GHANA
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**PRESS RELEASE**

**PR. No 286/2013**

**ECOBANK TRANSNATIONAL INCORPORATED (ETI) -**
**UN-AUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED- SEPTEMBER 2013**

ETI has released its un-audited Financial Statements for the third quarter ended September 30, 2013 as per the attached.

Issued in Accra, this 29th day of October, 2013.

att'd.

- **E N D –**

Distribution:
1. All LDMs
2. General Public
3. Company Secretary, ETI
4. GCB Registrars (Registrars for ETI shares)
5. GSE Securities Depository
6. SEC
7. GSE Council Members
8. GSE Notice Board

**For enquiries, contact:**
**General Manager/Head of Listings, GSE on 669908, 669914, 669935**

*By

## Ecobank delivers continued strong performance for the first nine months of 2013

- Revenue grew by 24% to $1,456 million (up 33% to GHC 2,857 million)
- Profit before tax up by 56% to $299 million (up 68% to GHC 587 million)
- Profit after tax up by 65% to $250 million (up 78% to GHC 491 million)
- Total assets up 16% to $21.5 billion (up 22% to GHC 43.1 billion)
- Total equity up 17% to $2.3 billion (up 23% to GHC 4.5 billion)

| Financial Highlights | Period ended 30 September 2013 | | Period ended 30 September 2012 | | % Variation Sep 2013 - Sep 2012 | |
|---|---|---|---|---|---|---|
| | US$'000 | GHC'000 | US$'000 | GHC'000 | US$ | GHC |
| **Income Statement :** | | | | | | |
| Revenue | 1,455,597 | 2,857,192 | 1,176,902 | 2,142,720 | 24% | 33% |
| Profit before income tax | 298,830 | 586,574 | 191,448 | 348,558 | 56% | 68% |
| Income tax expense | 48,530 | 95,260 | 40,169 | 73,133 | 21% | 30% |
| Profit for the period | 250,300 | 491,314 | 151,279 | 275,425 | 65% | 78% |
| **Statement of Financial Position :** | | | | | | |
| Total assets | 21,540,858 | 43,055,866 | 18,540,910 | 35,251,832 | 16% | 22% |
| Loans & advances to customers | 10,507,532 | 21,002,455 | 8,560,264 | 16,275,630 | 23% | 29% |
| Deposits from customers | 15,734,053 | 31,449,225 | 13,117,238 | 24,939,805 | 20% | 26% |
| Total equity | 2,266,870 | 4,531,019 | 1,940,302 | 3,689,096 | 17% | 23% |

Ecobank continues to deliver strong growth, with net income to shareholders up 74% year-on-year. Net revenue for the third quarter surpassed the $500 million mark, contributing to the 24% organic revenue growth achieved. Returns in Nigeria were affected by regulatory headwinds, but this was offset by greater profitability in other parts of the group - particularly Ghana and the Central African cluster - showing the benefit of our geographic diversification.

We are encouraged by the increasing contribution of non-interest revenue, led by trade finance activity, as we seek to monetise our unique pan-African footprint. Balance sheet growth was strong during the third quarter, with an increase of 6% in net customer loans and 5% in customer deposits.

Ecobank's presence now extends to South Sudan, where we commenced banking business in July, and to Ethiopia, with our representative office opened in October.

These solid results have been delivered in tougher market conditions, and I thank our staff for remaining focused on serving our customers and continuing to grow our business.

