31 December 2018     |             | % Change |      |
|  | US\$'000                      | GHC'000     | US\$'000                      | GHC'000     | US\$     | NGN  |
| <b>Statement of Financial Position:</b>  |                               |             |                               |             |          |      |
| Total assets   | 21,750,625                    | 110,545,376 | 22,582,196                    | 108,846,186 | -4%      | 2%   |
| Loans and advances to customers  | 8,582,705                     | 43,620,740  | 9,168,669                     | 44,192,985  | -6%      | -1%  |
| Deposits from customers  | 15,191,220                    | 77,207,857  | 15,935,999                    | 76,811,515  | -5%      | 1%   |
| Total equity   | 1,806,225                     | 9,179,958   | 1,812,491                     | 8,736,208   | -0.3%    | 5%   |

The financial statements were approved for issue by the board of directors on 24 April 2019.



**Emmanuel Ikazoboh**  
Group Chairman



**Ade Ayeyemi**  
Group Chief Executive Officer



**Greg Davis**  
Group Chief Financial Officer

## Condensed Unaudited Consolidated Statement of Comprehensive Income - USD

|  | 3 Month Period ended<br>31 March 2019 | 3 Month Period ended<br>31 March 2018 | % Change March 2019<br>vs 2018 |
|--|---------------------------------------|---------------------------------------|--------------------------------|
|  | US\$'000                              | US\$'000                              | US\$                           |
| Interest Income  | 322,537                               | 414,031                               | -22%                           |
| Interest Expense   | (150,182)                             | (165,933)                             | -9%                            |
| <b>Net Interest Income</b>   | <b>172,355</b>                        | <b>248,098</b>                        | <b>-31%</b>                    |
| Fee and commission income  | 118,939                               | 124,577                               | -5%                            |
| Fee and commission expense   | (10,292)                              | (18,310)                              | -44%                           |
| Net trading income   | 96,032                                | 112,104                               | -14%                           |
| Other operating income / (loss)  | 11,146                                | (1,506)                               | 840%                           |
| <b>Non-interest revenue</b>  | <b>215,825</b>                        | <b>216,865</b>                        | <b>-0.5%</b>                   |
| <b>Operating income</b>  | <b>388,180</b>                        | <b>464,963</b>                        | <b>-17%</b>                    |
| Staff expenses   | (117,119)                             | (123,904)                             | -5%                            |
| Depreciation and amortisation  | (26,215)                              | (24,682)                              | 6%                             |
| Other operating expenses   | (113,694)                             | (137,371)                             | -17%                           |
| <b>Operating expenses</b>  | <b>(257,028)</b>                      | <b>(285,957)</b>                      | <b>-10%</b>                    |
| <b>Operating profit before impairment losses and taxation</b>  | <b>131,152</b>                        | <b>179,006</b>                        | <b>-27%</b>                    |
| Impairment losses on loans and advances  | (80,587)                              | (85,664)                              | -6%                            |
| Recoveries   | 68,344                                | 24,162                                | 183%                           |
| Impairment charge on other financial assets  | (16,420)                              | (6,654)                               | 147%                           |
| <b>Impairment losses on financial assets</b>   | <b>(28,663)</b>                       | <b>(68,156)</b>                       | <b>-58%</b>                    |
| <b>Operating profit after impairment losses before taxation</b>  | <b>102,489</b>                        | <b>110,850</b>                        | <b>-8%</b>                     |
| Share of profit of associates  | 28                                    | 56                                    | -50%                           |
| <b>Profit before tax</b>   | <b>102,517</b>                        | <b>110,906</b>                        | <b>-8%</b>                     |
| Taxation   | (20,551)                              | (20,133)                              | 2%                             |
| <b>Profit for the period from continuing operations</b>  | <b>81,966</b>                         | <b>90,773</b>                         | <b>-10%</b>                    |
| Profit for the period from discontinued operations   | 2,574                                 | 362                                   | 611%                           |
| <b>Profit for the period</b>   | <b>84,540</b>                         | <b>91,135</b>                         | <b>-7%</b>                     |
| <b>Attributable to:</b>  |                                       |                                       |                                |
| <b>Owners of the parent</b>  | <b>62,410</b>                         | <b>77,076</b>                         | <b>-19%</b>                    |
| - Continuing operations  | 61,020                                | 76,881                                | -21%                           |
| - Discontinued operations  | 1,390                                 | 195                                   | 611%                           |
| <b>Non-controlling interests</b>   | <b>22,130</b>                         | <b>14,059</b>                         | <b>57%</b>                     |
| - Continuing operations  | 20,946                                | 13,892                                | 51%                            |
| - Discontinued operations  | 1,184                                 | 167                                   | 611%                           |
|  | <b>84,540</b>                         | <b>91,135</b>                         | <b>-7%</b>                     |
| Earnings per share from continuing operations attributable to owners of the parent during the period (expressed in United States cents per share):   |                                       |                                       |                                |
| Basic (cents and pesewas)  | 0.25                                  | 0.31                                  | -19%                           |
| Diluted (cents and pesewas)  | 0.25                                  | 0.31                                  | -19%                           |
| Earnings per share from discontinued operations attributable to owners of the parent during the period (expressed in United States cents per share): |                                       |                                       |                                |
| Basic (cents and pesewas)  | 0.01                                  | 0.01                                  | 5%                             |
| Diluted (cents and pesewas)  | 0.01                                  | 0.01                                  | 4%                             |
| <b>Unaudited consolidated statement of comprehensive income</b>  |                                       |                                       |                                |
| <b>Profit for the period</b>   | <b>84,540</b>                         | <b>91,135</b>                         | <b>-7%</b>                     |
| <b>Other comprehensive income</b>  |                                       |                                       |                                |
| <b>Items that may be reclassified to profit or loss:</b>   |                                       |                                       |                                |
| Exchange difference on translation of foreign operations   | (99,827)                              | (107,750)                             | -7%                            |
| Fair value profit / (loss) on debt instruments at FVTOCI   | 14,349                                | (29,039)                              | -149%                          |
| Taxation relating to components of other comprehensive income that may be subsequently reclassified to profit or loss                                | (836)                                 | 1,095                                 | -176%                          |
| <b>Items that will not be reclassified to profit or loss:</b>  |                                       |                                       |                                |
| Property and equipment - net revaluation gain  | -                                     | -                                     |                                |
| Fair value in equity instruments designated at FVTOCI  | -                                     | -                                     |                                |
| Taxation relating to components of other comprehensive income that will not be subsequently reclassified to profit or loss                           | -                                     | -                                     |                                |
| <b>Other comprehensive loss for the period, net of taxation</b>  | <b>(86,315)</b>                       | <b>(135,694)</b>                      | <b>-36%</b>                    |
| <b>Total comprehensive loss for the period</b>   | <b>(1,775)</b>                        | <b>(44,559)</b>                       | <b>-96%</b>                    |
| Total comprehensive (loss) / income attributable to:   |                                       |                                       |                                |
| <b>Owners of the parent</b>  | <b>(13,150)</b>                       | <b>(53,079)</b>                       | <b>-75%</b>                    |
| - Continuing operations  | (14,540)                              | (53,274)                              | -73%                           |
| - Discontinued operations  | 1,390                                 | 195                                   | 611%                           |
| <b>Non-controlling interests</b>   | <b>11,375</b>                         | <b>8,520</b>                          | <b>34%</b>                     |
| - Continuing operations  | 10,191                                | 8,353                                 | 22%                            |
| - Discontinued operations  | 1,184                                 | 167                                   | 611%                           |
|  | <b>(1,775)</b>                        | <b>(44,559)</b>                       | <b>-96%</b>                    |

The above condensed unaudited consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

**Condensed Unaudited Consolidated Statement of Comprehensive Income - GHC**

|  | 3 Month Period ended<br>31 March 2019 | 3 Month Period ended<br>31 March 2018 | % Change March<br>2019 vs 2018 |
|--|---------------------------------------|---------------------------------------|--------------------------------|
|  | <b>GHC'000</b>                        | <b>GHC'000</b>                        |                                |
| Interest Income  | 1,622,194                             | 1,827,290                             | -11%                           |
| Interest Expense   | (755,338)                             | (732,331)                             | 3%                             |
| <b>Net Interest Income</b>   | <b>866,856</b>                        | <b>1,094,959</b>                      | <b>-21%</b>                    |
| Fee and commission income  | 598,202                               | 549,810                               | 9%                             |
| Fee and commission expense   | (51,763)                              | (80,810)                              | -36%                           |
| Net trading income   | 482,991                               | 494,761                               | -2%                            |
| Other operating income/ (loss)   | 56,059                                | (6,647)                               | -943%                          |
| <b>Non-interest revenue</b>  | <b>1,085,489</b>                      | <b>957,114</b>                        | <b>13%</b>                     |
| <b>Operating income</b>  | <b>1,952,345</b>                      | <b>2,052,073</b>                      | <b>-5%</b>                     |
| Staff expenses   | (589,048)                             | (546,840)                             | 8%                             |
| Depreciation and amortisation  | (131,848)                             | (108,932)                             | 21%                            |
| Other operating expenses   | (571,822)                             | (606,275)                             | -6%                            |
| <b>Operating expenses</b>  | <b>(1,292,718)</b>                    | <b>(1,262,047)</b>                    | <b>2%</b>                      |
| <b>Operating profit before impairment losses and taxation</b>  | <b>659,627</b>                        | <b>790,026</b>                        | <b>-17%</b>                    |
| Impairment losses on loans and advances  | (405,311)                             | (378,071)                             | 7%                             |
| Recoveries   | 343,735                               | 106,637                               | 222%                           |
| Impairment charge on other financial assets  | (82,584)                              | (29,367)                              | 181%                           |
| <b>Impairment losses on financial assets</b>   | <b>(144,160)</b>                      | <b>(300,801)</b>                      | <b>-52%</b>                    |
| <b>Operating profit after impairment losses before taxation</b>  | <b>515,467</b>                        | <b>489,225</b>                        | <b>5%</b>                      |
| Share of profit of associates  | 141                                   | 247                                   | -43%                           |
| <b>Profit before tax</b>   | <b>515,608</b>                        | <b>489,472</b>                        | <b>5%</b>                      |
| Taxation   | (103,361)                             | (88,854)                              | 16%                            |
| <b>Profit for the period from continuing operations</b>  | <b>412,247</b>                        | <b>400,618</b>                        | <b>3%</b>                      |
| Profit for the period from discontinued operations   | 12,946                                | 1,598                                 | 710%                           |
| <b>Profit for the period</b>   | <b>425,193</b>                        | <b>402,216</b>                        | <b>6%</b>                      |
| <b>Attributable to:</b>  |                                       |                                       |                                |
| <b>Owners of the parent</b>  | <b>313,891</b>                        | <b>340,168</b>                        | <b>-8%</b>                     |
| - Continuing operations  | 306,900                               | 339,305                               | -10%                           |
| - Discontinued operations  | 6,991                                 | 863                                   | 710%                           |
| <b>Non-controlling interests</b>   | <b>111,302</b>                        | <b>62,048</b>                         | <b>79%</b>                     |
| - Continuing operations  | 105,347                               | 61,313                                | 72%                            |
| - Discontinued operations  | 5,955                                 | 735                                   | 710%                           |
|  | <b>425,193</b>                        | <b>402,216</b>                        | <b>6%</b>                      |
| Earnings per share from continuing operations attributable to owners of the parent during the period (expressed in United States cents per share):   |                                       |                                       |                                |
| Basic (cents)  | 1.28                                  | 1.38                                  | -8%                            |
| Diluted (cents)  | 1.27                                  | 1.38                                  | -8%                            |
| Earnings per share from discontinued operations attributable to owners of the parent during the period (expressed in United States cents per share): |                                       |                                       |                                |
| Basic (cents)  | 0.05                                  | 0.01                                  |                                |
| Diluted (cents)  | 0.05                                  | 0.01                                  |                                |
| <b>Unaudited consolidated statement of comprehensive income</b>  |                                       |                                       |                                |
| <b>Profit for the period</b>   | <b>425,193</b>                        | <b>402,216</b>                        | <b>6%</b>                      |
| <b>Other comprehensive income</b>  |                                       |                                       |                                |
| <b>Items that may be reclassified to profit or loss:</b>   |                                       |                                       |                                |
| Exchange difference on translation of foreign operations   | (26,816)                              | (475,544)                             | -94%                           |
| Fair value profit / (loss) on debt instruments at FVTOCI   | 72,166                                | (128,161)                             | 156%                           |
| Taxation relating to components of other comprehensive income that may be subsequently reclassified to profit or loss                                | (4,206)                               | 4,833                                 | -187%                          |
| <b>Items that will not be reclassified to profit or loss:</b>  |                                       |                                       |                                |
| Property and equipment - net revaluation gain  | -                                     | -                                     |                                |
| Fair value in equity instruments designated at FVTOCI  | -                                     | -                                     |                                |
| Taxation relating to components of other comprehensive income that will not be subsequently reclassified to profit or loss                           | -                                     | -                                     |                                |
| <b>Other comprehensive loss for the period, net of taxation</b>  | <b>41,144</b>                         | <b>(598,872)</b>                      | <b>-107%</b>                   |
| <b>Total comprehensive loss for the period</b>   | <b>466,337</b>                        | <b>(196,656)</b>                      | <b>-337%</b>                   |
| Total comprehensive income attributable to:  |                                       |                                       |                                |
| <b>Owners of the parent</b>  | <b>335,332</b>                        | <b>(234,258)</b>                      | <b>-243%</b>                   |
| - Continuing operations  | 328,341                               | (235,121)                             | -240%                          |
| - Discontinued operations  | 6,991                                 | 863                                   | 710%                           |
| <b>Non-controlling interests</b>   | <b>131,005</b>                        | <b>37,602</b>                         | <b>248%</b>                    |
| - Continuing operations  | 125,050                               | 36,867                                | 239%                           |
| - Discontinued operations  | 5,955                                 | 735                                   | 710%                           |
|  | <b>466,337</b>                        | <b>(196,656)</b>                      | <b>-337%</b>                   |

