ECOBANK TRANSNATIONAL INCORPORATED

Condensed Unaudited Consolidated Financial Statements

For period ended 31 March 2024

Ecobank Transnational Incorporated
Condensed Unaudited Consolidated Financial Statements
For the period ended 31 March 2024

Ecobank
The Pan African Bank

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Condensed Unaudited Consolidated Financial Statements:

Press Release

Ecobank Group reports performance for 2024 first quarter

- Revenue up 5% to $495.9 million (up 22% to GHC 6,082.2 billion)
- Operating profit before impairment charges up 17% to $229.2 million (up 37% to GHC 2,810.2 billion)
- Profit before tax up 20% to $150.1 million (up 40% to GHC 1,841.4 million)
- Profit after tax up 20% to $105.0 million (up 40% to GHC 1,287.8 million)
- Total assets down 3% to $26.5 billion (up 8% to GHC 341.6 billion)
- Loans and advances to customers down 7% to $9.8 billion (up 2% to GHC 125.7 billion)
- Deposits from customers down 4% $19.2 billion (up 6% to GHC 247.2 billion)
- Total equity down 8% to $1.6 billion (up 2% to GHC 20.6 billion)

Financial Highlights	Period ended 31 March 2024		Period ended 31 March 2023		% Change	
	US$'000	GHC'000	US$'000	GHC'000	US$	GHC
Income Statement:						
Revenue	495,949	6,082,162	472,245	4,966,786	5%	22%
Operating profit before impairment charges	229,151	2,810,235	195,608	2,057,285	17%	37%
Profit before tax	150,148	1,841,367	125,092	1,315,640	20%	40%
Profit after tax	105,013	1,287,846	87,602	921,346	20%	40%
Earnings per share attributable to ordinary shareholders during the period (expressed in United States cents / pesewas per share):						
Basic (cents and pesewas)	0.279	3.425	0.256	2.688	9%	27%
Diluted (cents and pesewas)	0.279	3.425	0.256	2.688	9%	27%

Financial Highlights	As at 31 March 2024		As at 31 December 2023		% Change	
	US$'000	GHC'000	US$'000	GHC'000	US$	GHC
Statement of Financial Position:						
Total assets	26,526,029	341,575,676	27,230,165	317,040,811	-3%	8%
Loans and advances to customers	9,761,041	125,692,925	10,542,753	122,749,273	-7%	2%
Deposits from customers	19,200,383	247,243,332	19,973,948	232,556,677	-4%	6%
Total equity	1,603,409	20,647,099	1,734,455	20,194,258	-8%	2%

Alain Nkontchou
Group Chairman

Jeremy Awori
Group Chief Executive Officer

Ayo Adepoju
Group Chief Financial Officer

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Consolidated unaudited statement of comprehensive Income - USD

	3 month period ended 31 March 2024	3 month period ended 31 March 2023	% Change
	US$'000	US$'000	
Interest income	**453,384**	**449,263**	**1%**
Interest income calculated using the effective interest method	452,341	448,179	1%
Other interest income	1,043	1,084	-4%
Interest expense	(163,941)	(183,385)	-11%
Net interest income	**289,443**	**265,878**	**9%**
Fee and commission income	136,351	137,375	-1%
Fee and commission expense	(13,977)	(12,410)	13%
Trading income and foreign exchange gains	79,856	76,834	4%
Net investment income	(821)	4,185	-120%
Other operating income	5,097	383	1231%
Non-interest revenue	**206,506**	**206,367**	**0%**
Operating income	**495,949**	**472,245**	**5%**
Staff expenses	(113,651)	(118,878)	-4%
Depreciation and amortisation	(18,533)	(23,808)	-22%
Other operating expenses	(134,614)	(133,951)	0%
Operating expenses	**(266,798)**	**(276,637)**	**-4%**
Operating profit before impairment charges and taxation	**229,151**	**195,608**	**17%**
Net Impairment charges and modification loss on financial assets	(79,003)	(70,516)	-12%
Operating profit after impairment charges and modification loss	**150,148**	**125,092**	**20%**
Profit before tax	**150,148**	**125,092**	**20%**
Taxation	(45,135)	(37,490)	20%
Profit after tax	**105,013**	**87,602**	**20%**
Attributable to:			
Ordinary shareholders	68,686	62,864	**9%**
Other equity instrument holder	3,656	3,656	**0%**
Non-controlling interests	32,671	21,082	**55%**
	105,013	**87,602**	**20%**
Earnings per share attributable to ordinary shareholders during the period (expressed in United States cents per share):			
Basic (cents)	0.279	0.256	9%
Diluted (cents)	0.279	0.256	9%
Consolidated unaudited statement of comprehensive income			
Profit after tax	**105,013**	**87,602**	**20%**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange difference on translation of foreign operations	(231,460)	(90,690)	155%
Impact of Hyperinflation	-	-	
Fair value loss on debt instruments at FVTOCI	(1,546)	(12,454)	-88%
Items that will not be reclassified to profit or loss:			
Property and equipment revaluation gain	4,237	-	n/a
Other comprehensive loss for the period, net of taxation	(228,769)	(103,144)	122%
Total comprehensive loss for the period	**(123,756)**	**(15,542)**	**696%**
Total comprehensive (loss) / income attributable to:			
Ordinary shareholders	(138,062)	(34,748)	297%
Other equity instrument holder	3,656	3,656	0%
Non-controlling interests	10,650	15,550	32%
	(123,756)	**(15,542)**	**696%**

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

nm-not meaningful

Consolidated unaudited statement of comprehensive Income- GHC

	3 month period ended 31 March 2024	3 month period ended 31 March 2023	% Change
	GHC'000	GHC'000	
Interest Income	**5,560,158**	**4,725,077**	**18%**
Interest income calculated using the effective interest method	5,547,367	4,713,676	18%
Other interest income	12,791	11,401	12%
Interest expense	(2,010,521)	(1,928,733)	4%
Net interest income	**3,549,637**	**2,796,344**	**27%**
Fee and commission income	1,672,166	1,444,827	16%
Fee and commission expense	(171,410)	(130,521)	31%
Trading income and foreign exchange gains	979,329	808,093	21%
Net investment income	(10,068)	44,015	-123%
Other operating income	62,508	4,028	1452%
Non-interest revenue	**2,532,525**	**2,170,442**	**17%**
Operating income	**6,082,162**	**4,966,786**	**22%**
Staff expenses	(1,393,780)	(1,250,287)	11%
Depreciation and amortisation	(227,283)	(250,398)	-9%
Other operating expenses	(1,650,864)	(1,408,816)	17%
Operating expenses	**(3,271,927)**	**(2,909,501)**	**12%**
Operating profit before impairment charges and taxation	**2,810,235**	**2,057,285**	**37%**
Net Impairment charges and modification loss on financial assets	(968,868)	(741,645)	31%
Operating profit after impairment charges and modification loss	**1,841,367**	**1,315,640**	**40%**
Profit before tax	**1,841,367**	**1,315,640**	**40%**
Taxation	(553,521)	(394,294)	40%
Profit after tax	**1,287,846**	**921,346**	**40%**
Attributable to:			
Ordinary shareholders	842,343	661,166	**27%**
Other equity instrument holder	44,836	38,452	**17%**
Non-controlling interests	400,667	221,728	**81%**
	1,287,846	921,346	**40%**
Earnings per share attributable to ordinary shareholders during the period (expressed in pesewas per share):			
Basic (pesewas)	3.425	2.688	27%
Diluted (pesewas)	3.425	2.688	27%
Unaudited consolidated statement of comprehensive income			
Profit after tax	**1,287,846**	**921,346**	**40%**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange difference on translation of foreign operations	(778,605)	4,492,602	-117%
Fair value loss on debt instruments at FVTOCI	(18,959)	(130,983)	-86%
Items that will not be reclassified to profit or loss:			
Property and equipment revaluation gain	51,961		
Other comprehensive income for the period, net of taxation	(745,603)	4,361,619	-117%
Total comprehensive income for the period	**542,243**	**5,282,965**	**-90%**
Total comprehensive (loss) / income attributable to:			
Ordinary shareholders	(385,809)	3,576,082	-111%
Other equity instrument holder	44,836	38,452	17%
Non-controlling interests	883,216	1,668,431	-47%
	542,243	**5,282,965**	**-90%**

