



ECOBANK TRANSNATIONAL INCORPORATED

Condensed Unaudited Consolidated Financial Statements

For period ended 31 March 2020

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Press Release



Ecobank Group reports performance for the first quarter 2020

- Revenue up 1% to \$392.7 million (up 9% to GHC 2,120.5 billion)
- Operating profit before impairment losses up 2% to \$133.4 million (up 9% to GHC 720.2 million)
- Profit before tax down 12% to \$90.3 million (5% to GHC 487.4 million)
- Profit after tax down 20% to \$67.5 million (down 14% to GHC 364.5 million)
- Total assets down 2% \$23.2 billion (down 4% to GHC 126.2 billion)
- Loans and advances to customers down 5% to \$8.8 billion (down 7% to GHC 47.8 billion)
- Deposits from customers down 1% to \$16.1 billion (down 3% to GHC 87.6 billion)
- Total equity down 4% to \$1.8 billion (down 5% to GHC 9.9 billion)

Financial Highlights	Period ended 31 March 2020		Period ended 31 March 2019		% Change	
	US\$'000	GHC'000	US\$'000	GHC'000	US\$	GHC
Income Statement:						
Revenue	392,658	2,120,517	388,180	1,952,345	1%	9%
Operating profit before impairment losses	133,352	720,156	131,152	659,627	2%	9%
Profit before tax	90,256	487,419	102,517	515,608	-12%	-5%
Profit for the period	67,487	364,456	84,540	425,193	-20%	-14%
Earnings per share from continuing operations attributable to owners of the parent during the period (expressed in United States cents / pesewas per share):						
Basic (cents and pesewas)	0.20	1.06	0.25	1.28	-21%	-17%
Diluted (cents and pesewas)	0.20	1.06	0.25	1.27	-21%	-16%
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)	0.00	0.01	0.01	0.05		
Diluted (cents and pesewas)	0.00	0.01	0.01	0.05		
Financial Highlights	As at 31 March 2020		As at 31 December 2019		% Change	
	US\$'000	GHC'000	US\$'000	GHC'000	US\$	GHC
Statement of Financial Position:						
Total assets	23,217,347	126,242,004	23,641,184	130,920,150	-2%	-4%
Loans and advances to customers	8,788,305	47,785,530	9,276,608	51,372,000	-5%	-7%
Deposits from customers	16,102,763	87,557,164	16,246,120	89,967,763	-1%	-3%
Total equity	1,818,122	9,885,858	1,885,777	10,443,055	-4%	-5%

The financial statements were approved for issue by the board of directors on 23 April 2020.

Emmanuel Ikazoboh
Group Chairman

Ade Ayeyemi
Group Chief Executive Officer

Ayo Adepoku
Group Chief Financial Officer

Condensed Unaudited Consolidated Statement of Comprehensive Income - USD

	3 Month Period ended 31 March 2020	3 Month Period ended 31 March 2019	% Change
	US\$'000	US\$'000	
Interest Income	340,111	322,537	5%
Interest Expense	(130,768)	(150,182)	-13%
Net Interest Income	209,343	172,355	21%
Fee and commission income	105,173	118,939	-12%
Fee and commission expense	(8,138)	(10,292)	-21%
Net trading income	80,242	96,032	-16%
Other operating income	6,038	11,146	46%
Non-interest revenue	183,315	215,825	-15.1%
Operating income	392,658	388,180	1%
Staff expenses	(118,350)	(117,119)	1%
Depreciation and amortisation	(23,353)	(26,215)	-11%
Other operating expenses	(117,603)	(113,694)	3%
Operating expenses	(259,306)	(257,028)	1%
Operating profit before impairment losses and taxation	133,352	131,152	2%
Impairment charges on loans and advances	(57,926)	(80,587)	-28%
Recoveries	22,759	68,344	-67%
Impairment charge on other financial assets	(7,067)	(16,420)	-57%
Impairment charges on financial assets	(42,234)	(28,663)	47%
Operating profit after impairment losses before taxation	91,118	102,489	-11%
Net monetary loss arising from hyperinflationary economy	(781)	-	
Share of post-tax results of associates	(81)	28	-389%
Profit before tax	90,256	102,517	-12%
Taxation	(23,814)	(20,551)	16%
Profit after tax from continuing operations	66,442	81,966	-19%
Profit after tax from discontinued operations	1,045	2,574	-59%
Profit after tax	67,487	84,540	-20%
Attributable to:			
Owners of the parent	48,372	62,410	-22%
- Continuing operations	47,808	61,020	-22%
- Discontinued operations	564	1,390	-59%
Non-controlling interests	19,115	22,130	-14%
- Continuing operations	18,634	20,946	-11%
- Discontinued operations	481	1,184	-59%
	67,487	84,540	-20%
Earnings per share from continuing operations attributable to owners of the parent during the period (expressed in United States cents per share):			
Basic (cents)	0.20	0.25	-21%
Diluted (cents)	0.20	0.25	-21%
Earnings per share from discontinued operations attributable to owners of the parent during the period (expressed in United States cents per share):			
Basic (cents)	0.00	0.01	-77%
Diluted (cents)	0.00	0.01	-77%
Unaudited consolidated statement of other comprehensive income			
Profit after tax	67,487	84,540	-20%
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange difference on translation of foreign operations	(149,630)	(20,358)	635%
Fair value gain on debt instruments at FVTOCI	16,402	14,348	14%
Taxation relating to components of other comprehensive income that may be subsequently reclassified to profit or loss	(263)	(836)	-69%
Other comprehensive loss for the period, net of taxation	(133,491)	(6,846)	1850%
Total comprehensive (loss) / income for the period	(66,004)	77,694	-185%
Total comprehensive (loss) / income attributable to:			
Owners of the parent	(80,374)	66,319	-221%
- Continuing operations	(80,938)	64,929	-225%
- Discontinued operations	564	1,390	-59%
Non-controlling interests	14,370	11,375	26%
- Continuing operations	13,889	10,191	36%
- Discontinued operations	481	1,184	-59%
	(66,004)	77,694	-185%