The above condensed unaudited consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## Condensed Unaudited Consolidated Statement of Financial Position - USD

|   | As at 31 March 2019 | As at 31 December 2018 |
|---|---------------------|------------------------|
|   | <b>US\$'000</b>     | <b>US\$'000</b>        |
| Cash and balances with central banks  | 2,914,884           | 2,797,417              |
| Trading financial assets  | 253,599             | 122,283                |
| Derivative financial instruments  | 46,313              | 49,914                 |
| Loans and advances to banks   | 1,302,484           | 1,717,575              |
| Loans and advances to customers   | 8,582,705           | 9,168,669              |
| Treasury bills and other eligible bills   | 1,533,002           | 1,828,251              |
| Investment securities   | 4,522,134           | 4,568,262              |
| Pledged assets  | 272,359             | 240,434                |
| Other assets  | 887,293             | 739,168                |
| Investment in associates  | 8,210               | 6,147                  |
| Intangible assets   | 274,503             | 278,334                |
| Property and equipment  | 897,870             | 827,165                |
| Investment properties   | 27,838              | 29,787                 |
| Deferred income tax assets  | 129,835             | 118,715                |
|   | <b>21,653,029</b>   | <b>22,492,121</b>      |
| Assets held for sale and discontinued operations                                    | 97,596              | 90,075                 |
| <b>Total Assets</b>   | <b>21,750,625</b>   | <b>22,582,196</b>      |
| Deposits from banks   | 1,539,857           | 1,465,646              |
| Deposits from customers   | 15,191,220          | 15,935,999             |
| Derivative financial instruments  | 29,322              | 29,907                 |
| Debt securities   | 4,525               | -                      |
| Borrowed funds  | 1,956,057           | 2,059,690              |
| Other liabilities   | 900,478             | 996,557                |
| Provisions  | 63,687              | 52,979                 |
| Current income tax liabilities  | 45,030              | 52,076                 |
| Deferred income tax liabilities   | 55,619              | 55,099                 |
| Retirement benefit obligations  | 36,339              | 3,896                  |
|   | <b>19,822,134</b>   | <b>20,651,849</b>      |
| Liabilities held for sale and discontinued operations                               | 122,266             | 117,856                |
| <b>Total Liabilities</b>  | <b>19,944,400</b>   | <b>20,769,705</b>      |
| <b>Equity</b>   |                     |                        |
| <b>Capital and reserves attributable to the equity holders of the parent entity</b> |                     |                        |
| Share capital and premium   | 2,113,957           | 2,113,957              |
| Retained earnings and reserves  | (611,543)           | (577,005)              |
| <b>Shareholders Equity</b>  | <b>1,502,414</b>    | <b>1,536,952</b>       |
| <b>Non-controlling interests</b>  | <b>303,811</b>      | <b>275,539</b>         |
| <b>Total Equity</b>   | <b>1,806,225</b>    | <b>1,812,491</b>       |
| <b>Total Liabilities and Equity</b>   | <b>21,750,625</b>   | <b>22,582,196</b>      |

The above condensed unaudited consolidated statement of financial position should be read in conjunction with the accompanying notes

## Condensed Unaudited Consolidated Statement of Financial Position - GHC

|   | As at 31 March 2019 | As at 31 December 2018 |
|---|---------------------|------------------------|
|   | <b>GHC'000</b>      | <b>GHC'000</b>         |
| Cash and balances with central banks  | 14,814,606          | 13,483,550             |
| Trading financial assets  | 1,288,892           | 589,404                |
| Derivative financial instruments  | 235,381             | 240,585                |
| Loans and advances to banks   | 6,619,745           | 8,278,712              |
| Loans and advances to customers   | 43,620,740          | 44,192,985             |
| Treasury bills and other eligible bills   | 7,791,329           | 8,812,170              |
| Investment securities   | 22,983,294          | 22,019,023             |
| Pledged assets  | 1,384,237           | 1,158,892              |
| Other assets  | 4,509,578           | 3,562,789              |
| Investment in associates  | 41,727              | 29,630                 |
| Intangible assets   | 1,395,134           | 1,341,570              |
| Property and equipment  | 4,563,334           | 3,986,935              |
| Investment properties   | 141,484             | 143,573                |
| Deferred income tax assets  | 659,873             | 572,206                |
|   | <b>110,049,354</b>  | <b>108,412,024</b>     |
| Assets held for sale and discontinued operations                                    | 496,022             | 434,162                |
| <b>Total Assets</b>   | <b>110,545,376</b>  | <b>108,846,186</b>     |
| Deposits from banks   | 7,826,169           | 7,064,414              |
| Deposits from customers   | 77,207,857          | 76,811,515             |
| Derivative financial instruments  | 149,026             | 144,152                |
| Debt securities   | 22,998              | -                      |
| Borrowed funds  | 9,941,464           | 9,927,706              |
| Other liabilities   | 4,576,589           | 4,803,402              |
| Provisions  | 323,683             | 255,359                |
| Current income tax liabilities  | 228,860             | 251,006                |
| Deferred income tax liabilities   | 282,678             | 265,577                |
| Retirement benefit obligations  | 184,689             | 18,779                 |
|   | <b>100,744,013</b>  | <b>99,541,910</b>      |
| Liabilities held for sale and discontinued operations                               | 621,405             | 568,068                |
| <b>Total Liabilities</b>  | <b>101,365,418</b>  | <b>100,109,978</b>     |
| <b>Equity</b>   |                     |                        |
| <b>Capital and reserves attributable to the equity holders of the parent entity</b> |                     |                        |
| Share capital and premium   | 4,536,378           | 4,536,378              |
| Retained earnings and reserves  | 3,099,491           | 2,871,731              |
| <b>Shareholders Equity</b>  | <b>7,635,869</b>    | <b>7,408,109</b>       |
| <b>Non-controlling interests</b>  | <b>1,544,089</b>    | <b>1,328,099</b>       |
| <b>Total Equity</b>   | <b>9,179,958</b>    | <b>8,736,208</b>       |
| <b>Total Liabilities and Equity</b>   | <b>110,545,376</b>  | <b>108,846,186</b>     |

The above condensed unaudited consolidated statement of financial position should be read in conjunction with the accompanying notes

## Condensed Unaudited Consolidated Statement of Changes in Equity - USD

Amounts in US\$'000

|   | Share Capital    | Other Reserves   | Retained Earnings/<br>(Accumulated Deficit) | Total equity and<br>reserves attributable | Non-Controlling<br>Interest | Total Equity     |
|---|------------------|------------------|---|---|-----------------------------|------------------|
| <b>At 1 January 2018</b>                                  | <b>2,113,957</b> | <b>(449,355)</b> | <b>216,142</b>                              | <b>1,880,744</b>                          | <b>291,339</b>              | <b>2,172,083</b> |
| IFRS 9 day 1 adjustment                                   | -                | -                | (278,503)                                   | (278,503)                                 | (20,797)                    | (299,300)        |
| <b>Restated total equity as at 1 January 2018</b>         | <b>2,113,957</b> | <b>(449,355)</b> | <b>(62,361)</b>                             | <b>1,602,241</b>                          | <b>270,542</b>              | <b>1,872,783</b> |
| <b>Changes in Equity for 1 Jan to 31 March 2018:</b>      |                  |                  |   |   |                             |                  |
| Foreign currency translation differences                  | -                | (102,211)        | -   | (102,211)                                 | (5,539)                     | (107,750)        |
| Net changes in equity investment securities, net of taxes | -                | -                | -   | -   | -                           | -                |
| Net changes in debt investment securities, net of taxes   | -                | (27,944)         | -   | (27,944)                                  | -                           | (27,944)         |
| Profit for the period                                     | -                | -                | 77,076                                      | 77,076                                    | 14,059                      | 91,135           |
| <b>Total comprehensive loss for the period</b>            | <b>-</b>         | <b>(130,155)</b> | <b>77,076</b>                               | <b>(53,079)</b>                           | <b>8,520</b>                | <b>(44,559)</b>  |
| Dividend relating to 2017                                 | -                | -                | -   | -   | (1,515)                     | (1,515)          |
| <b>At 31 March 2018</b>                                   | <b>2,113,957</b> | <b>(579,510)</b> | <b>14,715</b>                               | <b>1,549,162</b>                          | <b>277,547</b>              | <b>1,826,709</b> |
| <b>Changes in Equity for 1 April to 31 December 2018:</b> |                  |                  |   |   |                             |                  |
| Foreign currency translation differences                  | -                | (156,197)        | -   | (156,197)                                 | (31,414)                    | (187,611)        |
| Net changes in equity investment securities, net of taxes | -                | 348              | -   | 348                                       | -                           | 348              |
| Net changes in debt investment securities, net of taxes   | -                | (37,321)         | -   | (37,321)                                  | (8,002)                     | (45,323)         |
| Net gains on revaluation of property                      | -                | (4,985)          | -   | (4,985)                                   | -                           | (4,985)          |
| Remeasurements of post-employment benefit obligations     | -                | 1,374            | -   | 1,374                                     | -                           | 1,374            |
| Profit for the year                                       | -                | -                | 184,571                                     | 184,571                                   | 52,943                      | 237,514          |
| <b>Total comprehensive income for the period</b>          | <b>-</b>         | <b>(196,781)</b> | <b>184,571</b>                              | <b>(12,210)</b>                           | <b>13,527</b>               | <b>1,317</b>     |
| Dividend relating to 2017                                 | -                | -                | -   | -   | (15,535)                    | (15,535)         |
| Change in minority interest                               | -                | -                | -   | -   | -                           | -                |
| Transfer to other group reserve                           | -                | 12,591           | (12,591)                                    | -   | -                           | -                |
| Treasury shares   | -                | -                | -   | -   | -                           | -                |
| Transfer to share option reserve                          | -                | 219              | (219)                                       | -   | -                           | -                |
| Transfer from general banking reserves                    | -                | (124,262)        | 124,262                                     | -   | -                           | -                |
| Transfer to statutory reserve                             | -                | 45,376           | (45,376)                                    | -   | -                           | -                |
| Conversion of preference shares                           | -                | -                | -   | -   | -                           | -                |
| <b>At 31 December 2018</b>                                | <b>2,113,957</b> | <b>(842,367)</b> | <b>265,362</b>                              | <b>1,536,952</b>                          | <b>275,539</b>              | <b>1,812,491</b> |
| <b>Changes in Equity for 1 Jan to 31 March 2019:</b>      |                  |                  |   |   |                             |                  |
| Foreign currency translation differences                  | -                | (89,072)         | -   | (89,072)                                  | (10,755)                    | (99,827)         |
| Change in minority ownership                              | -                | (21,388)         | -   | (21,388)                                  | 21,388                      | -                |
| Net changes in equity investment securities, net of taxes | -                | -                | -   | -   | -                           | -                |
| Net changes in debt investment securities, net of taxes   | -                | 13,512           | -   | 13,512                                    | -                           | 13,512           |
| Profit for the period                                     | -                | -                | 62,410                                      | 62,410                                    | 22,130                      | 84,540           |
| <b>Total comprehensive loss for the period</b>            | <b>-</b>         | <b>(96,948)</b>  | <b>62,410</b>                               | <b>(34,538)</b>                           | <b>32,763</b>               | <b>(1,775)</b>   |
| Dividend relating to 2018                                 | -                | -                | -   | -   | (4,491)                     | (4,491)          |
| <b>At 31 March 2019</b>                                   | <b>2,113,957</b> | <b>(939,314)</b> | <b>327,772</b>                              | <b>1,502,414</b>                          | <b>303,811</b>              | <b>1,806,225</b> |

