ECOBANK TRANSNATIONAL INCORPORATED

Consolidated Audited Financial Statements

For year ended 31 December 2021

Ecobank Transnational Incorporated
Consolidated financial statements
For the year ended 31 December 2021

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Ecobank Transnational Incorporated
For year ended 31 December 2021
Statement of directors' responsibilities

Responsibility for consolidated financial statements

The Directors are responsible for the preparation of the consolidated financial statements for each financial period that give a true and fair view of the financial position of the Group as at 31 December 2021 and the results of its operations, statement of cash flow, income statement and changes in equity for the year ended in compliance with International Financial Reporting Standards ("IFRS"). This responsibility includes ensuring that the Group:
(a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group;
(b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
(c) prepares its Unaudited consolidated financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, that are consistently applied.
The Directors accept responsibility for the Unaudited consolidated financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS.

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

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

Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors on 25 February 2022 and signed on its behalf by:

Alain Nkontchou
Group Chairman

Ade Ayeyemi
Group Chief Executive Officer

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ECOBANK TRANSNATIONAL INCORPORATED

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Ecobank Transnational Incorporated** and its subsidiaries (together referred to as "the Group") set out on pages 5 to 123 which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of **Ecobank Transnational Incorporated** as at 31 December 2021, and its consolidated financial performance and statement of cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

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

Key audit matter	How our audit addressed the key audit matter
Impairment of loans and advances to customers	
Loans and advances to customers constitute a significant portion of the total assets of the Group. At 31 December 2021, gross loans and advances to customers was US$ 10,228 million (31 December 2020: US$9,798 million) against which total loan impairment amount of US$652 million (31 December 2020: US$558 million) were recorded, thus leaving a net loan balance of US$9,576 million (31 December 2020: US$9,240 million) which represents nearly 35 per cent (31 December 2020: 36 per cent) of the total assets as at the reporting date (see note 20). The basis of the impairment amount is summarised in the Accounting policies in the consolidated financial statements. The Directors exercise significant judgement when determining both when and how much to record as loan impairment. This is because a number of significant assumptions and inputs go into the determination of expected credit loss impairment amounts on loans and advances to customers.	We focused our testing of the impairment on loans and advances to customers on the key assumptions and inputs made by Management and Directors. Specifically, our audit procedures included: • Obtaining an understanding of the loan loss impairment calculation process within the group; • Testing the design and determining implementation of key controls across the processes relevant to the Expected Credit Loss ('ECL') (allocation of assets into stages, model governance, data accuracy and completeness, credit monitoring, multiple economic scenarios, post model adjustments, individual impairment and processing of journal entries and disclosures); • Assessing the ECL impairment levels by stage to determine if they were reasonable considering the Group's portfolio, risk profile, credit risk management practices and the macroeconomic environment. • Challenging the criteria used to allocate asset to stage 1, 2 or 3 in accordance with IFRS 9;

Deloitte. Grant Thornton

The Group has implemented IFRS 9, Financial Instruments since 1 January 2018. This standard requires the Group to recognise Expected Credit Losses ('ECL') on financial instruments, which involves exercise of significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Group's implementation of IFRS 9 include: i. Identification and measurement of economic scenarios to measure ECLs on a forward-looking basis reflecting a range of future economic conditions. ii. Assessment and measurement of Significant Increase in Credit Risk ('SICR') using different criteria. iii. Modelling for estimation of ECL parameters – • probabilities of default (PDs) - 12-month and lifetime, • loss given default, • exposure at default. iv. Completeness and accuracy of data used to calculate the ECL; Because of the significance of these estimates, judgements and the size of loans and advances portfolio, the audit of loan impairment is considered a key audit matter.	• Testing the assumptions, inputs and formulae used in a sample of ECL models with the support of our internal credit risk specialists (including assessing the appropriateness of model design and formulae used, assessing the Group's approach and methodology of incorporating the impacts of COVID-19 in the ECL models, considering alternative modelling techniques and recalculating the probability of default, loss given default and exposure at default for a sample of models); • Testing the data used in the ECL calculation by reconciling to source systems; • Assessing the adequacy and appropriateness of disclosures for compliance with the accounting standards. Based on our review, we found that the Group's impairment methodology, including the model, assumptions and key inputs used by Management and Directors to estimate the amount of loan impairment losses were appropriate in the circumstances.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work performed on the other information that we obtained prior to the date of this auditors' report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.
  If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
7 March 2022

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

For: Grant Thornton
Chartered Accountants
Abidjan, Cote d'Ivoire
7 March 2022

Engagement Partner: Georges Yao-Yao

Press Release

Ecobank Group reports audited results for year ended 31 December 2021

- Net revenue up 5% to $1,756.7 million (up 8% to GHC 10,199.5 billion)
- Profit before tax and goodwill impairment up 41% to $478.0 million (up 47% to GHC 2,775.2 billion)
- Profit before tax up 174% to $478.0 million (up 184% to GHC 2,775.2 billion)
- Profit after tax up 305% to $357.4 million (up 320 % to GHC 2,074.9 billion)
- Total assets up 6% to $27.6 billion (up 11% to GHC 165.5 billion)
- Loans and advances to customers up 4% to $9.6 billion (up 9% to GHC 57.5 billion)
- Deposits from customers up 8% to $19.7 billion (up 13% to GHC 118.4 billion)
- Total equity up 7% to $2.2 billion (up 12% at GHC 13.0 billion)

Financial Highlights	Year ended 31 December 2021		Year ended 31 December 2020		% Change	
	US$'000	GHC'000	US$'000	GHC'000	US$	GHC
Income Statement:						
Net revenue	1,756,714	10,199,460	1,679,765	9,401,016	5%	8%
Operating profit before impairment charges	722,016	4,192,017	625,727	3,501,960	15%	20%
Profit before tax and goodwill impairment	477,992	2,775,217	337,882	1,890,999	41%	47%
Profit before tax	477,992	2,775,217	174,318	975,592	174%	184%
Profit after tax	357,366	2,074,863	88,319	494,288	305%	320%
Earnings per share from continuing operations attributable to owners of the parent during the year (expressed in United States cents / pesewas per share):						
Basic (US cents and pesewas)	1.063	6.170	0.010	0.055	10785%	11192%
Diluted (US cents and pesewas)	1.063	6.170	0.010	0.055	10785%	11192%
Earnings per share from discontinued operations attributable to owners of the parent during the year(expressed in United States cents / pesewas per share):						
Basic (US cents and pesewas)	0.004	0.021	0.007	0.041	-50%	-49%
Diluted (US cents and pesewas)	0.004	0.021	0.007	0.041	-50%	-49%

Financial Highlights	As at 31 December 2021		As at 31 December 2020		% Change	
	US$'000	GHC'000	US$'000	GHC'000	US$	GHC
Statement of Financial Position:						
Total assets	27,561,793	165,538,886	25,939,473	148,742,126	6%	11%
Loans and advances to customers	9,575,865	57,513,603	9,239,948	52,983,710	4%	9%
Deposits from customers	19,713,349	118,400,345	18,296,952	104,918,382	8%	13%
Total equity	2,164,306	12,999,038	2,027,713	11,627,311	7%	12%

Alain Nkontchou
Group Chairman

Ade Ayeyemi
Group Chief Executive Officer

Ayo Adepoju
Group Chief Financial Officer

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Consolidated Statement of Comprehensive Income - USD

	Year ended 31 December 2021	Year ended 31 December 2020	% Change
	US$'000	**US$'000**	
Interest Income	1,473,554	1,390,438	6%
Interest Expense	(529,124)	(483,212)	10%
Net Interest Income	**944,430**	**907,226**	**4%**
Fee and commission income	500,149	424,589	18%
Fee and commission expense	(48,720)	(35,643)	37%
Net trading income	295,617	346,276	-15%
Net investment income	18,563	16,617	12%
Other operating income	46,675	20,700	125%
Non-interest revenue	**812,284**	**772,539**	**5%**
Operating income	**1,756,714**	**1,679,765**	**5%**
Staff expenses	(454,937)	(462,992)	-2%
Depreciation and amortisation	(108,669)	(104,206)	4%
Other operating expenses	(471,092)	(486,840)	-3%
Operating expenses	**(1,034,698)**	**(1,054,038)**	**-2%**
Operating profit before impairment charges and taxation	**722,016**	**625,727**	**15%**
Impairment charges on financial assets	(217,680)	(227,025)	-4%
Operating profit after impairment charges before taxation	**504,336**	**398,702**	**26%**
Net monetary loss arising from hyperinflationary economies	(25,852)	(60,523)	-57%
Share of post-tax results of associates	(492)	(297)	66%
Profit before tax and goodwill impairment	**477,992**	**337,882**	**41%**
Goodwill Impairment	-	(163,564)	nm
Profit before tax	**477,992**	**174,318**	**174%**
Taxation	(122,281)	(89,335)	37%
Profit after tax from continuing operations	**355,711**	**84,983**	**319%**
Profit after tax from discontinued operations	1,655	3,336	-50%
Profit after tax	**357,366**	**88,319**	**305%**
Attributable to:			
Owners of the parent	**262,234**	**4,202**	**6141%**
- Continuing operations	261,340	2,401	10785%
- Discontinued operations	894	1,801	-50%
Non-controlling interests	**95,132**	**84,117**	**13%**
- Continuing operations	94,371	82,582	14%
- Discontinued operations	761	1,535	-50%
	357,366	**88,319**	**305%**
Earnings per share from continuing operations attributable to owners of the parent during the year (expressed in United States cents per share):			
Basic (cents)	1.063	0.010	10785%
Diluted (cents)	1.063	0.010	10785%
Earnings per share from discontinued operations attributable to owners of the parent during the year (expressed in United States cents per share):			
Basic (cents)	0.004	0.007	-50%
Diluted (cents)	0.004	0.007	-50%
Consolidated statement of other comprehensive income			
Profit after tax	**357,366**	**88,319**	**305%**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange difference on translation of foreign operations	(214,710)	(8,553)	2410%
Fair value (loss) / gain on debt instruments at FVTOCI	(53,482)	76,639	-170%
Taxation relating to components of other comprehensive income that may be subsequently reclassed to profit or loss	(6,607)	(2,025)	226%
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit obligations	(931)	(233)	300%
Fair value gain on equity instruments designated at FVTOCI	509	79	544%
Property and equipment - revaluation gain	16,258	29,208	-44%
Taxation relating to components of other comprehensive income that will not be subsequently reclassed to profit or loss	(4,076)	(9,605)	-58%
Other comprehensive (loss) / income for the year, net of taxation	**(263,039)**	**85,510**	**-408%**
Total comprehensive income for the year	**94,327**	**173,829**	**-46%**
Total comprehensive income attributable to:			
Owners of the parent	**36,190**	**69,446**	**-48%**
- Continuing operations	35,296	67,645	-48%
- Discontinued operations	894	1,801	-50%
Non-controlling interests	**58,137**	**104,383**	**-44%**
- Continuing operations	57,376	102,848	-44%
- Discontinued operations	761	1,535	-50%
	94,327	**173,829**	**-46%**

Consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

nm-not meaningful

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The Pan African Bank

Consolidated Statement of Comprehensive Income - GHC

	Year ended 31 December 2021	Year ended 31 December 2020	% Change
	GHC'000	GHC'000	
Interest Income	8,555,436	7,781,762	10%
Interest Expense	(3,072,087)	(2,704,357)	14%
Net Interest Income	**5,483,349**	**5,077,405**	**8%**
Fee and commission income	2,903,859	2,376,266	22%
Fee and commission expense	(282,868)	(199,481)	42%
Net trading income	1,716,349	1,937,977	-11%
Net investment income	107,777	92,999	16%
Other operating income	270,994	115,850	134%
Non-interest revenue	**4,716,111**	**4,323,611**	**9%**
Operating income	**10,199,460**	**9,401,016**	**8%**
Staff expenses	(2,641,358)	(2,591,193)	2%
Depreciation and amortisation	(630,931)	(583,202)	8%
Other operating expenses	(2,735,154)	(2,724,661)	0%
Operating expenses	**(6,007,443)**	**(5,899,056)**	**2%**
Operating profit before impairment charges and taxation	**4,192,017**	**3,501,960**	**20%**
Impairment charges on financial assets	(1,263,847)	(1,270,574)	-1%
Operating profit after impairment charges before taxation	**2,928,170**	**2,231,386**	**31%**
Net monetary loss arising from hyperinflationary economies	(150,096)	(338,725)	-56%
Share of post-tax results of associates	(2,857)	(1,662)	72%
Profit before tax and goodwill impairment	**2,775,217**	**1,890,999**	**47%**
Goodwill Impairment	-	(915,407)	nm
Profit before tax	**2,775,217**	**975,592**	**184%**
Taxation	(709,963)	(499,974)	42%
Profit after tax from continuing operations	**2,065,254**	**475,618**	**334%**
Profit after tax from continuing operations	9,609	18,670	-49%
Profit after tax	**2,074,863**	**494,288**	**320%**
Attributable to:			
Owners of the parent	**1,522,528**	**23,517**	**6374%**
- Continuing operations	1,517,337	13,437	11192%
- Discontinued operations	5,191	10,080	-49%
Non-controlling interests	**552,335**	**470,771**	**17%**
- Continuing operations	547,917	462,180	19%
- Discontinued operations	4,418	8,591	-49%
	2,074,863	**494,288**	**320%**
Earnings per share from continuing operations attributable to owners of the parent during the year (expressed in cedis pesewas per share):			
Basic (pesewas)	6.170	0.055	11192%
Diluted (pesewas)	6.170	0.055	11192%
Earnings per share from discontinued operations attributable to owners of the parent during the year (expressed in cedis pesewas per share):			
Basic (pesewas)	0.021	0.041	-49%
Diluted (pesewas)	0.021	0.041	-49%
Consolidated statement of other comprehensive income			
Profit for the year	**2,074,863**	**494,288**	**320%**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange difference on translation of foreign operations	(682,761)	342,026	-300%
Fair value (loss) /gain on debt instruments at FVTOCI	(310,516)	428,920	-172%
Taxation relating to components of other comprehensive income that may be subsequently reclassed to profit or loss	(38,360)	(11,333)	238%
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit obligations	(5,405)	(1,304)	314%
Fair value gain / (loss) on equity instruments designated at FVTOCI	2,955	442	569%
Property and equipment - revaluation gain	94,394	163,467	-42%
Taxation relating to components of other comprehensive income that will not be subsequently reclassed to profit or loss	(23,665)	(53,756)	-56%
Other comprehensive (loss) / income for the year, net of taxation	**(963,358)**	**868,462**	**-211%**
Total comprehensive income for the year	**1,111,505**	**1,362,750**	**-18%**
Total comprehensive income attributable to:			
Owners of the parent	**624,695**	**682,359**	**-8%**
- Continuing operations	619,504	672,279	-8%
- Discontinued operations	5,191	10,080	-49%
Non-controlling interests	**486,810**	**680,391**	**-28%**
- Continuing operations	482,392	671,800	-28%
- Discontinued operations	4,418	8,591	-49%
	1,111,505	**1,362,750**	**-18%**

Consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.
nm-not meaningful

Consolidated Statement of Financial Position - USD

	As at 31 December 2021	As at 31 December 2020
	US$'000	**US$'000**
Cash and balances with central banks	4,209,138	3,752,596
Trading financial assets	346,042	156,490
Derivative financial instruments	78,404	115,162
Loans and advances to banks	2,289,445	2,011,343
Loans and advances to customers	9,575,865	9,239,948
Treasury bills and other eligible bills	2,087,085	1,730,845
Investment securities	6,560,228	6,074,244
Pledged assets	206,001	423,599
Other assets	1,095,569	1,128,200
Investment in affiliate associates	4,863	3,468
Intangible assets	122,288	151,870
Property and equipment	750,615	810,521
Investment properties	11,019	12,365
Deferred income tax assets	201,996	164,486
	27,538,558	**25,775,137**
Assets held for sale	23,235	164,336
Total Assets	**27,561,793**	**25,939,473**
Deposits from banks	2,229,935	2,386,747
Deposits from customers	19,713,349	18,296,952
Derivative financial instruments	29,101	78,908
Borrowed funds	2,352,437	1,923,182
Other liabilities	821,264	823,112
Provisions	72,230	60,462
Current income tax liabilities	66,342	68,534
Deferred income tax liabilities	87,751	76,528
Retirement benefit obligations	25,078	22,168
	25,397,487	**23,736,593**
Liabilities held for sale	-	175,167
Total Liabilities	**25,397,487**	**23,911,760**
Equity		
Share capital and premium	2,113,961	2,113,961
Retained earnings and reserves	(581,570)	(610,565)
Equity attributable to owners of the parents	**1,532,391**	**1,503,396**
Other equity instruments	**74,088**	**-**
Total equity excluding non-cotrolling interest	**1,606,479**	**1,503,396**
Non-controlling interests	**557,827**	**524,317**
Total Equity	**2,164,306**	**2,027,713**
Total Liabilities and Equity	**27,561,793**	**25,939,473**

Consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position - GHC

	As at 31 December 2021	As at 31 December 2020
	GHC'000	**GHC'000**
Cash and balances with central banks	25,280,504	21,518,136
Trading financial assets	2,078,363	897,345
Derivative financial instruments	470,902	660,362
Loans and advances to banks	13,750,636	11,533,443
Loans and advances to customers	57,513,603	52,983,710
Treasury bills and other eligible bills	12,535,241	9,925,011
Investment securities	39,401,385	34,830,930
Pledged assets	1,237,263	2,429,001
Other assets	6,580,097	6,469,324
Investment in affiliate associates	29,208	19,886
Intangible assets	734,474	870,853
Property and equipment	4,508,269	4,647,690
Investment properties	66,181	70,906
Deferred income tax assets	1,213,208	943,196
	165,399,334	**147,799,793**
Assets held for sale	139,552	942,333
Total assets	**165,538,886**	**148,742,126**
Deposits from banks	13,393,213	13,686,085
Deposits from customers	118,400,345	104,918,382
Derivative financial instruments	174,784	452,474
Borrowed funds	14,128,972	11,027,910
Other liabilities	4,932,594	4,719,889
Provisions	433,821	346,701
Current income tax liabilities	398,457	392,988
Deferred income tax liabilities	527,041	438,827
Retirement benefit obligations	150,621	127,116
	152,539,848	**136,110,372**
Liabilities held for sale	-	1,004,443
Total liabilities	**152,539,848**	**137,114,815**
Equity		
Share capital and premium	4,536,400	4,536,400
Retained earnings and reserves	4,667,293	4,084,372
Equity attributable to owners of the parents	**9,203,693**	**8,620,772**
Other equity instruments	**444,980**	**-**
Total equity excluding non-cotrolling interest	**9,648,673**	**8,620,772**
Non-controlling interests	**3,350,365**	**3,006,539**
Total equity	**12,999,038**	**11,627,311**
Total liabilities and equity	**165,538,886**	**148,742,126**

Consolidated statement of financial position should be read in conjunction with the accompanying notes

Ecobank
The Pan African Bank

Consolidated Statement of Changes in Equity - USD

Amounts in US$'000

	Share Capital	Retained Earnings	Other Reserves	Total equity and reserves attributable	Other equity	Non-Controlling Interest	Total Equity
At 31 December 2019 / At 1 January 2020	**2,113,957**	**245,563**	**(882,827)**	**1,476,693**	-	**409,084**	**1,885,777**
Foreign currency translation differences	-	-	(28,819)	(28,819)	-	20,266	(8,553)
Net changes in equity investment securities, net of taxes	-	-	79	79	-	-	79
Net changes in debt investment securities, net of taxes	-	-	74,614	74,614	-	-	74,614
Net gains on revaluation of property	-	-	19,603	19,603	-	-	19,603
Remeasurements of post-employment benefit obligations	-	-	(233)	(233)	-	-	(233)
Profit for the year	-	4,202	-	4,202	-	84,117	88,319
Total comprehensive income for the year	**-**	**4,202**	**65,244**	**69,446**	-	**104,383**	**173,829**
Hyper-inflation reserve			(31,897)	(31,897)		-	(31,897)
Adjustment to ordinary capital	4	-		4	-	-	4
Change in minority ownership	-	-	(10,850)	(10,850)	-	10,850	-
Transfer to general banking reserves	-	(2,227)	2,227	-	-	-	-
Transfer to statutory reserve	-	(48,366)	48,366	-	-	-	-
At 31 December 2020	**2,113,961**	**199,172**	**(809,737)**	**1,503,396**	**-**	**524,317**	**2,027,713**
Foreign currency translation differences	-	-	(175,566)	(175,566)	-	(39,144)	(214,710)
Net changes in equity instruments, net of taxes	-	-	509	509	-	-	509
Net changes in debt instruments,net of taxes		-	(62,238)	(62,238)	-	2,149	(60,089)
Net gains on revaluation of property	-	-	12,182	12,182	-	-	12,182
Remeasurements of post-employment benefit obligations	-	-	(931)	(931)	-	-	(931)
Profit for the year	-	262,234	-	262,234	-	95,132	357,366
Total comprehensive income for the year	**-**	**262,234**	**(226,044)**	**36,190**	**-**	**58,137**	**94,327**
Additional tier 1 capital	-	-	-	-	74,088	-	74,088
Transfer from general banking reserves	-	(23,935)	23,935	-	-	-	-
Transfer to statutory reserve	-	(3,052)	3,052	-	-	-	-
Group reserve	-	-	(7,195)	- 7,195	-	-	(7,195)
Dividend relating to 2020	-	-	-	-	-	(24,627)	(24,627)
At 31 December 2021	**2,113,961**	**434,419**	**(1,015,989)**	**1,532,391**	**74,088**	**557,827**	**2,164,306**

Consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity - GHC

Amounts in GHC '000

	Share Capital	Retained Earnings	Other Reserves	Total equity and reserves attributable	Other equity	Non-Controlling Interest	Total Equity
At 31 December 2019 / At 1 January 2020	**4,536,378**	**(423,537)**	**4,064,789**	**8,177,630**	-	**2,265,425**	**10,443,055**
Foreign currency translation differences	-	-	132,406	132,406	-	209,620	342,026
Net changes in equity investment securities, net of taxes	-	-	442	442	-	-	442
Net changes in debt investment securities, net of taxes	-	-	417,587	417,587	-	-	417,587
Net gains on revaluation of property	-	-	109,711	109,711	-	-	109,711
Remeasurements of post-employment benefit obligations	-	-	(1,304)	(1,304)	-		(1,304)
Profit for the year	-	23,517	-	23,517	-	470,771	494,288
Total comprehensive income for the year	**-**	**23,517**	**658,842**	**682,359**	**-**	**680,391**	**1,362,750**
Hyper-inflation reserve	-	-	(178,516)	(178,516)	-	-	(178,516)
Adjustment to ordinary capital	22	-	-	22	-	-	22
Change in minority ownership	-	-	(60,723)	(60,723)	-	60,723	-
Transfer to general banking reserves	-	(12,464)	12,464	-	-	-	-
Transfer to statutory reserve	-	(270,686)	270,686	-	-	-	-
At 31 December 2020	**4,536,400**	**(683,170)**	**4,767,542**	**8,620,772**	**-**	**3,006,539**	**11,627,311**
Foreign currency translation differences	-	-	(604,759)	(604,759)	-	(78,002)	(682,761)
Net changes in equity instruments, net of taxes	-	-	2,955	2,955	-	-	2,955
Net changes in debt instruments,net of taxes	-	-	(361,353)	(361,353)	-	12,477	(348,876)
Net gains on revaluation of property	-	-	70,729	70,729	-	-	70,729
Remeasurements of post-employment benefit obligations	-	-	(5,405)	(5,405)	-	-	(5,405)
Profit for the year	-	1,522,528	-	1,522,528	-	552,335	2,074,863
Total comprehensive income for the year	-	**1,522,528**	**(897,833)**	**624,695**	-	**486,810**	**1,111,505**
Additional tier 1 capital	-	-	-	-	444,980	-	444,980
Group reserve	-	-	(41,774)	(41,774)	-	-	(41,774)
Dividend relating to 2020	-	-	-	-	-	(142,984)	(142,984)
Transfer from general banking reserves	-	(138,966)	138,966	-	-	-	-
Transfer to statutory reserve	-	(17,720)	17,720	-	-	-	-
At 31 December 2021	**4,536,400**	**682,672**	**3,984,621**	**9,203,693**	**444,980**	**3,350,365**	**12,999,038**

Consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows - USD

	Year ended 31 December 2021	Year ended 31 December 2020 (Restated)
	US$'000	US$'000
Cash flows from operating activities		
Profit before tax	477,992	174,318
Adjusted for:		
Foreign exchange income	(200,115)	(205,585)
Net loss from investment securities	(18,563)	(16,617)
Fair value loss on investment properties	592	2,730
Impairment charges on loans and advances	169,610	181,555
Impairment charges on other financial assets	50,255	45,470
Goodwill impairment	-	163,564
Depreciation of property and equipment	75,177	82,679
Amortisation of software and other intangibles	33,492	21,527
Profit on sale of property and equipment	(15,778)	(1,928)
Share of post-tax results of associates	492	297
Income taxes paid	(160,211)	(126,841)
Changes in operating assets and liabilities		
Trading financial assets	(189,552)	26,172
Derivative financial instruments	36,758	(49,703)
Treasury bills and other eligible bills	(385,958)	157,824
Loans and advances to banks	21,783	(66,269)
Loans and advances to customers	(430,178)	35,595
Pledged assets	217,598	(72,121)
Other assets	32,631	56,570
Mandatory reserve deposits with central banks	(26,343)	87,327
Deposits from customers	1,416,397	2,050,832
Other deposits from banks	(198,090)	100,129
Derivative liabilities	(49,807)	27,653
Other liabilities	(1,848)	(22,858)
Provisions	11,768	(8,020)
Net cashflow from operating activities	**868,102**	**2,644,300**
Cash flows from investing activities		
Purchase of software	(20,353)	(25,393)
Purchase of property and equipment	(276,250)	(265,000)
Proceeds from sale of property and equipment	205,919	255,842
Purchase of investment securities	(4,160,242)	(3,419,589)
Proceeds from sale and redemption of investment securities	3,152,384	2,547,499
Purchase of investment properties	-	(7,023)
Proceeds from sale of investment properties	-	3,985
Issue cost of other equity instruments	(912)	-
Cash payment for acquisition Pan African Savings and Loans	(897)	-
Cash payment for disposal of subsidiary	(10,496)	-
Net cashflow used in investing activities	**(1,110,847)**	**(909,679)**
Cash flows from financing activities		
Repayment of borrowed funds	(448,579)	(548,463)
Proceeds from borrowed funds	729,361	363,617
Repayment of lease liabilities	75,000	-
Dividends paid to non-controlling shareholders	(24,627)	(24,322)
Net cashflow from / (used in) financing activities	**331,155**	**(209,168)**
Net increase in cash and cash equivalents	**88,410**	**1,525,453**
Cash and cash equivalents at start of year	3,800,456	2,559,766
Effects of exchange differences on cash and cash equivalents	97,443	(284,763)
Cash and cash equivalents at end of the year	**3,986,309**	**3,800,456**

Consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CORPORATE ACTION		
Proposed Bonus	Nil	Nil
Proposed Dividend	0.16	-
Closure Date	06 th June 2022	Nil
Dividend per Share	0.16	-

Consolidated Statement of Cash Flows - GHC

	Year ended 31 December 2021	Year ended 31 December 2020 (Restated)
	GHC'000	GHC'000
Cash flows from operating activities		
Profit before tax	2,775,217	975,592
Adjusted for:		
Foreign exchange income	(1,161,865)	(1,150,582)
Net loss from investment securities	(107,777)	(92,999)
Fair value loss on investment properties	3,437	15,279
Impairment charges on loans and advances	984,754	1,016,095
Impairment charges on other financial assets	291,779	254,479
Goodwill impairment	-	915,407
Depreciation of property and equipment	436,477	462,723
Amortisation of software and other intangibles	194,454	120,479
Profit on sale of property and equipment	(91,607)	(10,790)
Share of post-tax results of associates	2,857	1,662
Income taxes paid	(930,183)	(709,882)
Changes in operating assets and liabilities		
Trading financial assets	(1,100,537)	146,475
Derivative financial instruments	213,416	(278,169)
Treasury bills and other eligible bills	(2,240,867)	883,282
Loans and advances to banks	126,472	(370,883)
Loans and advances to customers	(2,497,608)	199,212
Pledged assets	1,263,371	(403,634)
Other assets	189,455	316,601
Mandatory reserve deposits with central banks	(152,947)	488,737
Deposits from customers	8,223,583	11,477,740
Other deposits from banks	(1,150,108)	560,385
Derivative liabilities	(289,179)	154,764
Other liabilities	(10,729)	(127,928)
Provisions	68,325	(44,885)
Net cashflow from operating activities	**5,040,190**	**14,799,160**
Cash flows from investing activities		
Purchase of software	(118,169)	(142,115)
Purchase of property and equipment	(1,603,904)	(1,483,106)
Proceeds from sale of property and equipment	1,195,563	1,431,852
Purchase of investment securities	(24,154,312)	(19,138,161)
Proceeds from sale and redemption of investment securities	18,302,701	14,257,400
Purchase of investment properties	-	(39,305)
Proceeds from sale of investment properties	-	22,303
Issue cost of other equity instruments	(5,295)	-
Cash payment for acquisition Pan African Savings and Loans	(5,208)	-
Cash payment for disposal of subsidiary	(60,940)	-
Net cashflow used in investing activities	**(6,449,564)**	**(5,091,132)**
Cash flows from financing activities		
Repayment of borrowed funds	(2,604,444)	(3,069,542)
Proceeds from borrowed funds	4,234,661	2,035,028
Proceeds from other equity instruments	435,449	-
Dividends paid to non-controlling shareholders	(142,984)	(136,121)
Net cashflow from / (used in) financing activities	**1,922,682**	**(1,170,635)**
Net increase in cash and cash equivalents	**513,308**	**8,537,393**
Cash and cash equivalents at start of year	21,792,575	14,175,470
Effects of exchange differences on cash and cash equivalents	1,636,287	(920,288)
Cash and cash equivalents at end of the year	**23,942,170**	**21,792,575**

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 presence in 39 countries and employed over 13,167 people as at 31 December 2021 (31 December 2020: 14,023) .

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 Mobilieres (Abidjan) Cote D'Ivoire.

The consolidated financial statements for the year ended 31 December 2021 have been approved by the Board of Directors on 25 February 2022.

2 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated 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 consolidated financial statements and their potential impact on the Group. 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 consolidated financial statements for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) guidance. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared under the historical cost convention, except for the following:

- fair value through other comprehensive income and fair value through profit and loss, financial assets and financial liabilities (including derivative instruments) and investment properties measured at fair value
- assets held for sale - measured at fair value less cost of disposal; and
- the liability for defined benefit obligations recognized at the present value of the defined benefit obligation less the fair value of the plan assets and plan assets measured at fair value

The consolidated financial statements are presented in US Dollars, which is the group’s functional and presentation currency. The figures shown in the consolidated financial statements are stated in US Dollar thousands.

The consolidated financial statements comprise the consolidated statement of comprehensive income (shown as two statements), the statement of financial position, the statement of changes in equity, the statement of cash flows and the accompanying notes.

The consolidated statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities. Included in cash and cash equivalents are highly liquid investments.

The cash flows from operating activities are determined by using the indirect method. The Group’s assignment of the cash flows to operating, investing and financing category depends on the Group's business model.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Directors to exercise judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Group’s financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

2.2 Going concern

At the time of approving the financial statements, nothing has come to the attention of the Directors to indicate that the group will not remain a going concern for at least twelve months from the date of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

2.3 New and amended standards adopted by the group

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

a) Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

b) Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received Covid-19-related rent concessions, as such there is no impact on the Group financial statements.

2 Summary of significant accounting policies (continued)

2.4 New and amended standards/ interpretation issued not yet adopted by the group

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2021.

I) IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

-A specific adaptation for contracts with direct participation features (the variable fee approach)
-A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

The impact of this standard is not material to the Group.

ii) Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

-What is meant by a right to defer settlement
-That a right to defer must exist at the end of the reporting period
-That classification is unaffected by the likelihood that an entity will exercise its deferral right
-That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

iii) Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. There has been no business combinations for the reporting period.

iv) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

v) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group has no contracts as at the reporting dates to which the amendments apply.

vi) IFRS 9 Financial Instruments – Fees in the "10 per cent" test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

vii) Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

viii) Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

2 Summary of significant accounting policies (continued)

ix) Annual Improvements to IFRS Standards 2018–2020

The following improvements were finalised in May 2020:

•IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.

•IFRS 16 Leases – amendment to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

•IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

•IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The impact of this standard is not material to the Group.

x) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

•right-of-use assets and lease liabilities, and

•decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. The impact of this standard is not material to the Group.

2.5 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in United States dollars, which is the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the official exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as FVTOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as FVTOCI, are included in other comprehensive income

c) Group companies

The results and financial position of all group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

ii) Income and expenses for each income statement are translated at average exchange rates; (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) and

iii) All resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising from the above process are reported in shareholders' equity as 'Foreign currency translation differences'.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to 'Other comprehensive income'. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Notes

2.5 Foreign currency translation (continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

d) Classification of Zimbabwe and South Sudan as hyper-inflationary economies.

IAS 29 “Financial Reporting in Hyperinflationary Economies” requires that the financial statements of entities whose functional currency is that of a hyperinflationary economy to be adjusted for the effects of changes in a suitable general price index and to be expressed in terms of the current unit of measurement at the closing date of the reporting period. Accordingly, the inflation produced from the date of acquisition or from the revaluation date, as applicable, must be computed in the non-monetary items.

The Zimbabwe economy was designated as hyperinflationary from 1 July 2019. As a result, application of IAS 29 ‘Financial Reporting in Hyperinflationary Economies’ has been applied to Ecobank Zimbabwe. In addition, South Sudan is also an hyperinflationary economy. IAS 29 has been applied to Eobank South Sudan.

IAS 29 requires that adjustments are applicable from the start of the relevant entity’s reporting period.

• The income statement is translated at the period end foreign exchange rate instead of an average rate and ;
• Adjustment of the income statement to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.
• This resulted in a net monetary loss of $25.9 million recorded in the income statement.

2.6 Sale and repurchase agreements

Securities sold subject to repurchase agreements (‘repos’) are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in deposits from banks or deposits from customers, as appropriate. Securities purchased under agreements to resell (‘reverse repos’) are recorded as loans and advances to other banks or customers, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are also retained in the financial statements.

2.7 Determination of fair value

Fair value under IFRS 13, Fair Value Measurement (‘IFRS 13’) is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market condition (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on exchanges (for example, NSE, BVRM, GSE) and quotes from approved bond market makers.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer or broker, and those prices represent actual and regularly occurring market transactions on an arm’s length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the consolidated statement of financial position.

The Group uses widely recognised valuation models for determining fair values of non-standardized financial instruments of lower complexity, such as options or interest rate and currency swaps. For these financial instruments, inputs into models are generally market observable.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk. Based on the established fair value model governance policies, and related controls and procedures applied, management believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value in the consolidated statement of financial position. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary – particularly in view of the current market developments.

The fair value of over-the-counter (OTC) derivatives is determined using valuation methods that are commonly accepted in the financial markets, such as present value techniques and option pricing models. The fair value of foreign exchange forwards is generally based on current forward exchange rates. Structured interest rate derivatives are measured using appropriate option pricing models (for example, the Black-Scholes model) or other procedures such as Monte Carlo simulation.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment. The fair value for loans and advances as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.

2.8 Fee and commission income

The Group applies IFRS 15 to all revenue arising from contracts with clients, unless the contracts are in the scope of the standards on leases, insurance contracts and financial instruments. The Group recognises revenues to depict the transfer of promised service to customers in an amount that reflects the consideration the Group expects to be entitled in exchange for the service. Fees and commissions are generally recognised on an accrual basis when the service has been provided and considering the stage of completion. Fees charged for servicing a loan are recognised in revenue as the service is provided, which in most instances occurs monthly when the fees are levied. Loan syndication fees are recognised as part of fees and commissions income when the syndication has been completed and the Group has retained no part of the loan package for itself or has retained a part at the same effective interest rate as the other participants. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-apportionment basis. This is especially so as is the case in most instances for the Group where the nature of the service provided is such that the client benefits as the services are provided. Where this is not the case and where the nature of the service provided is such that the customer only benefits on completion such fees are recognised at a point in time and usually when control transfers. Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party – such as the arrangement of the acquisition of shares or other securities, or the purchase or sale of businesses – are recognised on completion of the underlying transaction. Asset management fees related to investment funds are recognised over the period in which the service is provided. Initial fees that exceed the level of recurring fees and relate to the future provision of services are deferred and amortised over the projected period over which services will be provided. The same principle is applied for wealth management, financial planning and custody services that are continuously provided over an extended period of time. Performance-linked fees or fee components are recognised when the performance criteria are fulfilled. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan under interest income.

