ECOBANK TRANSNATIONAL INCORPORATED

Audited Consolidated Financial Statements

For period ended 30 September 2023

Ecobank Transnational Incorporated
Audited Consolidated Financial Statements
For the period ended 30 September 2023

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Ecobank Transnational Incorporated
For period ended 30 September 2023
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 30 September 2023 and the results of its operations, statement of cash flow, income statement and changes in equity for the period ended 30 September 2023 is 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 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 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 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 for the period ended 30 September 2023. 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 24 November 2023 and signed on its behalf by:

Alain Nkontchou
Group Chairman

Jeremy Awori
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 7 to 75 which comprise the consolidated statement of financial position as at 30 September 2023, 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 period 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 30 September 2023, and its consolidated financial performance and statement of cash flows for the period 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 Matters

The Key audit matter are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. 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 this matter. The key audit matters noted below relates to the consolidated financial statements.

Key audit matters	How our audit addressed the key audit matters
Impairment of loans and advances to customers	
Loans and advances to customers constitute a significant portion of the total assets of the Group. At 30 September 2023, gross loans and advances to customers was US$10,656million (31 December 2022: US$11,521 million) against which total loan impairment amounted to US$492 million (31 December 2022: US$518 million), resulting in a net loan balance of US$10,164 million (31 December 2022: US$11,003 million). This asset represents 38 per cent (31 December 2022: 38 per cent) of the total assets as at the reporting date (see note 21).	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 implementation of key controls across the processes relevant to the Expected Credit Loss ('ECL'). This included model governance, controls that ensure data accuracy and completeness and related credit

The basis of the impairment amount is summarised in the accounting policies in the consolidated financial statements in note 2.30.3.

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.

The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus were:

i. Modelling for estimation of ECL parameters including:
   - probabilities of default (PDs) - 12-month and lifetime,
   - loss given default (EAD),
   - exposure at default (LGD).

ii. Assessment and measurement of Significant Increase in Credit Risk ('SICR') using appropriate criteria;

iii. Identification and measurement of economic scenarios to measure ECLs on a forward-looking basis reflecting a range of future economic conditions;

iv. Ensuring the completeness and accuracy of data used to calculate the ECL;

v. Considering the completeness and validity of out of model adjustments and overlays; and

vi. Validating the loan staging and related disclosures in the financial statements.

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.

monitoring, allocation of assets into stages, the determination of 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;
- Testing the assumptions, inputs and formulae used in a sample of ECL models (covering at least 90% of the ECL provision with the support of our internal credit risk specialists;
- Considering the appropriateness of model design and the formulae used in determining the PD's LGD's and EAD's and valuation of collateral in the current economic environment;
- Through applying the assumptions and data included in management's model, we assessed the reasonableness of SICR classifications;
- Testing the data used in the ECL calculation by reconciling to source systems; and
- Assessing the Group's approach and methodology to incorporate the impact of changing macroeconomic conditions in the ECL model, by considering the assumptions used in the forward-looking economic model, the macroeconomic variables selected and the sensitivity of ECL components to each variable by comparing it to our own actuarial analysis and statistics with specific focus on affiliates operating in challenging economic circumstances;
- Considering the completeness and validity of post model adjustments and overlays where this cannot be incorporated in base models;
- In the Commercial segment where for large exposures in Stage 3 advances, tested the controls around the valuation of collateral (where applicable) for operating effectiveness, inspecting a sample of legal agreements, and supporting documentation to assess the legal right to and existence of collateral and expected timing of future cash flows;

	• 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.
Impairment assessment on Government of Ghana Debt Securities.	
Government of Ghana suspended the servicing payments of its Eurobonds, commercial loans and most bilateral loans. The default event therefore necessitates the need for the Group to reassess its exposure to Ghana Debt for impairment losses. After the default announcement, the Government of Ghana instituted a domestic debt exchange program in a bid to restructure its debt as part of the pre-condition in the staff level agreement with IMF for a US$3billion macroeconomic support and bailout. The domestic debts restructuring was negotiated and concluded in February 2023. The Government of Ghana however continues to default on the payment of coupons due on series of the Eurobonds following the earlier announcement and there has been no formal negotiation on the defaulted Eurobonds. Given the level of uncertainty involved, the significance of the group's exposure, lack of any proposals regarding specific restructuring program on the Eurobonds, and the materiality of the amount involved, it became pertinent that the Directors exercise some judgement and make some assumptions regarding certain inputs to enable them to assess and determine the appropriate level of impairment on the Government of Ghana's Eurobond Debt Securities. Therefore, this item is considered a key audit matter.	We focused our testing of the impairment assessment on Government of Ghana's securities on both the local (i.e., Cedi-denominated) bonds as well as the Eurobonds portfolios held by the Group as at 30 September 2023. We reviewed and challenged the key, judgement, assumptions, and inputs made by Management and Directors. Specifically, our audit procedures included: • Obtained an understanding of management's process for estimating the expected credit loss on the instruments; • Obtained available information and data on the Government of Ghana debt securities which formed the basis of analysis by the Group Management and Directors; • Obtained and challenged key management and Directors' assumptions and inputs (i.e., cashflows, discount rates, and methodology) to assess accuracy and completeness as well as the reasonableness of the assumptions and inputs; • Performed a detailed review and assessment of the expected credit loss calculations by the Group; • 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 all the relevant assumptions and key inputs used by Management and Directors to estimate the amount of expected credit losses on the Government of Ghana's securities were appropriate in the circumstances.

Other Information

The Directors are responsible for the other information. The other information comprises the Statement of Directors' Responsibilities and the information included in the Annual Report, but does not include the consolidated financial

statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, 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.

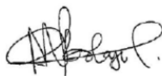
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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 period 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
30 November 2023

Engagement Partner: Saidi Bolaji
FRC/2021/004/00000024025

For: Grant Thornton
Chartered Accountants
Abidjan, Cote d'Ivoire
30 November 2023

Engagement Partner: Missa Kone

Grant Thornton Audit
Côte d'Ivoire
Immeuble Noraya - 1er et 2e étage
Abidjan Cocody Résidences les Vallons

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Press Release

Ecobank Group reports Audited performance for the first nine months of 2023

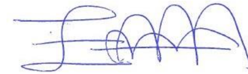
- Revenue up 12% to $1,518.4 million (up 68% to GHC 16,443.1 billion)
- Operating profit before impairment charges up 19% to $702.5 million (up 78% to GHC 7,607.4 million)
- Profit before tax up 12% to $450.0 million (up 68% to GHC 4,873.2 million)
- Profit for the period up 13% to $314.0 million (up 69% to GHC 3,400.1 million)
- Total assets down 8% to $26.6 billion (up 23% to GHC 296.0 billion)
- Loans and advances to customers down 8% to $10.2 billion (up 23% to GHC112.9 billion)
- Deposits from customers down 8% to $19.2 billion (up 23% to GHC 213.5 billion)
- Total equity down 15% to $1.7 billion (up 14% to GHC 19.2 billion)

Financial Highlights	Period ended 30 September 2023		Period ended 30 September 2022		% Change	
	US$'000	GHC'000	US$'000	GHC'000	US$	GHC
Income Statement:						
Revenue	1,518,402	16,443,134	1,355,031	9,783,149	12%	68%
Operating profit before impairment charges	702,483	7,607,354	592,423	4,277,217	19%	78%
Profit before tax	450,003	4,873,189	400,727	2,893,196	12%	68%
Profit for the period	313,973	3,400,088	278,912	2,013,709	13%	69%
Earnings per share from continuing operations attributable to owners of the parent during the period (expressed in United States cents / pesewas per share):						
Basic (US cents and pesewas)	0.910	9.858	0.797	5.755	14%	71%
Diluted (US cents and pesewas)	0.910	9.858	0.797	5.755	14%	71%

Financial Highlights	As at 30 September 2023		As at 31 December 2022		% Change	
	US$'000	GHC'000	US$'000	GHC'000	US$	GHC
Statement of Financial Position:						
Total assets	26,643,866	295,960,063	29,004,169	241,169,665	-8%	23%
Loans and advances to customers	10,164,404	112,906,200	11,002,905	91,489,155	-8%	23%
Deposits from customers	19,218,767	213,482,064	20,813,313	173,062,698	-8%	23%
Total equity	1,724,678	19,157,723	2,027,015	16,854,630	-15%	14%

Alain Nkontchou
Group Chairman

Jeremy Awori
Group Chief Executive Officer



Ayo Adepoju,Ph.D.
Group Chief Financial Officer

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Audited consolidated statement of comprehensive income - USD

	9 Month period ended 30 September 2023	9 Month period ended 30 September 2022	% Change
	US$'000	US$'000	
Interest income	**1,381,934**	**1,154,174**	**20%**
Interest income calculated using the effective interest method	1,379,942	1,148,609	20%
Other interest income	1,992	5,565	-64%
Interest expense	**(526,100)**	**(413,742)**	27%
Net interest income	**855,834**	**740,432**	**16%**
Fee and commission income	395,048	393,027	1%
Fee and commission expense	(40,102)	(49,840)	-20%
Trading income	268,528	221,281	21%
Net investment income	6,887	10,499	-34%
Other operating income	32,207	39,632	-19%
Non-interest revenue	**662,568**	**614,599**	**8%**
Operating income	**1,518,402**	**1,355,031**	**12%**
Staff expenses	(346,312)	(329,560)	5%
Depreciation and amortisation	(70,008)	(76,425)	-8%
Other operating expenses	(399,599)	(356,623)	12%
Operating expenses	**(815,919)**	**(762,608)**	**7%**
Operating profit before impairment charges and taxation	**702,483**	**592,423**	**19%**
Impairment charges on financial assets	(226,065)	(132,794)	70%
Non-conversion premium on bonds	-	(25,000)	n/m
Operating profit after impairment charges before taxation	**476,418**	**434,629**	**10%**
Net monetary loss arising from hyperinflationary economies	(26,523)	(34,262)	-23%
Share of post-tax results of associates	108	360	70%
Profit before tax	**450,003**	**400,727**	**12%**
Taxation	(136,030)	(121,815)	12%
Profit for the period	**313,973**	**278,912**	**13%**
Attributable to:			
Ordinary shareholders	223,872	196,046	14%
Other equity instrument holder	7,312	7,312	0%
Non-controlling interests	82,789	75,554	10%
	313,973	278,912	13%
Earnings per share from continuing operations attributable to owners of the parent during the period (expressed in United States cents per share):			
Basic (cents)	0.910	0.797	14%
Diluted (cents)	0.910	0.797	14%
Audited consolidated statement of comprehensive income			
Profit for the period	**313,973**	**278,912**	**13%**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange difference on translation of foreign operations	(504,627)	(490,191)	3%
Net change in fair value of other financial assets FVOCI	(47,948)	(135,005)	-64%
Items that will not be reclassified to profit or loss:			
Net change in fair value on property and equipment	2,369	(5,276)	145%
Fair value gain in equity instruments designated at FVOCI	-	770	-100%
Remeasurements of defined benefit obligations	(172)	(640)	-73%
Other comprehensive loss for the period, net of taxation	(550,378)	(630,342)	-13%
Total comprehensive loss for the period	**(236,405)**	**(351,430)**	**-33%**
Total comprehensive (loss) / income attributable to:			
Ordinary shareholders	(289,935)	(330,505)	-12%
Other equity instrument holder	7,312	7,312	0%
Non-controlling interests	46,218	(28,237)	-264%
	(236,405)	(351,430)	-33%

The above audited consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.
nm-not meaningful.