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

nm-not meaningful

Consolidated unaudited statement of financial position - USD

	As at 31 March 2024	As at 31 December 2023
	US$'000	US$'000
ASSETS		
Cash and balances with central banks	4,006,833	3,930,723
Trading financial assets	73,405	41,278
Derivative financial instruments	85,332	78,057
Loans and advances to banks	2,381,868	2,241,873
Loans and advances to customers	9,761,041	10,542,753
Treasury bills and other eligible bills	1,573,735	1,595,628
Investment securities	6,430,075	6,622,055
Pledged assets	5,699	113,042
Other assets	1,342,572	1,178,100
Investment in associates	570	707
Intangible assets	53,060	55,319
Investment properties	11,851	11,070
Property and equipment	565,045	588,348
Deferred income tax assets	230,341	225,736
	26,521,427	**27,224,689**
Assets held for sale	4,602	5,476
Total assets	**26,526,029**	**27,230,165**
LIABILITIES		
Deposits from banks	1,354,814	1,588,118
Deposits from customers	19,200,383	19,973,948
Derivative financial instruments	37,493	44,303
Borrowed funds	2,537,086	2,249,583
Other liabilities	1,569,385	1,362,244
Provisions	65,082	62,275
Current income tax liabilities	84,489	112,635
Deferred income tax liabilities	44,331	71,612
Retirement benefit obligations	29,557	30,992
Total liabilities	**24,922,620**	**25,495,710**
EQUITY		
Share capital and premium	2,113,961	2,113,961
Retained earnings and reserves	(1,198,062)	(1,060,000)
Equity attributable to ordinary shareholders	**915,899**	**1,053,961**
Other equity instruments holder	**74,088**	**74,088**
Non-controlling interests	**613,422**	**606,406**
Total equity	**1,603,409**	**1,734,455**
Total liabilities and equity	**26,526,029**	**27,230,165**

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

Unaudited consolidated statement of financial position - GHC

	As at 31 March 2024	As at 31 December 2023
	GHC'000	**GHC'000**
ASSETS		
Cash and balances with central banks	51,595,989	45,765,408
Trading financial assets	945,236	480,600
Derivative financial instruments	1,098,820	908,818
Loans and advances to banks	30,671,314	26,102,127
Loans and advances to customers	125,692,925	122,749,273
Treasury bills and other eligible bills	20,264,986	18,577,897
Investment securities	82,800,076	77,100,586
Pledged assets	73,386	1,316,148
Other assets	17,288,300	13,716,618
Investment in associates	7,340	8,232
Intangible assets	683,254	644,079
Investment properties	152,605	128,888
Property and equipment	7,276,084	6,850,136
Deferred income tax assets	2,966,101	2,628,244
	341,516,416	**316,977,054**
Assets held for sale	59,260	63,757
Total assets	**341,575,676**	**317,040,811**
LIABILITIES		
Deposits from banks	17,445,940	18,490,458
Deposits from customers	247,243,332	232,556,677
Derivative financial instruments	482,797	515,820
Borrowed funds	32,670,056	26,191,895
Other liabilities	20,208,971	15,860,607
Provisions	838,061	725,068
Current income tax liabilities	1,087,965	1,311,409
Deferred income tax liabilities	570,850	833,779
Retirement benefit obligations	380,605	360,840
Total liabilities	**320,928,577**	**296,846,553**
EQUITY		
Share capital and premium	4,536,400	4,536,400
Retained earnings and reserves	7,766,684	8,152,493
Equity attributable to ordinary shareholders	**12,303,084**	**12,688,893**
Other equity instruments holder	**444,980**	**444,980**
Non-controlling interests	**7,899,035**	**7,060,385**
Total equity	**20,647,099**	**20,194,258**
Total liabilities and equity	**341,575,676**	**317,040,811**

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

Unaudited consolidated statement of changes in equity - USD

Amounts in US$'000

	Share Capital	Retained Earnings	Other Reserves	Total equity and reserves attributable	Other equity instrument	Non-Controlling Interest	Total Equity
At 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	-	-	(74,287)	(74,287)	-	(16,403)	(90,690)
Net changes in debt instruments, net of taxes	-	-	(23,325)	(23,325)	-	10,871	(12,454)
Profit for the period	-	62,864	-	62,864	3,656	21,082	87,602
Total comprehensive loss for the period	-	**62,864**	**(97,612)**	**(34,748)**	**3,656**	**15,550**	**(15,542)**
Coupon paid to other equity instrument holder	-	-	-	-	(3,656)	-	(3,656)
Other reserve	-	-	(11,227)	(11,227)	-	(11,595)	(22,822)
Dividend relating to 2022	-	-	-	-	-	(6,490)	(6,490)
At 31 March 2023	**2,113,961**	**633,896**	**(1,398,984)**	**1,348,873**	**74,088**	**555,544**	**1,978,505**
At 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	-	-	(550,255)	(550,255)	-	(22,601)	(572,856)
Net changes in debt instruments,net of taxes	-	-	(53,812)	(53,812)	-	(10,622)	(64,434)
Net gains on revaluation of property	-	-	1,875	1,875	-	882	2,757
Remeasurements of post-employment benefit obligations	-	-	684	684	-	(59)	625
Profit for the year	-	287,824	-	287,824	7,312	111,787	406,923
Total comprehensive loss for the year	-	**287,824**	**(601,508)**	**(313,684)**	**7,312**	**79,387**	**(226,985)**
Coupon paid to other equity instrument holder	-	-	-	-	(7,312)	-	(7,312)
Transfer from revaluation reserve property on disposed property	-	5,190	(5,190)	-	-	-	-
Share option forfeited	-	1,250	(1,250)	-	-	-	-
Transfer from general banking reserves	-	(8,483)	8,483	-	-	-	-
Transfer to statutory reserve	-	(83,196)	83,196	-	-	-	-
Dividend relating to 2022	-	(27,203)	-	(27,203)	-	(31,060)	(58,263)
At 31 December 2023 /1 January 2024	**2,113,961**	**746,414**	**(1,806,414)**	**1,053,961**	**74,088**	**606,406**	**1,734,455**
Foreign currency translation differences	-	-	(210,620)	(210,620)	-	(20,840)	(231,460)
Net loss in debt investment securities, net of taxes	-	-	(365)	(365)	-	(1,181)	(1,546)
Net gains on revaluation of property	-	-	4,237	4,237	-	-	4,237
Profit for the period	-	68,686	-	68,686	3,656	32,671	105,013
Total comprehensive loss for the period	-	**68,686**	**(206,748)**	**(138,062)**	**3,656**	**10,650**	**(123,756)**
Coupon paid to other equity instrument holder	-	-	-	-	(3,656)	-	(3,656)
Dividend relating to 2023	-	-	-	-	-	(3,634)	(3,634)
At 31 March 2024	**2,113,961**	**815,100**	**(2,013,162)**	**915,899**	**74,088**	**613,422**	**1,603,409**