2.9 Dividend income

Dividends are recognised in the consolidated income statement in Other operating income when the entity’s right to receive payment is established which is generally when the shareholders approve the dividend.

2.10 Net gains on trading financial assets

Net trading income comprises gains less losses related to trading assets and liabilities, and it includes all fair value changes and foreign exchange differences.

Notes

2 Summary of significant accounting policies (continued)

2.11 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment at each reporting date. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.12 Share-based payments

The Group engages in equity settled share-based payment transactions in respect of services received from certain categories of its employees. The fair value of the services received is measured by reference to the fair value of the shares or share options granted on the date of the grant. The cost of the employee services received in respect of the shares or share options granted is recognised in the consolidated income statement over the period that the services are received, which is the vesting period.

The fair value of the options granted is determined using option pricing models, which take into account the exercise price of the option, the current share price, the risk free interest rate, the expected volatility of the share price over the life of the option and other relevant factors. Except for those which include terms related to market conditions, vesting conditions included in the terms of the grant are not taken into account in estimating fair value.

Non-market vesting conditions are taken into account by adjusting the number of shares or share options included in the measurement of the cost of employee services so that ultimately, the amount recognised in the consolidated income statement reflects the number of vested shares or share options.

2.13 Cash and cash equivalents

For purposes of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and bank overdrafts.

2.14 Repossessed collateral and properties

Repossessed collateral are equities, landed properties or other investments repossessed from customers and used to settle the outstanding obligations. Such investments and other assets are classified in accordance with the intention of the Group in the asset class which they belong. Repossessed properties acquired in exchange for loans as part of an orderly realisation are reported in 'other assets' as inventory as it is held for sale in the ordinary course of business. The repossessed properties are recognised when the risks and rewards of the properties have been transferred to the Group. The corresponding loans are derecognised when the Group becomes the holder of the title deed. The properties acquired are initially recorded at cost, which is the lower of their fair value less costs to sell and the carrying amount of the loan (net of impairment allowance) at the date of exchange. They are subsequently measured at the lower of the carrying amount or net realisable value. No depreciation is charged in respect of these properties. Any subsequent write-down of the acquired properties to net realisable value is recognised in the statement of comprehensive income, in 'Other impairments'. Any subsequent increase in net realisable value, to the extent that it does not exceed the cumulative write-down, is also recognised in 'Other impairments'. Gains or losses on disposal of repossessed properties are reported in 'Other operating income' or 'Operating expenses', as the case may be.

2.15 Leases

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.

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.

Notes

2 Summary of significant accounting policies (continued)

2.16 Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the Group, are classified as investment properties. Investment properties comprise office buildings and Commercial Bank parks leased out under operating lease agreements.

Some properties may be partially occupied by the Group, with the remainder being held for rental income or capital appreciation. If that part of the property occupied by the Group can be sold separately, the Group accounts for the portions separately. The portion that is owner-occupied is accounted for under IAS 16, and the portion that is held for rental income or capital appreciation or both is treated as investment property under IAS 40. When the portions cannot be sold separately, the whole property is treated as investment property only if an insignificant portion is owner-occupied.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost has been incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the date of the consolidated statement of financial position. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated income statement in the year in which they arise. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated income statement during the financial period in which they are incurred.

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease.

The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value is calculated by discounting the expected net rentals at a rate that reflects the current market conditions as of the valuation date adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure. These valuations are performed annually by external appraisers.

Investment properties are derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as income or expense in the income statement.

2.17 Property and equipment

Items of property and equipment are initially recognised at cost if it is probable that any future economic benefits associated with the items will flow to the group and they have a cost that can be measured reliably. Subsequent expenditure is capitalised to the carrying amount of items of property and equipment if it is measurable and it is probable that it increases the future economic benefits associated with the asset. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

Land and buildings comprise mainly branches and offices and are measured using the revaluation model. All other property and equipment used by the Group is stated at historical cost less depreciation. Subsequent to initial recognition, motor vehicles, furniture and equipment, installations and computer equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings, the fair values of which can be reliably measured, are carried at revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. If an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs shall be revalued. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. If an asset's carrying amount is increased as a result of a revaluation, the increase shall be credited directly to other comprehensive income. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be debited directly to equity under the heading of revaluation reserve to the extent of any credit balance existing in the revaluation surplus in respect of that asset. For assets revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Land and buildings are the class of items that are revalued on a regular basis. The other items are evaluated at cost.

An independent valuation of the Group's land and buildings was performed by professionally qualified independent valuers to determine the fair value of the land and buildings as at year end. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in 'revaluation reserve – property and equipment' in shareholders equity (Note 40). Fair value is derived by applying internationally acceptable and appropriately benchmarked valuation techniques such as depreciated replacement cost or market value approach. The depreciated replacement cost approach involves estimating the value of the property in its existing use and the gross replacement cost. For these appropriate deductions are made to allow for age, condition and economic or functional obsolescence, environmental and other factors that might result in the existing property being worth less than a new replacement. The market value approach involves comparing the properties with identical or similar properties, for which evidence of recent transaction is available or alternatively identical or similar properties that are available in the market for sale making adequate adjustments on price information to reflect any differences in terms of actual time of the transaction, including legal, physical and economic characteristics of the properties.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Buildings	25 - 50 years
- Leasehold improvements	25 years, or over the period of the lease if less than 25 years
- Furniture , equipment Installations	3 - 5 years
- Motor vehicles	3 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Assets are subject to review for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

2.18 Intangible assets

a) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiaries and associates at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units is represented by each primary reporting segment.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstance indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment is tested by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill. Impairment losses on goodwill are not reversed.

b) Computer software licences

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful lives.

Costs associated with maintaining computer software programs are recognised as an expense incurred. Development costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives (not exceeding three years).

Notes

2 Summary of significant accounting policies (continued)

2.19 Income tax

a) Current income tax

Income tax payable (receivable) is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognised as an expense (income) for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity (for example, current tax on debt instruments at FVOCI).

Where the Group has tax losses that can be relieved against a tax liability for a previous year, it recognises those losses as an asset, because the tax relief is recoverable by refund of tax previously paid. This asset is offset against an existing current tax balance. Where tax losses can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises. Those losses carried forward are set off against deferred tax liabilities carried in the consolidated statement of financial position. The Group does not offset income tax liabilities and current income tax assets.

b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and liabilities, provisions for pensions and other post-retirement benefits and carry-forwards; and, in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base, fair value changes on investment securities (available for sale financial assets under IAS 39), tax loss carried forward, revaluation on property and equipment. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to fair value re-measurement of investment securities (available for sale financial assets under IAS 39), which are recognised in other comprehensive income, is also recognised in the other comprehensive income and subsequently in the consolidated income statement together with the deferred gain or loss.

2.20 Provisions

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more probable than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The Group recognises no provisions for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.21 Employee benefits

a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

b) Other post-retirement obligations

The Group also provides gratuity benefits to its retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Notes

2 Summary of significant accounting policies (continued)

d) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

e) Short term benefits

The Group seeks to ensure that the compensation arrangements for its employees are fair and provide adequate protection for current and retiring employees. Employee benefits are determined based on individual level and performance within defined salary bands for each employee grade. Individual position and job responsibilities will also be considered in determining employee benefits. Employees will be provided adequate medical benefits and insurance protection against disability and other unforeseen situations. Employees shall be provided with retirement benefits in accordance with the Separation and Termination policies. Details of employee benefits are available with Group or Country Human Resources.

2.22 Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contracts is discharged, cancelled or expired. The difference between the carrying amount of financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the income statement as other operating income.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.23 Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

2.24 Fiduciary activities

Group companies commonly act as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. An assessment of control has been performed and this does not result in control for the group. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

2.25 Share capital

Financial instruments issued are classified as equity when there is no contractual obligation to transfer cash, other financial assets, or issue available number of own equity instruments. Incremental costs directly attributable to the issue of this new financial instrument are shown in equity as a deduction from the proceeds.

Securities that carry a discretionary coupon and have no fixed maturity or redemption date are classified as other equity instruments. Interest payments on these securities are recognized as distributions from equity in the period in which they are paid.

a) Share issue costs

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

b) Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by Ecobank Transnational Incorporated's shareholders. Dividends for the year that are declared after the reporting date are disclosed in the subsequent events note.

c) Treasury shares

Where the company purchases its equity share capital, the consideration paid is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

2.26 Segment reporting

The Group's segmental reporting is in accordance with IFRS 8, Operating Segments ("IFRS 8"). Operating segments are reported in a manner consistent with the internal reporting provided to the Group Executive Committee, which is responsible for allocating resources and assessing performance of the operating segments and has been identified by the Group as the Chief Operating Decision Maker (CODM).

All transactions between business segments are conducted on an arm´s length basis, with intra-segment revenue and costs being eliminated in head office. Income and expenses directly associated with each segment are included in determining business segment performance.

In accordance with IFRS 8, the Group has the following business segments: Corporate & Investment Banking, Commercial Banking and Consumer Banking.

2.27 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter the assets (or disposal group) are measured at the lower of their carrying amount or fair value less cost to sell. Any impairment loss on a disposal group is first allocated to reduce goodwill and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets, deferred tax assets, investment properties, insurance assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss until finally sold. Property, equipment and intangible assets, once classified as held for sale, are not depreciated or amortised.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interests in its former subsidiary after the sale.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

Notes

2 Summary of significant accounting policies (continued)

2.28 Discontinued operations:

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operation, is part of single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with the with a view to resale. The Group presents discontinued operations in a separate line in the income statement.

Net profit from discontinued operations includes the net total of operating profit and loss before tax from operations, including net gain or loss on sale before tax or measurement to fair value less costs to sell and discontinued operations tax expense. A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group´s operations and cash flows. If an entity or a component of an entity is classified as a discontinued operation, the Group restates prior periods in the Income statement.

2.29 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

Where IAS 8, Accounting policies ("IAS 8"), changes in accounting estimates and errors’ applies, comparative figures have been adjusted to conform with changes in presentation in the current year.

2.30 Financial assets and liabilities

2.30.1 Financial assets - Classification and Measurement Policies

Financial assets are measured at initial recognition at fair value, and are classified and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) or amortized cost based on our business model for managing the financial instruments and the contractual cash flow characteristics of the instrument. For non-revolving facilities, origination date is the date the facility is disbursed while origination date for revolving facilities is the date the line is availed. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

a) A financial asset is measured at amortized cost if it meets both of the following conditions:

(i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

b) A debt instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

(i) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset; and

(ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Debt instruments are those instruments that meet the definition of a financial liability from the holder's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse. Movements in the carrying amount of these assets are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in Net investment income. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

c) A debt instrument is measured at FVTPL

- Debt instruments measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that are solely payments of principal and interest. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments are measured at fair value in the Consolidated Statement of Financial Position, with transaction costs recognized immediately in the Consolidated Income Statement as part of Net trading income. Realized and unrealized gains and losses are recognized as part of Net trading income in the Consolidated Income Statement.

d) Equity Instruments

Equity instruments are instruments that meet the definition of equity from the holder’s perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer’s net assets. Equity instruments are measured at FVTPL. However, on initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect for strategic or long term investment reasons to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. On adoption of the standard, the Group did designate some of it equity instruments as FVTOCI. Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to the Consolidated Income Statement. For equity instruments measured at FVTPL, changes in fair value are recognized in the Consolidated Income Statement. Dividends received are recorded in Interest income in the Consolidated Income Statement. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Consolidated Income Statement on sale of the security (this only apply for equity instruments measured at FVTOCI).

e) Business model assessment

Business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Group in determining the business model for a Group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example the liquidity portfolio of assets, which is held by Ecobank Ghana (subsidiary of the Group) as part of liquidity management and is generally classified within the hold to collect and sell business model. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL. The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Other factors considered in the determination of the business model include:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management’s strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group’s stated objective for managing the financial assets is achieved and how cash flows are realised.

Notes

2 Summary of significant accounting policies (continued)

2.29 Financial assets and liabilities (continued)

The Group may decide to sell financial instruments held with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions are met:

(i) When the Group sells financial assets to reduce credit risk or losses because of an increase in the assets' credit risk. The Group considers sale of financial assets that may occur in assets held with the sole objective of collecting cashflows to be infrequent if the sales is one-off during the financial year and/or occurs at most once during the quarter or at most three (3) times within the financial year.