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Consolidated statement of comprehensive income - USD

	Quarter ended 30 September 2023	Quarter ended 30 September 2022	% Change
	US$'000	**US$'000**	
Interest income	**468,065**	**393,373**	19%
Interest income calculated using the effective interest method	466,073	387,871	20%
Other interest income	1,992	5,502	-64%
Interest expense	(159,462)	(145,959)	9%
Net Interest Income	**308,603**	**247,414**	**25%**
Fee and commission income	119,644	123,918	-3%
Fee and commission expense	(13,385)	(11,404)	17%
Net trading income	59,079	57,315	3%
Net investment income	2,240	2,353	-5%
Other operating income	5,058	25,645	-80%
Non-interest revenue	**172,636**	**197,827**	**-13%**
Operating income	**481,239**	**445,241**	**8%**
Staff expenses	(109,825)	(107,857)	2%
Depreciation and amortisation	(22,694)	(25,678)	-12%
Other operating expenses	(120,035)	(119,878)	0%
Operating expenses	**(252,554)**	**(253,413)**	**0%**
Operating profit before impairment charges and taxation	**228,685**	**191,828**	**19%**
Impairment charges on financial assets	(122,648)	(17,631)	596%
Non-conversion premium on bonds	-	(25,000)	n/m
Operating profit after impairment charges before taxation	**106,037**	**149,197**	**-29%**
Net monetary loss arising from hyperinflationary economies	35,787	(10,139)	453%
Share of post-tax results of associates	108	360	70%
Profit before tax	**141,932**	**139,418**	**2%**
Taxation	(43,609)	(45,925)	-5%
Profit for the period	**98,323**	**93,493**	**5%**
Attributable to:			
Ordinary shareholders	62,954	65,742	-4%
Other equity instrument holder	3,656	3,656	0%
Non-controlling interests	31,713	24,095	32%
	98,323	93,493	5%

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

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Consolidated statement of comprehensive income - GHC

	9 Month period ended 30 September 2023	9 Month period ended 30 September 2022	% Change
	GHC'000	GHC'000	
Interest income	**14,965,291**	**8,332,988**	**80%**
Interest income calculated using the effective interest method	14,943,719	8,292,809	80%
Other interest income	21,572	40,179	-46%
Interest expense	(5,697,262)	(2,987,164)	91%
Net Interest Income	**9,268,029**	**5,345,824**	**73%**
Fee and commission income	4,278,068	2,837,604	51%
Fee and commission expense	(434,274)	(359,838)	21%
Trading income	2,907,953	1,597,620	82%
Net investment income	74,581	75,801	-2%
Other operating income	348,777	286,138	22%
Non-interest revenue	**7,175,105**	**4,437,325**	**62%**
Operating income	**16,443,134**	**9,783,149**	**68%**
Staff expenses	(3,750,295)	(2,379,381)	58%
Depreciation and amortisation	(758,133)	(551,779)	37%
Other operating expenses	(4,327,352)	(2,574,772)	68%
Operating expenses	**(8,835,780)**	**(5,505,932)**	**60%**
Operating profit before impairment charges and taxation	**7,607,354**	**4,277,217**	**78%**
Impairment charges on financial assets	(2,448,111)	(958,756)	155%
Non-conversion premium on bonds	-	(180,497)	n/m
Operating profit after impairment charges before taxation	**5,159,243**	**3,137,964**	**64%**
Net monetary loss arising from hyperinflationary economies	(287,224)	(247,367)	16%
Share of post-tax results of associates	1,170	2,599	55%
Profit before tax	**4,873,189**	**2,893,196**	**68%**
Taxation	(1,473,101)	(879,487)	67%
Profit for the period	**3,400,088**	**2,013,709**	**69%**
Attributable to:			
Owners of the parent	2,424,363	1,415,427	71%
Other equity instrument holder	79,183	52,792	50%
Non-controlling interests	896,542	545,490	64%
	3,400,088	**2,013,709**	**69%**
Earnings per share from continuing operations attributable to owners of the parent during the period (expressed in pesewas per share):			
Basic (pesewas)	9.858	5.755	71%
Diluted (pesewas)	9.858	5.755	71%
Consolidated statement of comprehensive income			
Profit for the period	**3,400,088**	**2,013,709**	**69%**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange difference on translation of foreign operations	3,968,038	3,135,155	27%
Fair value loss on debt instruments at FVTOCI	(519,241)	(974,719)	-47%
Items that will not be reclassified to profit or loss:			
Property and equipment - net revaluation gain	25,655	(38,092)	167%
Fair value in equity instruments designated at FVTOCI	-	5,559	n/m
Remeasurements of defined benefit obligations	(1,862)	(4,621)	-60%
Taxation relating to components of other comprehensive income that will not be subsequently reclassed to profit or loss	-	-	
Other comprehensive income for the period, net of taxation	3,472,590	2,123,282	64%
Total comprehensive income for the period	**6,872,678**	**4,136,991**	**66%**
Total comprehensive income attributable to:			
Ordinary shareholders	3,440,087	2,455,188	-40%
Other equity instrument holder	79,183	52,792	-50%
Non-controlling interests	3,353,408	1,629,011	106%
	6,872,678	**4,136,991**	**66%**

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

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Consolidated statement of comprehensive income -GHC

	Quarter ended 30 September 2023	Quarter ended 30 September 2022	% Change
	GHC'000	GHC'000	
Interest income	**5,157,103**	**3,160,355**	63%
Interest income calculated using the effective interest method	5,135,531	3,120,604	65%
Other interest income	21,572	39,751	-46%
Interest expense	(1,762,284)	(1,166,677)	51%
Net Interest Income	**3,394,819**	**1,993,678**	**70%**
Fee and commission income	1,322,268	1,008,102	31%
Fee and commission expense	(147,531)	(98,536)	50%
Net trading income	660,021	482,919	37%
Net investment income	24,707	20,421	21%
Other operating income	57,398	191,049	-70%
Non-interest revenue	**1,916,863**	**1,603,955**	**20%**
Operating income	**5,311,682**	**3,597,633**	**48%**
Staff expenses	(1,212,175)	(872,162)	39%
Depreciation and amortisation	(250,331)	(206,782)	21%
Other operating expenses	(1,326,904)	(965,292)	37%
Operating expenses	**(2,789,410)**	**(2,044,236)**	**36%**
Operating profit before impairment charges and taxation	**2,522,272**	**1,553,397**	**62%**
Impairment charges on financial assets	(1,338,178)	(175,836)	661%
Non-conversion premium on bonds	-	(180,497)	n/m
Operating profit after impairment charges before taxation	**1,184,094**	**1,197,064**	**-1%**
Net monetary loss arising from hyperinflationary economies	381,524	(83,370)	-558%
Share of post-tax results of associates	1,170	2,599	55%
Profit before tax	**1,566,788**	**1,116,293**	**40%**
Taxation	(481,184)	(363,560)	32%
Profit for the period	**1,085,604**	**752,733**	**44%**
Attributable to:			
Ordinary shareholders	697,295	529,143	32%
Other equity instrument holder	39,945	27,937	43%
Non-controlling interests	348,364	195,653	78%
	1,085,604	752,733	44%

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

Ecobank
The Pan African Bank

Audited consolidated statement of financial position - USD

	As at 30 September 2023	As at 31 December 2022
	US$'000	**US$'000**
Assets		
Cash and balances with central banks	3,679,795	4,293,810
Trading financial assets	62,890	173,195
Derivative financial instruments	254,651	137,468
Loans and advances to banks	1,670,050	1,496,567
Loans and advances to customers	10,164,404	11,002,905
Treasury bills and other eligible bills	1,960,212	2,455,739
Investment securities	6,387,789	7,004,434
Pledged assets	219,540	153,970
Other assets	1,369,233	1,197,175
Investment in associates	647	1,016
Intangible assets	56,792	84,545
Investment properties	8,906	9,922
Property and equipment	613,270	754,011
Deferred income tax assets	189,842	229,434
	26,638,021	**28,994,191**
Assets held for sale	5,845	9,978
Total assets	**26,643,866**	**29,004,169**
Liabilities		
Deposits from banks	1,784,159	2,461,934
Deposits from customers	19,218,767	20,813,313
Derivative financial instruments	175,561	94,224
Borrowed funds	2,158,728	2,278,392
Other liabilities	1,340,614	1,069,131
Provisions	55,910	63,255
Current income tax liabilities	85,384	77,696
Deferred income tax liabilities	72,884	99,948
Retirement benefit obligations	27,181	19,261
Total liabilities	**24,919,188**	**26,977,154**
Equity		
Share capital and premium	2,113,961	2,113,961
Retained earnings and reserves	(1,036,251)	(719,113)
Equity attributable to ordinary shareholders	**1,077,710**	**1,394,848**
Other equity instrument holder	**74,088**	**74,088**
Non-controlling interests	**572,880**	**558,079**
Total equity	**1,724,678**	**2,027,015**
Total liabilities and equity	**26,643,866**	**29,004,169**