By Order of the Board of Directors

**Thierry Tanoh**
**Group Chief Executive Officer**

**Rotimi Nihinlola**
**Group Chief Financial Officer**

www.ecobank.com

## Unaudited Consolidated Income Statement

| | Period ended 30 September 2013 | | Period ended 30 September 2012 | | % Variation Sep 2013 - Sep 2012 | |
|---|---|---|---|---|---|---|
| | US$'000 | GHC'000 | US$'000 | GHC'000 | US$ | GHC |
| Interest income | 1,177,505 | 2,311,325 | 1,020,778 | 1,858,474 | 15% | 24% |
| Interest expense | (405,764) | (796,474) | (398,428) | (725,396) | 2% | 10% |
| **Net interest income** | **771,741** | **1,514,851** | **622,350** | **1,133,078** | 24% | 34% |
| Fee and commission income | 453,909 | 890,978 | 378,306 | 688,760 | 20% | 29% |
| Fee and commission expense | (17,811) | (34,961) | (19,438) | (35,390) | -8% | -1% |
| **Net fee and commission income** | **436,098** | **856,017** | **358,868** | **653,370** | 22% | 31% |
| Lease income | 1,274 | 2,501 | 1,713 | 3,119 | -26% | -20% |
| Dividend income | 3,589 | 7,045 | 2,209 | 4,022 | 62% | 75% |
| Net trading income | 220,640 | 433,094 | 182,279 | 331,865 | 21% | 31% |
| Gains less losses from investment securities | (63) | (124) | (2,841) | (5,172) | -98% | -98% |
| Other operating income | 22,318 | 43,808 | 12,324 | 22,438 | 81% | 95% |
| **Operating income before impairment loss** | **1,455,597** | **2,857,192** | **1,176,902** | **2,142,720** | 24% | 33% |
| Impairment losses for loans | (115,380) | (226,479) | (84,970) | (154,700) | 36% | 46% |
| **Operating income after impairment loss** | **1,340,217** | **2,630,713** | **1,091,932** | **1,988,020** | 23% | 32% |
| Staff expenses | (463,703) | (910,203) | (419,015) | (762,877) | 11% | 19% |
| Depreciation and amortisation | (98,764) | (193,864) | (97,601) | (177,697) | 1% | 9% |
| Other operating expenses | (478,899) | (940,031) | (383,459) | (698,143) | 25% | 35% |
| **Total operating expenses** | **(1,041,366)** | **(2,044,098)** | **(900,075)** | **(1,638,717)** | 16% | 25% |
| **Operating profit** | **298,851** | **586,615** | **191,857** | **349,303** | **56%** | **68%** |
| Share of loss of associates | (21) | (41) | (409) | (745) | -95% | -94% |
| **Profit before tax** | **298,830** | **586,574** | **191,448** | **348,558** | **56%** | **68%** |
| Income tax expense | (48,530) | (95,260) | (40,169) | (73,133) | 21% | 30% |
| **Profit for the period** | **250,300** | **491,314** | **151,279** | **275,425** | **65%** | **78%** |
| **Attributable to:** | | | | | | |
| Owners of the parent | 217,145 | 426,234 | 124,835 | 227,280 | 74% | 88% |
| Non-controlling interests | 33,155 | 65,080 | 26,444 | 48,145 | 25% | 35% |
| | **250,300** | **491,314** | **151,279** | **275,425** | **65%** | **78%** |
| Earnings per share for profit attributable to the equity holders of the parent company during the period (expressed in United States cents/Ghana pesewas per share) | | | | | | |
| - Basic | 1.26 | 2.47 | 0.90 | 1.64 | 40% | 51% |
| - Diluted | 1.04 | 2.04 | 0.65 | 1.18 | 60% | 73% |

## Unaudited Consolidated Statement of Comprehensive Income

| | Period ended 30 September 2013 | | Period ended 30 September 2012 | | % Variation Sep 2013 - Sep 2012 | |
|---|---|---|---|---|---|---|
| | US$'000 | GHC'000 | US$'000 | GHC'000 | US$ | GHC |
| **Profit for the period** | **250,300** | 491,314 | **151,279** | **275,425** | **65%** | **78%** |
| Exchange difference on translation of foreign operations | (43,792) | (85,959) | (38,069) | (69,309) | 15% | 24% |
| Available-for-sale investments: | | | | | | |
| Net valuation losses taken to equity | (25,955) | (50,947) | (79,570) | (144,869) | -67% | -65% |
| Taxation relating to components of other comprehensive income | 623 | 1,223 | 14,247 | 25,939 | -96% | -95% |
| Other comprehesive income | - | - | 114,998 | 209,370 | na | na |
| **Other comprehensive income for the period, net of taxation** | (69,124) | (135,683) | 11,606 | 21,131 | -696% | -742% |
| **Total comprehensive income for the period** | **181,176** | **355,631** | **162,885** | **296,556** | **11%** | **20%** |
| **Total comprehensive income attributable to:** | | | | | | |
| Owners of the parent | 157,177 | 308,524 | 140,516 | 255,830 | 12% | 21% |
| Non controlling interests | 23,999 | 47,107 | 22,369 | 40,726 | 7% | 16% |
| | **181,176** | **355,631** | **162,885** | **296,556** | **11%** | **20%** |