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

Consolidated unaudited statement of changes in equity - GHC

Amounts in GHC '000

	Share Capital	Retained Earnings	Other Reserves	Total equity and reserves attributable	Other equity instrument	Non-Controlling Interest	Total Equity
At 1 January 2023	**4,536,400**	**1,812,417**	**5,420,406**	**11,769,223**	**444,980**	**4,640,427**	**16,854,630**
Foreign currency translation differences	-	-	3,160,234	3,160,234	-	1,332,368	4,492,602
Net changes in debt investment securities, net of taxes	-	-	(245,318)	(245,318)	-	114,335	(130,983)
Profit for the period	-	661,166	-	661,166	38,452	221,728	921,346
Total comprehensive income for the period	-	**661,166**	**2,914,916**	**3,576,082**	**38,452**	**1,668,431**	**5,282,965**
Coupon paid to other equity instrument holder	-	-	-	-	(38,452)	-	(38,452)
Other reserve	-	-	(118,079)	(118,079)	-	(121,949)	(240,028)
Dividend relating to 2022	-	-	-	-	-	(68,258)	(68,258)
At 31 March 2023	**4,536,400**	**2,473,583**	**8,217,243**	**15,227,226**	**444,980**	**6,118,651**	**21,790,857**
At 1 January 2023	**4,536,400**	**1,812,417**	**5,420,406**	**11,769,223**	**444,980**	**4,640,427**	**16,854,630**
Foreign currency translation differences	-	-	(1,383,213)	(1,383,213)	-	1,639,807	256,594
Net changes in debt instruments,net of taxes	-	-	(591,890)	(591,890)	-	(116,834)	(708,724)
Net gains on revaluation of property	-	-	20,624	20,624	-	9,701	30,325
Remeasurements of post-employment benefit obligations	-	-	7,523	7,523	-	(649)	6,874
Profit for the year	-	3,165,838	-	3,165,838	80,426	1,229,569	4,475,833
Total comprehensive income for the year	-	**3,165,838**	**(1,946,956)**	**1,218,882**	**80,426**	**2,761,594**	**4,060,902**
Coupon paid to other equity instrument holder	-	-	-	-	(80,426)	-	(80,426)
Transfer from revaluation reserve property on disposed property	-	57,086	(57,086)	-	-	-	-
Share option forfeited	-	13,749	(13,749)	-	-	-	-
Transfer from general banking reserves	-	(93,306)	93,306	-	-	-	-
Transfer to statutory reserve	-	(915,091)	915,091	-	-		-
Dividend relating to 2021	-	(299,212)	-	(299,212)	-	(341,636)	(640,848)
At 31 December 2023 / 1 January 2024	**4,536,400**	**3,741,481**	**4,411,012**	**12,688,893**	**444,980**	**7,060,385**	**20,194,258**
Net loss in debt investment securities, net of taxes	-	-	(4,476)	(4,476)	-	(14,483)	(18,959)
Foreign currency translation differences	-	-	(1,275,637)	(1,275,637)	-	497,032	(778,605)
Net gains on revaluation of property	-	-	51,961	51,961	-	-	51,961
Profit for the period	-	842,343	-	842,343	44,836	400,667	1,287,846
Total comprehensive income for the period	-	**842,343**	**(1,228,152)**	**(385,809)**	**44,836**	**883,216**	**542,243**
Coupon paid to other equity instrument holder	-	-	-	-	(44,836)	-	(44,836)
Dividend relating to 2023	-	-	-	-	-	(44,566)	(44,566)
At 31 March 2024	**4,536,400**	**4,583,824**	**3,182,860**	**12,303,084**	**444,980**	**7,899,035**	**20,647,099**

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

Ecobank
The Pan African Bank

Consolidated unaudited statement of cash flows - USD

	3 month period ended 31 March 2024	3 Month period ended 31 March 2023
	US$'000	US$'000
Cash flows from operating activities		
Profit before tax	150,148	125,092
Adjusted for:		
Foreign exchange income	(96,528)	(98,692)
Net investment securities gain	821	(4,145)
Recycling from FVOCI	-	2,236
Impairment losses on loans and advances	70,022	17,848
Impairment losses on other financial assets	8,981	140,358
Unwinding of impairments	-	(87,690)
Depreciation of property and equipment	13,520	15,388
Amortisation of software and other intangibles	5,013	8,420
Profit on sale of property and equipment	(149)	(130)
Income taxes paid	(94,050)	(67,979)
Changes in operating assets and liabilities		
Trading financial assets	(20,564)	86,278
Derivative financial instruments	(13,711)	12,217
Treasury bills and other eligible bills	39,883	(87,381)
Loans and advances to banks	(423,010)	(352,023)
Loans and advances to customers	(146,439)	66,616
Pledged assets	76,853	(16,088)
Other assets	(281,280)	(61,453)
Mandatory reserve deposits with central banks	(122,877)	(160,479)
Other deposits from banks	783,157	(363,323)
Deposits from customers	(219,357)	(580,158)
Derivative liabilities	1,286	(9,842)
Other liabilities	3,517	340,770
Provisions	365,885	8,895
Net cashflow from / (used in) operating activities	**101,121**	**(1,065,265)**
Cash flows from investing activities		
Aquisition of software	(281)	(4,798)
Aquisition of property and equipment	(13,249)	(98,899)
Proceeds from sale of property and equipment	574	1,153
Aquisition of investment securities	(274,611)	(247,767)
Redemption of investment securities	643,129	170,768
Net cashflow from / (used in) investing activities	**355,562**	**(179,543)**
Cash flows from financing activities		
Repayment of borrowed funds	(40,616)	(8,697)
Proceeds from borrowed funds	203,387	177,923
Coupon paid other equity instrument holder	(3,656)	(3,656)
Dividends paid to non-controlling shareholders	(3,634)	(6,490)
Net cashflow from financing activities	**155,481**	**159,080**
Net increase / (decrease) in cash and cash equivalents	**612,164**	**(1,085,728)**
Cash and cash equivalents at beginning of period	3,897,836	3,382,968
Effects of exchange differences on cash and cash equivalents	(479,026)	143,622
Cash and cash equivalents at end of the period	**4,030,974**	**2,440,862**