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

Ecobank
The Pan African Bank

Consolidated statement of financial position - GHC

	As at 30 September 2023	As at 31 December 2022
	GHC'000	GHC'000
Assets		
Cash and balances with central banks	40,875,163	35,703,030
Trading financial assets	698,582	1,440,116
Derivative financial instruments	2,828,663	1,143,046
Loans and advances to banks	18,550,915	12,443,955
Loans and advances to customers	112,906,200	91,489,155
Treasury bills and other eligible bills	21,774,035	20,419,470
Investment securities	70,955,560	58,241,869
Pledged assets	2,438,650	1,280,261
Other assets	15,209,440	9,954,510
Investment in associates	7,187	8,448
Intangible assets	630,846	702,992
Investment properties	98,928	82,501
Property and equipment	6,812,203	6,269,601
Deferred income tax assets	2,108,765	1,907,744
	295,895,137	**241,086,698**
Assets held for sale	64,926	82,967
Total Assets	**295,960,063**	**241,169,665**
Liabilities		
Deposits from banks	19,818,438	20,470,981
Deposits from customers	213,482,064	173,062,698
Derivative financial instruments	1,950,132	783,473
Borrowed funds	23,979,151	18,944,829
Other liabilities	14,891,540	8,889,824
Provisions	621,048	525,965
Current income tax liabilities	948,445	646,042
Deferred income tax liabilities	809,595	831,068
Retirement benefit obligations	301,927	160,155
Total liabilities	**276,802,340**	**224,315,035**
Equity		
Share capital and premium	4,536,400	4,536,400
Retained earnings and reserves	7,812,792	7,232,823
Equity attributable to ordinary shareholders	**12,349,192**	**11,769,223**
Other equity instrument holder	**444,980**	**444,980**
Non-controlling interests	**6,363,551**	**4,640,427**
Total equity	**19,157,723**	**16,854,630**
Total liabilities and equity	**295,960,063**	**241,169,665**

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

Audited consolidated statement of changes in equity - USD

Ecobank
The Pan African Bank

Amounts in US$'000

	Share Capital & premium	Retained earnings	Other reserves	Equity attributable to ordinary shareholders	Other equity instrument	Non-controlling interest	Total equity
At 31 December 2021 / 1 January 2022	**2,113,961**	**434,419**	**(1,015,989)**	**1,532,391**	**74,088**	**557,827**	**2,164,306**
Foreign currency translation differences	-	-	(392,931)	(392,931)	-	(97,260)	(490,191)
Net changes in debt instruments,net of taxes	-	-	(128,474)	(128,474)	-	(6,531)	(135,005)
Net changes in equity instruments, net of taxes	-	-	770	770	-	-	770
Net gains on revaluation of property	-	-	(5,276)	(5,276)	-	-	(5,276)
Remeasurements of post-employment benefit obligations	-	-	(640)	(640)	-	-	(640)
Other comprehensive loss for the period	-	-	(526,551)	(526,551)	-	(103,791)	(630,342)
Profit for the period	-	196,046	-	196,046	7,312	75,554	278,912
Total comprehensive loss for the period	**-**	**196,046**	**(526,551)**	**(330,505)**	**7,312**	**(28,237)**	**(351,430)**
Additional tier 1 capital	-	-	-	-	(7,312)	-	(7,312)
Transfer from revaluation reserve property on disposed property	-	12,703	(12,703)	-	-	-	-
Transfer to general banking reserves	-	(8,473)	8,473	-	-	-	-
Transfer to statutory reserve	-	(137,445)	137,445	-	-	-	-
Dividend relating to 2021	-	(39,568)	-	(39,568)	-	(35,367)	(74,935)
At 30 September 2022	**2,113,961**	**457,682**	**(1,409,325)**	**1,162,318**	**74,088**	**494,223**	**1,730,629**
At 31 December 2022 / 1 January 2023	**2,113,961**	**571,032**	**(1,290,145)**	**1,394,848**	**74,088**	**558,079**	**2,027,015**
Foreign currency translation differences	-	-	(467,873)	(467,873)	-	(36,754)	(504,627)
Net changes in debt instruments,net of taxes	-	-	(47,255)	(47,255)	-	(693)	(47,948)
Net gains on revaluation of property	-	-	1,437	1,437	-	932	2,369
Remeasurements of post-employment benefit obligations	-	-	(116)	(116)	-	(56)	(172)
Other comprehensive loss for the period	-	-	(513,807)	(513,807)	-	(36,571)	(550,378)
Profit for the period	-	223,872	-	223,872	7,312	82,789	313,973
Total comprehensive loss for the period	**-**	**223,872**	**(513,807)**	**(289,935)**	**7,312**	**46,218**	**(236,405)**
Additional tier 1 capital coupon	-	-	-	-	(7,312)	-	(7,312)
Transfer from revaluation reserve property on disposed property	-	-	-	-	-	-	-
Transfer to general banking reserves	-	(10,637)	10,637	-	-	-	-
Transfer to statutory reserve	-	(75,256)	75,256	-	-	-	-
Share option forfeited	-	1,250	(1,250)	-	-	-	-
Dividend relating to 2022	-	(27,203)	-	(27,203)	-	(31,417)	(58,620)
At 30 September 2023	**2,113,961**	**683,058**	**(1,719,309)**	**1,077,710**	**74,088**	**572,880**	**1,724,678**

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

Ecobank
The Pan African Bank

Consolidated statement of changes in equity - GHC

Amounts in GHC '000

	Share Capital & premium	Retained earnings	Other reserves	Equity attributable to ordinary shareholders	Other equity instrument	Non-controlling interest	Total equity
At 31 December 2021 / 1 January 2022	**4,536,400**	**682,672**	**3,984,621**	**9,203,693**	**444,980**	**3,350,365**	**12,999,038**
Foreign currency translation differences	-	-	2,004,481	2,004,481	-	1,130,674	3,135,155
Net changes in debt investment securities, net of taxes	-	-	(927,566)	(927,566)	-	(47,153)	(974,719)
Net changes in equity instruments, net of taxes	-	-	5,559	5,559	-	-	5,559
Net gains on revaluation of property	-	-	(38,092)	(38,092)	-	-	(38,092)
Remeasurements of post-employment benefit obligations	-	-	(4,621)	(4,621)	-	-	(4,621)
Other comprehensive income for the period	-	-	1,039,761	1,039,761	-	1,083,521	2,123,282
Profit for the period	-	1,415,427	-	1,415,427	52,792	545,490	2,013,709
Total comprehensive income for the period	**-**	**1,415,427**	**1,039,761**	**2,455,188**	**52,792**	**1,629,011**	**4,136,991**
Additional tier 1 capital	-	-		-	(52,792)	-	(52,792)
Transfer from revaluation reserve property on disposed property	-	91,714	(91,714)	-	-	-	-
Transfer to general banking reserves	-	(61,174)	61,174	-	-	-	-
Transfer to statutory reserve	-	(992,335)	992,335	-	-	-	-
Dividend relating to 2021	-	(285,676)	-	(285,676)	-	(255,345)	(541,021)
At 30 September 2022	**4,536,400**	**850,628**	**5,986,177**	**11,373,205**	**444,980**	**4,724,031**	**16,542,216**
At 31 December 2022 / 1 January 2023	**4,536,400**	**682,672**	**3,984,621**	**9,203,693**	**444,980**	**3,350,365**	**12,999,038**
Foreign currency translation differences	-	-	1,513,154	1,513,154	-	2,454,884	3,968,038
Net changes in debt instruments,net of taxes	-	-	(511,736)	(511,736)	-	(7,505)	(519,241)
Net gains on revaluation of property	-	-	15,562	15,562	-	10,093	25,655
Remeasurements of post-employment benefit obligations	-	-	(1,256)	(1,256)	-	(606)	(1,862)
Other comprehensive income for the period	-	-	1,015,724	1,015,724	-	2,456,866	3,472,590
Profit for the period	-	2,424,363	-	2,424,363	79,183	896,542	3,400,088
Total comprehensive income for the period	**-**	**2,424,363**	**1,015,724**	**3,440,087**	**79,183**	**3,353,408**	**6,872,678**
Additional tier 1 capital coupon	-	-	-	-	(79,183)	-	(79,183)
Transfer from revaluation reserve property on disposed property	-	-	-	-	-	-	-
Transfer from general banking reserves	-	(115,191)	115,191	-	-	-	-
Transfer to statutory reserve	-	(814,965)	814,965	-	-	-	-
Share option forfeited	-	13,537	(13,537)	-	-	-	-
Dividend relating to 2022	-	(294,588)	-	(294,588)	-	(340,222)	(634,810)
At 30 September 2023	**4,536,400**	**1,895,828**	**5,916,964**	**12,349,192**	**444,980**	**6,363,551**	**19,157,723**

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

Ecobank
The Pan African Bank

Audited consolidated statement of cash flows - USD

	9 Month period ended 30 September 2023	9 Month period ended 30 September 2022
	US$'000	US$'000
Cash flows from operating activities		
Profit before tax	450,003	400,727
Adjusted for:		
Foreign exchange income	(398,211)	384,318
Net gain from investment securities income	(6,887)	(10,499)
Fair value loss on assets held for sale	3,724	
Fair value gain /(loss) on investment properties	(282)	(141)
Impairment losses on loans and advances	83,133	119,176
Impairment losses on other financial assets	142,932	13,618
Depreciation of property and equipment	45,607	52,134
Amortisation of software and other intangibles	24,401	24,291
Profit on sale of property and equipment	(1,958)	(21,290)
Share of post-tax results of associates	(108)	(360)
Income taxes paid	(119,766)	(121,571)
Changes in operating assets and liabilities		
Trading financial assets	40,077	121,706
Derivative financial instruments	(141,938)	(79,945)
Treasury bills and other eligible bills	112,969	161,480
Loans and advances to banks	654,670	305,091
Loans and advances to customers	(924,999)	311,672
Pledged assets	(128,144)	31,607
Other assets	(150,462)	14,402
Mandatory reserve deposits with central banks	(230,908)	(72,064)
Deposits from customers	1,864,371	(1,293,795)
Other deposits from banks	(772,529)	(186,603)
Derivative liabilities	106,618	73,721
Other liabilities	383,235	184,619
Provisions	60,506	(9,545)
Net cashflow from operating activities	**1,096,054**	**402,749**
Cash flows from investing activities		
Purchase of software	(5,785)	(5,386)
Purchase of property and equipment	(67,250)	(141,952)
Proceeds from sale of property and equipment	2,347	31,813
Purchase of investment securities	(1,312,039)	(2,182,985)
Proceeds from redemption and sale of investment securities	1,065,713	1,896,992
Net cashflow used in investing activities	**(317,014)**	**(401,518)**
Cash flows from financing activities		
Repayment of borrowed funds	(149,846)	(675,591)
Proceeds from borrowed funds	147,504	247,451
Coupon to Additional tier 1 capital	(7,312)	(7,312)
Dividends paid to ordinary shareholders	(27,203)	(39,568)
Dividends paid to non-controlling shareholders	(31,417)	(35,367)
Net cashflow used in financing activities	**(68,274)**	**(510,387)**
Net increase / (decrease) in cash and cash equivalents	**710,766**	**(509,156)**
Cash and cash equivalents at start of the period	3,382,968	3,986,309
Effects of exchange differences on cash and cash equivalents	(1,137,131)	(689,287)
Cash and cash equivalents at end of the period	**2,956,883**	**2,787,866**