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 31 March 2020	3 Month Period ended 31 March 2019	% Change
	GHC'000	GHC'000	
Interest Income	1,836,742	1,622,194	13%
Interest Expense	(706,202)	(755,338)	-7%
Net Interest Income	1,130,540	866,856	30%
Fee and commission income	567,978	598,202	-5%
Fee and commission expense	(43,949)	(51,763)	-15%
Net trading income	433,340	482,991	-10%
Other operating income	32,608	56,059	-42%
Non-interest revenue	989,977	1,085,489	-9%
Operating income	2,120,517	1,952,345	9%
Staff expenses	(639,140)	(589,048)	9%
Depreciation and amortisation	(126,116)	(131,848)	-4%
Other operating expenses	(635,105)	(571,822)	11%
Operating expenses	(1,400,361)	(1,292,718)	8%
Operating profit before impairment losses and taxation	720,156	659,627	9%
Impairment charges on loans and advances	(312,825)	(405,311)	-23%
Recoveries	122,908	343,735	-64%
Impairment charge on other financial assets	(38,165)	(82,584)	-54%
Impairment charges on financial assets	(228,082)	(144,160)	58%
Operating profit after impairment losses before taxation	492,074	515,467	-5%
Net monetary loss arising from hyperinflationary economy	(4,218)	-	n/a
Share of post-tax results of associates	(437)	141	-410%
Profit before tax	487,419	515,608	-5%
Taxation	(128,606)	(103,361)	24%
Profit after tax from continuing operations	358,813	412,247	-13%
Profit after tax from discontinued operations	5,643	12,946	-56%
Profit after tax	364,456	425,193	-14%
Attributable to:			
Owners of the parent	261,225	313,891	-17%
- Continuing operations	258,179	306,900	-16%
- Discontinued operations	3,046	6,991	-56%
Non-controlling interests	103,231	111,302	-7%
- Continuing operations	100,633	105,347	-4%
- Discontinued operations	2,598	5,955	-56%
	364,456	425,193	-14%
Earnings per share from continuing operations attributable to owners of the parent during the period (expressed in pesewas per share):			
Basic (pesewas)	1.06	1.28	-17%
Diluted (pesewas)	1.06	1.27	-16%
Earnings per share from discontinued operations attributable to owners of the parent during the period (expressed in pesewas per share):			
Basic (pesewas)	0.01	0.05	
Diluted (pesewas)	0.01	0.05	
Unaudited consolidated statement of other comprehensive income			
Profit after tax	364,456	425,193	-14%
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange difference on translation of foreign operations	(999,894)	412,248	-343%
Fair value gain / (loss) on debt instruments at FVTOCI	88,577	72,166	-23%
Taxation relating to components of other comprehensive income that may be subsequently reclassified to profit or loss	(1,420)	(4,206)	-66%
Other comprehensive (loss) / income for the period, net of taxation	(912,737)	480,208	-290%
Total comprehensive (loss) / income for the period	(548,281)	905,401	-161%
Total comprehensive(loss) / income attributable to:			
Owners of the parent	(585,284)	657,320	-189%
- Continuing operations	(588,330)	655,617	-190%
- Discontinued operations	3,046	1,703	79%
Non-controlling interests	37,003	248,081	-85%
- Continuing operations	34,405	246,630	-86%
- Discontinued operations	2,598	1,451	79%
	(548,281)	905,401	-161%

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 2020	As at 31 December 2019
	US\$'000	US\$'000
Assets		
Cash and balances with central banks	3,264,555	2,829,313
Trading financial assets	115,580	182,662
Derivative financial instruments	141,260	65,459
Loans and advances to banks	1,709,249	1,891,889
Loans and advances to customers	8,788,305	9,276,608
Treasury bills and other eligible bills	1,603,915	1,632,749
Investment securities	4,573,006	4,857,763
Pledged assets	215,240	351,478
Other assets	1,455,907	1,184,770
Investment in associates	4,088	3,664
Intangible assets	294,940	309,974
Property and equipment	817,866	831,182
Investment properties	21,214	21,710
Deferred income tax assets	124,217	116,424
	23,129,342	23,555,645
Assets held for sale and discontinued operations	88,005	85,539
Total assets	23,217,347	23,641,184
Liabilities		
Deposits from banks	1,855,852	2,207,593
Deposits from customers	16,102,763	16,246,120
Derivative financial instruments	118,528	51,255
Borrowed funds	1,801,452	2,075,001
Other liabilities	1,141,306	845,970
Provisions	77,669	68,482
Current income tax liabilities	87,368	54,756
Deferred income tax liabilities	57,413	67,556
Retirement benefit obligations	47,780	31,082
	21,290,131	21,647,815
Liabilities held for sale and discontinued operations	109,094	107,592
Total liabilities	21,399,225	21,755,407
Equity		
Share capital and premium	2,113,957	2,113,957
Retained earnings and reserves	(717,638)	(637,264)
Equity attributable to owners of the parents	1,396,319	1,476,693
Non-controlling interests	421,803	409,084
Total equity	1,818,122	1,885,777
Total liabilities and equity	23,217,347	23,641,184

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 2020	As at 30 December 2019
	GHC'000	GHC'000
Assets		
Cash and balances with central banks	17,750,691	15,668,170
Trading financial assets	628,455	1,011,546
Derivative financial instruments	768,087	362,499
Loans and advances to banks	9,293,871	10,476,903
Loans and advances to customers	47,785,530	51,372,000
Treasury bills and other eligible bills	8,721,127	9,041,837
Investment securities	24,865,263	26,901,320
Pledged assets	1,170,346	1,946,415
Other assets	7,916,349	6,561,019
Investment in associates	22,228	20,290
Intangible assets	1,603,707	1,716,574
Property and equipment	4,447,065	4,602,920
Investment properties	115,349	120,226
Deferred income tax assets	675,418	644,733
	125,763,486	130,446,452
Assets held for sale and discontinued operations	478,518	473,698
Total assets	126,242,004	130,920,150
Liabilities		
Deposits from banks	10,091,010	12,225,209
Deposits from customers	87,557,164	89,967,763
Derivative financial instruments	644,484	283,840
Borrowed funds	9,795,215	11,490,941
Other liabilities	6,205,737	4,684,813
Provisions	422,317	379,240
Current income tax liabilities	475,055	303,228
Deferred income tax liabilities	312,177	374,112
Retirement benefit obligations	259,799	172,126
	115,762,958	119,881,272
Liabilities held for sale and discontinued operations	593,188	595,823
Total liabilities	116,356,146	120,477,095
Equity		
Share capital and premium	4,536,378	4,536,378
Retained earnings and reserves	3,055,968	3,641,252
Equity attributable to owners of the parents	7,592,346	8,177,630
Non-controlling interests	2,293,512	2,265,425
Total equity	9,885,858	10,443,055
Total liabilities and equity	126,242,004	130,920,150