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

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Consolidated unaudited statement of cash flows - GHC

	3 month period ended 31 March 2024	3 Month period ended 31 March 2023
	GHC'000	GHC'000
Cash flows from operating activities		
Profit before tax	1,841,367	1,315,640
Adjusted for:		
Foreign exchange income	(1,183,789)	(1,037,983)
Net profit from investment securities	10,068	(43,595)
Recycling from FVOCI	-	23,517
Impairment losses on loans and advances	858,728	187,714
Impairment losses on other financial assets	110,140	1,476,201
Unwinding of impairments	-	(922,270)
Depreciation of property and equipment	165,805	161,842
Amortisation of software and other intangibles	61,478	88,556
Profit on sale of property and equipment	(1,827)	(1,367)
Income taxes paid	(1,153,400)	(714,962)
Changes in operating assets and liabilities		
Trading financial assets	(252,190)	907,420
Derivative financial instruments	(168,147)	128,491
Treasury bills and other eligible bills	489,113	(919,021)
Loans and advances to banks	(5,187,661)	(3,702,365)
Loans and advances to customers	(1,795,882)	700,627
Pledged assets	942,501	(169,204)
Other assets	(3,449,529)	(646,326)
Mandatory reserve deposits with central banks	(1,506,925)	(1,687,821)
Other deposits from banks	9,604,390	(3,821,217)
Deposits from customers	(2,690,125)	(6,101,752)
Derivative liabilities	15,771	(103,512)
Other liabilities	43,131	3,584,013
Provisions	4,487,098	93,552
Net cashflow from / (used in) operating activities	**1,240,115**	**(11,203,822)**
Cash flows from investing activities		
Aquisition of software	(3,446)	(50,462)
Aquisition of property and equipment	(162,482)	(1,040,160)
Proceeds from sale of property and equipment	7,039	12,127
Aquisition of investment securities	(3,367,743)	(2,605,864)
Redemption of investment securities	7,887,131	1,796,035
Net cashflow from / (used in) investing activities	**4,360,499**	**(1,888,324)**
Cash flows from financing activities		
Repayment of borrowed funds	(498,102)	(91,467)
Proceeds from borrowed funds	2,494,274	1,871,288
Coupon paid other equity instrument holder	(44,836)	(38,452)
Dividends paid to non-controlling shareholders	(44,566)	(68,258)
Net cashflow from financing activities	**1,906,770**	**1,673,111**
Net increase / (decrease) in cash and cash equivalents	**7,507,384**	**(11,419,035)**
Cash and cash equivalents at beginning of period	28,129,383	28,129,383
Effects of exchange differences on cash and cash equivalents	16,270,085	10,172,818
Cash and cash equivalents at end of the period	**51,906,852**	**26,883,166**

The above consolidated unaudited 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 14,982 people as at 31 March 2024 (31 December 2023: 14,982) .

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 31 March 2024 have been approved by the Board of Directors on 25 April 2024.

2 Summary of material accounting policies

This note provides a list of the material 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 condensed consolidated financial statements for the period ended 31 March 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). These Condensed Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the audited 31 December 2023 Annual Consolidated Financial Statements and the accompanying notes included of our 2023 Annual Report. The Condensed Financial Statements have been prepared on a going concern basis.
The condensed 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 condensed 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 condensed 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 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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 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 did not 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 did not have a material impact on the Group.

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 did not have a material impact on the Group.

2 Summary of material 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 2024.
At the date of authorisation of these financial statements, the Group has not applied these standards.

i) 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.

2 Summary of material accounting policies (continued)

2.5 Foreign currency translation (continued)

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 material 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. 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.

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.

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

4 Liquidity risk management

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

5.3.1 Liquidity risk management process

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

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

5.3.2 Non-derivative 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 31 March 2024

	Up to 1 month	1 -3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Assets						
Cash and balances with central banks	2,827,785	-	-	-	1,179,048	4,006,833
Trading Financial Assets	505	-	50,899	23,981	-	75,385
Derivative financial instruments	-	41,792	45,261	-	-	87,053
Loans and advances to banks	1,114,557	572,227	282,866	423,216	-	2,392,866
Loans and advances to customers	2,536,365	1,281,257	1,127,515	3,000,794	2,074,883	10,020,814
Treasury bills and other eligible bills	334,101	252,425	634,145	373,156	-	1,593,827
Investment securities	755,009	107,661	485,196	3,750,146	1,487,346	6,585,358
Pledged assets	-	-	-	6,051	-	6,051
Other assets excluding prepayments and repossessed assets	243,579	266,703	482,929	35,384	-	1,028,595
Total assets (expected maturity dates)	**7,811,901**	**2,522,065**	**3,108,811**	**7,612,728**	**4,741,277**	**25,796,782**
Liabilities						
Deposits from banks	2,060,852	295,269	398,442	39,513	-	2,794,077
Deposit from customers	11,620,560	1,374,984	1,292,295	978,456	397,929	15,664,223
Other borrowed funds	62,290	396,989	701,309	701,309	909,997	2,771,894
Other liabilities excluding accrued income	198,066	216,669	836,809	230,548	121	1,482,213
Derivative financial instruments	17,794	-	21,463	-	-	39,257
Total liabilities (contractual maturity dates)	**13,959,562**	**2,283,911**	**3,250,318**	**1,949,826**	**1,308,047**	**22,751,664**
Gap analysis	**(6,147,661)**	**238,154**	**(141,507)**	**5,662,902**	**3,433,229**	**3,045,118**

As at 31 December 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	2,596,218	-	-	-	1,334,505	3,930,723
Financial Asset held for trading	4,416	11,606	29,663	14	-	45,699
Derivative financial instruments	92	5,450	41,995	33,351	-	80,888
Loans and advances to banks	1,475,181	394,873	324,584	210,935	-	2,405,573
Loans and advances to customers	1,459,476	1,821,251	2,783,003	3,567,334	2,119,356	11,750,420
Treasury bills and other eligible bills	127,845	456,039	889,463	174,312	-	1,647,659
Investment securities	1,135,232	519,661	602,689	3,517,459	1,557,516	7,332,557
Pledged assets	403	210	55,601	59,650	-	115,864
Other assets excluding prepayments and repossessed assets	52,086	220,102	607,185	-	-	879,373
Total assets (expected maturity dates)	**6,850,949**	**3,429,192**	**5,334,183**	**7,563,055**	**5,011,377**	**28,188,756**
Liabilities						
Deposits from banks	1,314,070	89,414	65,528	168,838	-	1,637,850
Deposit from customers	16,368,757	762,698	1,825,587	1,609,376	180,772	20,747,190
Other borrowed funds	83,840	204,768	780,737	568,082	847,834	2,485,261
Other liabilities excluding accrued income	234,547	388,048	395,914	242,198	266	1,260,973
Derivative financial instruments	16,758	7,666	7,666	13,936	-	46,026
Total liabilities (contractual maturity dates)	**18,017,972**	**1,452,594**	**3,075,432**	**2,602,430**	**1,028,872**	**26,177,300**
Gap analysis	**(11,167,023)**	**1,976,598**	**2,258,751**	**4,960,625**	**3,982,505**	**2,011,456**