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

Ecobank
The Pan African Bank

Consolidated statement of cash flows - GHC

	9 Month Period ended 30 September 2023	9 Month Period ended 30 September 2022
	GHC'000	**GHC'000**
Cash flows from operating activities		
Profit before tax	4,873,189	2,893,196
Adjusted for:		
Foreign exchange income	(4,312,321)	2,774,727
Net loss from investment securities	(74,581)	(75,801)
Fair value (gain)/loss on investment properties	(3,054)	(1,020)
Impairment losses on loans and advances	900,267	860,436
Impairment losses on other financial assets	178,628	98,320
Depreciation of property and equipment	493,889	376,401
Amortisation of software and other intangibles	264,244	175,378
Profit on sale of property and equipment	(21,204)	(153,711)
Share of profit of associates	(1,170)	(2,599)
Income taxes paid	(1,296,974)	(877,727)
Changes in operating assets and liabilities		
Trading financial assets	434,003	878,702
Derivative financial instruments	(1,537,080)	(577,193)
Treasury bills and other eligible bills	1,223,368	1,165,865
Loans and advances to banks	7,089,577	2,202,718
Loans and advances to customers	(10,017,033)	2,250,232
Pledged assets	(1,387,702)	228,198
Other assets	(1,629,389)	103,981
Mandatory reserve deposits with central banks	(2,500,557)	(520,293)
Deposits from customers	20,189,715	(9,341,033)
Other deposits from banks	(8,365,900)	(1,347,250)
Derivative liabilities	1,154,592	532,256
Other liabilities	4,150,143	1,332,925
Provisions	655,234	(68,914)
Net cashflow from operating activities	**10,459,884**	**2,907,794**
Cash flows from investing activities		
Purchase of software	(62,647)	(38,886)
Purchase of property and equipment	(728,266)	(1,024,877)
Proceeds from sale of property and equipment	25,416	229,686
Purchase of investment securities	(14,208,381)	(15,760,871)
Proceeds from sale and redemption of securities	11,540,859	13,696,038
Net cashflow used in investing activities	**(3,433,019)**	**(2,898,910)**
Cash flows from financing activities		
Repayment of borrowed funds	(1,622,718)	(4,877,681)
Proceeds from borrowed funds	1,597,356	1,786,565
Coupon to Additional tier 1 capital	(79,183)	(52,792)
Dividends paid to ordinary shareholders	(294,588)	(285,676)
Dividends paid to non-controlling shareholders	(340,222)	(255,345)
Net cashflow used in financing activities	**(739,355)**	**(3,684,929)**
Net increase / (decrease) in cash and cash equivalents	**6,287,510**	**(3,676,045)**
Cash and cash equivalents at start of the period	23,942,170	23,942,170
Effects of exchange differences on cash and cash equivalents	2,615,376	9,205,197
Cash and cash equivalents at end of the period	**32,845,056**	**29,471,322**

The above 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 14,956 people as at 30 September 2023 (31 December 2022: 13,175) .

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 period ended 30 September 2023 have been approved by the Board of Directors on 24 November 2023.

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 peruod ended 30 September 2023 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:
- financial assets and liabilities at fair value through other comprehensive income or fair value through statement of profit or loss.
- Investment properties at fair value.
- assets held for sale - measured at fair value less cost of disposal
- land and buildings
- the liability for defined benefit obligations recognized at the present value of the defined benefit obligation less the fair value of the plan assets.

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

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

a) IFRS 17 – Insurance Contracts

The IASB issued IFRS 17 in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity’s financial position, financial performance and cash flows.

This standard does not have an impact on the Group and its subsidiaries.

b) Amendments to IAS 8 Definition of Accounting Estimates

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board.

The amendment does not have any material impact on the Group.

c) Amendments to IAS 12

Deferred Tax related to Assets and Liabilities arising from a Single Transaction The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.
The amendment does not have any material impact on the Group

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

In February 2021, the Board 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.
• Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosure.

The amendment is not expected to have any material impact on the Group.

2 Summary of significant accounting policies (continued)

2.4 New and revised IFRS Accounting Standards in issue but not yet effective

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 2023. At the date of authorisation of these financial statements, the Group has not applied these standards.

i) Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.The amendment 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 Board also added two new paragraphs (Paragraph 76A and 76B) to IAS1 to clarify what is meant by "settlement" of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.
The amendment is not expected to have a material impact on the Group.

ii) Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

In September 2022, the Board issued Lease Liability in a Sale and Leaseback. The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.
However, the requirements do not prevent the seller-lessee from recognizing any gain or loss arising from the partial or full terminaton of a lease.
The amendment is not expected to have a material impact on the Group at the time it will take effect, as there is non-existent of such transaction as Sale and Leaseback within the Group or with external parties.

iii) Amendments to IAS 7 & IFRS 7 – Supplier Finance Arrangements

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments. The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.
The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions.
The amendment is not expected to have a material impact on the Group.

iv) Amendments to IAS 21 – Lack of exchangeability In August 2023, the Board issued Lack of exchangeability amendments to IAS 21.

The amendments specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.
If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.
The amendment is not expected to have any material impact on 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 profit or loss.
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 recognised in 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.

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 $27 million recorded in the income statement.

Management is carefully monitoring the Hyperinflation position on Ghana and South Sudan. Any changes required to financial reporting as at 31 December will be properly accounted for.

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.

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.

Portfolio management advisory and service fees	Recognised based on the applicable service contracts, in most instances on a time-apportionment basis.
Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party	Recognised on completion of the underlying transaction.
Asset management fees related to investment funds	Recognised over the period in which the service is provided. The 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
Wealth management, financial planning and custody services	Recognised over the period in which the service is provided. The 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

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 Trading income

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

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 Summary of significant accounting policies (continued)

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’. 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 fair value. 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. Any subsequent increase in net realisable value, to the extent that it does not exceed the cumulative write-down, is also recognised in the statement of comprehensive income. 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.

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.

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 other income in the profit and loss.

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 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 41). 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 year
-Leasehold improvements	25 years or over the period of the lease if less than 25 years
-Furniture,equipment installations	3-5 years
-Motors 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).

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.

2.19 Income tax (Continued)

b) Deferred income tax (continued)

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 , 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 , 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.

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. When the conversion option is not exercised upon maturity, the equity component remains in equity.

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.

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 statement of 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 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 . 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 Statement of Financial Position, with transaction costs recognized immediately in the Income Statement as part of trading income. Realized and unrealized gains and losses are recognized as part of trading income in the Statement of Profit or Loss.

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 Statement of Profit or Loss. For equity instruments measured at FVTPL, changes in fair value are recognized in the Statement of Profit or Loss. Dividends received are recorded in other income in the Statement of Profit or Loss. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Statement of Profit or Loss 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.

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.

(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.

(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 one (1) 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.

2.30 Financial assets and liabilities (Continued)

2.30.1 Financial assets - Classification and Measurement Policies (Continued)

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

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 '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.

2.30.3 Expected Credit Loss Impairment Model on financial assets

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.

2.30.3 Expected Credit Loss Impairment Model on financial assets (continued)

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.

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. (Refer to note 2.30.6).
The ECL are then 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 issuer or the borrower;
• a breach of contract, such as a default or past due event;
• the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
• it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
• the disappearance of an active market for that financial asset because of financial difficulties;
• the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The Group considers failure by the issuer of debt securities to meet coupon and/or principal repayments within the required period, including any contracted grace periods, to infer that the debt security is credit-impaired.

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

c) Credit-impaired financial assets

A loan that has been renegotiated due to a deterioration in the borrower's financial 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

The bank may write off exposures, subject to regulatory guidance and or imperatives, or at its own discretion, after taking full provisions on the exposure; however, remediation efforts shall continue for such exposures, until the Group Credit Risk Officer or his designate approves for abandonment. The Group's policy is to write off at the point where a decision has been made to abandon all recovery efforts on the exposure. This is usually at the point when it is no longer commercially viable to pursue recovery efforts.

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 .
- The borrower has an internal obligor risk rating (ORR)of 9 or 10.

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.

Curing

The Bank considers an instrument previously in default to no longer be in default (i.e. to have cured) when it no longer meets the default criteria. For the purposes of staging however, the facility will observe a probationary period of 90 days before transferring to a higher credit quality stage. For the purpose of determining that a cure has occurred the Bank classifies facilities to be either in a performing state or non-performing state. A facility is said to have cured when it transitions from a non-performing state into a performing state.
Performing state consists of facilities classified internally as I, IA or IIA while non-performing state consists of IIN, III and IV.
Facilities that have moved from a non-performing state into a performing state are required to observe a 90 day probationary period before they are considered to be cured for IFRS 9 staging purposes.

Backward transition

The Bank would assess if there has been a reversal in the conditions leading to a significant increase in credit risk of facilities such that they can be transferred from stage 3 to stage 2, stage 2 to stage 1 or stage 3 to stage 1. Where the Bank has reviewed a facility and determined that
there has been a reversal of the conditions leading to a significant increase in its credit risk, such facilities must observe a probationary period before it can be transferred to a better stage.
The Probationary period to be applied shall be;
•Transfer from Stage 2 to 1:- 90 days
•Transfer from Stage 3 to 2:- 90 days
•Transfer from Stage 3 to Stage 1:- 180 days

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 (2.30.3 f above) and credit-impaired financial assets" (2.30.3 c 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:

Measuring ECL – Explanation of inputs, assumptions and estimation techniques (Continued)

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

(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 semi-
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: gross domestic product, commodity prices, oil prices, foreign exchange rates and inflation rate. The impact of these economic variables on the expected credit losses has been determined by performing multi-variate analysis to understand the impact that changes in these variables have had historically on default rates and on the components of expected credit losses.
The forecasts of these economic variables, constitute three scenarios, the best estimate, the optimistic,and the downturn scenario.