## Unaudited Consolidated Statement of Financial Position

| Assets | Period ended 30 September 2013 | | Period ended 30 September 2012 | | % Variation Sep 2013 - Sep 2012 | |
|---|---|---|---|---|---|---|
| | US$'000 | GHC'000 | US$'000 | GHC'000 | US$ | GHC |
| Cash and balances with central banks | 2,805,941 | 5,608,515 | 1,827,402 | 3,474,439 | 54% | 61% |
| Treasury bills and other eligible bills | 1,085,985 | 2,170,667 | 967,520 | 1,839,546 | 12% | 18% |
| Loans and advances to banks | 1,742,090 | 3,482,089 | 2,048,202 | 3,894,246 | -15% | -11% |
| Loans & advances to customers | 10,507,532 | 21,002,455 | 8,560,264 | 16,275,630 | 23% | 29% |
| Trading assets | 35,048 | 70,054 | 272,925 | 518,912 | -87% | -86% |
| Derivative financial instruments | 138,567 | 276,968 | 449 | 854 | 30761% | 32344% |
| Investment securities: available for sale | 1,859,653 | 3,717,074 | 2,201,704 | 4,186,100 | -16% | -11% |
| Investments in associates | 15,609 | 31,199 | 2,414 | 4,590 | 547% | 580% |
| Pledged assets | 1,056,845 | 2,112,422 | 464,877 | 883,871 | 127% | 139% |
| Intangible assets | 507,268 | 1,013,927 | 529,131 | 1,006,037 | -4% | 1% |
| Property and equipment | 860,723 | 1,720,413 | 820,151 | 1,559,353 | 5% | 10% |
| Investment properties | 197,945 | 395,652 | 61,996 | 117,873 | 219% | 236% |
| Deferred income tax assets | 101,528 | 202,934 | 70,823 | 134,656 | 43% | 51% |
| Others assets | 626,124 | 1,251,497 | 713,051 | 1,355,724 | -12% | -8% |
| **Total Assets** | **21,540,858** | **43,055,866** | **18,540,910** | **35,251,832** | **16%** | **22%** |
| **Liabilities** | | | | | | |
| Deposits from other banks | 929,704 | 1,858,292 | 466,377 | 886,723 | 99% | 110% |
| Deposits from customers | 15,734,053 | 31,449,225 | 13,117,238 | 24,939,805 | 20% | 26% |
| Other deposits | 564,537 | 1,128,397 | 221,160 | 420,492 | 155% | 168% |
| Derivative financial instruments | 4,140 | 8,275 | 407 | 774 | 917% | 969% |
| Borrowed funds | 1,082,669 | 2,164,039 | 1,347,640 | 2,562,268 | -20% | -16% |
| Other liabilities | 843,220 | 1,685,428 | 1,382,884 | 2,629,277 | -39% | -36% |
| Other provisions | 28,562 | 57,090 | 21,131 | 40,176 | 35% | 42% |
| Current income tax liabilities | 31,329 | 62,620 | 19,275 | 36,648 | 63% | 71% |
| Deferred income tax liabilities | 40,460 | 80,871 | 17,997 | 34,218 | 125% | 136% |
| Retirement benefit obligations | 15,314 | 30,610 | 6,499 | 12,357 | 136% | 148% |
| **Total Liabilities** | **19,273,988** | **38,524,847** | **16,600,608** | **31,562,736** | **16%** | **22%** |
| **Equity** | | | | | | |
| Equity attributable to the owners of the parent | | | | | | |
| Share capital and premium | 1,411,556 | 2,193,570 | 1,425,284 | 2,709,892 | -1% | -19% |
| Retained earnings and reserves | 676,329 | 1,979,694 | 368,029 | 699,734 | 84% | 183% |
| **Shareholders' equity** | **2,087,885** | **4,173,264** | **1,793,313** | **3,409,626** | **16%** | **22%** |
| **Non-controlling interests** | **178,985** | 357,755 | **146,989** | 279,470 | 22% | 28% |
| **Total Equity** | **2,266,870** | **4,531,019** | **1,940,302** | **3,689,096** | **17%** | **23%** |
| **Total Liabilities and Equity** | **21,540,858** | **43,055,866** | **18,540,910** | **35,251,832** | **16%** | **22%** |