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



### Condensed Unaudited Consolidated Statement of Changes in Equity - GHC

Amounts in GHC '000

|   | Share Capital    | Other Reserves   | Retained Earnings /<br>(Accumulated Deficit) | Total equity and<br>reserves attributable | Non-Controlling<br>Interest | Total Equity     |
|---|------------------|------------------|--|---|-----------------------------|------------------|
| <b>At 1 January 2018</b>                                  | <b>4,536,378</b> | <b>4,329,469</b> | <b>(563,867)</b>                             | <b>8,301,980</b>                          | <b>1,286,029</b>            | <b>9,588,009</b> |
| IFRS 9 day 1 adjustment                                   | -                | -                | (1,325,065)                                  | (1,325,065)                               | (98,947)                    | (1,424,012)      |
| <b>Restated total equity as at 1 January 2018</b>         | <b>4,536,378</b> | <b>4,329,469</b> | <b>(1,888,932)</b>                           | <b>6,976,915</b>                          | <b>1,187,082</b>            | <b>8,163,997</b> |
| <b>Changes in Equity for 1 Jan to 31 March 2018:</b>      |                  |                  |  |   |                             |                  |
| Foreign currency translation differences                  | -                | (466,354)        | -  | (466,354)                                 | (27,366)                    | (493,720)        |
| Net changes in equity investment securities, net of taxes | -                | -                | -  | -   | -                           | -                |
| Net changes in debt investment securities, net of taxes   | -                | (123,328)        | -  | (123,328)                                 | -                           | (123,328)        |
| Profit for the period                                     | -                | -                | 340,168                                      | 340,168                                   | 62,048                      | 402,216          |
| <b>Total comprehensive loss for the period</b>            | <b>-</b>         | <b>(589,682)</b> | <b>340,168</b>                               | <b>(249,514)</b>                          | <b>34,682</b>               | <b>(214,832)</b> |
| Dividend relating to 2017                                 | -                | -                | -  | -   | (6,685)                     | (6,685)          |
| <b>At 31 March 2018</b>                                   | <b>4,536,378</b> | <b>3,739,787</b> | <b>(1,548,764)</b>                           | <b>6,727,401</b>                          | <b>1,215,079</b>            | <b>7,942,480</b> |
| <b>Changes in Equity for 1 April to 31 December 2018:</b> |                  |                  |  |   |                             |                  |
| Foreign currency translation differences                  | -                | 27,730           | -  | 27,730                                    | (18,190)                    | 9,540            |
| Net changes in equity investment securities, net of taxes | -                | 1,680            | -  | 1,680                                     | -                           | 1,680            |
| Net changes in debt investment securities, net of taxes   | -                | (191,250)        | -  | (191,250)                                 | (38,570)                    | (229,820)        |
| Net gains on revaluation of property                      | -                | (24,028)         | -  | (24,028)                                  | -                           | (24,028)         |
| Remeasurements of post-employment benefit obligations     | -                | 6,623            | -  | 6,623                                     | -                           | 6,623            |
| Profit for the year                                       | -                | -                | 859,953                                      | 859,953                                   | 245,275                     | 1,105,228        |
| <b>Total comprehensive income for the period</b>          | <b>-</b>         | <b>(179,245)</b> | <b>859,953</b>                               | <b>680,708</b>                            | <b>188,515</b>              | <b>869,223</b>   |
| Dividend relating to 2017                                 | -                | -                | -  | -   | (75,495)                    | (75,495)         |
| Change in minority interest                               | -                | -                | -  | -   | -                           | -                |
| Transfer to other group reserve                           | -                | 60,689           | (60,689)                                     | -   | -                           | -                |
| Treasury shares   | -                | 1,058            | (1,058)                                      | -   | -                           | -                |
| Transfer to share option reserve                          | -                | -                | -  | -   | -                           | -                |
| Transfer from general banking reserves                    | -                | (598,944)        | 598,944                                      | -   | -                           | -                |
| Transfer to statutory reserve                             | -                | 218,712          | (218,712)                                    | -   | -                           | -                |
| Conversion of preference shares                           | -                | -                | -  | -   | -                           | -                |
| <b>At 31 December 2018</b>                                | <b>4,536,378</b> | <b>3,242,057</b> | <b>(370,326)</b>                             | <b>7,408,109</b>                          | <b>1,328,099</b>            | <b>8,736,208</b> |
| <b>Changes in Equity for 1 Jan to 31 March 2019:</b>      |                  |                  |  |   |                             |                  |
| Foreign currency translation differences                  | -                | (46,519)         | -  | (46,519)                                  | 19,703                      | (26,816)         |
| Change in minority ownership                              | -                | (107,572)        | -  | (107,572)                                 | 107,572                     | -                |
| Net changes in equity investment securities, net of taxes | -                | -                | -  | -   | -                           | -                |
| Net changes in debt investment securities, net of taxes   | -                | 67,960           | -  | 67,960                                    | -                           | 67,960           |
| Profit for the period                                     | -                | -                | 313,891                                      | 313,891                                   | 111,302                     | 425,193          |
| <b>Total comprehensive income for the period</b>          | <b>-</b>         | <b>(86,131)</b>  | <b>313,891</b>                               | <b>227,760</b>                            | <b>238,577</b>              | <b>466,337</b>   |
| Dividend relating to 2018                                 | -                | -                | -  | -   | (22,587)                    | (22,587)         |
| <b>At 31 March 2019</b>                                   | <b>4,536,378</b> | <b>3,155,926</b> | <b>(56,435)</b>                              | <b>7,635,869</b>                          | <b>1,544,089</b>            | <b>9,179,958</b> |

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Condensed Unaudited Consolidated Statement of Cash Flows - USD**

|  | 3 Month Period ended 31 March<br>2019 | 3 Month Period ended 31 March<br>2018 |
|--|---------------------------------------|---------------------------------------|
|  | US\$'000                              | US\$'000                              |
| <b>Cash flows from operating activities</b>                    |                                       |                                       |
| Profit before tax  | 102,517                               | 110,906                               |
| Adjusted for:  |                                       |                                       |
| Foreign exchange income  | (55,972)                              | 4,623                                 |
| Net (gain) /loss from investment securities                    | -                                     | -                                     |
| Fair value (gain)/loss on investment properties                | -                                     | -                                     |
| Impairment losses on loans and advances                        | 12,243                                | 61,502                                |
| Impairment losses on other financial assets                    | 16,420                                | 6,654                                 |
| Depreciation of property and equipment                         | 21,078                                | 19,869                                |
| Net interest income  | (172,355)                             | (248,098)                             |
| Interest expense on lease liabilities                          | 875                                   | -                                     |
| Amortisation of software and other intangibles                 | 5,137                                 | 4,813                                 |
| Profit / (loss ) on sale of property and equipment             | 58                                    | (287)                                 |
| Share of profit of associates                                  | (28)                                  | (56)                                  |
| Income taxes paid  | (45,376)                              | (26,010)                              |
| <b>Changes in operating assets and liabilities</b>             |                                       |                                       |
| Trading financial assets                                       | (131,316)                             | (23,577)                              |
| Derivative financial instruments                               | 3,601                                 | 12,828                                |
| Treasury bills and other eligible bills                        | 221,641                               | (300,268)                             |
| Loans and advances to banks                                    | 23,147                                | 92,286                                |
| Loans and advances to customers                                | 615,545                               | 33,966                                |
| Pledged assets   | (31,925)                              | 6,054                                 |
| Other assets   | (148,125)                             | (243,471)                             |
| Mandatory reserve deposits with central banks                  | (200,757)                             | (95,538)                              |
| Deposits from banks  | 96,042                                | -                                     |
| Deposits from customers  | (744,779)                             | 258,386                               |
| Derivative liabilities   | (585)                                 | (7,483)                               |
| Other liabilities  | (32,394)                              | 434,605                               |
| Provisions   | 10,708                                | 4,025                                 |
| Interest received  | 322,537                               | 414,031                               |
| Interest paid  | (150,182)                             | (165,933)                             |
| <b>Net cashflow (used in) / from operating activities</b>      | <b>(262,245)</b>                      | <b>353,827</b>                        |
| <b>Cash flows from investing activities</b>                    |                                       |                                       |
| Purchase of software   | (3,575)                               | (14,115)                              |
| Purchase of property and equipment                             | (10,852)                              | (72,725)                              |
| Proceeds from sale of property and equipment                   | 4,053                                 | -                                     |
| Purchase of investment securities                              | (494,900)                             | -                                     |
| Purchase of investment properties                              | -                                     | -                                     |
| Disposal of investment properties                              | -                                     | -                                     |
| Proceeds from sale and redemption of investment securities     | 554,836                               | 86,612                                |
| <b>Net cashflow from / (used in) investing activities</b>      | <b>49,562</b>                         | <b>(228)</b>                          |
| <b>Cash flows from financing activities</b>                    |                                       |                                       |
| Repayment of borrowed funds                                    | (355,483)                             | 71,011                                |
| Proceeds from borrowed funds                                   | 188,165                               | -                                     |
| Proceeds of subscription of ordinary shares                    | -                                     | -                                     |
| Proceeds from sale of treasury shares                          | -                                     | -                                     |
| Dividends paid to non-controlling shareholders                 | (4,491)                               | (1,515)                               |
| Dividends paid to owners of the parent                         | -                                     | -                                     |
| <b>Net cashflow (used in) / from financing activities</b>      | <b>(171,809)</b>                      | <b>69,496</b>                         |
| <b>Net (decrease ) / increase in cash and cash equivalents</b> | <b>(384,492)</b>                      | <b>423,095</b>                        |
| Cash and cash equivalents at beginning of period               | 2,141,855                             | 1,965,611                             |
| Effects of exchange differences on cash and cash equivalents   | (142,519)                             | (45,044)                              |
| <b>Cash and cash equivalents at end of the period</b>          | <b>1,614,844</b>                      | <b>2,343,662</b>                      |