(ii) Where these sales are infrequent even if significant in value. A sale of financial assets is considered infrequent if the sale is one-off during the financial year and/or occurs at most once during the quarter or at most three (3) times within the financial year.

(iii) Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.

(iv) When these sales are made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets has a tenor to maturity of not more than one (1) year and/or the difference between the remaining contractual cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.

Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the portfolio held with the sole objective of collecting cashflows category that will not constitute a change in business model:

- Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
- Selling the financial asset to manage credit concentration risk (infrequent).
- Selling the financial assets as a result of changes in tax laws or due to a regulatory requirement e.g. comply with liquidity requirements (infrequent).
- Other situations also depends upon the facts and circumstances which need to be judged by the management

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

f) Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. Principal may change over the life of the instruments due to repayments. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. nonrecourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

2.30.2 Financial liabilities

The accounting for financial liabilities remains largely unchanged, except for financial liabilities designated at fair value through profit or loss (FVTPL). Gains and losses on such financial liabilities are now required to be presented in other comprehensive income (OCI), to the extent that they relate to changes in own credit risk. The Group did not hold any such assets at year end.

Derivative liabilities are classified as at FVTPL and are measured at fair value with the gains and losses arising from changes in their fair value included in the consolidated income statement and are reported as 'Net trading income'. These financial instruments are recognised in the consolidated statement of financial position as 'Derivative financial instruments.

Financial liabilities that are not classified as at fair value through profit or loss are measured at amortised cost. Financial liabilities measured at amortised cost are deposits from banks and customers, other deposits, financial liabilities in other liabilities, borrowed funds for which the fair value option is not applied, convertible bonds and subordinated debts.

Expected Credit Loss Impairment Model

The Group's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Group adopts a three-stage approach for impairment assessment based on changes in credit quality since initial recognition:

(i) Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.

(ii) Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

(iii) Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected
credit losses.

The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance is based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination.

The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime. The Group generally considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Notes

2 Summary of significant accounting policies (continued)

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

a) Measurement

ECL are a probability-weighted estimate of credit losses. They are measured as follows:
• financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive);
• financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
• undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
• financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

b) Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows.
• If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
• If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

c) Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit-impaired includes the following observable data:
• significant financial difficulty of the borrower or issuer;
• a breach of contract such as a default or past due event;
• the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
• it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
• the disappearance of an active market for a security because of financial difficulties;
• observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio.
A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered impaired.
In making an assessment of whether an investment in debt securities is credit-impaired, the Group considers the following factors.
• The market's assessment of creditworthiness as reflected in the bond yields.
• The rating agencies' assessments of creditworthiness.
• The issuer's ability to access the capital markets for new debt issuance.
• The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

d) Presentation of allowance for ECL in the statement of financial position

Loan allowances for ECL are presented in the statement of financial position as follows:
- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision within Other liabilities;
- Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- Debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve in Consolidated Statement of Comprehensive Income.

e) Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. The average write-off period is between 1 year. However, in some cases this might be constrained by existing legal or regulatory requirements and thus could take much longer than the stated year. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

f) Definition of default

The Group considers a financial asset to be in default which is fully aligned with the credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

- The borrower is more than 90 days past due on its contractual payments .

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:
- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

Notes

2 Summary of significant accounting policies (continued)

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

g) Explanation of inputs, assumptions and estimation techniques: Exposure at Default (EAD), Probability of Default (PD) and Loss Given Default (LGD)

ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD, and LGD, defined as follows:

(i) The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default (2.29.6f above) and credit-impaired financial assets" (2.29.6c above)), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. This 12M PD is used to calculate 12-month ECLs. The Lifetime PD is used to calculate lifetime ECLs for stage 2 and 3 exposures.

(ii) EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

(iii) Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type:

(i) For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

(ii) For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Group's recent default data. The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type:

(i) For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

(ii) For unsecured products, LGD's are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies, including contracted debt sales and price.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type.

The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

h) Significant Increase in Credit Risk (SICR)

At each reporting date, the Group assesses whether there has been a significant increase in credit risk (SICR) for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors. The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on factors such as the type of product, industry, borrower, geographical region etc.

The Group adopts a multi factor approach in assessing changes in credit risk. This approach considers: Quantitative, Qualitative and Back stop indicators which are critical in allocating financial assets into stages. The quantitative models considers deterioration in the credit rating of obligor/counterparty based on the Group's internal rating system or external ratings while qualitative factors considers information such as expected forbearance, restructuring, exposure classification by licensed credit bureau etc. A backstop is typically used to ensure that in the (unlikely) event that the quantitative indicators do not change and there is no trigger from the qualitative indicators, an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 or stage 3 as the case may be except where there is a reasonable and supportable evidence available without undue cost to rebut the presumption.

i) Forward-looking information incorporated in the ECL models

The assessment of Expected Credit Losses incorporates the use of forward-looking information. The Group has identified the key economic variables impacting its credit risk and expected credit losses and performed historical analysis to determine the significance and impact of these economic variables on its credit risk and expected credit losses. Significant economic variables and the impact of these variables on credit losses vary by clusters and affiliates within the Group. The key drivers for credit risk for the Group are: commodity prices, oil export, foreign exchange rates and prime lending rate. The impact of these economic variables on the expected credit losses has been determined by performing principal component analysis to understand the significant variables and estimate the impact that changes in these variables have had historically on default rates and on the components on expected credit losses.

Forecasts of these economic variables (the "base economic scenario") are provided by Ecobank Group's Economics team (as well as from other credible external sources such as Business Monitor International (BMI), International Monetary Fund (IMF), World Bank, respective Central Banks etc) on a quarterly basis and provide the best estimate view of the economy over the next five years. After five years, to project the economic variables out for the full remaining lifetime of each instrument, the forecast of the forecast for the fifth year is held constant to reduce the impact of estimation uncertainty in the long run. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Group's Economics team also provide other possible scenarios along with scenario weightings. The number scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. At 1 January 2018 and 31 December 2018, the Group concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario represents. The Group measures expected credit losses as a probability weighted expected credit losses. These probability-weighted expected credit losses are determined by running each of the scenarios through the relevant expected credit loss model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs). For the current reporting dates, the weighting attached to the Base case, Optimistic and Downturn scenarios were 55%, 25% and 20% respectively.

The assessment of SICR is performed using the changes in credit risk rating (as a proxy for lifetime PD) along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Group measures ECL as either a probability weighted 12-month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3).

As with any economic forecasts, the projections and likelihood of occurrence are subject to high degree of inherent uncertainty and therefore the actual outcomes may significantly differ from those projected. The Group considers these forecasts to represent its best estimate of possible outcomes and has analysed the non-linearities an asymmetry within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of scenarios.

Notes

2 Summary of significant accounting policies (continued)

i) Forward-looking information incorporated in the ECL models (continued)

As can be seen above, a 5 per cent move in the forward looking information used in the computation of ECL would result in the impairment for the Group being lower by $13.6 million or higher by $38.8 million

j) Expected Life

For instruments in Stage 2 or Stage 3, loss allowances reflect expected credit losses over the expected remaining lifetime of the instrument. For most instruments, the expected life is limited to the remaining contractual life. An exemption is provided for certain instruments with the following characteristics: (a) the instrument includes both a loan and undrawn commitment component; (b) we have the contractual ability to demand repayment and cancel the undrawn commitment; and (c) our exposure to credit losses is not limited to the contractual notice period. For products in scope of this exemption, the expected life may exceed the remaining contractual life and is the period over which our exposure to credit losses is not mitigated by our normal credit risk management actions. This period varies by product and risk category and is estimated based on our historical experience with similar exposures and consideration of credit risk management actions taken as part of our regular credit review cycle. Products in scope of this exemption include credit cards, overdraft balances and certain revolving lines of credit. Judgment is required in determining the instruments in scope for this exemption and estimating the appropriate remaining life based on our historical experience and credit risk mitigation practices.

2.30.3 Interest income

Interest income and expense for all interest-bearing financial instruments are recognized within ‘interest income’ and ‘interest expense’ in the consolidated income statement using the effective interest method. The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired (as set out in Note 2.29.5) and is, therefore, regarded as ‘Stage 3’, the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Under both IFRS 9 and IAS 39, interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, financial instruments designated at FVTPL. Interest income on interest bearing financial assets measured at FVTOCI are also recorded by using the EIR method. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a Group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

For purchased or originated credit-impaired financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows to the amortised cost of the assets.

Notes

2 Summary of significant accounting policies (continued)

2.30.4 Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

A change in the Group's business model will occurs only when the Group either begins or ceases to perform an activity that is significant to its operations such as:
- Significant internal restructuring or business combinations;
- Disposal of a business line i.e. disposal of a business segment
- Any other reason that might warrant a change in the Group's business model as determined by management based on facts and circumstances

The following are not considered to be changes in the business model:
- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets.
- A transfer of financial assets between parts of the Group with different business models.

When reclassification occurs, the Group reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. Gains, losses or interest previously recognised are not be restated when reclassification occurs.
There were no changes to any of the Group's business models during the current period.

2.30.5 Modification of financial assets

The Group sometimes renegotiates or otherwise modifies the terms of loans provided to customers. This may be due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.
Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.
The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Group monitors the subsequent performance of modified assets. The Group may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.
The Group continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific models for modified assets.

When the contractual terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. The Group does this by considering, among others, the following factors:
- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognised at fair value. Any difference between the amortized cost and the present value of the estimated future cash flows of the modified asset or consideration received on derecognition is recorded as a separate line item in profit or loss in the Other operating income item.

Quantitative criteria

A modification would lead to derecognition of existing financial asset and recognition of a new financial asset, i.e. substantial modification, if the discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

In addition to the above, the bank shall also consider qualitative factors as detailed below.

Qualitative criteria

Scenarios where modifications will lead to derecognition of existing loan and recognition of a new loan, i.e. substantial modification, are:
- The exchange of a loan for another financial asset with substantially different contractual terms and conditions such as the restructuring of a loan to a bond; conversion of a loan to an equity instrument of the borrower
- Roll up of interest into a single bullet payment of interest and principal at the end of the loan term
- Conversion of a loan from one currency to another currency

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss as part of impairment charge for the year.

2.30.6 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

2.30.7 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as 'Pledged Assets', if the transferee has the right to sell or repledge them.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

Notes

2 Summary of significant accounting policies (continued)

2.31 Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Group are measured as the amount of the loss allowance.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision within "Other liabilities". However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

2.32 Offsetting financial instruments

In accordance with IAS 32, the Group reports financial assets and liabilities on a net basis on the statement of financial position only if there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the company or the counterparty.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the trading activity.

2.33 Classes of financial instruments

The Group classifies the financial instruments into classes that reflect the nature of information and take into account the characteristics of those financial instruments. The classification made can be seen in the table below:

Financial assets

Category (as defined by IFRS9)	Class (as determined by the Group)
Fair Value Through Profit or Loss (FVTPL)	Trading financial assets
	Derivative financial instruments
Amortised Cost	Cash and balances with central banks
	Loans and advances to banks
	Loans and advances to customers
	Other assets excluding prepayments
Fair Value Through Other Comprehensive Income (FVTOCI)	Treasury bills and other eligible bills
	Investment securities
	Pledged assets

Financial liabilities

Category (as defined by IFRS9)	Class (as determined by the Group)
Financial liabilities at fair value through profit or loss	Derivative financial instruments
Financial liabilities at amortised cost	Deposits from banks
	Deposits from customers
	Borrowed funds
	Other liabilities, excluding non-financial liabilities

Off balance sheet financial instruments

Category (as defined by IFRS9)	Class (as determined by the Group)
Loan commitments	Loan commitments
Guarantees, acceptances and other financial facilities	Guarantees, acceptances and other financial facilities

3 Critical accounting estimates, and judgements in applying accounting policies

The preparation of financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. 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.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

a) Impairment losses on loans and advances

The Group reviews its loan portfolios to assess impairment at least monthly. Where impairment has been identified, an allowance for impairment is recorded. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination in which case loss allowance is measured at an amount equal to lifetime ECL. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.
The Group generally considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'. Loss allowances on such low credit risk instrument are recognised at the equivalent of 12-month ECL.
The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as the expected life of the instrument, determination of significant increase in credit risk, selection of appropriate macro-economic variables and other forward-looking information etc.