## Uaudited Consolidated Statement of Cash Flows

| | Period ended 30 September 2013 | | Period ended 30 September 2012 | | % Variation Sep 2013 - Sep 2012 | |
|---|---|---|---|---|---|---|
| | US$'000 | GHC'000 | US$'000 | GHC'000 | US$ | GHC |
| **Cash flows from operating activities** | | | | | | |
| Profit before tax | 298,851 | 586,615 | 191,857 | 349,303 | 56% | 68% |
| Net trading income - foreign exchange | (155,917) | (306,050) | (143,858) | (261,914) | 8% | 17% |
| Net gain from investment securities | (63) | (124) | (2,841) | (5,173) | -98% | -98% |
| Impairment losses on loans and advances | 115,380 | 226,479 | 84,970 | 154,700 | 36% | 46% |
| Depreciation of property and equipment | 80,770 | 158,543 | 79,257 | 144,299 | 2% | 10% |
| Amortisation of software and other intangibles | 17,994 | 35,320 | 18,344 | 33,398 | -2% | 6% |
| Impairment charges: | | | | | | |
| - property and equipment | 192 | 377 | 544 | 990 | -65% | -62% |
| - doubtful receivables | 519 | 1,018 | (1,935) | (3,523) | -127% | -129% |
| Profit on sale of property and equipment | (598) | (1,173) | (150) | (273) | 298% | 330% |
| Share of loss of associates | 21 | 41 | 409 | 745 | na | na |
| Income taxes paid | (61,352) | (120,428) | (63,854) | (116,255) | -4% | 4% |
| **Changes in operating assets and liabilities** | | | | | | |
| net decrease/ (increase)in trading assets | 57,806 | 115,543 | (271,355) | (515,927) | -121% | -122% |
| net increase in pledged assets | (356,791) | (713,154) | (367,431) | (698,597) | na | na |
| net decrease in derivative financial assets | 4,850 | 9,694 | 8,162 | 15,518 | -41% | -38% |
| net decrease in loans and advances to banks | 269,751 | 539,179 | 768,166 | 1,460,514 | -65% | -63% |
| net increase in loans and advances to customers | (1,102,267) | (2,203,211) | (1,320,988) | (2,511,594) | -17% | -12% |
| net increase in other assets | (29,855) | (59,674) | (121,108) | (230,263) | -75% | -74% |
| net increase in mandatory reserve deposits with central banks | (605,152) | (1,209,577) | (342,982) | (652,112) | 76% | 85% |
| net increase in other deposits | 195,177 | 390,120 | 51,061 | 97,082 | 282% | 302% |
| net increase in amounts due to customers | 1,113,575 | 2,225,814 | 1,040,743 | 1,978,765 | 7% | 12% |
| net increase/(decrease) in derivative liabilities | 4,011 | 8,017 | (9,863) | (18,753) | -141% | -143% |
| net increase in other liabilities | 105,299 | 210,472 | 355,683 | 676,260 | -70% | -69% |
| net increase in other provisions | 2,522 | 5,041 | 2,093 | 3,979 | 20% | 27% |
| **Net cashflow used in operating activities** | **(45,277)** | **(101,118)** | **(45,076)** | **(98,831)** | **0%** | **2%** |
| **Cash flows from investing activities** | | | | | | |
| Disposal of subsidiaries | 21,420 | 42,814 | 119,245 | 226,721 | -82% | -81% |
| Purchase of software | (13,759) | (27,501) | (28,407) | (54,010) | -52% | -49% |
| Net purchase of property and equipment | (75,326) | (150,562) | (142,963) | (271,816) | -47% | -45% |
| Sale of investment securities | 458,600 | 916,650 | 496,207 | 943,438 | -8% | -3% |
| Interest received | 89,390 | 178,672 | 219,116 | 416,606 | -59% | -57% |
| **Net cashflow from investing activities** | **480,325** | **960,073** | **663,198** | **1,260,939** | **-28%** | **-24%** |
| **Cash flows from financing activities** | | | | | | |
| Repayment of borrowed funds | (157,014) | (313,840) | (55,381) | (105,296) | 184% | 198% |
| Proceeds of subscription of ordinary shares | - | - | 345,098 | 656,135 | -100% | -100% |
| Dividends paid to non-controlling shareholders | (24,144) | (48,259) | (22,525) | (42,827) | 7% | 13% |
| Dividends paid | (68,879) | (137,675) | (55,612) | (105,735) | 24% | 30% |
| **Net cashflow (used in)/from financing activities** | **(250,037)** | **(499,774)** | **211,580** | **402,277** | **-218%** | **-224%** |
| **Net increase in cash and cash equivalents** | **185,011** | **359,181** | **829,702** | **1,564,385** | **-78%** | **-77%** |
| Cash and cash equivalents at start of period | 1,813,053 | 3,623,930 | 1,330,596 | 2,529,862 | 36% | 43% |
| Effects of exchange differences on cash and cash equivalents | 290,953 | 592,176 | (6,856) | 90 | -4344% | 657873% |
| **Cash and cash equivalents at end of period** | **2,289,017** | **4,575,287** | **2,153,442** | **4,094,337** | **6%** | **12%** |