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

4.1 Fair value of financial assets and liabilities

(a) Financial instruments not measured at fair value

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

	Carrying value		Fair value	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
Financial assets:				
Cash and balances with central banks	4,006,833	3,930,723	4,006,833	3,930,723
Loans and advances to banks	2,381,868	2,254,380	2,446,430	2,263,152
Loans and advances to customers	10,313,565	11,061,809	10,525,897	11,169,143
Other assets excluding prepayments and repossessed assets	1,029,493	879,373	1,029,493	879,373
Financial liabilities:				
Deposits from banks	1,354,814	1,588,118	1,403,244	1,638,093
Deposit from customers	19,200,383	19,973,948	19,287,234	20,065,715
Other liabilities excluding accrued income	1,482,213	1,260,973	1,482,213	1,260,973
Borrowed funds	2,537,086	2,249,583	2,574,804	2,283,091

(i) Cash and balnces with central banks

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 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.

The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity. For those notes where quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining term to maturity.

(v) Other assets

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

(vi) Other liabilities

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

(b) Fair value hierarchy

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

i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

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

	31 March 2024			31 December 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Treasury and other eligible bills	736,992	836,743	-	780,165	815,463	-
Trading Financial Assets/ Financial Assets held for trading	3,739	69,666	-	40,791	487	-
Derivative financial instruments	-	85,332	-	-	78,057	-
Pledged assets	-	5,699	-	-	113,042	-
Investment securities	1,086,592	5,255,382	88,101	1,464,625	5,046,552	109,926
Total financial assets	**1,827,323**	**6,252,822**	**88,101**	**2,285,581**	**6,053,601**	**109,926**
Derivative financial instruments	-	37,493	-	-	44,303	-
Total financial liabilities	**-**	**37,493**	**-**	**-**	**44,303**	**-**

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

(b) Financial instrument classification

31 March 2024	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	4,006,833	-	-	-	-	-	-	4,006,833
Trading financial assets	-	73,405	-	-	-	-	-	73,405
Derivative financial instruments	-	85,332	-	-	-	-	-	85,332
Loans and advances to banks	2,381,868	-	-	-	-	-	-	2,381,868
Loans and advances to customers	9,761,041	-	-	-	-	-	-	9,761,041
Treasury bills and other eligible bills	188,440	-	1,385,295	-	-	-	-	1,573,735
Investment securities - Equity instruments	-	-	-	98,599	88,101	-	-	186,700
Investment securities - Debt instruments	1,016,728	-	5,226,647	-	-	-	-	6,243,375
Pledged assets	5,699	-	-	-	-	-	-	5,699
Other assets excluding prepayments and repossessed assets	1,029,493	-	-	-	-	-	-	1,029,493
Total	**18,390,102**	**158,737**	**6,611,942**	**98,599**	**88,101**	**-**	**-**	**25,347,481**
Liabilities								
Deposits from banks	-	-	-	-	-	-	1,354,814	1,354,814
Deposit from customers	-	-	-	-	-	-	19,200,383	19,200,383
Derivative financial instruments	-	-	-	-	-	37,493	-	37,493
Borrowed funds	-	-	-	-	-	-	2,537,086	2,537,086
Other liabilities excluding accrued income	-	-	-	-	-	-	1,482,213	1,482,213
Total	**-**	**-**	**-**	**-**	**-**	**37,493**	**24,574,496**	**24,611,989**

31 December 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	3,930,723	-	-	-	-	-	-	3,930,723
Trading financial assets	-	41,278	-	-	-	-	-	41,278
Derivative financial instruments	-	78,057	-	-	-	-	-	78,057
Loans and advances to banks	2,241,873	-	-	-	-	-	-	2,241,873
Loans and advances to customers	10,542,753	-	-	-	-	-	-	10,542,753
Treasury bills and other eligible bills	371,141	-	1,224,487	-	-	-	-	1,595,628
Investment securities - Equity instruments	-	-	-	94,333	109,926	-	-	204,259
Investment securities - Debt instruments	1,066,839	-	5,350,957	-	-	-	-	6,417,796
Pledged assets	113,042	-	-	-	-	-	-	113,042
Other assets excluding prepayments and repossessed assets	879,373	-	-	-	-	-	-	879,373
Total	**19,145,744**	**119,335**	**6,575,444**	**94,333**	**109,926**	**-**	**-**	**26,044,782**
Liabilities								
Deposits from banks	-	-	-	-	-	-	1,588,118	1,588,118
Deposit from customers	-	-	-	-	-	-	19,973,948	19,973,948
Derivative financial instruments	-	-	-	-	-	44,303	-	44,303
Borrowed funds	-	-	-	-	-	-	2,249,583	2,249,583
Other liabilities excluding accrued income	-	-	-	-	-	-	1,260,973	1,260,973
Total	**-**	**-**	**-**	**-**	**-**	**44,303**	**25,072,622**	**25,116,925**

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

5 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 % CET1 CAR, 9.5% Tier 1 CAR, and 12.5% for Total CAR). Regulatory capital ratios are submitted to our regulator every six months.

Common Equity Tier 1 capital	**31 Dec 2023**	**31 Dec 2022**
Tier 1 capital		
Share capital	2,113,961	2,113,961
Retained earnings	746,414	571,032
IFRS 9 Day One transition adjustment	-	74,825
Statutory reserves	676,059	748,268
Other reserves	(2,324,013)	(2,180,902)
Non-controlling interests	252,418	224,008
Less: goodwill and intangibles	(11,845)	(84,545)
Less: other deductions	-	-
Total CET 1 capital	**1,452,994**	**1,466,647**
Additional Tier 1 capital		
Additional Tier 1 instrument	75,000	75,000
Minority interests included in Tier 2 capital	22,788	23,628
Total Additional Tier 1 capital	**97,788**	**98,628**
Total qualifying Tier 1 capital	**1,550,782**	**1,565,275**
Tier 2 capital		
Subordinated debt and other instruments		
Revaluation reserve	418,536	476,095
Minority interests included in Tier 2 capital	55,536	69,420
	64,871	66,502
Total qualifying Tier 2 capital	**538,943**	**612,017**
Total regulatory capital	**2,089,725**	**2,177,292**
Risk-weighted assets:		
Credit risk weighted assets	10,688,437	12,038,889
Market risk weighted assets	87,069	35,674
Operational risk weighted assets	3,157,606	3,281,166
Total risk-weighted assets	**13,933,112**	**15,355,730**
CET 1 Capital Adequacy Ratio	**10.4%**	**9.6%**
Tier 1 Capital Adequacy Ratio	**11.1%**	**10.2%**
Total Capital Adequacy Ratio	**15.0%**	**14.2%**