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	Retained Earnings/ (Accumulated Deficit)	Other Reserves	Total equity and reserves attributable	Non-Controlling Interest	Total Equity
At 1 January 2019 (Restated)	2,113,957	185,893	(842,367)	1,457,483	275,539	1,733,022
Changes in Equity for 1 January to 31 March 2019:						
Foreign currency translation differences	-	-	(9,603)	(9,603)	(10,755)	(20,358)
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
Total comprehensive income for the period	-	62,410	3,909	66,319	11,375	77,694
Change in minority ownership	-	-	(21,388)	(21,388)	21,388	-
Dividend relating to 2018	-	-	-	-	(4,491)	(4,491)
At 31 March 2019	2,113,957	248,303	(859,846)	1,502,414	303,811	1,806,225
Changes in Equity for 1 April to 31 December 2019:						
Foreign currency translation differences	-	-	(233,616)	(233,616)	10,755	(222,861)
Net changes in equity investment securities, net of taxes	-	-	(184)	(184)	-	(184)
Net changes in debt investment securities, net of taxes	-	-	45,687	45,687	5,257	50,944
Net gains on revaluation of property	-	-	10,315	10,315	1,826	12,141
Impact of adopting IAS 29 at 1 January 2019	-	-	(35,542)	(35,542)	-	(35,542)
Remeasurements of post-employment benefit obligations	-	-	902	902	-	902
Profit for the period	-	131,548	-	131,548	58,846	190,394
Total comprehensive loss for the period	-	131,548	(212,438)	(80,890)	76,684	(4,206)
Change in minority ownership	-	-	21,388	21,388	43,574	64,962
Dividend relating to 2018	-	-	-	-	(14,985)	(14,985)
Change in minority interest	-	-	-	-	-	-
Transfer to other group reserve	-	-	36,382	36,382	-	36,382
Transfer to share option reserve	-	-	94	94	-	94
Convertible bond - equity component	-	-	(2,695)	(2,695)	-	(2,695)
Transfer from general banking reserves	-	(28,124)	28,124	-	-	-
Transfer to statutory reserve	-	(106,164)	106,164	-	-	-
At 31 December 2019 /January 2020	2,113,957	245,563	(882,827)	1,476,693	409,084	1,885,777
Changes in Equity for 1 January to 31 March 2020:						
Foreign currency translation differences	-	-	(144,885)	(144,885)	(4,745)	(149,630)
Net changes in debt investment securities, net of taxes	-	-	16,139	16,139	-	16,139
Profit for the period	-	48,372	-	48,372	19,115	67,487
Total comprehensive loss for the period	-	48,372	(128,746)	(80,374)	14,370	(66,004)
Dividend relating to 2019	-	-	-	-	(1,651)	(1,651)
At 31 March 2020	2,113,957	293,935	(1,011,573)	1,396,319	421,803	1,818,122

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	Retained Earnings / (Accumulated Deficit)	Other Reserves	Total equity and reserves attributable	Non-Controlling Interest	Total Equity
At 1 January 2019 (Restated)	4,536,378	(734,834)	3,223,524	7,025,068	1,328,099	8,353,167
Changes in Equity for 1 January to 31 March 2019:						
Foreign currency translation differences	-	-	275,469	275,469	136,779	412,248
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
Total comprehensive income for the period	-	313,891	343,429	657,320	248,081	905,401
Change in minority ownership	-	-	(46,519)	(46,519)	46,519	-
Dividend relating to 2018	-	-	-	-	(78,610)	(78,610)
At 31 March 2019	4,536,378	(420,943)	3,520,434	7,635,869	1,544,089	9,179,958
Changes in Equity for 1 April to 31 December 2019:						
Foreign currency translation differences	-	-	(506,051)	(506,051)	103,847	(402,204)
Net changes in equity investment securities, net of taxes	-	-	(960)	(960)	-	(960)
Net changes in debt investment securities, net of taxes	-	-	240,879	240,879	27,426	268,305
Net gains on revaluation of property	-	-	53,813	53,813	9,526	63,339
Impact of adopting IAS 29 at January 1, 2019	-	-	(185,421)	(185,421)	-	(185,421)
Remeasurements of post-employment benefit obligations	-	-	4,706	4,706	-	4,706
Profit for the period	-	697,982	-	697,982	311,147	1,009,129
Total comprehensive income for the period	-	697,982	(393,034)	304,948	451,946	756,894
Dividend relating to 2018	-	-	-	-	(22,996)	(22,996)
Change in minority interest	-	-	46,519	46,519	292,386	338,905
Transfer to other group reserve	-	-	189,804	189,804	-	189,804
Transfer to share option reserve	-	-	490	490	-	490
Transfer from general banking reserves	-	(146,722)	146,722	-	-	-
Transfer to statutory reserve	-	(553,854)	553,854	-	-	-
At 31 December 2019 /January 2020	4,536,378	(423,537)	4,064,789	8,177,630	2,265,425	10,443,055
Changes in Equity for 1 January to 30 March 2020:						
Foreign currency translation differences	-	-	(933,666)	(933,666)	(66,228)	(999,894)
Net changes in debt investment securities, net of taxes	-	-	87,157	87,157	-	87,157
Profit for the period	-	261,225	-	261,225	103,231	364,456
Total comprehensive income for the period	-	261,225	(846,509)	(585,284)	37,003	(548,281)
Dividend relating to 2019	-	-	-	-	(8,916)	(8,916)
At 31 March 2020	4,536,378	(162,312)	3,218,280	7,592,346	2,293,512	9,885,858

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 2020	3 Month Period ended 31 March 2019
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before tax	90,256	102,517
Adjusted for:		
Foreign exchange income	(23,268)	(55,972)
Impairment losses on loans and advances	35,167	12,243
Impairment losses on other financial assets	7,067	16,420
Depreciation of property and equipment	18,637	21,078
Net interest income	(209,343)	(172,355)
Interest expense on lease liabilities	-	875
Amortisation of software and other intangibles	4,716	5,137
(Profit) / loss on sale of property and equipment	(1,282)	58
Share of post-tax results of associates	81	(28)
Income taxes paid	60,688	(45,376)
Changes in operating assets and liabilities		
Trading financial assets	67,082	(131,316)
Derivative financial instruments	(75,801)	3,601
Treasury bills and other eligible bills	16,694	221,641
Loans and advances to banks	(149,920)	23,147
Loans and advances to customers	442,590	615,545
Pledged assets	136,238	(31,925)
Other assets	(271,137)	(148,125)
Mandatory reserve deposits with central banks	48,797	(200,757)
Deposits from banks	(143,357)	(744,779)
Deposits from customers	(533,574)	96,042
Derivative liabilities	67,273	(585)
Other liabilities	295,336	(32,394)
Provisions	9,187	10,708
Interest received	340,111	322,537
Interest paid	(130,768)	(150,182)
Net cashflow from / (used in) operating activities	101,470	(262,245)
Cash flows from investing activities		
Purchase of software	(10,217)	(3,575)
Purchase of property and equipment	(10,759)	(10,852)
Proceeds from sale of property and equipment	1,269	4,053
Purchase of investment securities	(141,573)	(494,900)
Redemption of investment securities	379,351	554,836
Net cashflow from investing activities	218,071	49,562
Cash flows from financing activities		
Repayment of borrowed funds	(378,503)	(355,483)
Proceeds from borrowed funds	132,946	188,165
Dividends paid to non-controlling shareholders	(1,651)	(4,491)
Net cashflow used in financing activities	(247,208)	(171,809)
Net increase /(decrease) in cash and cash equivalents	72,333	(384,492)
Cash and cash equivalents at beginning of period	2,559,766	2,141,855
Effects of exchange differences on cash and cash equivalents	(114,827)	(142,519)
Cash and cash equivalents at end of the period	2,517,272	1,614,844