The above condensed unaudited consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**Condensed Unaudited Consolidated Statement of Cash Flows - GHC**

|   | 3 Month Period ended 31 March<br>2019 | 3 Month Period ended 31 March<br>2018 |
|---|---------------------------------------|---------------------------------------|
|   | <b>GHC'000</b>                        | <b>GHC'000</b>                        |
| <b>Cash flows from operating activities</b>                   |                                       |                                       |
| Profit before tax   | 515,608                               | 489,472                               |
| Adjusted for:   |                                       |                                       |
| Foreign exchange income                                       | (281,510)                             | 20,403                                |
| Net loss from investment securities                           | -                                     | -                                     |
| Fair value (gain)/loss on investment properties               | -                                     | -                                     |
| Impairment losses on loans and advances                       | 61,576                                | 271,434                               |
| Impairment losses on other financial assets                   | 82,584                                | 29,367                                |
| Depreciation of property and equipment                        | 106,011                               | 87,690                                |
| Net interest income   | (866,856)                             | (1,094,959)                           |
| Interest expense on lease liabilities                         | 4,401                                 | -                                     |
| Amortisation of software and other intangibles                | 25,837                                | 21,242                                |
| Profit / (loss) on sale of property and equipment             | 292                                   | (1,267)                               |
| Share of profit of associates                                 | (141)                                 | (247)                                 |
| Income taxes paid   | (228,218)                             | (114,793)                             |
| <b>Changes in operating assets and liabilities</b>            |                                       |                                       |
| Trading financial assets                                      | (660,451)                             | (104,055)                             |
| Derivative financial instruments                              | 18,111                                | 56,615                                |
| Treasury bills and other eligible bills                       | 1,114,741                             | (1,325,207)                           |
| Loans and advances to banks                                   | 116,417                               | 407,296                               |
| Loans and advances to customers                               | 3,095,873                             | 149,906                               |
| Pledged assets  | (160,566)                             | 26,719                                |
| Other assets  | (744,992)                             | (1,074,538)                           |
| Mandatory reserve deposits with central banks                 | (1,009,705)                           | (421,649)                             |
| Deposits from banks   | 483,042                               | -                                     |
| Deposits from customers                                       | (3,745,853)                           | 1,140,364                             |
| Derivative liabilities  | (2,942)                               | (33,026)                              |
| Other liabilities   | (162,925)                             | 1,918,092                             |
| Provisions  | 53,856                                | 17,764                                |
| Interest received   | 1,622,194                             | 1,827,290                             |
| Interest paid   | (755,338)                             | (732,331)                             |
| <b>Net cashflow (used in) / from operating activities</b>     | <b>(1,318,954)</b>                    | <b>1,561,582</b>                      |
| <b>Cash flows from investing activities</b>                   |                                       |                                       |
| Purchase of software  | (17,980)                              | (62,295)                              |
| Purchase of property and equipment                            | (54,580)                              | (320,966)                             |
| Proceeds from sale of property and equipment                  | 20,384                                | -                                     |
| Purchase of investment securities                             | (2,489,091)                           | -                                     |
| Purchase of investment properties                             | -                                     | -                                     |
| Disposal of investment properties                             | -                                     | -                                     |
| Proceeds from sale and redemption of securities               | 2,790,538                             | 382,255                               |
| <b>Net cashflow from / (used in) investing activities</b>     | <b>249,271</b>                        | <b>(1,006)</b>                        |
| <b>Cash flows from financing activities</b>                   |                                       |                                       |
| Repayment of borrowed funds                                   | (1,787,895)                           | 313,401                               |
| Proceeds from borrowed funds                                  | 946,373                               | -                                     |
| Proceeds of subscription of ordinary shares                   | -                                     | -                                     |
| Proceeds from sale of treasury shares                         | -                                     | -                                     |
| Dividends paid to non-controlling shareholders                | (22,587)                              | (6,687)                               |
| <b>Net cashflow (used in) / from financing activities</b>     | <b>(864,109)</b>                      | <b>306,714</b>                        |
| <b>Net (decrease) / increase in cash and cash equivalents</b> | <b>(1,933,792)</b>                    | <b>1,867,290</b>                      |
| Cash and cash equivalents at beginning of period              | 10,323,741                            | 8,676,600                             |
| Effects of exchange differences on cash and cash equivalents  | (182,666)                             | (221,466)                             |
| <b>Cash and cash equivalents at end of the period</b>         | <b>8,207,283</b>                      | <b>10,322,424</b>                     |

The above condensed unaudited consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## Notes

### 1 General information

Ecobank Transnational Incorporated (ETI) and its subsidiaries (together, 'the Group') provide retail, corporate and investment banking services throughout Sub Saharan Africa outside South Africa. The Group had operations in 40 countries and employed over 15,563 people as at 31 March 2019 (31 March 2018: 16,048).

Ecobank Transnational Incorporated is a limited liability company and is incorporated and domiciled in the Republic of Togo. The address of its registered office is as follows: 2365 Boulevard du Mono, Lomé, Togo. The company has a primary listing on the Ghana Stock Exchange, the Nigerian Stock Exchange and the Bourse Regionale Des Valeurs Mobilières (Abidjan) Cote D'Ivoire.

The condensed consolidated interim financial statements for the period ended 31 March 2019 have been approved by the Board of Directors on 24 April 2019.

### 2 Summary of significant accounting policies

This note provides a list of the significant changes in accounting policies adopted in the preparation of these condensed consolidated interim financial statements to the extent they have not already been disclosed elsewhere. These policies have been consistently applied to all the periods presented, unless otherwise stated. The notes also highlight new standards and interpretations issued at the time of preparation of the condensed consolidated interim financial statements and their potential impact on the Group. For a full list of the accounting policies used to prepare the financial statements, we refer the readers to the Group annual financial statements for the year ended 31 December 2018. These have remained unchanged except for as stated below. The financial statements are for the Group consisting of Ecobank Transnational Incorporated and its subsidiaries.

#### 2.1 Basis of presentation

The Group's unaudited condensed consolidated interim financial statements ('Condensed Financial Statements') for the period ended 31 March 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting. These Condensed Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the audited 31 December 2018 Annual Consolidated Financial Statements and the accompanying notes included on pages 178 to 296 in our 2018 Annual Report. The Condensed Financial Statements have been prepared on a going concern basis.

Except as indicated below, the Condensed Financial Statements have been prepared using the same accounting policies and methods used in preparation of our audited 2018 Annual Consolidated Financial Statements. Our significant accounting policies and future changes in accounting policies and disclosures that are not yet effective for us are described in Note 2.3 of our audited 2018 Annual Consolidated Financial Statements.

#### New and amended standards adopted by the Group

In the current period, the Group has applied a number of amendments to IFRS issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2019. These include:

##### (a) IFRS 16: Leases

The International Accounting Standards Board (IASB) published a new accounting standard on leases namely International Financial Reporting Standard (IFRS) 16. IFRS 16 was effective January 1, 2019 and replaced International Accounting Standard (IAS) 17 on Leases. IFRS 16 is envisaged to improve the quality of financial reporting for companies with material off balance sheet leases.

Under IFRS 16, the accounting treatment of leases by lessees has fundamentally changed. IFRS 16 eliminates the previous dual accounting model for lessees, which distinguished between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. For lessees, the lease becomes an on-balance sheet liability that attracts interest, together with a new asset (right of use (ROU)) on the other side of the balance sheet.

Lessor accounting remains similar to current practice – i.e. lessors continue to classify leases as finance and operating leases.

The Group adopted IFRS 16 effective 1 January 2019. The Group had to change its accounting policies as a result of adopting IFRS 16 Leases. Refer to change in accounting policy below.

##### (b) Amendment to IAS 19 Employee Benefits

The amendment relates to defined benefit plan changes, such as plan amendment, curtailment and settlement. The standard already required that in each of these changes, the company should remeasure its defined benefit plan liability. However, IAS 19 update prescribes that the company must use the same assumptions for calculating its current service cost and the net interest for the period after the change as it had used for the remeasurement itself (no original assumptions). IAS 19 update also clarified the impact of plan changes (amendment, curtailment or settlement) on asset ceiling. The impact on the group is not significant.

##### (c) Amendment to IAS 23 Borrowing Costs

The amendment to IAS 23 clarified that if any specific borrowing remains outstanding after the related asset is ready, then this borrowing becomes a part of general borrowings. This means that in calculating the capitalization rate on general borrowings, companies should take into account specific borrowing on completed asset (if outstanding). The impact on the group is not significant.

##### (d) Amendment to IAS 12 Income Taxes

The amendment to IAS 12 Income Taxes provides clarification on the recognition and measurement of current and deferred taxes on dividends. The impact on the group is not significant.

##### (e) Amendments to IFRS 3 Business Combinations and IFRS 11 Joint Operations

Both amendments are closely related and deal with the changes in a group composition. More specifically, if an entity obtains control of another entity that was joint operation (i.e. joint operation becomes subsidiary), then the parent is required to remeasure previously held interest in the subsidiary. If an entity obtains joint control of another entity that is a joint operation, then the investor is not required to remeasure previously held interest in the joint operation. The impact on the group is not significant.

Notes

**2.2 Change in accounting policies**

This note explains the impact of the adoption of IFRS 16 Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 January 2019. The Group has adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

*Adoption of IFRS 16 by the Group*

The group adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the modified retrospective transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The impact to the Group has been a growth in the Group's balance sheet as result of the recognition on balance sheet of the previously unrecognised lease liability as well as the ROU. There has also been a change to both the expense character (rent expenses replaced with depreciation and interest expense) and recognition pattern (acceleration of lease expense relative to the recognition pattern for operating leases today). Both the changes to the balance sheet as well as the ones to the income statement are not material to the group.

For leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases, on adoption, the group recognised a ROU (the present value of the lease payments due) arising from existing leases as at 1 January 2019 at \$70.017million (or 0.37% of the group's assets). The Group also recognised lease liability (a financial liability representing its obligation to make future lease) as it is anticipated the contractual lease payments will be made over time. These liabilities were measured at the present value of the remaining lease payments, discounted using the respective affiliate's incremental borrowing rate as of 1 January 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 6.85%. These liabilities amounted to \$71.317 million (or 0.4% of the group's liabilities).

On adoption, the Group elected to apply the following key decisions:

There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date.

In applying IFRS 16 for the first time, the group has used the following practical expedients and exemptions permitted by the standard:

*a) Transition approach:* The group elected the modified retrospective approach as provided for in the standard. Under this approach, the right-of-use asset is recognised at the date of initial application (1 January 2019) at an amount equal to the lease liability (determined based on the remaining payments) adjusted for any accrued or prepaid amounts recognised under IAS 17. Comparative figures are not restated and as result no impact on equity was recorded at the date of initial application.

*b) Lease definition on transition:* The Group applied the practical expedient to 'grandfather' previous assessment of which existing contracts are, or contain, leases. In doing this, IFRS 16 was applied to leases previously identified in accordance with IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease. Additionally, the IFRS 16 definition of a lease is applied to assess whether contracts entered into after the date of initial application of the new standard are, or contain, leases.

*c) Recognition exemptions:* On transition and subsequently, the Group has elected to apply the two recognition exemptions provided for under the standard. These are the short-term lease exemption and the low-value items exemptions. The election for short-term leases is made by class of underlying asset, whereas the election for leases of low-value assets is made on a lease-by-lease basis. Additionally, the Group also chose to apply the additional practical expedient for leases with a remaining term of 12 months or less on transition date.

*d) Discount rate:* The use of a single discount rate to a portfolio of leases with reasonably similar characteristics

*e) Onerous Leases:* Reliance on previous assessments on whether leases are onerous

*f) Indirect costs:* The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and

*g) Extensions and terminations:* The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

**The group's leasing activities and how these are accounted for under IFRS 16**

The group leases various offices, branches, houses, ATM locations, equipment and cars. Rental contracts are typically made for fixed periods of 1 to 65 years but may have extension options as described in (ii) below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the affiliate's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment, copiers and other small items of office furniture.

Notes

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

**3 Critical accounting estimates, and judgements in applying accounting policies**

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Except as indicated below, the critical accounting estimates, and judgements exercised in applying accounting policies in these Condensed Financial Statements are consistent to those used in preparation of our audited 2018 Annual Consolidated Financial Statements which can be found in note 3 on page 207-208 of our 2018 Annual Report.

*a) Determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group.

**4 Significant Events and Transactions**

Information on events and transactions affecting Group were presented in our annual report for the year ended 31 December 2018. Updates to these events and transactions are contained in the Ecobank 1Q 2018 Results Earnings Release that is available for download on our website through the following link:  
<https://www.ecobank.com/Group/investor-relations>.

Losses recognised on impairment of financial assets are disclosed in note 12 to these Condensed Financial Statements.

Details of the Group's principles, methodology, valuation techniques and level of inputs used in the valuation of the Group's financial instruments are contained in the Group's annual financial statements for the year ended 31 December 2018. There have been no significant change to these principles, methodology, valuation techniques and level of inputs used in the valuation of the Group's financial instruments for the period ended 31 March 2019. There have been no changes in the business or economic circumstances that affect the fair value of the entity's financial assets and financial liabilities.

There have no other significant events or transactions in the period that have had a significant impact on the financial position or performance of the Group during the 3 month period ended 31 March 2019 other than as disclosed above.