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

		3 Month period ended 31 March 2024		3 Month period ended 31 March 2023	
		US$'000	GHC'000	US$'000	GHC'000
6	**Net interest income**				
	Interest income				
	Interest income calculated using the effective interest method				
	Loans and advances to banks	33,377	409,325	27,075	284,759
	Loans and advances to customers:	243,514	2,986,379	254,237	2,673,911
	Treasury bills and other eligible bills	55,033	674,907	65,610	690,046
	Investment securities	118,793	1,456,840	99,224	1,043,578
	Others	1,624	19,916	2,033	21,382
		452,341	**5,547,367**	**448,179**	**4,713,676**
	Other interest income				
	Trading financial assets	1,043	12,791	1,084	11,401
		453,384	**5,560,158**	**449,263**	**4,725,077**
	Interest expense				
	Deposits from banks	20,203	247,763	21,026	221,139
	Due to customer	90,306	1,107,484	112,505	1,183,259
	Borrowed funds	51,829	635,615	48,402	509,063
	Interest expense for lease liabilities	649	7,959	728	7,657
	Others	954	11,700	724	7,615
		163,941	**2,010,521**	**183,385**	**1,928,733**
7	**Net fee and commission income**				
	Fee and commission income:				
	Credit related fees and commissions	35,726	438,132	38,939	409,537
	Portfolio and other management fees	1,523	18,678	1,815	19,089
	Corporate finance fees	2,590	31,763	1,813	19,068
	Cash management and related fees	67,909	832,815	63,412	666,929
	Card management fees	23,083	283,083	24,994	262,872
	Brokerage fees and commissions	1,775	21,768	1,187	12,484
	Other fees	3,745	45,927	5,215	54,848
		136,351	**1,672,166**	**137,375**	**1,444,827**
	Fee and commission expense				
	Brokerage fees paid	556	6,819	557	5,858
	Bank charges	5,059	62,042	-	-
	Other fees paid	8,362	102,549	11,853	124,663
		13,977	**171,410**	**12,410**	**130,521**
8	**Trading income and foreign exchange gains**				
	Foreign exchange translation gains	96,528	1,183,789	87,760	923,006
	Foreign exchange trading losses	(25,133)	(308,223)	(5,608)	(58,981)
	Trading income / (lossess) on securities	8,461	103,763	(5,318)	(55,932)
		79,856	**979,329**	**76,834**	**808,093**
9	**Net investment income**				
	Foreign exchange	**(821)**	**(10,068)**	**4,185**	**44,015**
10	**Other operating income**				
	Lease income	193	2,367	169	1,777
	Dividend income	322	3,949	443	4,659
	Other	4,582	56,192	(229)	(2,408)
		5,097	**62,508**	**383**	**4,028**
11	**Impairment charges and modification loss on financial assets**				
	Impairment charge on loans and advances	105,310	1,291,489	33,475	352,070
	Recoveries	(35,288)	(432,761)	(15,627)	(164,355)
	Impairment charge on other financial assets	8,981	110,140	29,076	305,804
	Unwinding of impairments	-	-	(87,690)	(922,270)
	Modification Loss on Financial Assets	-	-	111,282	1,170,396
		79,003	**968,868**	**70,516**	**741,645**
12	**Operating expenses**				
	Staff expenses	113,651	1,393,780	118,878	1,250,287
	Depreciation and amortisation	18,533	227,283	23,808	250,398
	Other operating expenses	134,614	1,650,864	133,951	1,408,816
		266,798	**3,271,927**	**276,637**	**2,909,501**
13	**Taxation**				
	Current income tax	65,904	808,226	43,311	455,516
	Deferred income tax	(20,769)	(254,705)	(5,821)	(61,222)
		45,135	**553,521**	**37,490**	**394,294**

14 Earnings per share

Basic

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

	31 Mar 2024	31 Mar 2023
Profit attributable to equity holders of the Company from continuing operations	68,686	62,864
Weighted average number of ordinary shares issued (in thousands)	24,592,619	24,592,619
Basic earnings per share (expressed in US cents per share) from continuing operations	0.279	0.256

Diluted

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

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

	31 Mar 2024	31 Mar 2023
Profit attributable to equity holders of the company from continuing operations	68,686	62,864
Weighted average number of ordinary shares in issue (in thousands)	24,592,619	24,592,619
Dilutive earnings per share (expressed in US cents per share)	0.279	0.256

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		As at 31 March 2024		As at 31 December 2023	
		US$'000	GHC'000	US$'000	GHC'000
15	**Cash and balances with central banks**				
	Cash in hand	599,678	7,722,054	657,240	7,652,245
	Balances with central banks other than mandatory reserve deposits	2,228,107	28,691,334	1,938,978	22,575,521
	Included in cash and cash equivalents	**2,827,785**	**36,413,388**	**2,596,218**	**30,227,766**
	Mandatory reserve deposits with central banks	1,179,048	15,182,601	1,334,505	15,537,642
		4,006,833	**51,595,989**	**3,930,723**	**45,765,408**
16	**Trading financial assets**				
	Debt securities				
	- Government bonds	73,405	945,236	41,278	480,600
		73,405	**945,236**	**41,278**	**480,600**
17	**Loans and advances to banks**				
	Items in course of collection from other banks	24,014	309,228	51,678	601,687
	Deposits with other banks	1,037,444	13,359,166	1,229,276	14,312,460
	Placements with other banks	1,320,410	17,002,920	960,919	11,187,980
		2,381,868	**30,671,314**	**2,241,873**	**26,102,127**
18	**Loans and advances to customers**				
	Analysis by type:				
	Overdrafts	1,175,071	15,131,389	1,113,999	12,970,290
	Credit cards	964	12,413	1,128	13,133
	Term loans	8,989,293	115,755,127	9,804,304	114,151,511
	Mortgage loans	148,237	1,908,848	142,378	1,657,707
	Gross loans and advances	**10,313,565**	**132,807,777**	**11,061,809**	**128,792,641**
	Less: allowance for impairment	(552,524)	(7,114,852)	(519,056)	(6,043,368)
		9,761,041	**125,692,925**	**10,542,753**	**122,749,273**
	Analysis by stage:				
19	**Gross loans and advances**				
	Stage 1	7,868,402	101,321,413	9,032,369	105,163,872
	Stage 2	1,727,886	22,249,988	1,429,255	16,640,816
	Stage 3	717,277	9,236,376	600,185	6,987,954
	Total	**10,313,565**	**132,807,777**	**11,061,809**	**128,792,642**
20	**Treasury bills and other eligible bills**				
	Maturing within three months	583,072	7,508,218	409,025	4,762,278
	Maturing after three months	990,663	12,756,768	1,186,603	13,815,619
		1,573,735	**20,264,986**	**1,595,628**	**18,577,897**
21	**Investment securities**				
	Debt securities				
	- At FVTOCI listed	2,811,548	36,204,303	2,058,435	23,966,359
	- At FVTOCI unlisted	2,415,099	31,099,230	3,292,522	38,334,834
	- At Amortised cost	1,016,728	13,092,406	1,066,839	12,421,206
	Total	**6,243,375**	**80,395,939**	**6,417,796**	**74,722,399**
	Equity securities				
	- At FVTOCI unlisted	88,101	1,134,477	91,830	1,069,177
	- At FVTPL listed	2,881	37,099	2,503	29,142
	- At FVTPL unlisted	95,718	1,232,561	109,926	1,279,868
		186,700	**2,404,137**	**204,259**	**2,378,187**
	Total investment securities	**6,430,075**	**82,800,076**	**6,622,055**	**77,100,586**