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. 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).

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.

The economic scenario forecasts used as at 30 September 2023 are as follows:

	Weighting	2023	2024
NIGERIA			
GDP Growth			
Base	70%	3.18%	4.18%
Upside	15%	3.18%	10.68%
Downside	15%	3.18%	-2.32%
Price of Crude/USD			
Base	70%	9079.00%	95.26
Upside	15%	9079.00%	156.85
Downside	15%	9079.00%	33.66
UEMOA			
Commodity Price Index			
Base	80%	609.67	691.750
Upside	5%	609.67	949.317
Downside	15%	609.67	434.183
GDP Growth			
Base	80%	6.02%	5.94%
Upside	5%	6.02%	11.42%
Downside	15%	6.02%	0.46%
AWA			
GDP Growth			
Base	70%	1.61%	6.32%
Upside	5%	1.61%	12.43%
Downside	25%	1.61%	0.21%

Measuring ECL – Explanation of inputs, assumptions and estimation techniques (Continued)

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.

2.30.4 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 2.30.3) 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.

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.

2.30.5 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 year.

2.30.6 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 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.

If the contractual cash flows of a financial asset measured at amortised cost are modified (changed or restructured, including distressed restructures), the bank determines whether this is a substantial modification, which could result in the derecognition of the existing asset and the recognition of a new asset. If the change is simply a non-substantial modification of the existing terms it would not result in derecognition.

A modification of a financial asset is substantial and will thus result in derecognition of the original financial asset, where the modified contractual terms are priced to reflect current conditions on the date of modification and are not merely an attempt to recover outstanding amounts. Where the modification does not result in an accounting derecognition the original asset continues to be recognised. 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.

The following transactions are entered into by the bank in the normal course of business, in terms of which it modifies the contractual terms of the asset and either achieves derecognition or continues to recognise the asset:

Modification without derecognition		
Debt Restructuring - Modification of contractual cash flows	Debt restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness.	The existing asset is not derecognised. The gross carrying amount of the financial asset is recalculated as the present value of the estimated future cash receipts through the expected life of the renegotiated or modified financial asset, discounted at the financial asset's original effective interest rate.
Modifications with derecognition (i.e. substantial modifications)		
Loans and Advances	The process for modifying an advance (which is not part of a debt restructuring) is substantially the same as the process for raising a new advance, including reassessing the customer's credit risk, repricing the asset and entering into a new legal agreement.	The existing asset is derecognised and a new asset is recognised at fair value based on the modified contractual terms.

2.30.7 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.

2.30.8 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.

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 Statement of 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 and repossessed assets
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 statement of 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 judgments 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.

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

(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.

(iv) Establishing Probability of Default parameters (PD)

The bank estimates the PD as the ratio of exposures transitioning to default at the end of an observation period to the initial exposures at the start of an observation period. The observation period is one quarter. The data for the analysis would cover several years, hence the several quarters are observed. The estimated quarterly PD is the average of the number of quarters observed over the years covering the default database.

The estimated average quarterly PD is transformed into 12 month PDs using and lifetime PDs using Markov matrix calculus.

(v) Establishing loss given default parameters (LGD)

LGDs are determined by estimating expected future cash flows, adjusted for forward-looking information. These cash flows include direct costs and proceeds from the sale of collateral. Collateral recovery rates are based on historically observed outcomes. The statistical models applied implicitly assume that risk drivers that influence default risk, payment behaviour and recovery expectations within historical data will continue to be relevant in the future.

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.

c) Goodwill impairment

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.18. 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. No goodwill impairment charge for the period.

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 2.30.1). 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

The financial results of Ecobank Zimbabwe and Ecobank South Sudan have been prepared under the inflation-adjusted accounting basis in line with the provisions of International Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies" (IAS 29).

<u>Zimbabwe hyperinflationary results</u>
IAS 29 requires that financial results prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date and that corresponding figures for previous periods be stated in the same terms as the latest balance sheet date. The restatement of the results of Ecobank Zimbabwe has been calculated by means of conversion factors derived from estimated CPIs obtained from movement of the Total Consumption Poverty Line (TCPL) published by the Zimbabwe Statistical Agency (ZIMSTAT). TCPL has been used to estimate inflation for the current period because research conducted by the Institute of Chartered Accountants of Zimbabwe (ICAZ) has indicated that there is a 99% correlation between TCPL and Consumer Price Index (CPI).

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 Undiscounted cash flows

The table below presents the cash flows payable by the Group 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 30 September 2023

	Up to 1 month	1 -3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Assets						
Cash and balances with central banks	2,296,643	-	-	-	1,383,152	3,679,795
Trading financial assets	2,776	13,055	50,189	-	-	66,020
Derivative financial instruments	56,174	64,675	135,424	-	-	256,273
Loans and advances to banks	669,618	726,531	361,201	-	-	1,757,350
Loans and advances to customers	2,208,905	1,802,179	2,068,912	3,687,388	1,482,015	11,249,399
Treasury bills and other eligible bills	162,563	174,398	1,218,384	451,969	17,869	2,025,183
Investment securities	279,539	262,277	353,144	4,401,861	1,376,436	6,673,257
Pledged assets	-	-	54,672	108,141	59,800	222,613
Other assets excluding prepayments and repossessed assets	189,306	107,191	675,339	64,398	28,621	1,064,855
Total assets (expected maturity dates)	**5,865,524**	**3,150,306**	**4,917,265**	**8,713,757**	**4,347,893**	**26,994,745**
Liabilities						
Deposits from banks	589,760	633,284	565,906	-	-	1,788,950
Deposit from customers	13,383,141	906,304	2,261,088	2,843,963	93,138	19,487,634
Other borrowed funds	85,935	66,948	799,803	817,037	744,478	2,514,201
Other liabilities	106,711	208,118	753,988	145,016	-	1,213,833
Derivative financial instruments	53,830	16,253	75,462	32,204	-	177,749
Total liabilities (contractual maturity dates)	**14,219,377**	**1,830,907**	**4,456,247**	**3,838,220**	**837,616**	**25,182,367**
Gap analysis	**(8,353,853)**	**1,319,399**	**461,018**	**4,875,537**	**3,510,277**	**1,812,378**
Off-balance sheet items						
Loan commitments	-	-	856,634	403,122	-	1,259,756
Guarantees, acceptances and other financial facilities	-	-	1,842,892	867,243	-	2,710,135
	-	**-**	**2,699,526**	**1,270,365**	**-**	**3,969,891**

As at 31 December 2022	Up to 1 month	1 -3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Assets						
Cash and balances with central banks	2,568,620	-	-	-	1,725,190	4,293,810
Financial Asset held for trading	29,723	46,421	25,713	47,435	34,800	184,092
Derivative financial instruments	1,789	-	113,873	23,071	-	138,733
Loans and advances to banks	875,059	218,633	230,813	243,745	60	1,568,310
Loans and advances to customers	2,243,226	2,399,212	2,122,432	2,648,415	2,558,055	11,971,340
Treasury bills and other eligible bills	354,800	842,933	1,245,287	94,047	-	2,537,067
Investment securities	1,292,258	100,821	511,170	3,114,812	2,046,426	7,065,487
Pledged assets	-	-	94,095	61,801	-	155,896
Other assets excluding prepayments and repossessed assets*	48,138	177,325	292,911	113,323	221,138	852,835
Total assets (expected maturity dates)	**7,413,613**	**3,785,345**	**4,636,294**	**6,346,649**	**6,585,669**	**28,767,570**
Liabilities						
Deposits from banks	1,222,432	399,128	751,893	102,780	1,719	2,477,952
Deposit from customers	15,945,627	1,116,839	1,194,258	2,511,091	184,092	20,951,907
Borrowed funds	60,921	20,226	138,159	1,060,224	1,066,896	2,346,426
Other liabilities	55,818	197,762	286,033	303,308	112,912	955,833
Derivative financial instruments	27,845	13,540	48,368	6,989	-	96,742
Total liabilities(contractual maturity dates)	**17,312,643**	**1,747,495**	**2,418,711**	**3,984,392**	**1,365,619**	**26,828,860**
Gap analysis	**(9,899,030)**	**2,037,850**	**2,217,583**	**2,362,257**	**5,220,050**	**1,938,710**
Off-balance sheet items						
Loan commitments	-	-	991,226	466,460	-	1,457,686
Guarantees, acceptances and other financial facilities	-	-	2,315,542	1,089,667	-	3,405,209
	-	**-**	**3,306,768**	**1,556,127**	**-**	**4,862,895**

*This amount included repossessed asset totalling $169.3 million which has now been properly excluded. The value of the repossessed asset is included in note 25 in the financial statement.

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	
	30 Sep. 2023	31 Dec. 2022	30 Sep. 2023	31 Dec. 2022
Financial assets:				
Cash and balances with central banks	3,679,795	4,293,810	3,679,795	4,293,810
Loans and advances to banks	1,681,894	1,505,165	1,685,462	1,499,725
Loans and advances to customers	10,656,059	11,521,012	11,065,859	11,721,340
Other assets excluding prepayments and repossessed assets*	1,064,855	852,835	1,064,855	852,835
Financial liabilities:				
Deposits from banks	1,784,159	2,461,934	1,787,114	2,454,657
Deposit from customers	19,218,767	20,813,313	19,518,622	20,881,908
Other liabilities (excluding deferred income)	1,213,833	955,833	1,213,833	955,833
Borrowed funds	2,158,728	2,278,392	2,405,098	2,293,588

*This amount included repossessed asset totalling $169.3 million which has now been properly excluded in December 2022. The value of the repossessed asset is included in note 25 in the financial statement.

(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.