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 2020	3 Month Period ended 31 March 2019
	GHC'000	GHC'000
Cash flows from operating activities		
Profit before tax	487,419	515,608
Adjusted for:		
Foreign exchange income	(125,657)	(281,510)
Impairment losses on loans and advances	189,917	61,576
Impairment losses on other financial assets	38,165	82,584
Depreciation of property and equipment	100,648	106,011
Net interest income	(1,130,540)	(866,856)
Interest expense on lease liabilities		4,401
Amortisation of software and other intangibles	25,468	25,837
(Profit) / loss on sale of property and equipment	(6,923)	292
Share of loss/(profit) of associates	437	(141)
Income taxes paid	327,741	(228,218)
Changes in operating assets and liabilities		
Trading financial assets	362,271	(660,451)
Derivative financial instruments	(409,357)	18,111
Treasury bills and other eligible bills	90,155	1,114,741
Loans and advances to banks	(809,631)	116,417
Loans and advances to customers	2,390,171	3,095,873
Pledged assets	735,742	(160,566)
Other assets	(1,464,253)	(744,992)
Mandatory reserve deposits with central banks	263,524	(1,009,705)
Deposits from banks	(774,188)	(3,745,853)
Deposits from customers	(2,881,523)	483,042
Derivative liabilities	363,302	(2,942)
Other liabilities	1,594,938	(162,925)
Provisions	49,614	53,856
Interest received	1,836,742	1,622,194
Interest paid	(706,202)	(755,338)
Net cashflow from /(used in) operating activities	547,980	(1,318,954)
Cash flows from investing activities		
Purchase of software	(55,176)	(17,980)
Purchase of property and equipment	(58,103)	(54,580)
Proceeds from sale of property and equipment	6,853	20,384
Purchase of investment securities	(764,554)	(2,489,091)
Redemption of investment securities	2,048,654	2,790,538
Net cashflow from investing activities	1,177,674	249,271
Cash flows from financing activities		
Repayment of borrowed funds	(2,044,075)	(1,787,895)
Proceeds from borrowed funds	717,964	946,373
Dividends paid to non-controlling shareholders	(8,916)	(22,587)
Net cashflow used in financing activities	(1,335,027)	(864,109)
Net increase/(decrease) in cash and cash equivalents	390,627	(1,933,792)
Cash and cash equivalents at beginning of period	14,175,472	10,323,741
Effects of exchange differences on cash and cash equivalents	(878,684)	(182,666)
Cash and cash equivalents at end of the period	13,687,415	8,207,283

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 39 countries and employed over 14,719 people as at 31 March 2020 (31 December 2019: 14,878) .

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.

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 2019. 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 and measurement

The Group's unaudited condensed consolidated interim financial statements ('Condensed Financial Statements') for the period ended 31 March 2020 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 2019 Annual Consolidated Financial Statements and the accompanying notes included on pages 174 to 291 in our 2019 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 2019 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 2019 Annual Consolidated Financial Statements.

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 2019 Annual Consolidated Financial Statements which can be found in note 3 on page 199-200 of our 2019 Annual Report.

4 Significant Events and Transactions

Information on events and transactions affecting Group were presented in our annual report for the year ended 31 December 2019. Updates to these events and transactions are contained in the Ecobank 1Q 2020 Results Earnings Release that is available for download on our website through the following link: <https://www.ecobank.com/Group/investor-relations>.

Recognised on impairment charges of financial assets are disclosed in note 11 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 2019. 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 2020. 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 months period ended 31 March 2020 other than as disclosed above.

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

5 Liquidity risk management

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

5.1 Liquidity risk management process

The Group's liquidity management process, as carried out within the Group and monitored by a separate team in Group Treasury, includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers;
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Monitoring statement of financial position liquidity ratios against internal and regulatory requirements; and
- Managing the concentration and profile of debt maturities.

5.2 Non-derivative cash flows

The table below presents the cash flows payable by the Group under non-derivative financial liabilities by remaining contractual maturities at the statement of financial position date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Group manages the inherent liquidity risk based on expected undiscounted cash inflows.

As at 31 March 2020

	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Assets						
Cash and balances with central banks	1,996,623	-	-	-	1,267,932	3,264,555
Trading Financial Assets	15,394	89,049	17,037	10,079	787	132,346
Derivative financial instruments	-	143,728	-	-	-	143,728
Loans and advances to banks	759,488	516,806	371,908	99,398	-	1,747,600
Loans and advances to customers	3,360,890	1,542,071	1,665,149	1,878,267	1,080,137	9,526,514
Treasury bills and other eligible bills	126,086	454,589	961,430	82,633	-	1,624,738
Investment securities	212,372	216,064	720,241	2,740,542	903,289	4,792,508
Pledged assets	-	-	217,595	-	-	217,595
Other assets	553,407	379,674	531,494	19,565	21,387	1,505,527
Total assets (expected maturity dates)	7,024,260	3,341,981	4,484,854	4,830,484	3,273,532	22,955,111
Liabilities						
Deposits from banks	1,923,576	625,850	207,720	261,607	-	3,018,753
Deposit from customers	10,856,501	2,909,051	1,187,901	1,038,265	484,587	16,476,305
Other borrowed funds	40,386	72,707	127,410	1,933,569	28,300	2,202,372
Other liabilities	379,545	114,731	636,950	65,470	22,279	1,218,975
Derivative financial instruments	-	120,962	-	-	-	120,962
Total liabilities (contractual maturity dates)	13,200,008	3,843,301	2,159,981	3,298,911	535,166	23,037,367
Gap analysis	(6,175,748)	(501,320)	2,324,873	1,531,573	2,738,366	(82,256)