## Unaudited Statement of Changes in Equity

in US '000

| | Share Capital and Premium | PPE Revaluation Reserve | Available for Sale Fin. Assets reserves | Currency Translation Reserve | Other Reserves | Retained Earnings | Total equity and reserves attributable | Non-Controlling Interests | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| **At 31 December 2011 / 1 January 2012** | 1,080,186 | 64,801 | (15,858) | (308,660) | 218,527 | 315,209 | 1,354,205 | 105,131 | 1,459,336 |
| **Changes in Equity for 2012:** | | | | | | | | | |
| Currency translation differences | | | | (33,711) | | | (33,711) | 1,268 | (32,443) |
| Net changes in AFS investments, net of tax | | | 15,515 | | | | 15,515 | | 15,515 |
| Net gains on revaluation of property | | (1,177) | | | | | (1,177) | | (1,177) |
| Profit for the year | | | | | | 249,743 | 249,743 | 36,989 | 286,732 |
| **Total Comprehensive Income** | - | (1,177) | 15,515 | (33,711) | - | 249,743 | 230,370 | 38,257 | 268,627 |
| Dividend relating to 2011 | | | | | | (55,612) | (55,612) | (22,525) | (78,137) |
| Issued Share Capital | 331,370 | | | | | | 331,370 | 15,444 | 346,814 |
| Share options granted | | | | | 1,200 | | 1,200 | | 1,200 |
| Adjustments to opening retained earnings | | | | | | 44,715 | 44,715 | | 44,715 |
| Reclassification of share option reserve | | | | | | | - | | - |
| Transfer and Reclassification | | | | | 26,358 | (26,358) | - | | - |
| Other equity transactions | | | | | | 102,495 | 102,495 | 31,422 | 133,917 |
| **At 31 December 2012 / 1 January 2013** | 1,411,556 | 63,624 | (343) | (342,371) | 246,085 | 630,192 | 2,008,743 | 167,729 | 2,176,472 |
| **Changes in Equity for 2013 :** | | | | | | | | | |
| Currency translation differences | | | | (43,792) | | | (43,792) | 2,245 | (41,547) |
| Net changes in AFS investments, net of tax | | | (25,332) | | | | (25,332) | | (25,332) |
| Net gains on revaluation of property | | | | | | | - | | - |
| Other comprehensive income | | | | | | | - | | - |
| Profit for the year | | | | | | 217,145 | 217,145 | 33,155 | 250,300 |
| **Total Comprehensive Income** | - | - | (25,332) | (43,792) | - | 217,145 | 148,021 | 35,400 | 183,421 |
| Dividend relating to 2012 | | | | | | (68,879) | (68,879) | (24,144) | (93,023) |
| Issued Share Capital | | | | | | | - | | - |
| Share options granted | | | | | | | - | | - |
| Reclassification of share option reserve | | | | | | | - | | - |
| Transfer and Reclassification | | | | | | | - | | - |
| Other equity transactions | | | | | | | - | | - |
| **At 30 September 2013** | 1,411,556 | 63,624 | (25,675) | (386,163) | 246,085 | 778,458 | 2,087,885 | 178,985 | 2,266,870 |