	30 September 2023			31 December 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Treasury and other eligible bills	323,699	1,636,513	-	275,525	2,180,214	-
Trading financial assets	37,000	25,890	-	48,361	124,834	-
Derivative financial instruments	-	254,651	-	-	137,468	-
Pledged assets	-	219,540	-	-	153,970	-
Investment securities	367,679	5,930,072	90,038	394,900	6,487,820	121,714
Total financial assets	**728,378**	**8,066,666**	**90,038**	**718,786**	**9,084,306**	**121,714**
Derivative financial instruments	-	175,561	-	-	94,224	-
Total financial liabilities	**-**	**175,561**	**-**	**-**	**94,224**	**-**

(c) Financial instrument classification

30 September 2023	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	3,679,795	-	-	-	-	-	-	3,679,795
Trading financial assets	16,348	46,542	-	-	-	-	-	62,890
Derivative financial instruments	-	254,651	-	-	-	-	-	254,651
Loans and advances to banks	1,670,050	-	-	-	-	-	-	1,670,050
Loans and advances to customers	10,164,404	-	-	-	-	-	-	10,164,404
Treasury bills and other eligible bills	222,778	-	1,737,434	-	-	-	-	1,960,212
Investment securities - Equity instruments	-	-	-	139,143	90,038	-	-	229,181
Investment securities - Debt instruments	1,103,344	-	5,055,264	-	-	-	-	6,158,608
Pledged assets	219,540	-	-	-	-	-	-	219,540
Other assets excluding prepayments and repossessed assets	1,064,855	-	-	-	-	-	-	1,064,855
Total	**18,141,114**	**301,193**	**6,792,698**	**139,143**	**90,038**	**-**	**-**	**25,464,186**
Liabilities								
Deposits from banks	-	-	-	-	-	-	1,784,159	1,784,159
Deposit from customers	-	-	-	-	-	-	19,218,767	19,218,767
Derivative financial instruments	-	-	-	-	-	175,561	-	175,561
Borrowed funds	-	-	-	-	-	-	2,158,728	2,158,728
Other liabilities, excluding non-financial liabilities	-	-	-	-	-	-	1,213,833	1,213,833
Total	**-**	**-**	**-**	**-**	**-**	**175,561**	**24,375,487**	**24,551,048**

31 December 2022	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	4,293,810	-	-	-	-	-	-	4,293,810
Trading financial assets	17,815	155,380	-	-	-	-	-	173,195
Derivative financial instruments	-	137,468	-	-	-	-	-	137,468
Loans and advances to banks	1,496,567	-	-	-	-	-	-	1,496,567
Loans and advances to customers	11,002,905	-	-	-	-	-	-	11,002,905
Treasury bills and other eligible bills	276,791	-	2,178,948	-	-	-	-	2,455,739
Investment securities - Equity instruments	-	-	-	104,870	121,714	-	-	226,584
Investment securities - Debt instruments	307,621	-	6,470,229	-	-	-	-	6,777,850
Pledged assets	153,970	-	-	-	-	-	-	153,970
Other assets excluding prepayments and repossessed assets*	852,835	-	-	-	-	-	-	852,835
Total	**18,402,314**	**292,848**	**8,649,177**	**104,870**	**121,714**	**-**	**-**	**27,570,923**
Liabilities								
Deposits from banks	-	-	-	-	-	-	2,461,934	2,461,934
Deposit from customers	-	-	-	-	-	-	20,813,313	20,813,313
Derivative financial instruments	-	-	-	-	-	94,224	-	94,224
Borrowed funds	-	-	-	-	-	-	2,278,392	2,278,392
Other liabilities, excluding non-financial liabilities	-	-	-	-	-	-	955,833	955,833
Total	**-**	**-**	**-**	**-**	**-**	**94,224**	**26,509,472**	**26,603,696**

*This amount included repossessed asset totalling $169.3 million which has now been properly excluded. The value of the repossessed asset is included in note 25 in the financial statement.

6 Financial Capital Management

The Group’s capital management objectives 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 Basel II/III 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 Group has remained compliant with the UEMOA minimum regulatory capital adequacy ratios for Regionally systemically important banks (8.5%CET 1 CAR, 9.5% Tier 1 CAR, and 12.25% for Total CAR). Regulatory capital ratios are submitted to our regulator every six months. The ratios for June 2023,has been submitted to the regulator by October 31, 2023.

Common Equity Tier 1 capital	**30 June 2023**	**31 Dec 2022**
Tier 1 capital		
Share capital	2,113,961	2,113,961
Retained earnings	704,747	571,032
IFRS 9 Day One transition adjustment	-	74,825
Statutory reserves	667,969	748,268
Other reserves	(2,424,536)	(2,180,902)
Non-controlling interests	221,999	224,008
Less: goodwill	(12,269)	(84,545)
Less: intangibles	-	-
Less: other deductions	-	-
Total CET 1 capital	**1,271,871**	**1,466,647**
Additional Tier 1 capital		
Additional Tier 1 instrument	75,000	75,000
Minority interests included in Tier 2 capital	22,235	23,628
Total Additional Tier 1 capital	**97,235**	**98,628**
Total qualifying Tier 1 capital	**1,369,106**	**1,565,275**
Tier 2 capital		
Subordinated debt and other instruments		
Revaluation reserve	431,853	476,095
Minority interests included in Tier 2 capital	64,753	69,420
	63,608	66,502
Total qualifying Tier 2 capital	**560,214**	**612,017**
Total regulatory capital	**1,929,320**	**2,177,292**
Risk-weighted assets:		
Credit risk weighted assets	11,015,452	12,038,889
Market risk weighted assets	106,089	35,674
Operational risk weighted assets	2,996,042	3,281,166
Total risk-weighted assets	**14,117,583**	**15,355,730**
CET 1 Capital Adequacy Ratio	**9.0%**	**9.6%**
Tier 1 Capital Adequacy Ratio	**9.7%**	**10.2%**
Total Capital Adequacy Ratio	**13.7%**	**14.2%**

		9 Month period ended 30 September 2023		9 Month period ended 30 September 2022	
		US$'000	GHC'000	US$'000	GHC'000
7	**Net interest income**				
	Interest income				
	Loans and advances to banks	75,221	814,586	35,902	259,208
	Loans and advances to customers	758,393	8,212,818	617,202	4,456,119
	Treasury bills and other eligible bills	185,864	2,012,765	164,984	1,191,163
	Investment securities	352,617	3,818,573	328,759	2,373,598
	Others	7,847	84,977	1,762	12,721
		1,379,942	**14,943,719**	**1,148,609**	**8,292,809**
	Other interest income				
	Trading financial assets	1,992	21,572	5,565	40,179
		1,381,934	**14,965,291**	**1,154,174**	**8,332,988**
	Interest expense				
	Deposits from banks	66,791	723,296	29,759	214,856
	Interest expense on lease liabilities	2,464	26,683	4,237	30,591
	Due to customers	317,081	3,433,746	258,192	1,864,113
	Other borrowed funds	137,691	1,491,088	121,257	875,460
	Others	2,073	22,449	297	2,144
		526,100	**5,697,262**	**413,742**	**2,987,164**
8	**Net fee and commission income**				
	Fee and commission income:				
	Credit related fees and commissions	99,610	1,078,700	106,244	767,068
	Portfolio and other management fees	5,766	62,441	7,990	57,687
	Corporate finance fees	7,969	86,298	21,541	155,523
	Cash management and related fees	207,081	2,242,529	173,010	1,249,109
	Card management fees	60,882	659,306	73,360	529,650
	Brokerage fees and commissions	4,020	43,534	6,376	46,034
	Other fees	9,720	105,260	4,506	32,533
		395,048	**4,278,068**	**393,027**	**2,837,604**
	Fee and commission expense				
	Brokerage fees paid	1,793	19,417	1,766	12,750
	Bank charges	11,963	129,550	34,217	247,042
	Other fees paid	26,346	285,307	13,857	100,046
		40,102	**434,274**	**49,840**	**359,838**
9	**Trading income**				
	Translation gains less losses	398,211	4,312,321	175,079	1,264,047
	Transaction gains less losses	(117,207)	(1,269,262)	39,043	281,886
	Trading income on securities	(12,476)	(135,106)	7,159	51,687
		268,528	**2,907,953**	**221,281**	**1,597,620**
10	**Net investment income**				
	Net gains from investment securities	**6,887**	**74,581**	**10,499**	**75,801**
11	**Other operating income**				
	Lease income	124	1,343	338	2,440
	Fair value loss on asset held for sale	(3,724)	(40,328)	-	-
	Fair value gain on investment properties	282	3,054	141	1,020
	Profit on sale of property and equipment	1,958	21,204	21,290	153,711
	Rental income	410	4,440	1,790	12,924
	Recovery	20,525	222,270	2,206	15,927
	Dividend income	1,598	17,305	3,113	22,475
	Other	11,034	119,489	10,754	77,641
		32,207	**348,777**	**39,632**	**286,138**
12	**Impairment losses on loans and advances and other financial assets**				
	Impairment losses on loans and advances	161,637	1,750,405	226,144	1,632,731
	Recoveries	(78,504)	(850,138)	(106,968)	(772,295)
	Net derecognition loss on of financial assets*	25,849	279,925	-	-
	Impairment investment securities	98,690	1,068,737	-	-
	Impairment charges on off balance sheet	(937)	(10,147)	-	-
	Impairment charges on investment securities	-	-	-	-
	Impairment charges on of loans to banks	2,835	30,701	-	-
	Impairment charge on other financial assets	16,495	178,628	11,599	83,743
		226,065	**2,448,111**	**130,775**	**944,179**
13	**Non-conversion premium on bonds**	-	-	25,000	180,497
		-	**-**	**25,000**	**180,497**
14	**Operating expenses**				
	Staff expenses	346,312	3,750,295	329,560	2,379,381
	Depreciation and amortisation	70,008	758,133	76,425	551,779
	Other operating expenses	399,599	4,327,352	356,623	2,574,772
		815,919	**8,835,780**	**762,608**	**5,505,932**
15	**Taxation**				
	Corporate Income Tax	127,454	1,380,229	136,192	983,287
	Deferred income tax	8,576	92,872	(14,377)	(103,800)
		136,030	**1,473,101**	**121,815**	**879,487**

16 Earnings per share

Basic	**30 Sep. 2023**	**30 Sep. 2022**
Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue outstanding during the period.		
Profit attributable to ordinary shareholders	223,872	196,046
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)	0.910	0.797
Profit attributable to ordinary shareholders	223,872	196,046
	223,872	**196,046**
Weighted average number of ordinary shares in issue (in thousands)	24,592,619	24,592,619
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)	0.910	0.797