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

**5 Fair value of financial assets and liabilities**

(a) Financial instruments not measured at fair value

The table below summarises the carrying amounts and fair values of those financial assets and liabilities not measured at fair value on the group's consolidated statement of financial position.

|   | Carrying value |             | Fair value  |             |
|---|----------------|-------------|-------------|-------------|
|   | 31 Mar 2019    | 31 Dec 2018 | 31 Mar 2019 | 31 Dec 2018 |
| <b>Financial assets:</b>                      |                |             |             |             |
| Cash and balances with central banks          | 2,914,884      | 2,797,417   | 2,914,884   | 2,797,417   |
| Loans and advances to banks                   | 1,302,484      | 1,717,575   | 1,282,909   | 1,691,762   |
| Loans and advances to customers               | 8,582,705      | 9,168,669   | 8,433,065   | 9,008,813   |
| Other assets (excluding prepayments)          | 710,873        | 715,178     | 710,873     | 715,178     |
| <b>Financial liabilities:</b>                 |                |             |             |             |
| Deposits from banks                           | 1,539,857      | 1,465,646   | 2,205,566   | 2,099,272   |
| Deposit from customers                        | 15,191,220     | 15,935,999  | 14,554,351  | 15,267,906  |
| Other liabilities (excluding deferred income) | 1,045,534      | 939,403     | 1,045,534   | 939,403     |
| Borrowed funds                                | 1,956,057      | 2,059,690   | 1,950,963   | 2,054,326   |

**(i) Cash**

The carrying amount of cash and balances with banks is a reasonable approximation of fair value

**(ii) Loans and advances to banks**

Loans and advances to banks include inter-bank placements and items in the course of collection. The carrying amount of floating rate placements and overnight deposits is a reasonable approximation of fair value. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity.

**(iii) Loans and advances to customers**

Loans and advances are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

**(iv) Deposit from banks, due to customers and other deposits**

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity. For those notes where quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining term to maturity.

**(v) Other assets**

The bulk of these financial assets have short term (less than 12 months) maturities and their amounts are a reasonable approximation of fair value

**(vi) Other liabilities**

The carrying amount of financial liabilities in other liabilities is a reasonable approximation of fair value as these are short term in nature

**(b) Fair value hierarchy**

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

|   | 31 March 2019    |                  |           | 31 December 2018 |                  |           |
|---|------------------|------------------|-----------|------------------|------------------|-----------|
|   | Level 1          | Level 2          | Level 3   | Level 1          | Level 2          | Level 3   |
| Treasury and other eligible bills                           | 588,627          | 944,375          | -         | 701,994          | 1,126,257        | -         |
| Trading Financial Assets/ Financial Assets held for trading | 200,128          | 53,471           | -         | 96,500           | 25,783           | -         |
| Derivative financial instruments                            | -                | 46,313           | -         | -                | 49,914           | -         |
| Pledged assets  | -                | 272,359          | -         | -                | 240,434          | -         |
| Equity investment securities                                | -                | -                | -         | -                | -                | -         |
| Debt investment securities                                  | -                | -                | -         | -                | -                | -         |
| Investment securities                                       | 2,052,100        | 2,469,945        | 90        | 2,073,032        | 2,495,140        | 90        |
| <b>Total financial assets</b>                               | <b>2,840,855</b> | <b>3,786,463</b> | <b>90</b> | <b>2,871,526</b> | <b>3,937,528</b> | <b>90</b> |
| Derivative financial instruments                            | -                | 29,322           | -         | -                | 29,907           | -         |
| <b>Total financial liabilities</b>                          | <b>-</b>         | <b>29,322</b>    | <b>-</b>  | <b>-</b>         | <b>29,907</b>    | <b>-</b>  |

There are no movements between Level 1 and Level 2. The following table presents the changes in Level 3 instruments for the available for sale securities:

5 Fair value of financial assets and liabilities (continued)

|  | 31 March 2019 | 31 Dec 2018 |
|--|---------------|-------------|
|  | Level 3       | Level 3     |
| Opening balance  | 90            | 60,165      |
| Transfer from level 3 to level 2   | -             | (60,075)    |
| Gains & losses recognised in other comprehensive income  | -             | -           |
| Closing balance  | <u>90</u>     | <u>90</u>   |
| Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period | -             | -           |

Level 3 fair value measurement

The table below sets out information about significant unobservable value inputs used at year end in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

| Type of financial instrument | Fair value as at 31 March 2019 | Valuation technique  | Significant unobservable input   | Change in unobservable input by 10 basis point | Change in unobservable input by 50 basis point |
|------------------------------|--------------------------------|----------------------|----------------------------------|--|--|
| OCEANIC HEALTH MANAGEMENT    | 90                             | Discounted cash flow | Weighted average cost of capital | 91   | 95   |

(c) Financial instrument classification

At 31 March 2019

Assets

|  | Amortised cost    | FVTPL          | FVTOCI - Debt Instruments | Equity Instruments at FVTPL | FVTOCI - Equity instruments | Liabilities at fair value through profit or loss | Liabilities at amortized cost | Total             |
|--|-------------------|----------------|---------------------------|-----------------------------|-----------------------------|--|-------------------------------|-------------------|
| Cash and balances with central banks       | 2,914,884         | -              | -                         | -                           | -                           | -  | -                             | 2,914,884         |
| Trading financial assets                   | -                 | 253,599        | -                         | -                           | -                           | -  | -                             | 253,599           |
| Derivative financial instruments           | -                 | 46,313         | -                         | -                           | -                           | -  | -                             | 46,313            |
| Loans and advances to banks                | 1,302,484         | -              | -                         | -                           | -                           | -  | -                             | 1,302,484         |
| Loans and advances to customers            | 8,582,705         | -              | -                         | -                           | -                           | -  | -                             | 8,582,705         |
| Treasury bills and other eligible bills    | -                 | -              | 1,533,002                 | -                           | -                           | -  | -                             | 1,533,002         |
| Investment securities - Equity instruments | -                 | -              | -                         | 3,512                       | 57                          | -  | -                             | 3,569             |
| Investment securities - Debt instruments   | -                 | -              | 4,518,565                 | -                           | -                           | -  | -                             | 4,518,565         |
| Pledged assets                             | 272,359           | -              | -                         | -                           | -                           | -  | -                             | 272,359           |
| Other assets, excluding prepayments        | 710,873           | -              | -                         | -                           | -                           | -  | -                             | 710,873           |
| <b>Total</b>                               | <b>13,783,305</b> | <b>299,912</b> | <b>6,051,567</b>          | <b>3,512</b>                | <b>57</b>                   | <b>-</b>   | <b>-</b>                      | <b>20,138,353</b> |

Liabilities

|  |          |          |          |          |          |               |                   |                   |
|--|----------|----------|----------|----------|----------|---------------|-------------------|-------------------|
| Deposits from banks                                    | -        | -        | -        | -        | -        | -             | 1,539,857         | 1,539,857         |
| Deposit from customers                                 | -        | -        | -        | -        | -        | -             | 15,191,220        | 15,191,220        |
| Derivative financial instruments                       | -        | -        | -        | -        | -        | 29,322        | -                 | 29,322            |
| Borrowed funds   | -        | -        | -        | -        | -        | -             | 1,956,057         | 1,956,057         |
| Other liabilities, excluding non-financial liabilities | -        | -        | -        | -        | -        | -             | 850,495           | 850,495           |
| <b>Total</b>   | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>29,322</b> | <b>19,537,629</b> | <b>19,566,951</b> |

31 December 2018

Assets

|  | Amortised cost    | FVTPL          | FVTOCI - Debt Instruments | Equity Instruments at FVTPL | FVTOCI - Equity instruments | Liabilities at fair value through profit or loss | Liabilities at amortized cost | Total             |
|--|-------------------|----------------|---------------------------|-----------------------------|-----------------------------|--|-------------------------------|-------------------|
| Cash and balances with central banks       | 2,797,417         | -              | -                         | -                           | -                           | -  | -                             | 2,797,417         |
| Trading financial assets                   | -                 | 122,283        | -                         | -                           | -                           | -  | -                             | 122,283           |
| Derivative financial instruments           | -                 | 49,914         | -                         | -                           | -                           | -  | -                             | 49,914            |
| Loans and advances to banks                | 1,717,575         | -              | -                         | -                           | -                           | -  | -                             | 1,717,575         |
| Loans and advances to customers            | 9,168,669         | -              | -                         | -                           | -                           | -  | -                             | 9,168,669         |
| Treasury bills and other eligible bills    | -                 | -              | 1,828,251                 | -                           | -                           | -  | -                             | 1,828,251         |
| Investment securities - Equity instruments | -                 | -              | -                         | 5,518                       | 90                          | -  | -                             | 5,608             |
| Investment securities - Debt instruments   | -                 | -              | 4,563,603                 | -                           | -                           | -  | -                             | 4,563,603         |
| Pledged assets                             | 240,434           | -              | -                         | -                           | -                           | -  | -                             | 240,434           |
| Other assets, excluding prepayments        | 715,178           | -              | -                         | -                           | -                           | -  | -                             | 715,178           |
| <b>Total</b>                               | <b>14,639,273</b> | <b>172,197</b> | <b>6,391,854</b>          | <b>5,518</b>                | <b>90</b>                   | <b>-</b>   | <b>-</b>                      | <b>21,208,932</b> |

Liabilities

|  |          |          |          |          |          |               |                   |                   |
|--|----------|----------|----------|----------|----------|---------------|-------------------|-------------------|
| Deposits from banks                                    | -        | -        | -        | -        | -        | -             | 1,465,646         | 1,465,646         |
| Deposit from customers                                 | -        | -        | -        | -        | -        | -             | 15,935,999        | 15,935,999        |
| Derivative financial instruments                       | -        | -        | -        | -        | -        | 29,907        | -                 | 29,907            |
| Borrowed funds   | -        | -        | -        | -        | -        | -             | 2,059,690         | 2,059,690         |
| Other liabilities, excluding non-financial liabilities | -        | -        | -        | -        | -        | -             | 939,403           | 939,403           |
| <b>Total</b>   | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>29,907</b> | <b>20,400,738</b> | <b>20,430,645</b> |



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

## 6 Capital Management

The Group's objectives in managing capital are:

- To comply with the capital requirements set by regulators in the markets where the Group's entities operate and safeguard the Group's ability to continue as a going concern;
- To maintain a strong capital base that supports the development of the business; and
- To sustain a sufficient level of returns for the Group's shareholders.

On a consolidated basis, the Group is required to comply with capital requirements set by the BCEAO for banks headquartered in the UEMOA zone. On a standalone basis, banking subsidiaries are required to maintain minimum capital levels and minimum capital adequacy ratios which are determined by their national or regional regulators.

The Group's capital is divided into two tiers:

- Tier 1 capital share capital (net of treasury shares), retained earnings, reserves created by appropriations of retained earnings, and non-controlling interests allowed as Tier 1 capital by the regulator. Certain intangibles and goodwill are deducted in calculating Tier 1 capital; and
- Tier 2 capital subordinated debt and other loss-absorbing instruments, certain revaluation reserves, and noncontrolling interests allowed as Tier 2 capital by the regulator.

Risk-weighted assets are calculated in accordance with regulatory guidelines. Credit risk-weighted assets are measured by applying a hierarchy of risk weights related to the nature of the risks associated with each of the Group's on- and off-balance sheet asset classes. Operational risk weighted assets are calculated by applying a scaling factor to the Group's average gross income over the last three years. Market risk-weighted assets are calculated by applying factors to the Group's trading exposures to foreign currencies, interest rates, and prices.