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		As at 31 March 2024		As at 31 December 2023	
		US$'000	GHC'000	US$'000	GHC'000
22	**Other assets**				
	Fees receivable	5,804	74,738	3,511	40,879
	Accounts receivable	738,077	9,504,219	606,317	7,059,349
	Repossessed assets from customers	179,335	2,309,297	121,649	1,416,359
	Prepayments	133,744	1,722,221	177,078	2,061,719
	Sundry receivables	298,037	3,837,822	277,950	3,236,172
		1,354,997	**17,448,297**	**1,464,455**	**13,814,478**
	Impairment Allowance on receivables	(12,425)	(159,997)	(8,405)	(97,860)
		1,342,572	**17,288,300**	**1,456,050**	**13,716,618**
23	**Deposits from banks**				
	Operating accounts with banks	417,327	5,373,920	336,683	3,920,000
	Deposits from banks	937,487	12,072,020	1,251,435	14,570,458
		1,354,814	**17,445,940**	**1,588,118**	**18,490,458**
24	**Deposit from customers**				
	Current accounts	12,782,593	164,601,451	13,266,452	154,461,301
	Term deposits	3,160,801	40,701,634	3,311,680	38,557,890
	Savings	3,256,989	41,940,247	3,395,816	39,537,486
		19,200,383	**247,243,332**	**19,973,948**	**232,556,677**
25	**Other liabilities**				
	Accrued income	87,172	1,122,514	101,271	1,179,098
	Unclaimed dividend	9,669	124,508	10,968	127,700
	Accruals and collections accounts	327,657	4,219,239	232,962	2,712,377
	Obligations under customers' letters of credit	40,417	520,450	67,287	783,423
	Bankers draft	14,185	182,660	4,263	49,634
	Accounts payable	263,426	3,392,137	271,496	3,161,028
	Other liabilities	16,017	206,251	16,417	191,143
	Other liabilities	810,842	10,441,212	657,580	7,656,204
		1,569,385	**20,208,971**	**1,362,244**	**15,860,607**

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

Ecobank
The Pan African Bank

Note 26: GEOGRAPHICAL REGION FINANCIAL PERFORMANCE - USD

Ecobank segments 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 31 March 2024						
Net interest income	99,671	22,888	109,776	87,960	(30,852)	289,443
Net fees and commission income	68,042	13,384	41,856	72,554	10,670	206,506
Operating income	**167,713**	**36,272**	**151,632**	**160,514**	**(20,182)**	**495,949**
Net Impairment charges and modification loss on financial assets	(10,500)	(5,624)	(16,082)	(589)	(46,208)	(79,003)
Depreciation and amortization	(4,916)	(1,005)	(2,283)	(4,924)	(5,405)	(18,533)
Operating expenses	(77,940)	(25,927)	(60,753)	(73,970)	(9,675)	(248,265)
Operating profit after impairment charges	**74,357**	**3,716**	**72,514**	**81,031**	**(81,470)**	**150,148**
Profit before tax	**74,357**	**3,716**	**72,514**	**81,031**	**(81,470)**	**150,148**
Balance Sheet Highlights as at 31 March 2024						
Total assets	10,367,084	3,706,948	5,068,959	6,822,948	560,090	**26,526,029**
Total Liabilities	9,325,643	3,476,183	4,479,410	6,133,636	1,507,748	**24,922,620**

In 000 of $	UEMOA	NIGERIA	AWA	CESA	OTHERS AND CONSO ADJUSTMENT(1)	Ecobank Group
Income Statement Highlights for the period ended 31 March 2023						
Net interest income	88,603	32,713	91,312	82,956	(29,706)	265,878
Net fees and commission income	65,454	29,523	27,539	62,883	20,968	206,367
Operating income	**154,057**	**62,236**	**118,851**	**145,839**	**(8,738)**	**472,245**
Impairment charges on financial assets	(7,437)	(3,245)	(30,992)	(3,613)	(25,229)	(70,516)
Depreciation and amortization*	(5,132)	(2,578)	(2,841)	(5,140)	(8,117)	(23,808)
Operating expenses	(70,224)	(49,235)	(58,648)	(66,797)	(7,925)	(252,829)
Operating profit after impairment charges	**71,264**	**7,178**	**26,370**	**70,289**	**(50,009)**	**125,092**
Profit before tax	**71,264**	**7,178**	**26,370**	**70,289**	**(50,009)**	**125,092**
Balance Sheet Highlights as at 31 December 2023						
Total assets	10,894,681	4,403,278	5,105,137	6,583,335	243,734	**27,230,165**
Total Liabilities	9,877,409	4,058,687	4,525,474	5,890,079	1,144,061	**25,495,710**

(1) Others & Consolidation 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 & Consolidation adjustments'

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

Note 27: BUSINESS FINANCIAL PERFORMANCE - USD

The group operating segments are described below:

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

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

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

In 000 of $	CIB	Commercial	Consumer	Others	Consolidation Adjustments	Ecobank Group
Income Statement Highlights for the period ended 31 March 2024						
Net interest income	163,432	78,790	76,676	(29,603)	148	289,443
Non interest income	93,394	62,172	50,451	59,745	(59,256)	206,506
Operating income	**256,826**	**140,962**	**127,127**	**30,142**	**(59,108)**	**495,949**
Net Impairment charges and modification loss on financial assets	(53,461)	(2,425)	(2,449)	(20,668)	-	(79,003)
Depreciation and amortization	(5,179)	(4,357)	(3,891)	(5,390)	284	(18,533)
Operating expenses	(97,366)	(72,348)	(75,707)	(48,050)	45,206	(248,265)
Operating profit after impairment charges	**100,820**	**61,832**	**45,080**	**(43,966)**	**(13,618)**	**150,148**
Profit before tax	**100,820**	**61,832**	**45,080**	**(43,966)**	**(13,618)**	**150,148**
Balance Sheet Highlights as at 31 March 2024						
Total assets	14,614,273	2,223,070	1,127,403	4,215,676	4,345,606	**26,526,029**
Total Liabilities	11,274,255	4,931,095	6,197,844	2,136,218	383,208	**24,922,620**