Ecobank
The Pan African Bank

**Unaudited Statement of Changes in Equity** **in GHC'000**

| | Share Capital & Premium | PPE Revaluation Surplus | Available for Sale Fin. Assets reserves | Currency Translation Reserve | Other Reserves | Retained Earnings | Total equity and reserves attributable | Non-Controlling Interests | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| **At 31 December 2011 / 1 January 2012** | **1,585,075** | **95,386** | **(27,345)** | **(291,083)** | **322,731** | **460,431** | **2,145,196** | **166,538** | **2,311,734** |
| Changes in Accounting Policy | | | | | | | | | |
| Restated Balance | | | | | | | | | |
| **Changes in Equity for 2012:** | | | | | | | | | |
| Currency translation differences | | | | 376,648 | | | 376,648 | 35,768 | 412,417 |
| Net changes in AFS investments, net of tax | | | 28,492 | | | | 28,492 | | 28,492 |
| Net gains on revaluation of property | | (2,161) | | | | | (2,161) | | (2,161) |
| Profit for the year | | | | | | 458,603 | 458,603 | 67,923 | 526,526 |
| **Total Comprehensive Income** | **-** | **(2,161)** | **28,492** | **376,648** | **-** | **458,603** | **861,583** | **103,691** | **965,274** |
| Dividend relating to 2011 | | | | | | (102,120) | (102,120) | (42,450) | (144,570) |
| Issued Share Capital | 608,495 | | | | | | 608,495 | 29,106 | 637,601 |
| Adjustments to opening retained earnings | | | | | | 82,109 | 82,109 | | 82,109 |
| Reclassification of share option reserve | | | | | (332) | 332 | - | | - |
| Transfer and Reclassification | | | | | 48,734 | (48,734) | - | | - |
| Other equity transactions | | | | | 2,204 | 188,212 | 190,416 | 59,217 | 249,633 |
| **At 31 December 2012 / 1 January 2013** | **2,193,570** | **93,225** | **1,147** | **85,565** | **373,336** | **1,038,834** | **3,785,678** | **316,102** | **4,101,781** |
| Changes in Accounting Policy | | | | | | | | | |
| Restated Balance | | | | | | | | | |
| **Changes in Equity for 2013 :** | | | | | | | | | |
| Currency translation differences | | | | 147,528 | | | 147,528 | 24,831 | 172,359 |
| Net changes in AFS investments, net of tax | | | (48,501) | | | | (48,501) | | (48,501) |
| Net gains on revaluation of property | | | | | | | - | | - |
| Other comprehensive income | | | | | | | - | | - |
| Profit for the year | | | | | | 426,234 | 426,234 | 65,080 | 491,314 |
| **Total Comprehensive Income** | **-** | **-** | **(48,501)** | **147,528** | **-** | **426,234** | **525,261** | **89,911** | **615,172** |
| Dividend relating to 2012 | | | | | | (137,675) | (137,675) | (48,258) | (185,933) |
| Issued Share Capital | | | | | | | - | | - |
| Reclassification of share option reserve | | | | | | | - | | - |
| Transfer and Reclassification | | | | | | | - | | - |
| Other equity transactions | | | | | | | - | | - |
| **At 30 September 2013** | **2,193,570** | **93,225** | **(47,354)** | **233,093** | **373,336** | **1,327,392** | **4,173,264** | **357,755** | **4,531,019** |

**DISCLOSURES**

1. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

2. The accounting policies applied in the preparation of these financial statements were consistent with those applied in the preparation of the annual consolidated financial statements of 31 December 2012.

3. Contingent liabilities in respect of bankers acceptance, guarantees, letters of credits and commitments to extend credit not provided for in the financial statements were US$ 4.9 billion (GHC9.8 billion) (30 Sep 2012: US$ 3.5 billion (GHC 6.7 billion))

**PRESS RELEASE**

# ECOBANK DELIVERS CONTINUED STRONG PERFORMANCE FOR THE FIRST NINE MONTHS OF 2013

## Pre-tax profit of $299 million on Revenue of $1.46 billion

**LOMÉ, 29 October 2013:** Ecobank Transnational Inc. ("Ecobank" or “the Group”; NSE: ETI, GSE: ETI; BRVM: ETIT), the parent company of the pan-African banking Group present in 35 African countries today reported its unaudited financial results for the nine months ended 30 September 2013.

**Financial highlights:**

- Net income attributable to shareholders of $217 million, up 74% from the prior year
- Net revenue of $1,456 million, up 24%, and pre-tax profit of $299 million, up 56%, from the prior year
- Basic earnings per share of 1.26 $ cents, up 40% compared with 0.90 $ cents in the prior year
- Cost-to-income ratio of 71.5%, reduced from 76.5%, and return on average equity of 15.0%, increased from 11.9% in the prior year

**Balance sheet growth:**

- Total assets of $21.5 billion, up $3.0 billion, or 16% from the prior year
- Customer loans of $10.5 billion, up $1.9 billion, or 23% from the prior year
- Customer deposits of $15.7 billion, up $2.6 billion, or 20% from the prior year
- Tier 1 capital under Basel 1 increased by $534 million to $2.2 billion, with Tier 1 capital ratio of 14.6%

**Key financial ratios:**

| % | **9M13** | 6M13 | 3M13 | FY12 | 9M12 |
|---|---|---|---|---|---|
| Net Interest Margin (NIM) | **7.0** | 7.0 | 6.7 | 6.5 | 6.3 |
| Cost-to-Income Ratio (CIR) | **71.5** | 71.3 | 72.6 | 72.0 | 76.5 |
| NPL ratio | **5.8** | 5.7 | 6.4 | 5.6 | 5.4 |
| Return on Av. Equity (ROAE) | **15.0** | 15.3 | 14.8 | 15.8 | 11.9 |

**Operational highlights:**

- Strong balance sheet growth during third quarter 2013, including an increase of 6% in net customer loans and 5%in customer deposits, with Nigeria contributing heavily to both
- Balanced revenue mix, with lower cost of funds helping to sustain net interest margin, and continued growth in non-funded income, with net interest revenue up 10% on the prior quarter
- Strategic initiatives bearing fruit, benefiting our customers, employees and financial results in areas such as improved ATM uptime and training for relationship managers to enhance cross-selling.