Prior to 1 January 2018, the Group's consolidated capital adequacy ratios were calculated voluntarily based on Basel 1 guidelines. Following the adoption of Basel 2/3 regulations in UEMOA in 2018, a parallel calculation as at 31 December 2017 was performed according to Basel 2/3 standardized rules. The change in calculation methodology resulted in substantially lower reported ratios for the Group due primarily to the following changes in the calculation methodology:

- The foreign currency translation reserve which arises on consolidation became an adjustment to Tier 1 capital; and
- Operational risk weighted assets and market risk weighted

The table below summarises the composition of regulatory capital and the ratios of the Group as at 30 June 2018. As at that date, the individual entities within the Group complied with all of the externally imposed capital adequacy requirements to which they are subject. Basel 2/3 calculations for the period ended 31 December 2018 were not yet available as at the reporting date.

|  | 30Jun 2018        | 31 Dec 2017       | 31 Dec 2017       |
|--|-------------------|-------------------|-------------------|
|  | Basel 2/3         | BCEAO Basel 2/3   | Basel 1           |
| <b>Tier 1 capital</b>  |                   |                   |                   |
| Share capital  | 2,113,957         | 2,113,957         | 2,113,957         |
| Retained earnings and Reserves                                   | (1,092,424)       | (1,037,068)       | 357,344           |
| Statutory reserve  | 432,856           | 432,856           | 432,856           |
| Retained earnings  | 51,535            | 216,142           | 216,142           |
| IFRS 9 transition adjustment                                     | 200,531           |                   |                   |
| Non-controlling interests  | 170,819           | 220,917           | 291,339           |
| Less: goodwill   | (232,262)         | (232,682)         | (232,682)         |
| Less: intangibles  | (58,914)          | (50,982)          |                   |
| Less: deferred tax assets not arising from temporary differences | -                 | (43,236)          |                   |
| <b>Total qualifying Tier 1 capital</b>                           | <b>1,586,098</b>  | <b>1,619,904</b>  | <b>3,178,956</b>  |
| <b>Tier 2 capital</b>  |                   |                   |                   |
| Subordinated debt and other instruments                          | 513,378           | 533,013           | 514,926           |
| Revaluation reserve  | 116,097           | 132,370           | 5,513             |
| Minority interests included in Tier 2 capital                    | 56,252            | 72,695            | -                 |
| <b>Total qualifying Tier 2 capital</b>                           | <b>685,727</b>    | <b>738,078</b>    | <b>520,439</b>    |
| Less investments in associates                                   | -                 | -                 | 9,964             |
| <b>Total regulatory capital</b>                                  | <b>2,271,825</b>  | <b>2,357,982</b>  | <b>3,689,431</b>  |
| <b>Risk-weighted assets:</b>                                     |                   |                   |                   |
| Credit risk weighted assets                                      | 12,769,685        | 13,848,480        | 12,014,604        |
| Market risk weighted assets                                      | 241,500           | 362,486           | 784,163           |
| Operational risk weighted assets                                 | 3,677,509         | 3,677,509         | -                 |
| <b>Total risk-weighted assets</b>                                | <b>16,688,694</b> | <b>17,888,475</b> | <b>12,798,767</b> |
| <b>Tier 1 Capital Adequacy Ratio</b>                             | <b>9.5%</b>       | <b>9.1%</b>       | <b>28.8%</b>      |
| <b>Total Capital Adequacy Ratio</b>                              | <b>13.6%</b>      | <b>13.2%</b>      | <b>24.8%</b>      |

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

|  | 3 Month Period ended<br>31 March 2019 |                  | 3 Month Period ended<br>31 March 2018 |                  |
|--|---------------------------------------|------------------|---------------------------------------|------------------|
|  | US\$'000                              | GHC'000          | US\$'000                              | GHC'000          |
| <b>7 Net interest income</b>   |                                       |                  |                                       |                  |
| <b>Interest income</b>   |                                       |                  |                                       |                  |
| Loans and advances to banks  | 9,802                                 | 49,299           | 20,732                                | 91,499           |
| Loans and advances to customers  | 188,207                               | 946,584          | 246,283                               | 1,086,948        |
| Treasury bills and other eligible bills                                      | 36,833                                | 185,251          | 55,578                                | 245,289          |
| Investment securities  | 86,158                                | 433,329          | 88,005                                | 388,403          |
| Financial assets held for trading measured at FVTPL                          | 1,407                                 | 7,076            | 2,835                                 | 12,512           |
| Others   | 130                                   | 655              | 598                                   | 2,639            |
|  | <b>322,537</b>                        | <b>1,622,194</b> | <b>414,031</b>                        | <b>1,827,290</b> |
| <b>Interest expense</b>  |                                       |                  |                                       |                  |
| Deposits from banks  | 20,230                                | 101,744          | 28,044                                | 123,771          |
| Leases   | 875                                   | 4,401            | -                                     | -                |
| Due to customers   | 88,521                                | 445,216          | 95,084                                | 419,643          |
| Other borrowed funds   | 40,556                                | 203,977          | 39,828                                | 175,778          |
| Others   | -                                     | -                | 2,977                                 | 13,139           |
|  | <b>150,182</b>                        | <b>755,338</b>   | <b>165,933</b>                        | <b>732,331</b>   |
| <b>8 Net fee and commission income</b>                                       |                                       |                  |                                       |                  |
| <b>Fee and commission income:</b>  |                                       |                  |                                       |                  |
| Credit related fees and commissions  | 30,487                                | 153,334          | 33,507                                | 147,880          |
| Portfolio and other management fees  | 3,450                                 | 17,353           | 1,972                                 | 8,703            |
| Corporate finance fees   | 4,032                                 | 20,277           | 3,350                                 | 14,785           |
| Cash management and related fees   | 53,703                                | 270,098          | 59,145                                | 261,032          |
| Card management fees   | 19,826                                | 99,714           | 22,464                                | 99,143           |
| Brokerage fees and commissions   | 779                                   | 3,918            | 1,106                                 | 4,881            |
| Other fees   | 6,662                                 | 33,508           | 3,033                                 | 13,386           |
|  | <b>118,939</b>                        | <b>598,202</b>   | <b>124,577</b>                        | <b>549,810</b>   |
| <b>Fee and commission expense</b>  |                                       |                  |                                       |                  |
| Brokerage fees paid  | 477                                   | 2,400            | 374                                   | 1,650            |
| Other fees paid  | 9,815                                 | 49,363           | 17,936                                | 79,160           |
|  | <b>10,292</b>                         | <b>51,763</b>    | <b>18,310</b>                         | <b>80,810</b>    |
| <b>9 Net trading income</b>  |                                       |                  |                                       |                  |
| Foreign exchange   | 79,439                                | 399,538          | 101,146                               | 446,399          |
| Trading income on securities   | 16,593                                | 83,453           | 10,958                                | 48,362           |
|  | <b>96,032</b>                         | <b>482,991</b>   | <b>112,104</b>                        | <b>494,761</b>   |
| <b>10 Other (expense)/ operating income</b>                                  |                                       |                  |                                       |                  |
| Lease income   | 501                                   | 2,521            | 517                                   | 2,282            |
| Dividend income  | 345                                   | 1,735            | 363                                   | 1,601            |
| Other  | 10,300                                | 51,803           | (2,386)                               | (10,530)         |
|  | <b>11,146</b>                         | <b>56,059</b>    | <b>(1,506)</b>                        | <b>(6,647)</b>   |
| <b>11 Impairment losses on loans and advances and other financial assets</b> |                                       |                  |                                       |                  |
| Impairment losses on loans and advances                                      | 80,587                                | 405,311          | 85,664                                | 378,071          |
| Recoveries   | (68,344)                              | (343,735)        | (24,162)                              | (106,637)        |
| Impairment charge on other financial assets                                  | 16,420                                | 82,584           | 6,654                                 | 29,367           |
|  | <b>28,663</b>                         | <b>144,160</b>   | <b>68,156</b>                         | <b>300,801</b>   |
| <b>12 Taxation</b>   |                                       |                  |                                       |                  |
| Current income tax   | 38,330                                | 192,780          | 26,245                                | 115,830          |
| Deferred income tax  | (17,779)                              | (89,419)         | (6,112)                               | (26,976)         |
|  | <b>20,551</b>                         | <b>103,361</b>   | <b>20,133</b>                         | <b>88,854</b>    |
| <b>13 Operating expenses</b>   |                                       |                  |                                       |                  |
| Staff expenses   | 117,119                               | 589,048          | 123,904                               | 546,840          |
| Depreciation and amortisation  | 22,263                                | 111,971          | 24,682                                | 108,932          |
| Depreciation Rights of Use Asset   | 3,952                                 | 19,877           | -                                     | -                |
| Other operating expenses   | 113,694                               | 571,822          | 137,371                               | 606,275          |
|  | <b>257,028</b>                        | <b>1,292,718</b> | <b>285,957</b>                        | <b>1,262,047</b> |

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

|   | As at 31 March 2019 |                   | As at 31 December 2018 |                   |
|---|---------------------|-------------------|------------------------|-------------------|
|   | US\$'000            | GHC'000           | US\$'000               | GHC'000           |
| <b>14 Cash and balances with central banks</b>                    |                     |                   |                        |                   |
| Cash in hand  | 612,201             | 3,111,449         | 656,785                | 3,165,704         |
| Balances with central banks other than mandatory reserve deposits | 972,745             | 4,943,881         | 1,011,451              | 4,875,194         |
| Included in cash and cash equivalents                             | <b>1,584,946</b>    | <b>8,055,330</b>  | <b>1,668,236</b>       | <b>8,040,898</b>  |
| Mandatory reserve deposits with central banks                     | 1,329,938           | 6,759,276         | 1,129,181              | 5,442,652         |
|   | <b>2,914,884</b>    | <b>14,814,606</b> | <b>2,797,417</b>       | <b>13,483,550</b> |
| <b>15 Trading financial assets</b>                                |                     |                   |                        |                   |
| Debt securities measured at FVTPL                                 |                     |                   |                        |                   |
| - Government bonds  | 253,351             | 1,287,633         | 122,283                | 589,404           |
| Equity securities measured at FVTPL                               |                     |                   |                        |                   |
| - Listed  | 248                 | 1,259             | -                      | -                 |
| -Unlisted   | -                   | -                 | -                      | -                 |
|   | <b>253,599</b>      | <b>1,288,892</b>  | <b>122,283</b>         | <b>589,404</b>    |
| <b>16 Loans and advances to banks</b>                             |                     |                   |                        |                   |
| Items in course of collection from other banks                    | 71,777.3            | 364,801           | 46,884                 | 225,981           |
| Deposits with other banks   | 760,392.9           | 3,864,623         | 1,152,337              | 5,554,265         |
| Placements with other banks                                       | 470,313             | 2,390,321         | 518,354                | 2,498,466         |
|   | <b>1,302,484</b>    | <b>6,619,745</b>  | <b>1,717,575</b>       | <b>8,278,712</b>  |
| <b>17 Loans and advances to customers</b>                         |                     |                   |                        |                   |
| <b>Analysis by type:</b>  |                     |                   |                        |                   |
| Overdrafts  | 1,827,729           | 9,289,250         | 1,274,247              | 6,141,871         |
| Credit cards  | 3,039               | 15,445            | 3,101                  | 14,947            |
| Term loans  | 7,257,095           | 36,883,461        | 8,421,947              | 40,593,785        |
| Mortgage loans  | 103,801             | 527,558           | 106,260                | 512,173           |
| Others  | -                   | -                 | 1,654                  | 7,972             |
| <b>Gross loans and advances</b>                                   | <b>9,191,664</b>    | <b>46,715,714</b> | <b>9,807,209</b>       | <b>47,270,748</b> |
| Less: allowance for impairment                                    | (608,959)           | (3,094,974)       | (638,540)              | (3,077,763)       |
|   | <b>8,582,705</b>    | <b>43,620,740</b> | <b>9,168,669</b>       | <b>44,192,985</b> |
| <b>18 Treasury bills and other eligible bills</b>                 |                     |                   |                        |                   |
| Maturing within three months                                      | 322,776             | 1,640,478         | 396,384                | 1,910,571         |
| Maturing after three months                                       | 1,210,226           | 6,150,851         | 1,431,867              | 6,901,599         |
|   | <b>1,533,002</b>    | <b>7,791,329</b>  | <b>1,828,251</b>       | <b>8,812,170</b>  |
| <b>19 Investment securities</b>                                   |                     |                   |                        |                   |
| Debt securities   |                     |                   |                        |                   |
| - At FVTOCI listed  | 1,942,892           | 9,874,554         | 1,677,336              | 8,084,758         |
| - At FVTOCI unlisted  | 2,577,163           | 13,098,172        | 2,886,267              | 13,911,810        |
| Total   | <b>4,520,055</b>    | <b>22,972,726</b> | <b>4,563,603</b>       | <b>21,996,568</b> |
| Equity securities   |                     |                   |                        |                   |
| - At FVTOCI unlisted  | 90                  | 457               | 90                     | 434               |
| - At FVTPL listed   | 1,310               | 6,658             | 3,131                  | 15,091            |
| - At FVTPL unlisted   | 2,169               | 11,024            | 2,387                  | 11,504            |
|   | <b>3,569</b>        | <b>18,139</b>     | <b>5,608</b>           | <b>27,029</b>     |
| Total investment securities                                       | <b>4,523,624</b>    | <b>22,990,865</b> | <b>4,569,211</b>       | <b>22,023,597</b> |
| Allowance for impairment  | (1,490)             | (7,571)           | (949)                  | (4,574)           |
|   | <b>4,522,134</b>    | <b>22,983,294</b> | <b>4,568,262</b>       | <b>22,019,023</b> |