(i) Determining criteria for significant increase in credit risk and choosing appropriate models and assumptions for the measurement of ECL

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. In assessing SICR, the Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has been applied in this process.

(ii) Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL

The scenario weightings applied in the incorporation of the forward-looking information into the calculation of ECL are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The forward-looking information used in ECL are based on forecasts. As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

(iii) Establishing groups of similar financial assets for the purposes of measuring ECL

In determining whether an impairment loss should be recorded in the income statement, the Group makes judgements as to movement in the level of credit risk on the instrument since origination. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

b) Fair value of financial instruments

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. To the extent practical, models use only observable data; however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments. Fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the consolidated statement of financial position.

3 Critical accounting estimates, and judgements in applying accounting policies (Continued)

c) Goodwill impairment

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.17. These calculations require the use of estimates. The recoverable amount of all CGUs has been determined based on value-in-use calculations. These calculations use post-tax cash flow projections based on financial budgets approved by management covering a five-year period. By adjusting the main estimates (growth rate and discount rates) by 1%, and also sensitizing some cashflow estimates, no impairment charge on goodwill arose in the year.

d) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

e) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of Note 2.29.1). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

f) Hyper-inflationary accounting

Beginning July 1, 2019, the Group has designated Zimbabwe as a hyper-inflationary economy in accordance with IAS 29, Financial Reporting in Hyper-Inflationary Economies, and has therefore employed the use of the hyper-inflationary accounting to consolidate and report its Zimbabwe operating subsidiary. South Sudan is also a hyperinflationary company. The determination of whether an economy is hyper-inflationary requires the Group to make certain estimates and judgements, such as assessment of historic inflation rates and anticipation of future trends. In addition, the application of hyperinflationary accounting in accordance with IAS 29 requires the selection and use of price indices to estimate the impact of inflation on the non-monetary assets and liabilities, and results of operations of the Group. The selection of price indices is based on the Group's assessment of various available price indices on the basis of reliability and relevance. Changes in any such estimates may significantly impact the carrying value of those nonmonetary assets or liabilities, and results of operations, which are subject to hyper-inflationary adjustments, and the related gains and losses within the consolidated statements of loss and comprehensive loss.

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

4 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 fulfil commitments to lend.

4.1 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.

4.2 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 December 2021

	Up to 1 month	1 -3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Assets						
Cash and balances with central banks	2,532,201	-	-	-	1,676,937	4,209,138
Trading Financial Assets	23,010	45,726	104,503	101,881	101,751	376,871
Derivative financial instruments	46,737	588	11,435	24,538	-	83,298
Loans and advances to banks	2,443,592	798,339	344,434	-	-	3,586,365
Loans and advances to customers	2,512,835	1,598,742	2,011,593	3,162,176	1,398,399	10,683,745
Treasury bills and other eligible bills	383,510	737,754	1,091,532	38,051	18,657	2,269,504
Investment securities	1,302,652	293,083	1,096,817	3,029,331	1,891,634	7,613,517
Pledged assets	-	-	148,299	71,299	-	219,598
Other assets	574,815	165,292	83,997	36,577	40,755	901,436
Total assets (expected maturity dates)	**9,819,352**	**3,639,524**	**4,892,610**	**6,463,853**	**5,128,133**	**29,943,472**
Liabilities						
Deposits from banks	2,713,500	230,735	562,501	273,048	-	3,779,784
Deposit from customers	17,300,643	523,032	1,172,884	844,892	109,320	19,950,771
Other borrowed funds	162,176	409,982	278,383	1,155,906	892,390	2,898,837
Other liabilities	405,669	207,047	606,073	150,780	44,129	1,413,698
Derivative financial instruments	22,131	-	6,970	-	-	29,101
Total liabilities (contractual maturity dates)	**20,604,119**	**1,370,796**	**2,626,811**	**2,424,626**	**1,045,839**	**28,072,191**
Gap analysis	**(10,784,767)**	**2,268,728**	**2,265,799**	**4,039,227**	**4,082,294**	**1,871,281**
Off-balance sheet items						
Loan commitments	-	-	729,347	343,222	-	1,072,569
Guarantees, acceptances and other financial facilities	-	-	2,487,166	1,170,431	-	3,657,597
	-	**-**	**3,216,513**	**1,513,653**	**-**	**4,730,166**

As at 31 December 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	2,732,831	-	-	-	1,177,359	3,910,190
Trading financial assets	12,940	36,350	37,088	26,196	93,562	206,136
Derivative financial instruments	27,799	-	63,478	-	-	91,277
Loans and advances to banks	2,734,366	485,218	336,578	-	-	3,556,162
Loans and advances to customers	1,249,742	1,178,480	2,045,565	3,307,366	1,596,048	9,377,201
Treasury bills and other eligible bills	651,724	237,142	770,479	160,323	-	1,819,668
Investment securities	346,970	346,887	1,307,147	2,613,078	2,033,527	6,647,609
Pledged assets	-	-	423,600	-	-	423,600
Other assets	221,270	151,318	250,622	111,852	186,505	921,567
Total assets (expected maturity dates)	**7,977,642**	**2,435,395**	**5,234,557**	**6,218,815**	**5,087,001**	**26,953,410**
Liabilities						
Deposits from banks	2,875,823	43,844	637,485	220,514	-	3,777,666
Deposit from customers	15,047,313	801,335	1,621,283	749,645	194,383	18,413,959
Other borrowed funds	27,062	180,694	103,608	1,719,708	419,655	2,450,727
Other liabilities	179,698	106,670	130,997	311,915	25,664	754,944
Derivative financial instruments	11,069	-	67,839	-	-	78,908
Total liabilities (contractual maturity dates)	**18,140,965**	**1,132,543**	**2,561,212**	**3,001,782**	**639,702**	**25,476,204**
Gap analysis	**(10,163,323)**	**1,302,852**	**2,673,345**	**3,217,033**	**4,447,299**	**1,477,206**
Off-balance sheet items						
Loan commitments						
Guarantees, acceptances and other financial facilities	-	-	771,725	324,993	-	1,096,718
	-	-	2,371,940	530,859	-	2,902,799
	-	**-**	**3,143,665**	**855,852**	**-**	**3,999,517**

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, central bank balances, items in the course of collection and treasury and other eligible bills; loans and advances to banks; loans and advances to customers and other assets. In the normal course of business, a proportion of customer loans and advances contractually repayable within one year will be extended. The Group would also be able to meet unexpected net cash outflows by selling investment securities.

(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 Dec 2021	**31 Dec 2020**	**31 Dec 2021**	**'31 Dec 2020**
Financial assets:				
Cash and balances with central banks	4,209,138	3,752,596	4,209,138	3,752,596
Loans and advances to banks	2,289,445	2,011,343	2,988,638	3,556,162
Loans and advances to customers	9,575,865	9,239,948	9,720,135	9,377,201
Other assets (excluding prepayments)	901,436	921,567	901,436	921,567
Financial liabilities:				
Deposits from banks	2,229,935	2,386,747	2,412,243	2,467,491
Deposit from customers	19,713,349	18,296,952	19,950,771	18,413,959
Other liabilities (excluding deferred income)	756,924	754,944	756,924	754,944
Borrowed funds	2,352,437	1,923,182	2,898,837	2,450,727

(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 December 2021			31 December 2020		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Treasury and other eligible bills	148,405	1,938,680	-	449,241	1,281,604	-
Trading Financial Assets	64,043	281,999	-	-	156,490	-
Derivative financial instruments	-	78,404	-	-	115,162	-
Pledged assets	-	206,001	-	-	423,599	-
Investment securities	369,775	6,070,554	119,899	860,572	4,999,663	114,080
Total financial assets	**582,223**	**8,575,638**	**119,899**	**1,309,813**	**6,976,518**	**114,080**
Derivative financial instruments	-	29,101	-	-	78,908	-
Total financial liabilities	**-**	**29,101**	**-**	**-**	**78,908**	**-**

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

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)

(c) Financial instrument classification

At 31 December 2021	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
Assets								
Cash and balances with central banks	4,209,138	-	-	-	-	-	-	4,209,138
Trading financial assets	-	346,042	-	-	-	-	-	346,042
Derivative financial instruments	-	78,404	-	-	-	-	-	78,404
Loans and advances to banks	2,289,445	-	-	-	-	-	-	2,289,445
Loans and advances to customers	9,575,865	-	-	-	-	-	-	9,575,865
Treasury bills and other eligible bills	-	-	2,087,085	-	-	-	-	2,087,085
Equity instruments	-	-	-	78,413	119,899	-	-	198,312
Investment securities - Debt instruments	-	-	6,361,916	-	-	-	-	6,361,916
Pledged assets	206,001	-	-	-	-	-	-	206,001
Other assets, excluding prepayments	901,436	-	-	-	-	-	-	901,436
Total	**17,181,885**	**424,446**	**8,449,001**	**78,413**	**119,899**	**-**	**-**	**26,253,644**
Liabilities								
Deposits from banks	-	-	-	-	-	-	2,229,935	2,229,935
Deposit from customers	-	-	-	-	-	-	19,713,349	19,713,349
Derivative financial instruments	-	-	-	-	-	29,101	-	29,101
Borrowed funds	-	-	-	-	-	-	2,352,437	2,352,437
Other liabilities, excluding non-financial liabilities	-	-	-	-	-	-	756,924	756,924
Total	**-**	**-**	**-**	**-**	**-**	**29,101**	**25,052,645**	**25,081,746**

31 December 2020	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
Assets								
Cash and balances with central banks	3,752,596	-	-	-	-	-	-	3,752,596
Trading financial assets	-	156,490	-	-	-	-	-	156,490
Derivative financial instruments	-	115,162	-	-	-	-	-	115,162
Loans and advances to banks	2,011,343	-	-	-	-	-	-	2,011,343
Loans and advances to customers	9,239,948	-	-	-	-	-	-	9,239,948
Treasury bills and other eligible bills	-	-	1,730,845	-	-	-	-	1,730,845
Equity instruments	-	-	-	47,551	114,080	-	-	161,631
Investment securities - Debt instruments	-	-	5,912,613	-	-	-	-	5,912,613
Pledged assets	423,599	-	-	-	-	-	-	423,599
Other assets, excluding prepayments	921,567	-	-	-	-	-	-	921,567
Total	**16,349,053**	**271,652**	**7,643,458**	**47,551**	**114,080**	**-**	**-**	**24,425,794**
Liabilities								
Deposits from banks	-	-	-	-	-	-	2,386,747	2,386,747
Deposit from customers	-	-	-	-	-	-	18,296,952	18,296,952
Derivative financial instruments	-	-	-	-	-	78,908	-	78,908
Borrowed funds	-	-	-	-	-	-	1,923,182	1,923,182
Other liabilities, excluding non-financial liabilities	-	-	-	-	-	-	754,944	754,944
Total	**-**	**-**	**-**	**-**	**-**	**78,908**	**23,361,825**	**23,440,733**

(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. Final UEMOA requirements will go up to 8.5% Tier 1 CAR and 11.5% Total CAR in 2023. The Group has remained compliant with the UEMOA minimum regulatory capital adequacy ratio requirements (7.875% Tier 1 CAR and 10.375% Total CAR in 2021).