In 000 of $	CIB	Commercial	Consumer	Others	Consolidation Adjustments	Ecobank Group
Income Statement Highlights for the period ended 31 March 2023						
Net interest income	148,572	73,464	68,979	(34,914)	9,777	265,878
Net fees and commission income	89,035	57,522	55,438	82,922	(78,550)	206,367
Operating income	**237,607**	**130,986**	**124,417**	**48,008**	**(68,773)**	**472,245**
Impairment charges on financial assets	(35,389)	(6,177)	(3,514)	(7,500)	(17,936)	(70,516)
Depreciation and amortization*	(6,427)	(5,024)	(4,698)	(8,001)	342	(23,808)
Operating expenses	(104,615)	(70,637)	(78,155)	(33,190)	33,768	(252,829)
Operating profit after impairment charges	**91,176**	**49,148**	**38,050**	**(683)**	**(52,599)**	**125,092**
Profit before tax	**91,176**	**49,148**	**38,050**	**(683)**	**(52,599)**	**125,092**
Balance Sheet Highlights as at 31 December 2023						
Total assets	15,470,470	2,276,411	1,182,888	4,039,329	4,261,067	**27,230,165**
Total Liabilities	11,994,285	5,071,493	6,501,757	1,929,229	(1,054)	**25,495,710**

*Depreciation and amortization, previously merged with operating expenses, have now been presented separately in the comparative segment information for 2023.

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

Note 28: GEOGRAPHICAL REGION FINANCIAL PERFORMANCE - GHC

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

In 000 ,000 of GHC	UEMOA	NIGERIA	AWA	CESA	OTHERS AND CONSO ADJUSTMENT(1)	Ecobank Group
Income Statement Highlights for the period ended 31 March 2024						
Net interest income	1,222	281	1,346	1,079	(378)	3,550
Net fees and commission income	834	164	513	890	132	2,533
Operating income	**2,056**	**445**	**1,859**	**1,969**	**(246)**	**6,083**
Net Impairment charges and modification loss on financial assets	(129)	(69)	(197)	(7)	(567)	(969)
Depreciation and amortization	(60)	(12)	(28)	(60)	(67)	(227)
Operating expenses	(956)	(318)	(745)	(907)	(119)	(3,045)
Operating profit after impairment charges	**911**	**46**	**889**	**995**	**(999)**	**1,841**
Profit before tax	**911**	**46**	**889**	**995**	**(999)**	**1,841**
Balance Sheet Highlights as at 31 March 2024						
Total assets	133,497	47,734	65,273	87,859	7,213	**341,576**
Total Liabilities	120,086	44,763	57,681	78,983	19,416	**320,929**

In 000,000 of GHC	UEMOA	NIGERIA	AWA	CESA	OTHERS AND CONSO ADJUSTMENT(1)	Ecobank Group
Income Statement Highlights for the period ended 31 March 2023						
Net interest income	932	344	960	872	(312)	2,796
Net fees and commission income	688	311	290	661	220	2,170
Operating income	**1,620**	**655**	**1,250**	**1,533**	**(92)**	**4,967**
Impairment charges on financial assets	(78)	(34)	(326)	(38)	(266)	(742)
Depreciation and amortization*	(54)	(27)	(30)	(54)	(85)	(250)
Operating expenses	(739)	(518)	(617)	(703)	(82)	(2,659)
Operating profit after impairment charges	**749**	**76**	**277**	**738**	**(525)**	**1,316**
Profit before tax	**749**	**76**	**277**	**738**	**(524)**	**1,316**
Balance Sheet Highlights as at 31 December 2023						
Total assets	126,847	51,267	59,439	76,650	2,838	**317,041**
Total Liabilities	115,003	47,255	52,690	68,578	13,321	**296,847**

(1) Others & Consolidation 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 & Consolidation adjustments'

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

Note 29: BUSINESS FINANCIAL PERFORMANCE - GHC

The group operating segments are described below:

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

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

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

In 000,000 of GHC	CIB	Commercial	Consumer	Others	Consolidation Adjustments	Ecobank Group
Income Statement Highlights for the period ended 31 March 2024						
Net interest income	2,004	966	940	(363)	-	3,550
Net fees and commission income	1,145	762	619	733	(726)	2,533
Operating income	**3,149**	**1,728**	**1,559**	**370**	**(723)**	**6,083**
Net Impairment charges and modification loss on financial assets	(656)	(30)	(30)	(253)	-	(969)
Depreciation and amortization	(64)	(53)	(48)	(66)	4	(227)
Operating expenses	(1,194)	(887)	(928)	(589)	553	(3,045)
Operating profit after impairment charges	**1,235**	**758**	**553**	**(538)**	**(166)**	**1,841**
Profit before tax	**1,176**	**705**	**531**	**(538)**	**(32)**	**1,841**
Balance Sheet Highlights as at 31 March 2024						
Total assets	188,188	28,626	14,518	54,285	55,959	**341,576**
Total Liabilities	145,179	63,498	79,810	27,508	4,934	**320,929**

In 000,000 of GHC	CIB	Commercial	Consumer	Others	Consolidation Adjustments	Ecobank Group
Income Statement Highlights for the period ended 31 March 2023						
Net interest income	1,563	773	725	(367)	102	2,796
Net fees and commission income	936	605	583	872	(826)	2,170
Operating income	**2,499**	**1,378**	**1,308**	**505**	**(723)**	**4,967**
Impairment charges on financial assets	(372)	(65)	(37)	(80)	(188)	(742)
Depreciation and amortization*	(68)	(53)	(49)	(85)	5	(250)
Operating expenses	(1,100)	(743)	(822)	(349)	355	(2,659)
Operating profit after impairment charges	**959**	**517**	**400**	**(9)**	**(551)**	**1,316**
Profit before tax	**959**	**517**	**400**	**(9)**	**(551)**	**1,316**
Balance Sheet Highlights as at 31 December 2023						
Total assets	180,123	26,504	13,772	47,030	49,612	**317,041**
Total Liabilities	139,649	59,047	75,700	22,462	(11)	**296,847**

*Depreciation and amortization, previously merged with operating expenses, have now been presented separately in the comparative segment information for 2023.

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

30 Contingent liabilities and commitments

a) Legal proceedings

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

b) Loan commitments, guarantee and other financial facilities

At 31 March 2024 the Group had contractual amounts of the off-statement of financial position financial instruments that commit it to extend credit to customers guarantees and other facilities are as follows:

	31 Mar 2024	31 Dec 2023
Guaranteed commercial papers and bankers acceptances	120,539	81,677
Documentary and commercial letters of credit	947,911	1,131,338
Performance bond, guarantees and indemnities	1,570,287	1,641,273
Loan commitments	653,584	647,836
	3,292,321	**3,502,124**

d) 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 31 March 2024 $228 million (December 2023 : $ 228 million). Based on Group's assessment, the probable liability is not likely to exceed $15 million (December 2023 : $ 15 million) which provisions have been made in the books in Note 26.

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 14,297 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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