As at 31 December 2019

	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Assets						
Cash and balances with central banks	1,748,025	-	-	-	1,264,686	3,012,711
Trading Financial Assets	5,905	34,977	147,125	1,056	68,759	257,822
Derivative financial instruments	20,427	45,032	-	-	-	65,459
Loans and advances to banks	1,603,529	404,680	238,222	-	-	2,246,431
Loans and advances to customers	3,363,696	1,628,089	1,871,518	3,641,301	1,401,980	11,906,584
Treasury bills and other eligible bills	181,080	404,854	1,113,704	66,644	-	1,766,282
Investment securities	1,089,572	46,899	716,138	2,209,469	1,452,255	5,514,333
Pledged assets	-	-	351,478	-	-	351,478
Other assets	474,792	43,267	449,653	142,201	39,723	1,149,636
Total assets (expected maturity dates)	8,487,026	2,607,798	4,887,838	6,060,671	4,227,403	26,270,736
Liabilities						
Deposits from banks	3,135,012	526,621	223,189	199,602	-	4,084,424
Deposit from customers	12,987,391	1,183,962	1,161,846	816,802	221,060	16,371,061
Other borrowed funds	145,114	38,584	167,677	2,515,933	54,640	2,921,948
Other liabilities	672,660	373,110	1,189,981	26,452	565,847	2,828,050
Derivative financial instruments	568,362	10,259	88,657	96,132	14,106	777,516
Total liabilities (contractual maturity dates)	17,508,539	2,132,536	2,831,350	3,654,921	855,653	26,982,999
Gap analysis	(9,021,513)	475,262	2,056,488	2,405,750	3,371,750	(712,263)

(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 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
Financial assets:				
Cash and balances with central banks	3,264,555	2,829,313	3,264,555	2,829,313
Loans and advances to banks	1,709,249	1,891,889	1,936,686	2,246,431
Loans and advances to customers	8,788,305	9,276,608	9,098,969	9,325,099
Other assets (excluding prepayments)	1,313,494	1,154,675	1,313,494	1,154,675
Financial liabilities:				
Deposits from banks	1,855,852	2,207,593	1,888,962	2,018,980
Deposit from customers	16,102,763	16,246,120	16,371,061	16,371,061
Other liabilities (excluding deferred income)	1,069,554	781,493	1,069,554	781,493
Borrowed funds	1,801,452	2,075,001	1,926,055	2,191,461

(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:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- 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).
- 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 2020			31 December 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Treasury and other eligible bills	960,690	643,226	-	879,087	753,662	-
Trading Financial Assets/ Financial Assets held for trading	87,957	27,623	-	166,724	15,938	-
Derivative financial instruments	-	141,260	-	-	65,459	-
Pledged assets	-	215,240	-	-	351,478	-
Investment securities	1,854,515	-	90	776,839	4,080,834	90
Total financial assets	2,903,161	1,027,349	90	1,822,650	5,267,371	90
Derivative financial instruments	-	118,528	-	-	51,255	-
Total financial liabilities	-	118,528	-	-	29,907	-

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 Mar 2020	31 Dec 2019
	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 2020	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 2020

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	3,264,555	-	-	-	-	-	-	3,264,555
Trading financial assets	-	115,580	-	-	-	-	-	115,580
Derivative financial instruments	-	141,260	-	-	-	-	-	141,260
Loans and advances to banks	1,709,249	-	-	-	-	-	-	1,709,249
Loans and advances to customers	8,788,305	-	-	-	-	-	-	8,788,305
Treasury bills and other eligible bills	-	-	1,603,915	-	-	-	-	1,603,915
Investment securities - Equity instruments	-	-	-	150,276	90	-	-	150,366
Investment securities - Debt instruments	-	-	4,422,640	-	-	-	-	4,422,640
Pledged assets	215,240	-	-	-	-	-	-	215,240
Other assets, excluding prepayments	1,313,494	-	-	-	-	-	-	1,313,494
Total	15,290,843	256,840	6,026,555	150,276	90	-	-	21,724,604

Liabilities

Deposits from banks	-	-	-	-	-	-	1,855,852	1,855,852
Deposit from customers	-	-	-	-	-	-	16,102,763	16,102,763
Derivative financial instruments	-	-	-	-	-	118,528	-	118,528
Borrowed funds	-	-	-	-	-	-	1,801,452	1,801,452
Other liabilities, excluding non-financial liabilities	-	-	-	-	-	-	1,069,554	1,069,554
Total	-	-	-	-	-	118,528	20,829,621	20,948,149

31 December 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	2,829,313	-	-	-	-	-	-	2,829,313
Trading financial assets	-	182,662	-	-	-	-	-	182,662
Derivative financial instruments	-	65,459	-	-	-	-	-	65,459
Loans and advances to banks	1,891,889	-	-	-	-	-	-	1,891,889
Loans and advances to customers	9,276,608	-	-	-	-	-	-	9,276,608
Treasury bills and other eligible bills	-	-	1,632,749	-	-	-	-	1,632,749
Investment securities - Equity instruments	-	-	-	163,904	90	-	-	163,994
Investment securities - Debt instruments	-	-	4,693,769	-	-	-	-	4,693,769
Pledged assets	351,478	-	-	-	-	-	-	351,478
Other assets, excluding prepayments	1,154,675	-	-	-	-	-	-	1,154,675
Total	15,503,963	248,121	6,326,518	163,904	90	-	-	22,242,596

Liabilities

Deposits from banks	-	-	-	-	-	-	2,207,593	2,207,593
Deposit from customers	-	-	-	-	-	-	16,246,120	16,246,120
Derivative financial instruments	-	-	-	-	-	51,255	-	51,255
Borrowed funds	-	-	-	-	-	-	2,075,001	2,075,001
Other liabilities, excluding non-financial liabilities	-	-	-	-	-	-	781,493	781,493
Total	-	-	-	-	-	51,255	21,310,207	21,361,462

(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.

The table below summarises the composition of regulatory capital and the ratios of the Group. The Group has remained compliant with the minimum regulatory capital adequacy ratio requirements (7.25% Tier 1 CAR and 9.50% Total CAR in 2019).

	31 Dec 2019	'Restated 31 Dec 2018
Tier 1 capital		
Share capital	2,113,957	2,113,957
Retained earnings	245,563	184,895
IFRS 9 transition adjustment	99,767	200,531
Statutory reserve	584,396	478,232
Other reserves	(1,618,813)	(1,420,359)
Non-controlling interests	241,775	182,899
Less: goodwill	(191,634)	(199,105)
Less: intangibles	(118,340)	(79,229)
Less: other deductions	-	-
Total qualifying Tier 1 capital	1,356,670	1,461,821
Tier 2 capital		
Subordinated debt and other instruments	271,185	398,788
Revaluation reserve	102,955	77,176
Minority interests included in Tier 2 capital	63,785	44,118
Total qualifying Tier 2 capital	437,925	520,082
Less investments in associates	-	-
Total regulatory capital	1,794,595	1,981,903
Risk-weighted assets:		
Credit risk weighted assets	12,126,499	12,240,152
Market risk weighted assets	82,123	268,212
Operational risk weighted assets	3,294,858	3,501,410
Total risk-weighted assets	15,503,480	16,009,774
Tier 1 Capital Adequacy Ratio	8.8%	9.1%
Total Capital Adequacy Ratio	11.6%	12.4%