	30 June 2021	31 Dec 2020
Tier 1 capital		
Share capital	2,113,961	2,113,961
Retained earnings	305,494	199,172
IFRS 9 transition adjustment	99,767	99,767
Statutory reserve	632,762	632,762
Other reserves	(1,779,343)	(1,688,385)
Non-controlling interests	231,897	257,884
Less: goodwill	(18,548)	(18,844)
Less: intangibles	(113,209)	(133,026)
Less: other deductions	-	-
Total qualifying Tier 1 capital	**1,472,781**	**1,463,291**
Tier 2 capital		
Subordinated debt and other instruments	563,679	285,405
Revaluation reserve	97,189	102,955
Minority interests included in Tier 2 capital	64,439	65,725
Total qualifying Tier 2 capital	**725,307**	**454,085**
Less investments in associates	-	-
Total regulatory capital	**2,198,088**	**1,917,376**
Risk-weighted assets:		
Credit risk weighted assets	11,645,824	12,334,703
Market risk weighted assets	77,312	103,260
Operational risk weighted assets	3,189,821	3,189,821
Total risk-weighted assets	**14,912,957**	**15,627,784**
Tier 1 Capital Adequacy Ratio	**9.9%**	**9.4%**
Total Capital Adequacy Ratio	**14.7%**	**12.3%**

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

		Year ended 31 December 2021		Year ended 31 December 2020	
		US$'000	GHC'000	US$'000	GHC'000
7	**Net interest income**				
	Interest income				
	Loans and advances to banks	34,245	198,826	34,567	193,459
	Loans and advances to customers:				
	- Corporate	511,862	2,971,864	507,136	2,838,250
	- Commercial	140,898	818,052	125,653	703,233
	- Consumer	131,352	762,628	123,826	693,008
	Treasury bills and other eligible bills	198,596	1,153,046	222,003	1,242,468
	Investment securities	437,263	2,538,743	358,100	2,004,152
	Trading financial assets	15,723	91,288	16,442	92,020
	Others	3,615	20,989	2,711	15,172
		1,473,554	**8,555,436**	**1,390,438**	**7,781,762**
	Interest expense				
	Deposits from banks	48,714	282,833	77,758	435,182
	Due to customers:				
	- Corporate	183,327	1,064,394	140,200	784,647
	- Commercial	40,934	237,662	39,142	219,063
	- Consumer	100,358	582,677	109,333	611,897
	Other borrowed funds	148,029	859,454	108,308	606,159
	Interest expense for lease liabilities	4,533	26,319	4,425	24,765
	Others	3,229	18,748	4,046	22,644
		529,124	**3,072,087**	**483,212**	**2,704,357**
8	**Net fee and commission income**				
	Fee and commission income:				
	Credit related fees and commissions	144,412	838,454	127,099	711,326
	Corporate finance fees	8,438	48,991	16,264	91,024
	Portfolio and other management fees	9,525	55,302	10,900	61,003
	Brokerage fees and commissions	10,174	59,070	3,418	19,129
	Cash management and related fees	218,671	1,269,601	187,226	1,047,834
	Card management fees	78,177	453,895	64,553	361,279
	Other fees	30,752	178,546	15,129	84,671
		500,149	**2,903,859**	**424,589**	**2,376,266**
	Fee and commission expense				
	Brokerage fees paid	2,069	12,013	1,911	10,695
	Other fees paid	46,651	270,855	33,732	188,786
		48,720	**282,868**	**35,643**	**199,481**
9	**Net trading income**				
	Foreign exchange	268,776	1,560,510	265,459	1,485,674
	Trading income on securities	26,841	155,839	80,817	452,303
		295,617	**1,716,349**	**346,276**	**1,937,977**
10	**Net investment income**				
	Net gains from investment securities	**18,563**	**107,777**	**16,617**	**92,999**
11	**Other operating income**				
	Fair value loss on investment properties	(592)	(3,437)	(2,730)	(15,279)
	Profit on sale of property and equipment	15,778	91,607	1,928	10,790
	Gain on modified financial instruments	1,825	10,595	1,243	6,957
	Lease income	420	2,439	206	1,153
	Dividend income	4,823	28,002	5,667	31,716
	Profit on deemed associates disposal (Pan African Savings)	543	3,153	-	-
	Other	23,878	138,635	14,386	80,513
		46,675	**270,994**	**20,700**	**115,850**
12	**Impairment charges on financial assets**				
	Impairment charges on loans and advances	374,117	2,172,118	312,072	1,746,550
	Recoveries and release of provisions	(204,507)	(1,187,365)	(130,517)	(730,455)
	Impairment charges on other financial assets	48,070	279,094	45,470	254,479
		217,680	**1,263,847**	**227,025**	**1,270,574**
13	**Operating expenses**				
	Staff expenses	454,937	2,641,358	462,992	2,591,193
	Depreciation and amortisation	108,669	630,931	104,206	583,202
	Other operating expenses	471,092	2,735,154	486,840	2,724,661
		1,034,698	**6,007,443**	**1,054,038**	**5,899,056**
14	**Taxation**				
	Current income tax	158,019	917,457	140,619	786,991
	Deferred income tax	(35,738)	(207,494)	(51,284)	(287,017)
		122,281	**709,963**	**89,335**	**499,974**

Notes

(All amounts in thousands US dollar unless otherwise stated)

15 Earnings per share

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 year.

	31 Dec. 2021	31 Dec 2020
Profit attributable to equity holders of the Company from continuing operations	261,340	2,401
Profit attributable to equity holders of the Company from discontinued operations	894	1,801
Weighted average number of ordinary shares in issue (in thousands)	24,592,619	24,592,619
Basic earnings per share (expressed in US cents per share) from continuing operations	1.063	0.010
Basic earnings per share (expressed in US cents per share) from discontinued operations	0.004	0.007

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 dilution impact of share options granted are immaterial in the computation of dilutive earnings per share.

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.

	31 Dec. 2021	31 Dec. 2020
Profit attributable to equity holders of the company from continuing operations	261,340	2,401
Interest expense on dilutive convertible loans	-	-
	261,340	2,401
Profit attributable to equity holders of the company from discontinued operations	894	1,801
Interest expense on dilutive convertible loans	-	-
	894	1,801
Weighted average number of ordinary shares in issue (in thousands)	24,592,619	24,592,619
Adjustment for dilutive convertible loans		
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	24,592,619	24,592,619
Dilutive earnings per share (expressed in US cents per share) from continuing operations	1.063	0.010
Dilutive earnings per share (expressed in US cents per share) from discontinued operations	0.004	0.007

Ecobank Transnational Incorporated
Consolidated financial statements
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(All amounts in thousands of US dollar /GHC unless otherwise stated)

		As at 31 December 2021		As at 31 December 2020	
		US$'000	**GHC'000**	**US$'000**	**GHC'000**
16	**Cash and balances with central banks**				
	Cash in hand	667,347	4,008,153	716,391	4,107,929
	Balances with central banks other than mandatory reserve deposits	1,864,854	11,200,500	1,385,611	7,945,371
	Included in cash and cash equivalents	**2,532,201**	**15,208,653**	**2,102,002**	**12,053,300**
	Mandatory reserve deposits with central banks	1,676,937	10,071,851	1,650,594	9,464,836
		4,209,138	**25,280,504**	**3,752,596**	**21,518,136**
17	**Trading financial assets**				
	Debt securities :				
	- Government bonds	346,042	2,078,363	156,490	897,345
		346,042	**2,078,363**	**156,490**	**897,345**
18	**Loans and advances to banks**				
	Items in course of collection from other banks	46,151	277,188	56,031	321,293
	Deposits with other banks	1,579,657	9,487,578	1,279,772	7,338,469
	Placements with other banks	663,637	3,985,870	675,540	3,873,681
		2,289,445	**13,750,636**	**2,011,343**	**11,533,443**
19	**Loans and advances to customers**				
	Analysis by type:				
	Overdrafts	1,096,933	6,588,289	1,168,566	6,700,791
	Credit cards	2,529	15,189	3,961	22,713
	Term loans	9,002,399	54,069,309	8,486,112	48,661,063
	Mortgage loans	126,380	759,051	139,424	799,485
	Gross loans and advances	**10,228,241**	**61,431,838**	**9,798,063**	**56,184,052**
	Less: allowance for impairment	(652,376)	(3,918,235)	(558,115)	(3,200,342)
		9,575,865	**57,513,603**	**9,239,948**	**52,983,710**
	Analysis by stage:				
	Gross Loans				
	Stage 1	8,546,550	51,331,434	7,808,277	44,774,222
	Stage 2	1,042,533	6,261,557	1,240,732	7,114,605
	Stage 3 (impaired)	639,158	3,838,847	749,054	4,295,225
		10,228,241	**61,431,838**	**9,798,063**	**56,184,052**
20	**Treasury bills and other eligible bills**				
	Maturing within three months	607,646	3,649,583	637,364	3,654,773
	Maturing after three months	1,479,439	8,885,658	1,093,481	6,270,238
		2,087,085	**12,535,241**	**1,730,845**	**9,925,011**
21	**Investment securities**				
	Debt securities				
	- At FVTOCI listed	3,002,391	18,032,661	2,654,410	15,220,918
	- At FVTOCI unlisted	3,359,525	20,177,643	3,258,203	18,683,188
	Total	**6,361,916**	**38,210,304**	**5,912,613**	**33,904,106**
	Equity securities				
	- At FVTOCI unlisted	119,899	720,125	114,080	654,158
	- At FVTPL listed	2,148	12,901	1,797	10,304
	- At FVTPL unlisted	76,265	458,055	45,754	262,362
		198,312	**1,191,081**	**161,631**	**926,824**
		6,560,228	**39,401,385**	**6,074,244**	**34,830,930**

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

		As at 31 December 2021		As at 31 December 2020	
		US$'000	GHC'000	US$'000	GHC'000
22	**Other assets**				
	Fees receivable	8,758	52,601	10,642	61,023
	Accounts receivable	790,098	4,745,408	733,769	4,207,578
	Repossessed assets from customers	168,480	1,011,908	198,647	1,139,082
	Prepayments	194,133	1,165,982	206,633	1,184,875
	Sundry receivables	143,421	861,401	150,342	862,091
		1,304,890	**7,837,300**	**1,300,033**	**7,454,649**
	Impairment provision on receivables	(209,321)	(1,257,203)	(171,833)	(985,325)
		1,095,569	**6,580,097**	**1,128,200**	**6,469,324**
23	**Deposits from banks**				
	Operating accounts with banks	733,195	4,403,642	691,917	3,967,590
	Other deposits from banks	1,496,740	8,989,571	1,694,830	9,718,495
		2,229,935	**13,393,213**	**2,386,747**	**13,686,085**
24	**Deposit from customers**				
	Current accounts	12,592,727	75,633,177	11,549,431	66,226,747
	Term deposits	3,616,909	21,723,517	3,210,879	18,411,822
	Savings deposits	3,503,713	21,043,651	3,536,642	20,279,813
		19,713,349	**118,400,345**	**18,296,952**	**104,918,382**
25	**Other liabilities**				
	Accrued income	64,340	386,432	68,168	390,889
	Unclaimed dividend	11,650	69,971	4,503	25,821
	Accruals	222,734	1,337,763	226,042	1,296,170
	Obligations under customers' letters of credit	72,230	433,821	60,465	346,718
	Bankers draft	57,313	344,228	29,151	167,158
	Allowance for off balance sheet receivables	13,233	79,479	15,418	88,410
	Accounts payable	48,913	293,776	61,339	351,730
	Other liabilities	330,851	1,987,124	358,026	2,052,993
		821,264	**4,932,594**	**823,112**	**4,719,889**

(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
Income Statement Highlights For the year ended 31 December 2021						
Net interest income	90,880	344,947	343,836	274,675	(109,908)	944,430
Net fees and commission income	45,394	130,064	113,606	154,843	7,522	451,429
Other income	86,860	83,631	62,418	90,125	37,821	360,855
Operating income	**223,134**	**558,642**	**519,860**	**519,643**	**(64,565)**	**1,756,714**
Impairment charges on financial assets	(14,598)	63,591	40,168	26,532	101,987	217,680
Total operating expenses	181,215	302,742	241,050	273,632	36,059	1,034,698
Operating profit after impairment charges	**56,517**	**192,309**	**238,642**	**219,479**	**(202,611)**	**504,336**
Net monetary loss arising from hyperinflationary economies	-	-	-	(25,852)	-	(25,852)
Share of post-tax results of associates	-	-	-	73	(565)	(492)
Profit before tax and goodwill impairment	**56,517**	**192,309**	**238,642**	**193,700**	**(203,176)**	**477,992**
Goodwill impairment	-	-	-	-	-	-
Profit before tax	**56,517**	**192,309**	**238,642**	**193,700**	**(203,176)**	**477,992**
Balance Sheet Highlights as at 31 December 2021						
Total assets	5,985,460	10,072,445	4,812,643	6,695,297	(4,052)	**27,561,793**
Total Liabilities	5,551,776	9,178,558	4,163,432	6,005,531	498,190	**25,397,487**