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

|  | As at 31 March 2019 |                   | As at 31 December 2018 |                   |
|--|---------------------|-------------------|------------------------|-------------------|
|  | US\$'000            | GHC'000           | US\$'000               | GHC'000           |
| <b>20 Other assets</b>   |                     |                   |                        |                   |
| Fees receivable  | 5,979               | 30,390            | 9,850                  | 47,477            |
| Accounts receivable  | 246,771             | 1,254,186         | 599,818                | 2,891,121         |
| Prepayments  | 176,420             | 896,637           | 165,124                | 795,898           |
| Sundry receiv  | 520,752             | 2,646,672         | 105,510                | 508,559           |
|  | <b>949,922</b>      | <b>4,827,885</b>  | <b>880,302</b>         | <b>4,243,055</b>  |
| Impairment provision on receivables  | (62,629)            | (318,307)         | (141,134)              | (680,266)         |
|  | <b>887,293</b>      | <b>4,509,578</b>  | <b>739,168</b>         | <b>3,562,789</b>  |
| <b>21 Right-of-use assets</b>  |                     |                   |                        |                   |
| Included in the amount for property and equipment in the statement of financial position are right-of-use assets show below: |                     |                   |                        |                   |
| Land and buildings   | 53,516              | 271,990           | -                      | -                 |
| Motor Vehicles   | -                   | -                 | -                      | -                 |
| Furniture and equipment  | 1,426               | 7,248             | -                      | -                 |
| Other equipment  | 8,138               | 41,361            | -                      | -                 |
|  | <b>63,080</b>       | <b>320,599</b>    | -                      | -                 |
| <b>22 Deposits from banks</b>  |                     |                   |                        |                   |
| Operating accounts with banks  | 1,053,271           | 5,353,144         | 1,075,102              | 5,181,992         |
| Deposits from banks  | 486,586             | 2,473,025         | 390,544                | 1,882,422         |
|  | <b>1,539,857</b>    | <b>7,826,169</b>  | <b>1,465,646</b>       | <b>7,064,414</b>  |
| <b>23 Deposit from customers</b>   |                     |                   |                        |                   |
| Current accounts   | 8,958,096           | 45,528,626        | 9,910,388              | 47,768,070        |
| Term deposits  | 3,577,691           | 18,183,258        | 3,381,078              | 16,296,796        |
| Savings deposits   | 2,655,433           | 13,495,973        | 2,644,533              | 12,746,649        |
|  | <b>15,191,220</b>   | <b>77,207,857</b> | <b>15,935,999</b>      | <b>76,811,515</b> |
| <b>24 Other liabilities</b>  |                     |                   |                        |                   |
| Accrued income   | 49,983              | 254,033           | 57,154                 | 275,482           |
| Unclaimed dividend   | 3,589               | 18,241            | 3,567                  | 17,193            |
| Accruals   | 53,361              | 271,203           | 380,403                | 1,833,542         |
| Obligations under customers' letters of credit   | 28,249              | 143,572           | 28,896                 | 139,279           |
| Bankers draft  | 42,086              | 213,900           | 61,303                 | 295,480           |
| Accounts payable   | 251,256             | 1,276,985         | 143,447                | 691,416           |
| Lease liabilities  | 58,388              | 296,753           | 36,250                 | 174,726           |
| Other liabilities  | 413,564             | 2,101,902         | 285,537                | 1,376,284         |
|  | <b>900,478</b>      | <b>4,576,589</b>  | <b>996,557</b>         | <b>4,803,402</b>  |
| <b>25 Short term</b>   |                     |                   |                        |                   |
| Long term  | 7,134               | 36,258            | -                      | -                 |
|  | 56,551              | 287,417           | -                      | -                 |
|  | <b>63,685</b>       | <b>323,675</b>    | -                      | -                 |

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

**Note 26: GEOGRAPHICAL REGION FINANCIAL PERFORMANCE - USD**

Ecobank groups its business in Africa into four geographical regions. These reportable operating segments are Nigeria, Francophone West Africa (UEMOA), Anglophone West Africa (AWA), Central, Eastern and Southern, Africa (CESA).

In 000 of \$

|   | NIGERIA       | UEMOA          | AWA           | CESA           | OTHERS AND CONSO ADJUSTMENT(1) | Ecobank Group  |
|---|---------------|----------------|---------------|----------------|--------------------------------|----------------|
| <b>Income Statement Highlights for the period ended 31 March 2019</b> |               |                |               |                |                                |                |
| Net interest income   | 19,311        | 67,219         | 60,320        | 45,377         | (19,872)                       | 172,355        |
| Net fees and commission income  | 9,655         | 35,440         | 22,238        | 38,526         | 2,788                          | 108,647        |
| Other income  | 22,606        | 15,059         | 17,273        | 37,989         | 14,251                         | 107,178        |
| <b>Operating income</b>   | <b>51,572</b> | <b>117,718</b> | <b>99,831</b> | <b>121,892</b> | <b>(2,833)</b>                 | <b>388,180</b> |
| Impairment losses on financial assets                                 | 15,142        | 12,758         | (12,404)      | (2,290)        | (41,869)                       | (28,663)       |
| Total operating expenses  | (63,253)      | (73,595)       | (46,941)      | (60,703)       | (12,536)                       | (257,028)      |
| <b>Operating profit after impairment losses</b>                       | <b>3,461</b>  | <b>56,881</b>  | <b>40,486</b> | <b>58,899</b>  | <b>(57,238)</b>                | <b>102,489</b> |
| Share of profit from associates                                       | -             | -              | 120           | (92)           | -                              | 28             |
| <b>Profit before tax</b>  | <b>3,461</b>  | <b>56,881</b>  | <b>40,606</b> | <b>58,807</b>  | <b>(57,238)</b>                | <b>102,517</b> |
| <b>Balance Sheet Highlights as at 31 March 2019</b>                   |               |                |               |                |                                |                |
| Total assets  | 5,622,454     | 8,208,388      | 3,283,774     | 4,733,136      | (97,127)                       | 21,750,625     |
| Total Liabilities   | 4,861,420     | 7,583,792      | 2,886,303     | 4,256,423      | 356,462                        | 19,944,400     |

In 000 of \$

|   | NIGERIA        | UEMOA          | AWA           | CESA           | OTHERS AND CONSO ADJUSTMENT(1) | Ecobank Group  |
|---|----------------|----------------|---------------|----------------|--------------------------------|----------------|
| <b>Income Statement Highlights for the period ended 31 March 2018</b> |                |                |               |                |                                |                |
| Net interest income   | 73,170         | 69,118         | 55,846        | 54,297         | (4,332)                        | 248,098        |
| Net fees and commission income  | 13,077         | 31,491         | 20,541        | 33,306         | 7,851                          | 106,267        |
| Other income  | 32,557         | 24,423         | 13,050        | 27,243         | 13,325                         | 110,598        |
| <b>Operating income</b>   | <b>118,804</b> | <b>125,032</b> | <b>89,437</b> | <b>114,846</b> | <b>16,844</b>                  | <b>464,963</b> |
| Impairment losses on financial assets                                 | (18,567)       | (13,722)       | (10,316)      | (13,912)       | (11,638)                       | (68,156)       |
| Total operating expenses  | (75,365)       | (76,488)       | (47,872)      | (65,502)       | (20,730)                       | (285,957)      |
| <b>Operating profit after impairment losses</b>                       | <b>24,872</b>  | <b>34,822</b>  | <b>31,249</b> | <b>35,432</b>  | <b>(15,524)</b>                | <b>110,850</b> |
| Share of profit from associates                                       | -              | -              | 51            | 5              | -                              | 56             |
| <b>Profit before tax</b>  | <b>24,872</b>  | <b>34,822</b>  | <b>31,300</b> | <b>35,437</b>  | <b>(15,524)</b>                | <b>110,906</b> |
| <b>Balance Sheet Highlights as at 31 December 2018</b>                |                |                |               |                |                                |                |
| Total assets  | 5,431,151      | 8,818,980      | 3,232,902     | 5,393,881      | (294,718)                      | 22,582,196     |
| Total Liabilities   | 4,714,677      | 8,227,131      | 2,859,106     | 4,881,086      | 87,705                         | 20,769,705     |

(1) ETI & Others comprise ETI, the Holdco, eProcess (the Group's technology service company), the International business in Paris, Ecobank Development Corp. (the Group's Investment Banking and Securities and Asset Management businesses), and also the impact of other affiliates and

Notes

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

Note 27: BUSINESS FINANCIAL PERFORMANCE - USD

The group operating segments are described below:

- a) **Corporate & Investment Bank:** Focuses on providing one-stop banking services to multinationals, regional companies, government and government agencies, financial institutions and international organizations across the network. This unit provides also Treasury activities.
- b) **Commercial banking:** Focuses on serving local corporates, small and medium corporates ,SMEs, Schools, Churches and local NGOs and Public Sector.
- c) **Consumer:** Focuses on serving banking customers that are individuals

| In 000 of \$  |                |                |                |               |                           |                |
|---|----------------|----------------|----------------|---------------|---------------------------|----------------|
|   | CIB            | Commercial     | Consumer       | Others        | Consolidation Adjustments | Ecobank Group  |
| <b>Income Statement Highlights for the period ended 31 March 2019</b> |                |                |                |               |                           |                |
| Net interest income   | 75,668         | 38,379         | 55,518         | 9,986         | (7,196)                   | 172,355        |
| Net fees and commission income  | 38,408         | 30,760         | 38,957         | 7,485         | (6,963)                   | 108,647        |
| Other income  | 69,909         | 32,307         | 11,501         | 58,652        | (65,191)                  | 107,178        |
| <b>Operating income</b>   | <b>183,985</b> | <b>101,446</b> | <b>105,976</b> | <b>76,123</b> | <b>(79,350)</b>           | <b>388,180</b> |
| Impairment losses on financial assets                                 | 7,700          | (6,111)        | (2,708)        | 1,534         | (29,078)                  | (28,663)       |
| Total operating expenses  | (99,720)       | (68,585)       | (83,054)       | (33,273)      | 27,604                    | (257,028)      |
| <b>Operating profit after impairment losses</b>                       | <b>91,965</b>  | <b>26,750</b>  | <b>20,214</b>  | <b>44,384</b> | <b>(80,824)</b>           | <b>102,489</b> |
| Share of profit from associates                                       | 64             | -              | (10)           | -             | (26)                      | 28             |
| <b>Profit before tax</b>  | <b>92,029</b>  | <b>26,750</b>  | <b>20,204</b>  | <b>44,384</b> | <b>(80,850)</b>           | <b>102,517</b> |
| <b>Balance Sheet Highlights as at 31 March 2019</b>                   |                |                |                |               |                           |                |
| Total assets  | 11,977,128     | 1,415,648      | 942,264        | 9,378         | 7,406,207                 | 21,750,625     |
| Total Liabilities   | 10,044,267     | 3,804,323      | 5,241,562      | 1,482,145     | (627,897)                 | 19,944,400     |

| In 000 of \$  |                |               |                |               |                           |                |
|---|----------------|---------------|----------------|---------------|---------------------------|----------------|
|   | CIB            | Commercial    | Consumer       | Others        | Consolidation Adjustments | Ecobank Group  |
| <b>Income Statement Highlights for the period ended 31 March 2018</b> |                |               |                |               |                           |                |
| Net interest income   | 120,154        | 42,817        | 59,219         | 25,908        | -                         | 248,098        |
| Net fees and commission income  | 41,515         | 20,411        | 43,904         | 7,336         | (6,899)                   | 106,267        |
| Other income  | 73,493         | 27,956        | 8,449          | 25,702        | (25,002)                  | 110,598        |
| <b>Operating income</b>   | <b>235,162</b> | <b>91,184</b> | <b>111,572</b> | <b>58,946</b> | <b>(31,902)</b>           | <b>464,963</b> |
| Impairment losses on financial assets                                 | (33,141)       | (20,131)      | (3,669)        | 3,785         | (15,000)                  | (68,156)       |
| Total operating expenses  | (116,687)      | (65,962)      | (94,339)       | (35,585)      | 26,617                    | (285,957)      |
| <b>Operating profit after impairment losses</b>                       | <b>85,334</b>  | <b>5,091</b>  | <b>13,564</b>  | <b>27,147</b> | <b>(20,285)</b>           | <b>110,850</b> |
| Share of profit from associates                                       | 56             | -             | -              | -             | -                         | 56             |
| <b>Profit before tax</b>  | <b>85,390</b>  | <b>5,091</b>  | <b>13,564</b>  | <b>27,147</b> | <b>(20,285)</b>           | <b>110,906</b> |
| <b>Balance Sheet Highlights as at 31 December 2018</b>                |                |               |                |               |                           |                |
| Total assets  | 13,101,476     | 1,252,536     | 889,996        | 3,340,465     | 3,997,724                 | 22,582,196     |
| Total Liabilities   | 11,678,343     | 3,346,639     | 5,242,265      | 2,125,486     | (1,623,028)               | 20,769,705     |