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

	3 Month Period ended 31 March 2020		3 Month Period ended 31 March 2019	
	US\$'000	GHC'000	US\$'000	GHC'000
7 Net interest income				
Interest income				
Loans and advances to banks	16,646	89,895	9,802	49,299
Loans and advances to customers	192,760	1,040,985	188,207	946,584
Treasury bills and other eligible bills	52,479	283,409	36,833	185,251
Investment securities	77,878	420,574	86,158	433,330
Financial assets held for trading measured at FVTPL	8	43	1,407	7,076
Others	340	1,836	130	654
	340,111	1,836,742	322,537	1,622,194
Interest expense				
Deposits from banks	18,664	100,793	20,230	101,746
Leases	1,181	6,378	875	4,401
Due to customers	75,380	407,084	88,521	445,215
Other borrowed funds	34,362	185,569	39,681	199,575
	130,768	706,202	150,182	755,338
8 Net fee and commission income				
Fee and commission income:				
Credit related fees and commissions	33,599	181,449	30,487	153,334
Portfolio and other management fees	1,627	8,786	3,450	17,353
Corporate finance fees	3,561	19,231	4,032	20,277
Cash management and related fees	44,303	239,255	53,703	270,098
Card management fees	17,906	96,700	19,826	99,714
Brokerage fees and commissions	418	2,257	779	3,918
Other fees	3,759	20,300	6,662	33,508
	105,173	567,978	118,939	598,202
Fee and commission expense				
Brokerage fees paid	517	2,792	477	2,399
Other fees paid	7,621	41,157	9,815	49,364
	8,138	43,949	10,292	51,763
9 Net trading income				
Foreign exchange	56,484	305,037	79,439	399,538
Trading income on securities	23,758	128,303	16,593	83,453
	80,242	433,340	96,032	482,991
10 Other (expense)/ operating income				
Lease income	64	346	501	2,521
Dividend income	253	1,366	345	1,735
Other	5,721	30,896	10,300	51,803
	6,038	32,608	11,146	56,059
11 Impairment losses on loans and advances and other financial assets				
Impairment losses on loans and advances	57,926	312,825	80,587	405,311
Recoveries	(22,759)	(122,908)	(68,344)	(343,735)
Impairment charge on other financial assets	7,067	38,165	16,420	82,584
	42,234	228,082	28,663	144,160
12 Operating expenses				
Staff expenses	118,350	639,140	117,119	589,048
Depreciation and amortisation	23,353	126,116	26,215	131,848
Other operating expenses	117,603	635,105	113,694	571,822
	259,306	1,400,361	257,028	1,292,718
13 Taxation				
Current income tax	28,076	151,623	38,330	192,780
Deferred income tax	(4,262)	(23,017)	(17,779)	(89,419)
	23,814	128,606	20,551	103,361

Notes

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

14 Earnings per share

31 Mar 2020

Basic

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue outstanding during the period.

Profit attributable to equity holders of the Company from continuing operations	48,372
Profit/ (Loss) attributable to equity holders of the Company from discontinued operations	564
Weighted average number of ordinary shares in issue (in thousands)	24,592,619
Basic earnings per share (expressed in US cents per share) from continuing operations	0.20
Basic earnings per share (expressed in US cents per share) from discontinued operations	0.00

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company has two categories of dilutive potential ordinary shares: convertible debts and share options granted to employees.

The convertible debt is assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect. For the share options, a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Profit attributable to equity holders of the company from continuing operations	48,372
Interest expense on dilutive convertible loans	-
	48,372
Profit attributable to equity holders of the company from discontinued operations	564
Interest expense on dilutive convertible loans	-
Adjusted profit	564
Weighted average number of ordinary shares in issue (in thousands)	24,592,619
Adjustment for dilutive convertible loans	-
Weighted average number of ordinary shares for diluted earnings per share (in	24,592,619
Dilutive earnings per share (expressed in US cents per share) from continuing operations	0.20
Dilutive earnings per share (expressed in US cents per share) from discontinued operations	0.00

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

	As at 31 March 2020		As at 31 December 2019	
	US\$'000	GHC'000	US\$'000	GHC'000
15 Cash and balances with central banks				
Cash in hand	644,598	3,504,937	636,886	3,526,947
Balances with central banks other than mandatory reserve deposits	1,404,068	7,634,479	927,741	5,137,644
Included in cash and cash equivalents	2,048,666	11,139,416	1,564,627	8,664,591
Mandatory reserve deposits with central banks	1,215,889	6,611,275	1,264,686	7,003,579
	3,264,555	17,750,691	2,829,313	15,668,170
16 Trading financial assets				
Debt securities measured at FVTPL				
- Government bonds	115,580	628,455	182,662	1,011,546
	115,580	628,455	182,662	1,011,546
17 Loans and advances to banks				
Items in course of collection from other banks	56,125	305,174	64,238	355,737
Deposits with other banks	894,027	4,861,184	1,226,587	6,792,594
Placements with other banks	759,097	4,127,513	601,064	3,328,572
	1,709,249	9,293,871	1,891,889	10,476,903
18 Loans and advances to customers				
Analysis by type:				
Overdrafts	1,070,602	5,821,291	1,564,461	8,663,672
Credit cards	3,412	18,552	3,450	19,105
Term loans	8,065,239	43,853,931	8,123,795	44,987,952
Mortgage loans	244,592	1,329,945	141,952	786,102
Others	7,224	39,280	-	-
Gross loans and advances	9,391,069	51,062,999	9,833,658	54,456,831
Less: allowance for impairment	(602,764)	(3,277,469)	(557,050)	(3,084,831)
	8,788,305	47,785,530	9,276,608	51,372,000
19 Treasury bills and other eligible bills				
Maturing within three months	369,304	2,008,054	381,444	2,112,361
Maturing after three months	1,234,611	6,713,073	1,251,305	6,929,476
	1,603,915	8,721,127	1,632,749	9,041,837
20 Investment securities				
Debt securities				
- At FVTOCI listed	2,013,201	10,946,579	1,901,387	10,529,501
- At FVTOCI unlisted	2,410,446	13,106,558	2,793,413	15,469,360
Total	4,423,647	24,053,137	4,694,800	25,998,861
Equity securities				
- At FVTOCI unlisted	90	489	90	498
- At FVTPL listed	2,287	12,436	2,169	12,011
- At FVTPL unlisted	147,899	804,186	161,735	895,657
	150,276	817,111	163,994	908,166
Total investment securities	4,573,923	24,870,248	4,858,794	26,907,027
Allowance for impairment	(917)	(4,985)	(1,031)	(5,707)
	4,573,006	24,865,263	4,857,763	26,901,320