		As at 30 September 2023		As at 31 December 2022	
		US$'000	GHC'000	US$'000	GHC'000
17	**Cash and balances with central banks**				
	Cash in hand	646,671	7,183,221	686,190	5,705,670
	Balances with central banks other than mandatory reserve deposits	1,649,972	18,327,890	1,882,430	15,652,405
		2,296,643	**25,511,111**	**2,568,620**	**21,358,075**
	Mandatory reserve deposits with central banks	1,383,152	15,364,052	1,725,190	14,344,955
		3,679,795	**40,875,163**	**4,293,810**	**35,703,030**
18	**Trading financial assets**				
	Debt securities measured				
	Government bonds	62,890	698,582	173,195	1,440,116
		62,890	**698,582**	**173,195**	**1,440,116**
19	**Loans and advances to banks**				
	Items in course of collection from other banks	56,818	631,134	73,588	611,884
	Deposits with other banks	859,119	9,543,094	997,716	8,296,009
	Placements with other banks	754,113	8,376,687	425,263	3,536,062
		1,670,050	**18,550,915**	**1,496,567**	**12,443,955**
20	**Loans and advances to customers**				
	Analysis by type:				
	Overdrafts	1,245,632	13,836,480	1,057,912	8,796,538
	Credit cards	1,042	11,575	1,542	12,822
	Term loans	9,268,252	102,951,744	10,321,799	85,825,759
	Mortgage loans	141,133	1,567,705	139,759	1,162,096
	Gross loans and advances	**10,656,059**	**118,367,504**	**11,521,012**	**95,797,215**
	Less: allowance for impairment	(491,655)	(5,461,304)	(518,107)	(4,308,060)
		10,164,404	**112,906,200**	**11,002,905**	**91,489,155**
	Analysis by stage:				
	Gross Loans				
	Stage 1	8,868,413	98,510,332	9,748,200	81,056,283
	Stage 2	1,192,125	13,242,125	1,174,146	9,763,024
	Stage 3 (impaired)	595,521	6,615,047	598,666	4,977,908
	Total	**10,656,059**	**118,367,504**	**11,521,012**	**95,797,215**
21	**Treasury bills and other eligible bills**				
	Maturing within three months	815,326	9,056,641	780,446	6,489,408
	Maturing after three months	1,144,886	12,717,394	1,675,293	13,930,062
		1,960,212	**21,774,035**	**2,455,739**	**20,419,470**
22	**Investment securities**				
	Debt securities				
	- At FVTOCI listed	1,925,121	21,384,244	2,955,975	24,578,932
	- at FVTOCI unlisted	3,130,143	34,769,628	3,514,254	29,221,022
	- at Amortised cost	1,103,344	12,255,945	307,621	2,557,869
	Total	**6,158,608**	**68,409,817**	**6,777,850**	**56,357,823**
	Equity securities				
	- At FVTOCI unlisted	90,038	1,000,142	102,050	848,546
	- At FVTPL listed	3,885	43,155	3,213	26,716
	- At FVTPL unlisted	135,258	1,502,446	121,321	1,008,784
		229,181	**2,545,743**	**226,584**	**1,884,046**
		6,387,789	**70,955,560**	**7,004,434**	**58,241,869**

		As at 30 September 2023		As at 31 December 2022	
		US$'000	GHC'000	US$'000	GHC'000
23	**Other assets**				
	Fees receivable	2,860	31,769	4,156	34,557
	Accounts receivable	690,445	7,669,462	667,729	5,552,167
	Repossessed assets from customers	172,435	1,915,408	169,306	1,407,779
	Prepayments	131,943	1,465,623	175,034	1,455,408
	Sundry receivables	384,607	4,272,215	284,832	2,368,378
		1,382,290	**15,354,477**	**1,301,057**	**10,818,289**
	Impairment provision on receivables	(13,057)	(145,037)	(103,882)	(863,779)
		1,369,233	**15,209,440**	**1,197,175**	**9,954,510**
24	**Deposits from banks**				
	Operating accounts with banks	1,014,485	11,268,899	963,814	8,014,110
	Other deposits from banks	769,674	8,549,539	1,498,120	12,456,871
		1,784,159	**19,818,438**	**2,461,934**	**20,470,981**
25	**Deposit from customers**				
	Current accounts	12,596,506	139,921,989	13,584,647	112,956,340
	Term deposits	3,333,494	37,028,451	3,709,701	30,846,164
	Savings deposits	3,288,767	36,531,624	3,518,965	29,260,194
		19,218,767	**213,482,064**	**20,813,313**	**173,062,698**
26	**Other liabilities**				
	Accrued income	126,781	1,408,283	113,298	942,073
	Unclaimed dividend	13,380	148,625	11,390	94,708
	Accruals	271,406	3,014,778	279,249	2,321,955
	Obligations under customers' letters of credit	42,554	472,690	63,256	525,974
	Bankers draft	7,994	88,797	39,755	330,563
	Accounts payable	320,899	3,564,546	167,587	1,393,486
	Allowance for off balance sheet receivables	12,776	141,916	10,802	89,819
	Other liabilities	544,824	6,051,905	383,794	3,191,246
		1,340,614	**14,891,540**	**1,069,131**	**8,889,824**

Note 27: GEOGRAPHICAL REGION FINANCIAL PERFORMANCE - USD

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

In 000 of $

	UEMOA	NIGERIA	AWA	CESA	OTHERS AND CONSO ADJUSTMENT(1)	Ecobank Group
Income Statement Highlights for the period ended 30 September 2023						
Net interest income	288,543	106,578	307,697	241,697	(88,681)	855,834
Non-interest revenue	202,537	83,426	106,928	241,420	28,257	662,568
Operating income	**491,080**	**190,004**	**414,625**	**483,117**	**(60,424)**	**1,518,402**
Impairment charges on financial assets	(27,655)	(25,195)	(67,039)	(18,926)	(87,250)	(226,065)
Total operating expenses	(230,649)	(139,804)	(184,089)	(217,332)	(44,045)	(815,919)
Operating profit after impairment charges	**232,776**	**25,005**	**163,497**	**246,859**	**(191,719)**	**476,418**
Net monetary loss arising from hyperinflationary economies	-	-	-	(26,523)	-	(26,523)
Share of post-tax results of associates	-	-	-	-	108	108
Profit before tax	**232,776**	**25,005**	**163,497**	**220,336**	**(191,611)**	**450,003**
Taxation	(33,378)	(2,541)	(44,657)	(47,291)	(8,163)	(136,030)
Profit after tax	**199,398**	**22,464**	**118,840**	**173,045**	**(199,774)**	**313,973**
Balance Sheet Highlights as at 30 September 2023						
Total assets	9,902,004	5,041,615	4,777,766	6,710,999	211,482	**26,643,866**
Total Liabilities	8,980,971	4,634,704	4,213,065	6,049,970	1,040,478	**24,919,188**

In 000 of $

	UEMOA	NIGERIA	AWA	CESA	OTHERS AND CONSO ADJUSTMENT(1)	Ecobank Group
Income Statement Highlights for the period ended 30 September 2022						
Net interest income	246,851	87,400	276,318	214,783	(84,920)	740,432
Non-interest revenue	167,489	96,998	127,090	199,770	23,252	614,599
Operating income	**414,340**	**184,398**	**403,408**	**414,553**	**(61,668)**	**1,355,031**
Impairment charges on financial assets	(34,753)	(12,655)	(22,333)	(19,757)	(43,296)	(132,794)
Non-conversion premium on bond	-	-	-	-	(25,000)	(25,000)
Total operating expenses	(207,947)	(143,717)	(177,747)	(203,348)	(29,849)	(762,608)
Operating profit after impairment charges	**171,640**	**28,026**	**203,328**	**191,448**	**(159,813)**	**434,629**
Net monetary loss arising from hyperinflationary economies	-	-	-	(34,262)	-	(34,262)
Share of post-tax results of associates	-	-	-	-	360	360
Profit before tax	**171,640**	**28,026**	**203,328**	**157,186**	**(159,453)**	**400,727**
Taxation	(21,833)	(4,011)	(67,905)	(36,208)	8,142	(121,815)
Profit after tax	**149,807**	**24,015**	**135,423**	**120,978**	**(151,311)**	**278,912**
Balance Sheet Highlights as at 31 December 2022						
Total assets	10,832,619	6,486,754	5,116,301	6,830,893	(262,398)	**29,004,169**
Total Liabilities	9,908,234	5,806,878	4,569,096	6,151,380	541,566	**26,977,154**

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.

Note 28: BUSINESS FINANCIAL PERFORMANCE - USD

The group operating segments are described below:

a) **Corporate & Investment Bank:** Focuses on providing one-stop banking services to multinationals, regional companies, government and government agencies, financial institutions and international organizations across the network. This unit provides also Treasury activities.

b) **Commercial banking:** Focuses on serving local corporates, small and medium corporates ,SMEs, Schools, Churches and local NGOs and Public Sector.

c) **Consumer:** Focuses on serving banking customers that are individuals

In 000 of $	CIB	Commercial	Consumer	Others	Consolidation Adjustments	Ecobank Group
Income Statement Highlights for the period ended 30 September 2023						
Interest income	1,124,709	192,561	97,288	6,931	(39,555)	1,381,934
Interest expense	(293,581)	(51,015)	(104,154)	(117,310)	39,960	(526,100)
Inter-segment revenue	(348,175)	78,895	222,589	46,691	-	-
Fee and commission income	151,864	105,349	137,514	11,696	(11,375)	395,048
Fee and commission expense	(22,235)	(8,960)	(8,757)	(1,540)	1,390	(40,102)
Trading income	144,395	102,688	33,968	(12,523)	-	268,528
Other income	7,555	4,038	3,656	405,298	(381,453)	39,094
Operating income	**764,532**	**423,556**	**382,104**	**339,243**	**(391,033)**	**1,518,402**
Impairment charges on financial assets	(183,269)	(26,539)	(6,300)	(9,957)	-	(226,065)
Total operating expenses	(318,499)	(230,138)	(246,282)	(125,794)	104,794	(815,919)
Operating profit after impairment charges	**262,764**	**166,879**	**129,522**	**203,492**	**(286,239)**	**476,418**
Net monetary loss arising from hyperinflationary economies	(10,786)	(11,109)	(4,628)	-	-	(26,523)
Share of post-tax results of associates	-	-	-	6	102	108
Profit before tax	**251,978**	**155,770**	**124,894**	**203,498**	**(286,137)**	**450,003**
Balance Sheet Highlights as at 30 September 2023						
Total assets	14,866,177	2,275,457	1,124,518	4,009,755	4,367,959	**26,643,866**
Total Liabilities	13,244,834	5,113,084	6,199,778	2,112,899	(1,751,407)	**24,919,188**