Notes

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

**Note 28: GEOGRAPHICAL REGION FINANCIAL PERFORMANCE - GHC**

Ecobank groups its business in Africa into four geographical regions. These reportable operating segments are Nigeria, Francophone West Africa (UEMOA), Anglophone West Africa (AWA), Central, Eastern and Southern, Africa (CESA).

| In 000,000 of GHC   |            |            |            |            |                                |               |
|---|------------|------------|------------|------------|--------------------------------|---------------|
|   | NIGERIA    | UEMOA      | AWA        | CESA       | OTHERS AND CONSO ADJUSTMENT(1) | Ecobank Group |
| <b>Income Statement Highlights for the period ended 31 March 2019</b> |            |            |            |            |                                |               |
| Net interest income   | 97         | 338        | 303        | 228        | (99)                           | 867           |
| Net fees and commission income  | 49         | 178        | 112        | 194        | 13                             | 546           |
| Other income  | 114        | 76         | 87         | 191        | 71                             | 539           |
| <b>Operating income</b>   | <b>260</b> | <b>592</b> | <b>503</b> | <b>613</b> | <b>(14)</b>                    | <b>1,952</b>  |
| Impairment losses on financial assets                                 | 76         | 64         | (62)       | (12)       | (210)                          | (144)         |
| Total operating expenses  | (318)      | (370)      | (236)      | (305)      | (64)                           | (1,293)       |
| <b>Operating profit after impairment losses</b>                       | <b>18</b>  | <b>286</b> | <b>205</b> | <b>296</b> | <b>(288)</b>                   | <b>515</b>    |
| Share of profit from associates                                       | -          | -          | 1          | -          | 9                              | 10            |
| <b>Profit before tax</b>  | <b>18</b>  | <b>286</b> | <b>206</b> | <b>296</b> | <b>(280)</b>                   | <b>526</b>    |
| <b>Balance Sheet Highlights as at 31 March 2019</b>                   |            |            |            |            |                                |               |
| Total assets  | 28,278     | 41,284     | 16,516     | 23,805     | 662                            | 110,545       |
| Total Liabilities   | 24,450     | 38,143     | 14,517     | 21,408     | 2,847                          | 101,365       |

| In 000,000 of GHC   |            |            |            |            |                                |               |
|---|------------|------------|------------|------------|--------------------------------|---------------|
|   | NIGERIA    | UEMOA      | AWA        | CESA       | OTHERS AND CONSO ADJUSTMENT(1) | Ecobank Group |
| <b>Income Statement Highlights for the period ended 31 March 2018</b> |            |            |            |            |                                |               |
| Net interest income   | 323        | 305        | 246        | 240        | (19)                           | 1,095         |
| Net fees and commission income  | 58         | 139        | 91         | 147        | 35                             | 469           |
| Other income  | 144        | 108        | 58         | 120        | 59                             | 488           |
| <b>Operating income</b>   | <b>524</b> | <b>552</b> | <b>395</b> | <b>507</b> | <b>74</b>                      | <b>2,052</b>  |
| Impairment losses on financial assets                                 | (82)       | (61)       | (46)       | (61)       | (51)                           | (301)         |
| Total operating expenses  | (333)      | (338)      | (211)      | (289)      | (91)                           | (1,262)       |
| <b>Operating profit after impairment losses</b>                       | <b>110</b> | <b>154</b> | <b>138</b> | <b>156</b> | <b>(69)</b>                    | <b>489</b>    |
| Share of profit from associates                                       | -          | -          | 51         | 5          | (56)                           | 0             |
| <b>Profit before tax</b>  | <b>110</b> | <b>154</b> | <b>190</b> | <b>161</b> | <b>(125)</b>                   | <b>489</b>    |
| <b>Balance Sheet Highlights as at 31 December 2018</b>                |            |            |            |            |                                |               |
| Total assets  | 26,178     | 42,507     | 15,583     | 25,999     | (1,421)                        | 108,846       |
| Total Liabilities   | 22,725     | 39,655     | 13,781     | 23,527     | 422                            | 100,110       |

(1) ETI & Others comprise ETI, the Holdco, eProcess (the Group's technology service company), the International business in Paris, Ecobank Development Corp. (the Group's Investment Banking and Securities and Asset Management businesses), and also the impact of other affiliates and structured entities of ETI. The

Notes

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

Note 29: BUSINESS FINANCIAL PERFORMANCE - GHC

The group operating segments are described below:

- a) **Corporate & Investment Bank:** Focuses on providing one-stop banking services to multinationals, regional companies, government and government agencies, financial institutions and international organizations across the network. This unit provides also Treasury activities.
- b) **Commercial banking:** Focuses on serving local corporates, small and medium corporates ,SMEs, Schools, Churches and local NGOs and Public Sector.
- c) **Consumer:** Focuses on serving banking customers that are individuals

| In 000,000 of GHC   |            |            |            |            |                           |               |
|---|------------|------------|------------|------------|---------------------------|---------------|
|   | CIB        | Commercial | Consumer   | Others     | Consolidation Adjustments | Ecobank Group |
| <b>Income Statement Highlights for the period ended 31 March 2019</b> |            |            |            |            |                           |               |
| Net interest income   | 381        | 193        | 279        | 50         | -                         | 867           |
| Net fees and commission income  | 193        | 155        | 196        | 38         | (36)                      | 546           |
| Other income  | 352        | 162        | 58         | 295        | (328)                     | 539           |
| <b>Operating income</b>   | <b>926</b> | <b>510</b> | <b>533</b> | <b>383</b> | <b>(400)</b>              | <b>1,952</b>  |
| Impairment losses on financial assets                                 | 39         | (31)       | (14)       | 8          | (146)                     | (144)         |
| Total operating expenses  | (502)      | (345)      | (418)      | (167)      | 139                       | (1,293)       |
| <b>Operating profit after impairment losses</b>                       | <b>463</b> | <b>134</b> | <b>101</b> | <b>224</b> | <b>(407)</b>              | <b>515</b>    |
| Share of profit from associates                                       | -          | -          | -          | -          | 10                        | 10            |
| <b>Profit before tax</b>  | <b>463</b> | <b>134</b> | <b>101</b> | <b>224</b> | <b>(396)</b>              | <b>526</b>    |
| <b>Balance Sheet Highlights as at 31 March 2019</b>                   |            |            |            |            |                           |               |
| Total assets  | 60,239     | 7,120      | 4,739      | 47         | 38,400                    | 110,545       |
| Total Liabilities   | 50,517     | 19,134     | 26,362     | 7,454      | (2,102)                   | 101,365       |

| In 000,000 of GHC   |              |            |            |            |                           |               |
|---|--------------|------------|------------|------------|---------------------------|---------------|
|   | CIB          | Commercial | Consumer   | Others     | Consolidation Adjustments | Ecobank Group |
| <b>Income Statement Highlights for the period ended 31 March 2018</b> |              |            |            |            |                           |               |
| Net interest income   | 530          | 189        | 261        | 114        | 0                         | 1,095         |
| Net fees and commission income  | 183          | 90         | 194        | 32         | (30)                      | 469           |
| Other income  | 324          | 123        | 37         | 113        | (110)                     | 488           |
| <b>Operating income</b>   | <b>1,038</b> | <b>402</b> | <b>492</b> | <b>260</b> | <b>(141)</b>              | <b>2,052</b>  |
| Impairment losses on financial assets                                 | (146)        | (89)       | (16)       | 17         | (66)                      | (301)         |
| Total operating expenses  | (515)        | (291)      | (416)      | (157)      | 117                       | (1,262)       |
| <b>Operating profit after impairment losses</b>                       | <b>1,407</b> | <b>605</b> | <b>893</b> | <b>434</b> | <b>(2,848)</b>            | <b>489</b>    |
| Share of profit from associates                                       | 247.0        | -          | -          | -          | (247)                     | -             |
| <b>Profit before tax</b>  | <b>1,654</b> | <b>605</b> | <b>893</b> | <b>434</b> | <b>(3,095)</b>            | <b>489</b>    |
| <b>Balance Sheet Highlights as at 31 December 2018</b>                |              |            |            |            |                           |               |
| Total assets  | 63,149       | 6,037      | 4,290      | 16,101     | 19,269                    | 108,846       |
| Total Liabilities   | 56,290       | 16,131     | 25,268     | 10,245     | (7,824)                   | 100,110       |



Notes

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

**30 Contingent liabilities and commitments**

*a) Legal proceedings*

The Group is a party to various legal actions arising out of its normal business operations. The Directors believe that, based on currently available information and advice of counsel, none of the outcomes that result from such proceedings will have a material adverse effect on the financial position of the Group, either individually or in the aggregate.

*b) Loan commitments, guarantee and other financial facilities*

At 31 March 2019 the Group had contractual amounts of the off-statement of financial position financial instruments that commit it to extend credit to customers guarantees and other facilities are as follows:

|  | <b>31 Mar 2019</b>      | <b>31 Dec 2018</b>      |
|--|-------------------------|-------------------------|
| Guaranteed commercial papers and bankers acceptances | 681,026                 | 342,181                 |
| Documentary and commercial letters of credit         | 1,423,042               | 1,631,689               |
| Performance bond, guarantees and indemnities         | 2,239,143               | 2,366,343               |
| Loan commitments                                     | <u>794,051</u>          | <u>1,221,440</u>        |
|  | <b><u>5,137,262</u></b> | <b><u>5,561,653</u></b> |

*d) Tax exposures*

The income tax expense recognised in the financial statements for an interim period complying with IAS 34 is based on the weighted average annual income tax rate for the full year. The Group is exposed to ongoing tax reviews in some subsidiary entities. The Group considers the impact of tax exposures, including whether additional taxes may be due. This assessment relies on estimates and assumptions and may involve series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the period in which such a determination is made. The total amount of tax exposure as at 31 March 2019 is \$147 million (December 2018: \$80 million). Based on Group's assessment, the probable liability is not likely to exceed \$7.5 million (December 2018: \$7 million) which provisions have been made in the books.



### **About Ecobank:**

Incorporated in Lomé, Togo, Ecobank Transnational Incorporated (ETI) is the parent company of the leading independent pan-African banking Group, Ecobank, present in 36 African countries. The Ecobank Group is also represented in France through its subsidiary EBI SA in Paris. ETI also has representative offices in Dubai-United Arab Emirates, London-UK, Beijing-China, Johannesburg-South Africa, and Addis Ababa-Ethiopia.

ETI is listed on the stock exchanges in Lagos, Accra, and the West African Economic and Monetary Union (UEMOA) – the BRVM – in Abidjan.

The Group is owned by more than 600,000 local and international institutional and individual shareholders. It employs 16,000 people in 40 different countries in 888 branches and offices. Ecobank is a full-service bank, providing wholesale, retail, investment and transaction banking services and products to governments, financial institutions, multinationals, international organisations, medium, small and micro businesses and individuals. Additional information may be found on the Group's corporate website at: [www.ecobank.com](http://www.ecobank.com).

### **Investor Relations :**

Ecobank is committed to continuous improvement in its investor communications. For further information, including any suggestions as to how we can communicate more effectively, please contact Ecobank Investor Relations via [ir@ecobank.com](mailto:ir@ecobank.com). Full contact details below:

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