Notes

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

	As at 31 March 2020		As at 31 December 2019	
	US\$'000	GHC'000	US\$'000	GHC'000
21 Other assets				
Fees receivable	11,359	61,763	9,302	51,513
Accounts receivable	422,594	2,297,813	738,616	4,090,308
Repossessed assets from customers	158,433	861,464	170,389	943,582
Prepayments	222,196	1,208,169	156,458	866,433
Sundry receivables	671,487	3,651,144	236,368	1,308,956
	1,486,069	8,080,353	1,311,133	7,260,792
Impairment provision on receivables	(79,783)	(433,812)	(126,363)	(699,773)
	1,406,286	7,646,541	1,184,770	6,561,019
22 Right-of-use assets				
Included in the amount for property and equipment in the statement of financial position are right-of-use assets show below:				
Land and buildings	101,188	550,200	86,672	479,972
Motor Vehicles	1,860	10,114	778	4,308
Furniture and equipment	4,035	21,940	2,254	12,482
Other equipment	117	636	41	227
	107,200	582,890	89,745	496,989
23 Deposits from banks				
Operating accounts with banks	794,725	4,321,238	612,892	3,394,073
Deposits from banks	1,061,127	5,769,772	1,594,701	8,831,136
	1,855,852	10,091,010	2,207,593	12,225,209
24 Deposit from customers				
Current accounts	9,658,528	52,517,280	9,817,747	54,368,719
Term deposits	3,460,660	18,816,993	3,574,917	19,797,175
Savings deposits	2,983,575	16,222,891	2,853,456	15,801,869
	16,102,763	87,557,164	16,246,120	89,967,763
25 Other liabilities				
Accrued income	71,752	390,144	64,477	357,061
Unclaimed dividend	4,110	22,348	4,144	22,949
Accruals	305,672	1,662,061	202,518	1,121,504
Obligations under customers' letters of credit	24,244	131,824	68,482	379,240
Bankers draft	20,877	113,517	27,929	154,665
Accounts payable	291,014	1,582,360	51,830	287,024
Other liabilities	423,637	2,303,483	426,590	2,362,370
	1,141,306	6,205,737	845,970	4,684,813
26 Short term				
Long term	12,939	70,355	36,791	203,741
	68,085	370,205	88,316	489,076
	81,024	440,560	125,107	692,817

Notes

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

Note 27: 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
Income Statement Highlights for the period ended 31 March 2020						
Net interest income	39,882	72,123	74,488	47,179	(24,329)	209,343
Net fees and commission income	10,672	30,697	22,103	31,926	1,637	97,035
Other income	18,462	15,066	19,265	25,074	8,413	86,280
Operating income	69,016	117,886	115,856	104,179	(14,279)	392,658
Impairment charges on financial assets	(5,876)	(8,727)	(11,629)	468	(16,470)	(42,234)
Total operating expenses	(56,538)	(74,323)	(55,337)	(62,638)	(10,470)	(259,306)
Operating profit after impairment losses	6,602	34,836	48,890	42,009	(41,219)	91,118
Net monetary loss arising from hyperinflationary economy	-	-	-	(781)	-	(781)
Share of post-tax results of associates	-	-	-	(81)	-	(81)
Profit before tax	6,602	34,836	48,890	41,147	(41,219)	90,256
Balance Sheet Highlights as at 31 March 2020						
Total assets	5,479,379	8,435,874	4,177,593	5,148,018	(23,517)	23,217,347
Total Liabilities	4,760,226	7,722,316	3,685,599	4,615,965	615,119	21,399,225
In 000 of \$						
	NIGERIA	UEMOA	AWA	CESA	OTHERS AND CONSO ADJUSTMENT(1)	Ecobank Group
Income Statement Highlights for the period ended 31 March 2019						
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
Operating income	51,572	117,718	99,831	121,892	(2,833)	388,180
Impairment charges on financial assets	15,143	12,758	(12,404)	(2,290)	(41,869)	(28,663)
Total operating expenses	(61,511)	(73,595)	(48,683)	(60,703)	(12,536)	(257,028)
Operating profit after impairment losses	5,203	56,881	38,744	58,899	(57,239)	102,489
Share of profit from associates	-	-	120	(92)	-	28
Profit before tax	5,203	56,881	38,864	58,807	(57,239)	102,517
Balance Sheet Highlights as at 31 December 2019						
Total assets	5,624,285	8,960,332	3,898,882	5,597,660	(439,974)	23,641,184
Total Liabilities	4,845,143	8,263,104	3,444,102	5,080,545	122,514	21,755,407

ETI & Others comprise ETI, the Holdco, eProcess (the Group's technology service company), the International business in Paris, and also the impact of other affiliates and structured entities of ETI. The impact of consolidation eliminations is also included in 'ETI & Others'.

Notes

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

Note 28: 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
Income Statement Highlights for the period ended 31 March 2020						
Net interest income	111,899	42,340	57,431	(2,616)	289	209,343
Net fees and commission income	36,029	23,877	35,627	6,772	(5,270)	97,035
Other income	63,038	18,440	7,638	33,178	(36,014)	86,280
Operating income	210,966	84,657	100,696	37,334	(40,995)	392,658
Impairment charges on financial assets	(31,420)	(7,595)	(3,673)	4,038	(3,584)	(42,234)
Total operating expenses	(107,899)	(66,254)	(80,547)	36,734	(41,340)	(259,306)
Operating profit after impairment losses	71,647	10,808	16,476	(3,438)	(4,375)	91,118
Net monetary loss arising from hyperinflationary economy	-	-	-	(781)	-	(781)
Share of post-tax results of associates	(81)	-	-	-	-	(81)
Profit before tax	71,566	10,808	16,476	(4,219)	(4,375)	90,256
Balance Sheet Highlights as at 31 March 2020						
Total assets	12,827,212	2,599,274	1,078,094	8,323	6,704,444	23,217,347
Total Liabilities	10,477,514	3,525,733	5,538,458	1,623,920	233,600	21,399,225
In 000 of \$						
	CIB	Commercial	Consumer	Others	Consolidation Adjustments	Ecobank Group
Income Statement Highlights for the period ended 31 March 2019						
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
Operating income	183,985	101,446	105,976	76,123	(79,350)	388,180
Impairment charges 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)
Operating profit after impairment losses	91,965	26,750	20,214	44,384	(80,824)	102,489
Share of post-tax results of associates	64	-	(10)	-	(26)	28
Profit before tax	92,029	26,750	20,204	44,384	(80,850)	102,517
Balance Sheet Highlights as at 31 December 2019						
Total assets	13,898,717	1,750,062	1,003,741	4,013,305	2,975,359	23,641,184
Total Liabilities	12,957,810	3,813,213	5,505,945	1,942,446	(2,464,007)	21,755,407