In 000 of $	CIB	Commercial	Consumer	Others	Consolidation Adjustments	Ecobank Group
Income Statement Highlights for the period ended 30 September 2022						
Interest income	917,434	160,007	94,489	5,783	(23,539)	1,154,174
Interest expense	(220,237)	(44,721)	(72,670)	(100,074)	23,960	(413,742)
Inter-segment revenue	(265,189)	58,031	178,356	28,802	-	-
Fee and commission income	153,154	112,411	127,225	20,838	(20,601)	393,027
Fee and commission expense	(25,344)	(16,109)	(7,119)	(3,135)	1,867	(49,840)
Trading income	139,581	68,118	23,326	(9,744)	-	221,281
Other income	15,540	4,140	4,629	245,968	(220,146)	50,131
Operating income	**714,939**	**341,877**	**348,236**	**188,438**	**(238,459)**	**1,355,031**
Impairment charges on financial assets	(62,829)	(43,928)	(21,788)	(4,249)	-	(132,794)
Non-conversion premium on bond	-	-	-	(25,000)	-	(25,000)
Total operating expenses	(308,932)	(213,189)	(231,286)	115,015	(124,216)	(762,608)
Operating profit after impairment charges	**343,178**	**84,760**	**95,162**	**274,204**	**(362,675)**	**434,629**
Net monetary loss arising from hyperinflationary economies	(15,105)	(13,981)	(5,176)	-	-	(34,262)
Share of post-tax results of associates	-	-	-	(46)	406	360
Profit before tax	**328,073**	**70,779**	**89,986**	**274,158**	**(362,269)**	**400,727**
Balance Sheet Highlights as at 31 December 2022						
Total assets	16,252,647	2,371,379	1,116,807	3,931,886	5,331,450	**29,004,169**
Total Liabilities	13,992,641	5,637,852	6,499,917	2,156,776	(1,310,032)	**26,977,154**

Note 29: GEOGRAPHICAL REGION FINANCIAL PERFORMANCE - GHC

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

In 000,000 of GHC

	NIGERIA	UEMOA	AWA	CESA	OTHERS AND CONSO ADJUSTMENT(1)	Ecobank Group
Income Statement Highlights for the period ended 30 September 2023						
Net interest income	3,125	1,154	3,332	2,617	(960)	9,268
Non-interest revenue	2,193	903	1,158	2,614	307	7,175
Operating income	**5,318**	**2,057**	**4,490**	**5,231**	**(653)**	**16,443**
Impairment charges on financial assets	(299)	(273)	(726)	(205)	(945)	(2,448)
Total operating expenses	(2,498)	(1,514)	(1,994)	(2,354)	(476)	(8,836)
Operating profit after impairment charges	**2,521**	**270**	**1,770**	**2,672**	**(2,074)**	**5,159**
Net monetary loss arising from hyperinflationary economies	-	-	-	(287)	-	(287)
Share of post-tax results of associates	-	-	-	-	1	1
Profit before tax	**2,521**	**270**	**1,770**	**2,385**	**(2,073)**	**4,873**
Taxation	(361)	(28)	(484)	(512)	(88)	(1,473)
Profit after tax	**2,160**	**242**	**1,286**	**1,873**	**(2,161)**	**3,400**
Balance Sheet Highlights as at 30 September 2023						
Total assets	109,991	56,002	53,071	74,546	2,350	**295,960**
Total Liabilities	99,761	51,482	46,799	67,203	11,557	**276,802**

In 000,000 of GHC

	NIGERIA	UEMOA	AWA	CESA	OTHERS AND CONSO ADJUSTMENT(1)	Ecobank Group
Income Statement Highlights for the period ended 30 September 2022						
Net interest income	1,782	631	1,995	1,551	(613)	5,346
Non-interest revenue	1,209	700	918	1,442	168	4,437
Operating income	**2,991**	**1,331**	**2,913**	**2,993**	**(445)**	**9,783**
Impairment charges on financial assets	(251)	(91)	(161)	(143)	(313)	(959)
Non-conversion premium on bond	-	-	-	-	(180)	(180)
Total operating expenses	(1,501)	(1,038)	(1,283)	(1,468)	(216)	(5,506)
Operating profit after impairment charges	**1,239**	**202**	**1,469**	**1,382**	**(1,154)**	**3,138**
Net monetary loss arising from hyperinflationary economies	-	-	-	(247)	-	(247)
Share of post-tax results of associates	-	-	-	-	3	3
Profit before tax	**1,239**	**202**	**1,469**	**1,135**	**(1,151)**	**2,894**
Taxation	(158)	(29)	(490)	(261)	59	(879)
Profit after tax	**1,081**	**173**	**979**	**874**	**(1,092)**	**2,015**
Balance Sheet Highlights as at 31 December 2022						
Total assets	35,949	60,496	28,905	40,213	75,607	**241,170**
Total Liabilities	33,345	55,127	25,006	36,070	74,767	**224,315**

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.

Ecobank
The Pan African Bank

Note 30: BUSINESS FINANCIAL PERFORMANCE - GHC

The group operating segments are described below:

a) **Corporate & Investment Bank:** Focuses on providing one-stop banking services to multinationals, regional companies, government and government agencies, financial institutions and international organizations across the network. This unit provides also Treasury activities.

b) **Commercial banking:** Focuses on serving local corporates, small and medium corporates ,SMEs, Schools, Churches and local NGOs and Public Sector.

c) **Consumer:** Focuses on serving banking customers that are individuals

In 000,000 of GHC	CIB	Commercial	Consumer	Others	Consolidation Adjustments	Ecobank Group
Income Statement Highlights for the period ended 30 September 2023						
Interest income	12,180	2,085	1,054	75	(429)	14,965
Interest expense	(3,179)	(552)	(1,128)	(1,270)	431	(5,698)
Inter-segment revenue	(3,770)	854	2,410	506	-	-
Fee and commission income	1,645	1,141	1,489	127	(124)	4,278
Fee and commission expense	(241)	(97)	(95)	(17)	16	(434)
Trading income	1,564	1,112	368	(136)	-	2,908
Other income	82	44	40	4,389	(4,133)	422
Operating income	**8,281**	**4,587**	**4,138**	**3,674**	**(4,239)**	**16,441**
Impairment charges on financial assets	(1,985)	(287)	(68)	(108)	-	(2,448)
Total operating expenses	(3,449)	(2,492)	(2,667)	(1,362)	1,134	(8,836)
Operating profit after impairment charges	**2,847**	**1,808**	**1,403**	**2,204**	**(3,105)**	**5,157**
Net monetary loss arising from hyperinflationary economies	(117)	(120)	(50)	-	-	(287)
Share of post-tax results of associates	-	-	-	-	1	1
Profit before tax	**2,730**	**1,688**	**1,353**	**2,204**	**(3,104)**	**4,871**
Balance Sheet Highlights as at 30 September 2023						
Total assets	165,133	25,276	12,491	44,540	48,520	**295,960**
Total Liabilities	147,124	56,796	68,867	23,470	(19,455)	**276,802**

In 000,000 of GHC	CIB	Commercial	Consumer	Others	Consolidation Adjustments	Ecobank Group
Income Statement Highlights for the period ended 30 September 2022						
Interest income	6,624	1,155	682	42	(170)	8,333
Interest expense	(1,590)	(323)	(525)	(723)	174	(2,987)
Inter-segment revenue	(1,915)	419	1,288	207	1	-
Fee and commission income	1,106	812	919	150	(149)	2,838
Fee and commission expense	(183)	(116)	(51)	(23)	13	(360)
Trading income	1,008	492	168	(70)	-	1,598
Other income	112	30	33	1,776	(1,589)	362
Operating income	**5,162**	**2,469**	**2,514**	**1,359**	**(1,720)**	**9,784**
Impairment charges on financial assets	(454)	(317)	(157)	(31)	-	(959)
Non-conversion premium on bond	-	-	-	(180)	-	(180)
Total operating expenses	(2,230)	(1,539)	(1,670)	830	(897)	(5,506)
Operating profit after impairment charges	**2,478**	**613**	**687**	**1,978**	**(2,617)**	**3,139**
Net monetary loss arising from hyperinflationary economies	(109)	(101)	(37)	-	-	(247)
Share of post-tax results of associates	-	-	-	(332)	335	3
Profit before tax	**2,369**	**512**	**650**	**1,646**	**(2,282)**	**2,895**
Balance Sheet Highlights as at 31 December 2022						
Total assets	87,600	9,535	6,458	23,385	114,192	**241,170**
Total Liabilities	73,582	26,783	38,537	10,825	74,588	**224,315**

31 Contingent liabilities and commitments

a) Legal proceedings

The Group is a party to various legal actions arising out of its normal business operations. The Directors believe that, based on currently available information and advice of counsel, none of the outcomes that result from such proceedings will have a material adverse effect on the financial position of the Group, either individually or in the aggregate.The amounts that the directors believe will materialize are disclosed in Note 25.

b) Capital commitments

At 31 September 2023, the Group had capital commitments of $ 10 million (December 2022: $11 million) in respect 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 30 September 2023 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:

	30 Sep 2022	31 Dec 2022
Guaranteed commercial papers and bank acceptances	97,770	125,374
Documentary and commercial letters of credit	1,186,245	1,647,020
Performance bond, guarantees and indemnities	1,426,120	1,632,815
Loan commitments	1,259,756	1,457,686
	3,969,891	**4,862,895**

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 period in which such a determination is made. The total amount of tax exposure as at 30 September 2023 is $279 million (December 2022 : $173 million). Based on Group's assessment, the probable liability is not likely to exceed $11 million (December 2022 : $ 12 million) which provisions have been made in the books in Note 36.

About Ecobank:

Incorporated in Lomé, Togo, Ecobank Transnational Incorporated (ETI) is the parent company of the leading independent pan-African banking Group, Ecobank, present in 35 African countries. The Ecobank Group is also represented in France through its subsidiary EBI SA in Paris. ETI also has representative offices in Dubai-United Arab Emirates, London-UK, Beijing-China, Johannesburg-South Africa, and Addis Ababa-Ethiopia.

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

The Group is owned by more than 600,000 local and international institutional and individual shareholders. It employs 14,956 people in *39* different countries in 660 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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