Commenting on these results, Thierry Tanoh, Group CEO said: “Ecobank continues to deliver strong growth, with net income to shareholders up 74% year-on-year. Net revenue for the third quarter surpassed the $500 million mark, contributing to the 24% organic revenue growth achieved. Returns in Nigeria were affected by regulatory headwinds, but this was offset by greater profitability from other parts of the group - particularly Ghana and the Central African cluster - showing the benefit of our geographic diversification.

We are encouraged by the increasing contribution of non-interest revenue, led by trade finance activities, as we seek to monetise our unique pan-African footprint. Ecobank’s presence now extends to South Sudan, where we commenced banking business in July, and to Ethiopia, with our representative office opened in the past week.

These solid results have been delivered in tougher market conditions, and I thank our staff for remaining focused on serving our customers and continuing to grow our business.”

## FINANCIAL PERFORMANCE SUMMARY

- ### Income statement

**Net revenue** was $1,456 million for the first nine months of 2013, up 24% from the prior year period. For the three months ended 30 September 2013 ("third quarter 2013" or "third quarter"), our net revenue of $509 million increased 3% from second quarter 2013 and 24% from the prior year period.

**Net interest income (NII)** remained relatively steady at $262 million in third quarter 2013, down 2% from second quarter 2013 but up 31% from the prior year period. The slight decrease in the third quarter was driven by performance in Nigeria, where interest income from government securities was negatively impacted by regulatory changes (discussed in more detail under Nigeria Cluster commentary) and interest income for second quarter 2013 included a one-off amount of $8 million. However, net interest income benefitted from growth in customer loans, AFS securities, and a further decrease in our funding costs to 3.1%.

For the nine months ended September 2013, net interest income was $772 million, an increase of 24% from the prior year period. The Group's net interest margin was 7.0% for the nine months ended September 2013, essentially unchanged from June 2013.

**Non-interest revenue (NIR)** of $246 million grew strongly in third quarter 2013, increasing 10% from second quarter 2013 and 17% from the prior year period. The current quarter increase was primarily driven by foreign exchange and trade finance volumes, partially offset by lower securities trading income. These results reflected our on-going efforts to grow our non-funded income, particularly from cross-border activity.

For the nine months ended September 2013, non-interest revenue was $684 million, up 23% from the prior year period.

**Operating expenses** growth was contained, given the continued focus on running our businesses more efficiently. For third quarter 2013, operating expenses of $366 million increased 6% from second quarter 2013. The linked-quarter increase was mainly driven by our businesses outside Nigeria, where the growth in operating expenses was linked with accelerated revenue growth. For the nine months ended September 2013, operating expenses increased by 16% to $1,041 million from the prior year period.

The Group's cost-to-income ratio for third quarter 2013 was 71.9% compared with 70.2% for second quarter 2013 and 74.0% for the third quarter of 2012. The slight deterioration in the cost-to-income ratio in third quarter 2013 primarily reflected the revenue headwinds experienced in Nigeria. For the nine months ended September 2013, the cost-to-income ratio was 71.5% compared with 76.5% in the prior year period.

**Impairment losses** declined 5% in third quarter 2013 to $43 million from the previous quarter but slightly up from $41 million in the third quarter of 2012. Provisions in the third quarter were spread across geographies, with a similar amount taken in Nigeria, WAMZ and UEMOA regions.

For the nine months ended September 2013, provisions were $115 million, up 36% from the prior year period.

**Profit before tax** was $99 million for third quarter 2013 compared with $101 million for the previous quarter and $65 million for third quarter 2012. Maintaining the level of pre-tax profits in a difficult operating environment demonstrated the resilience of our underlying businesses. For the nine months ended September 2013, pre-tax profit was $299 million, up 56% from the prior year period, reflecting strong revenue growth and efficiency gains.

**Tax expense** for third quarter 2013 was $18 million, up 39% from the previous quarter. The effective tax rate increased to 18.4% from 13% in second quarter 2013. The increase in the third quarter reflects the re-introduction of the National Stabilisation Levy in Ghana. For the nine months ended September 2013, the Group's tax expense was $49 million compared with $40 million in the prior year period, representing an effective tax rate of 16.2% and 21% respectively.

**Net income** for third quarter 2013 was $81 million, down 8% from second quarter 2013 but up 26% from third quarter 2012. The decrease in net income in the third quarter was largely due to the tax increase mentioned above.

For the nine months ended September 2013, net income was $250 million, up 65% from the prior year period.