Notes

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

Note 29: 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
Income Statement Highlights for the period ended 31 March 2020						
Net interest income	215	389	402	255	(130)	1,131
Net fees and commission income	58	166	119	172	9	524
Other income	100	81	104	135	46	466
Operating income	373	636	625	562	(75)	2,121
Impairment losses on financial assets	(32)	(47)	(63)	3	(89)	(228)
Total operating expenses	(305)	(401)	(299)	(338)	(58)	(1,401)
Operating profit after impairment losses	36	188	263	227	(222)	492
Net monetary loss arising from hyperinflationary economy	-	-	-	(4)	-	(4)
Share of post-tax results of associates	-	-	-	-	-	-
Profit before tax	36	188	263	223	(222)	488
Balance Sheet Highlights as at 31 March 2020						
Total assets	29,794	45,869	22,715	27,992	(128)	126,242
Total Liabilities	25,883	41,989	20,040	25,099	3,345	116,356

In 000,000 of GHC						
	NIGERIA	UEMOA	AWA	CESA	OTHERS AND CONSO ADJUSTMENT(1)	Ecobank Group
Income Statement Highlights for the period ended 31 March 2019						
Net interest income	97	338	303	228	(99)	867
Net fees and commission income	49	179	112	194	13	546
Other income	113	75	87	191	73	539
Operating income	259	592	502	613	(13)	1,952
Impairment losses on financial assets	76	64	(62)	(12)	(210)	(144)
Total operating expenses	(309)	(371)	(245)	(305)	(64)	(1,293)
Operating profit after impairment losses	26	286	195	296	(287)	515
Share of post-tax results of associates	-	-	1	(0.5)	-	0.1
Profit before tax	26	286	195	295	(287)	515
Balance Sheet Highlights as at 31 December 2019						
Total assets	76,968	9,691	5,559	22,225	16,477	130,920
Total Liabilities	71,758	21,117	30,491	10,757	(13,646)	120,477

(1) ETI & Others comprise ETI, the Holdco, eProcess (the Group's technology service company), the International business in Paris, and also the impact of other affiliates and structured entities of ETI. The impact of consolidation eliminations is also included in 'ETI & Others'

Notes

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

Note 30: 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
Income Statement Highlights for the period ended 31 March 2020						
Net interest income	604	229	310	(14)	-	1,131
Net fees and commission income	195	129	192	37	(29)	524
Other income	340	100	41	179	(194)	466
Operating income	1,139	458	543	202	(221)	2,121
Impairment losses on financial assets	(170)	(41)	(20)	22	(19)	(228)
Total operating expenses	(583)	(358)	(435)	198	(223)	(1,401)
Operating profit after impairment losses	386	59	88	422	(463)	492
Net monetary loss arising from hyperinflationary economy	-	-	-	(4)	(0)	(4)
Share of post-tax results of associates	-	-	-	-	-	-
Profit before tax	386	59	88	422	(467)	488
Balance Sheet Highlights as at 31 March 2020						
Total assets	69,747	14,133	5,862	45	36,455	126,242
Total Liabilities	56,970	19,171	30,115	8,830	1,270	116,356

In 000,000 of GHC						
	CIB	Commercial	Consumer	Others	Consolidation Adjustments	Ecobank Group
Income Statement Highlights for the period ended 31 March 2019						
Net interest income	381	193	279	50	(36)	867
Net fees and commission income	193	155	196	38	(35)	546
Other income	351	162	58	295	(327)	539
Operating income	925	510	532	383	(398)	1,952
Impairment losses on financial assets	39	(31)	(14)	8	(145)	(144)
Total operating expenses	(501)	(345)	(418)	(167)	138	(1,293)
Operating profit after impairment losses	463	134	100	223	(406)	515
Share of post-tax results of associates	0.3	-	(0.1)	-	-	0.1
Profit before tax	463	134	100	223	(406)	515
Balance Sheet Highlights as at 31 December 2019						
Total assets	62,766	6,037	4,290	16,101	41,726	130,920
Total Liabilities	56,290	16,131	25,268	10,245	12,543	120,477

Notes

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

31 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 2020 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:

	31 March 2020	31 Dec 2019
Guaranteed commercial papers and bank acceptances	309,116	136,357
Documentary and commercial letters of credit	1,370,203	1,308,351
Performance bond, guarantees and indemnities	1,890,510	1,759,919
Loan commitments	<u>727,425</u>	<u>452,255</u>
	<u>4,297,254</u>	<u>3,656,882</u>

c) 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 2020 is \$142 million (December 2019: \$150 million). Based on Group's assessment, the probable liability is not likely to exceed \$10 million (December 2019: \$ 9 million) which provisions have been made in the books.

32 Covid-19 impact

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections worldwide. Consequently, in most countries, a lot of measures have been taken to contain the spread of the virus: limiting the movement of people, restricting flights and closing borders, temporarily closing businesses and schools, and canceling events. This is having an immediate impact on businesses such as tourism, transport, retail, and entertainment affecting African economic activity as well. In response, the central banks of countries where ETI operates, along with respective governments, intervened with monetary and fiscal measures aimed at mitigating market concerns and providing liquidity to the market;

At Ecobank, the management team has taken appropriate steps to assess the impact on the group's financial statement based on the information available as of date. We carried out the following tasks and measures :

- Identification of the macro-economic and financial impacts of the pandemic on our economies. Across the group, our teams are evaluating what is and could be the impact of the pandemic on our businesses.
- The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.
- As a result of having a better knowledge of the likely implication, we will review and amend the key parameters accordingly for the impairment model such as forward-looking information (FLI), probability of default (PD) and loss given default (LGD). If necessary, any amendment of our impairment model parameters will be performed during the course of the year when we will be able to refine our understanding of the forecast of future economic conditions.
- In the meantime, we accounted for an additional collective assessment impairment of \$18 million to cope with the expected potential risk of this pandemic in our financial structure and the various current uncertainties in the markets. Our cost of risk has increased from 0.8% (unadjusted) to 1.5% (adjusted with central provision), representing an increase in the cost of risk by 70bps. This estimate is based on the best available data about past events, current conditions, and forecasts of future economic conditions at the moment.
- Depending on the duration of the disruption caused by the virus and length of recovery, our results for the remainder of the year could be adversely affected by increased Expected Credit Loss (ECL), lower revenue, and volatility in our results.
- Management is closely monitoring the evolution of this pandemic, including how it may affect the Group.

Note that statements regarding the impact of the COVID-19 pandemic on our business, results, financial position, the firm's liquidity and regulatory capital ratio and the measurement of impairment of intangible assets such as goodwill under IAS 36 and fair value measurement of assets and liabilities at fair value in accordance with IFRS 13 are subject to the risk that the actual impact may differ, possibly materially, from what is currently expected.

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 35 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 14,719 people in 39 different countries in 847 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.

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. Full contact details below:

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