In 000 of $	NIGERIA	UEMOA	AWA	CESA	OTHERS AND CONSO ADJUSTMENT(1)	Ecobank Group
Income Statement Highlights for the year ended 31 December 2020						
Net interest income	160,608	310,815	317,349	210,713	(92,259)	907,226
Net fees and commission income	35,222	119,055	91,469	130,636	12,564	388,946
Other income	73,607	81,545	75,986	116,631	35,824	383,593
Operating income	**269,437**	**511,415**	**484,804**	**457,980**	**(43,871)**	**1,679,765**
Impairment charges on financial assets	12,197	55,642	39,706	28,857	90,623	227,025
Total operating expenses	222,064	304,042	235,077	249,059	43,796	1,054,038
Operating profit after impairment charges	**35,176**	**151,731**	**210,021**	**180,064**	**(178,290)**	**398,702**
Net monetary loss arising from hyperinflationary economies	-	-	-	(60,523)	-	(60,523)
Share of post-tax results of associates	-	-	-	(103)	(194)	(297)
Profit before tax	**35,176**	**151,731**	**210,021**	**119,438**	**(178,484)**	**337,882**
Goodwill impairment	-	-	-	-	(163,564)	(163,564)
Profit before tax	**35,176**	**151,731**	**210,021**	**119,438**	**(342,048)**	**174,318**
Balance Sheet Highlights as at 31 December 2020						
Total assets	5,629,754	9,969,419	4,303,693	5,961,280	75,327	**25,939,473**
Total Liabilities	5,124,621	9,147,215	3,718,862	5,366,479	554,583	**23,911,760**

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

(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
Income Statement Highlights For the year ended 31 December 2021						
Net interest income	550,718	199,710	240,613	(47,218)	607	944,430
Net fees and commission income	175,806	122,957	154,114	36,140	(37,588)	451,429
Other income	212,922	87,414	31,391	228,456	(199,328)	360,855
Operating income	**939,446**	**410,081**	**426,118**	**217,378**	**(236,309)**	**1,756,714**
Impairment charges on financial assets	104,514	51,870	20,877	40,419	-	217,680
Total operating expenses	421,427	279,738	314,048	153,943	(134,458)	1,034,698
Operating profit after impairment charges	**413,505**	**78,473**	**91,193**	**23,016**	**(101,851)**	**504,336**
Net monetary loss arising from hyperinflationary economies	(9,562)	(11,403)	(4,541)	(346)	-	(25,852)
Share of post-tax results of associates	73	-	-	(861)	296	(492)
Profit before tax and goodwill impairment	**404,016**	**67,070**	**86,652**	**21,809**	**(101,555)**	**477,992**
Goodwill impairment	-	-	-	-	-	-
Profit before tax	**404,016**	**67,070**	**86,652**	**21,809**	**(101,555)**	**477,992**
Balance Sheet Highlights as at 31 December 2021						
Total assets	15,301,941	1,930,386	1,105,350	4,036,776	5,187,340	**27,561,793**
Total Liabilities	14,680,738	4,981,533	6,374,166	1,889,906	(2,528,856)	**25,397,487**

In 000 of $

	CIB	Commercial	Consumer	Others	Consolidation Adjustments	Ecobank Group
Income Statement Highlights for the year ended 31 December 2020						
Net interest income	550,319	179,047	229,307	(52,044)	-	907,226
Net fees and commission income	149,533	98,793	135,162	33,945	(28,487)	388,946
Other income	248,816	94,048	35,508	204,268	(199,047)	383,593
Operating income	**948,668**	**371,888**	**399,977**	**186,169**	**(226,937)**	**1,679,765**
Impairment charges on financial assets	126,214	52,345	21,681	26,785	-	227,025
Total operating expenses	426,713	280,181	326,274	147,626	(126,756)	1,054,038
Operating profit after impairment charges	**395,741**	**39,362**	**52,022**	**11,758**	**(100,181)**	**398,702**
Net monetary loss arising from hyperinflationary economies	(31,464)	(16,294)	(9,678)	(3,087)	-	(60,523)
Share of post-tax results of associates	(103)	-	-	-	(194)	(297)
Profit before tax	**364,174**	**23,068**	**42,344**	**8,671**	**(100,375)**	**337,882**
Goodwill impairment	-	-	-	-	(163,564)	(163,564)
Profit before tax	**364,174**	**23,068**	**42,344**	**8,671**	**(263,939)**	**174,318**
Balance Sheet Highlights as at 31 December 2020						
Total assets	14,594,715	1,587,584	1,075,198	3,893,508	4,788,468	**25,939,473**
Total Liabilities	12,251,226	4,509,393	6,416,268	1,802,357	(1,067,484)	**23,911,760**

(All amounts in thousands of GHC 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
Income Statement Highlights For the year ended 31 December 2021						
Net interest income	528	2,003	1,996	1,595	(639)	5,483
Net fees and commission income	264	755	660	899	43	2,621
Other income	504	486	362	523	(1,604)	271
Operating income	**1,296**	**3,244**	**3,018**	**3,017**	**(2,200)**	**8,375**
Impairment charges on financial assets	(85)	369	233	154	593	1,264
Total operating expenses	1,052	1,758	1,400	1,589	208	6,007
Operating profit after impairment charges	**329**	**1,117**	**1,385**	**1,274**	**(3,001)**	**1,104**
Net monetary loss arising from hyperinflationary economies	-	-	-	(150)	-	(150)
Share of post-tax results of associates	-	-	-	-	(3)	(3)
Profit before tax and goodwill impairment	**329**	**1,117**	**1,385**	**1,124**	**(3,003)**	**2,775**
Goodwill impairment	-	-	-	-	-	-
Profit before tax	**329**	**1,117**	**1,385**	**1,124**	**(3,003)**	**2,775**
Balance Sheet Highlights as at 31 December 2021						
Total assets	35,949	60,496	28,905	40,213	(24)	**165,539**
Total Liabilities	33,345	55,127	25,006	36,070	2,992	**152,540**

In 000,000 of GHC

	NIGERIA	UEMOA	AWA	CESA	OTHERS AND CONSO ADJUSTMENT(1)	Ecobank Group
Income Statement Highlights for the year ended 31 December 2020						
Net interest income	899	1,740	1,776	1,179	(517)	5,077
Net fees and commission income	197	666	512	731	71	2,177
Other income	412	456	425	653	(1,830)	116
Operating income	**1,508**	**2,862**	**2,713**	**2,563**	**(2,276)**	**7,370**
Impairment charges on financial assets	68	311	222	162	508	1,271
Total operating expenses	1,243	1,702	1,316	1,394	244	5,899
Operating profit after impairment charges	**197**	**849**	**1,175**	**1,007**	**(3,028)**	**200**
Net monetary loss arising from hyperinflationary economies	-	-	-	(339)	-	(339)
Share of post-tax results of associates	-	-	-	(1)	(1)	(2)
Profit before tax	**197**	**849**	**1,175**	**667**	**(3,028)**	**(141)**
Goodwill impairment	-	-	-	-	(915)	(915)
Profit before tax	**197**	**849**	**1,175**	**667**	**(3,943)**	**976**
Balance Sheet Highlights as at 31 December 2020						
Total assets	32,282	57,167	24,678	34,183	432	**148,742**
Total Liabilities	29,386	52,452	21,325	30,772	3,180	**137,115**

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

(All amounts in thousands of GHC 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
Income Statement Highlights for the year ended31 December 2021						
Net interest income	3,197	1,160	1,397	(274)	-	5,483
Net fees and commission income	1,021	714	895	210	(219)	2,621
Other income	1,236	508	182	1,326	(2,981)	271
Operating income	**5,454**	**2,382**	**2,474**	**1,262**	**(3,197)**	**8,375**
Impairment charges on financial assets	607	301	121	235	-	1,264
Total operating expenses	2,447	1,624	1,823	894	(781)	6,007
Operating profit after impairment charges	**2,400**	**457**	**530**	**133**	**(2,416)**	**1,104**
Net monetary loss arising from hyperinflationary economies	(56)	(66)	(26)	(2)	-	(150)
Share of post-tax results of associates	-	-	-	(861)	858	(3)
Profit before tax and goodwill impairment	**2,344**	**391**	**504**	**(730)**	**(1,557)**	**2,775**
Goodwill impairment	-	-	-	-	-	-
Profit before tax	**2,344**	**391**	**504**	**(730)**	**(1,557)**	**2,775**
Balance Sheet Highlights as at31 December 2021						
Total assets	91,905	11,594	6,639	24,245	31,156	**165,539**
Total Liabilities	88,174	29,920	38,284	11,351	(15,189)	**152,540**

In 000,000 of GHC	CIB	Commercial	Consumer	Others	Consolidation Adjustments	Ecobank Group
Income Statement Highlights for the year ended 31 December 2020						
Net interest income	3,080	1,002	1,283	(290)	2	5,077
Net fees and commission income	837	553	756	190	(159)	2,177
Other income	1,393	526	199	1,143	(3,145)	116
Operating income	**5,310**	**2,081**	**2,238**	**1,043**	**(3,302)**	**7,370**
Impairment charges on financial assets	706	293	121	150	1	1,271
Total operating expenses	2,388	1,568	1,826	826	(709)	5,899
Operating profit after impairment charges	**2,216**	**220**	**291**	**67**	**(2,594)**	**200**
Net monetary loss arising from hyperinflationary economies	(176)	(91)	(54)	(17)	(1)	(339)
Share of post-tax results of associates	(1)	-	-	-	(1)	(2)
Profit before tax and goodwill impairment	**2,039**	**129**	**237**	**50**	**(2,596)**	**(141)**
Goodwill impairment	-	-	-	-	(915)	(915)
Profit before tax	**2,039**	**129**	**237**	**50**	**(3,512)**	**976**
Balance Sheet Highlights as at 31 December 2020						
Total assets	83,689	9,104	6,165	22,326	27,458	**148,742**
Total Liabilities	70,251	25,858	36,792	10,335	(6,121)	**137,115**

(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) Capital commitments

At 31 December 2021,the Group had capital commitments of $9 m (December2020:$6.1m) inrespect of buildings and equipment purchases.The Group's management is confident that future net revenues and funding will be sufficient to cover this commitment.

c) Loan commitments, guarantee and other financial facilities

At 31 December 2021 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 December 2021	31 December 2020
Guaranteed commercial papers and bank acceptances	55,811	55,025
Documentary and commercial letters of credit	1,977,046	1,256,562
Performance bond, guarantees and indemnities	1,624,740	1,591,212
Loan commitments	1,072,569	1,096,718
	4,730,166	**3,999,517**

c) Tax exposures

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 year in which such a determination is made. The total amount of tax exposure as at 31 December 2021 is $131 million (December 2020 : $ 138 million). Based on Group’s assessment, the probable liability is not likely to exceed $ 6 million (December 2020 : $9 million) which provisions have been made in the books in Note 24.

FIVE-YEAR SUMMARY FINANCIALS

	2021	2020	2019	2018 Restated ***	2017
	US$'000	US$'000	US$'000	US$'000	US$'000
At the year end					
Total assets	27,561,793	25,939,473	23,641,184	22,502,727	22,431,604
Loans and advances to customers	9,575,865	9,239,948	9,276,608	9,089,200	9,357,864
Deposits from customers	19,713,349	18,296,952	16,246,120	15,935,999	15,203,271
Total equity	2,164,306	2,027,713	1,885,777	1,733,022	2,172,083
For the year					
Revenue	1,756,714	1,679,765	1,622,259	1,825,171	1,831,202
Profit before tax	477,992	174,318	405,079	356,508	288,340
Profit for the Year*	357,366	88,319	274,934	249,180	228,534
Profit attributable to owners of the parent	262,234	4,202	193,958	182,178	178,585
Earnings per share-basic(cents)	1.063	0.010	0.778	0.740	0.720
Earnings per share-diluted (cents)	1.063	0.010	0.778	0.740	0.720
Dividend per share (US cents)	0.16	-	-	-	-
Cost to income ratio	58.90%	62.75%	66.20%	61.50%	61.80%
NPL Ratio	6.25%	7.64%	9.70%	9.60%	10.70%
NPL Cover	102.07%	74.50%	58.30%	66.63%	52.40%
Return on Average Assets	1.34%	0.40%	1.20%	1.10%	1.10%
Return on Tangible Equity (ROTE) **	18.99%	0.33%	13.20%	10.90%	11.60%
Cost of Risk	1.69%	1.85%	1.12%	3.24%	3.30%
Loans/Deposits	51.88%	53.55%	60.20%	60.98%	65.20%

*The profit results for 2020 includes the effects of goodwill impairment charge of $164m.
*Return on equity is calculated as profit attributable to ETI shareholders divided by the average end-of-periods shareholders equity.
***We restated our 2018 Financial Statements

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 13,167 people in 39 different countries in 671 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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