Net income attributable to shareholders was $68 million for third quarter 2013, down 12% from the prior quarter and up 22% from third quarter 2012. And for the nine months ended September 2013, net income attributable was $217 million, up 74% from the prior year period.

The Group achieved a return on average equity (RoAE) of 15.0% for the first nine months of 2013 compared with 11.9% in the prior year period. The increase in tax rate reduced RoAE slightly from the 15.3% level achieved in the first six months to June 2013.

**Earnings per share (EPS)** were 1.26 $ cents (basic) and 1.04 $ cents (diluted) compared with 0.90 $ cents (basic) and 0.65 $ cents (diluted) in the prior year period, respectively. There were no new shares issued during the third quarter, hence the share count used in the calculation of basic EPS remains 17,212.2 million.

- **Balance sheet**

**Customer loans (net)** were $10.5 billion at 30 September 2013, up $568 million, or 6%, from 30 June 2013. Third quarter loan growth was primarily driven by Domestic Bank, particularly in consumer and retail loans. This growth reflected on-going strategic initiative implementations, including improving effectiveness of the credit origination, appraisal, approvals, and turnaround times for credit extension. These initiatives supported Domestic Bank loan growth, which increased 8% or $392 million to $5.1 billion in third quarter 2013.

Corporate Bank loans grew by 3% in the third quarter to $5.4 billion.

From a regional perspective, loan growth in third quarter 2013 was strong in Nigeria, increasing $338 million, or 10% from the prior quarter and Central Africa, which grew by 8%.

**Credit quality** was broadly maintained in third quarter 2013. The percentage of non-performing loans (NPLs) to total loans remained essentially flat at 5.8% compared with 5.7% at 30 June 2013. The Group's coverage ratio improved to 69.9% at 30 September 2013 from 66.6% at 30 June 2013 reflecting a cautious approach to build reserves in light of recent loan growth.

Overall, we continue to devote increased resources to NPL recoveries and to collections on past-due obligations to reduce the rate of new NPL formation, both of which should help further restore the coverage ratio. The annualised cost of risk for third quarter 2013 was 1.6%, improving from 1.9% for second quarter 2013. We continue to focus on prudent underwriting and risk management.

**Total assets** were $21.5 billion at 30 September 2013, up $3.0 billion, or 16% from 30 September 2012 and 5% from 30 June 2013. The third quarter growth in total assets came from increases in customer loans and AFS securities.

**Customer deposits** grew strongly in third quarter 2013, increasing by $724 million, or 5% to $15.7 billion from 30 June 2013. The third quarter increase in deposits was driven by Corporate Bank deposits, which grew by $450 million or 9% to $5.4 billion reflecting higher client engagements.

Domestic bank deposits grew $274 million or 3% to $10.3 billion in third quarter 2013, despite a deposit market which continues to be fairly challenging, especially in light of recent regulatory reforms in Nigeria. The current quarter's deposit growth continues to benefit from our value-chain strategy.

Since the start of the year, deposits have grown by 8% and, by 20% if compared to 30 September 2012.

From a regional perspective, every Cluster grew deposits in third quarter 2013, except Francophone WA, where growth was flat compared with the significant deposit growth it had achieved in the first half of 2013. The current quarter's growth was particularly strong in Central Africa and Nigeria.

**Shareholder's equity** was $2.1 billion at 30 September 2013, up $294 million, or 16%, from 30 September 2012. The increase primarily reflected growth in retained earnings partially offset by reserve movements. Our book value per share stood at 12.1 $ cents as at 30 September 2013, compared with 10.4 $ cents at 30 September 2012.

**Tier I capital ratio** was 14.6% and our overall capital adequacy ratio (CAR) was 18.3%. Our Tier 1 capital ratio reflected a 33% increase in Tier 1 capital from growth in retained earnings and banking reserves and a 28% increase to $14.8 billion in on- and off-balance sheet risk-weighted assets (RWA).

## BUSINESS SEGMENTS FINANCIAL PERFORMANCE

The Bank's operations and activities are organized around two key customer-focused business segments across its subsidiaries and affiliates: Corporate and Investment Bank (CIB) and Domestic Bank (DB).

**Highlights:**

- **Corporate and Investment Bank** *offers financial solutions to global and regional corporates, public corporates, financial institutions and international organisations, corporate finance, investment banking, securities and asset management, as well as our treasury business.*

  Corporate and Investment Bank revenue for the nine months ended September 2013 was $712 million, up 39% from the prior year period. Net interest income was $308 million, up 50% from the prior year period and non-interest revenue was $404 million, an increase of 32% from the prior year period.

  For third quarter 2013, revenue was $254 million, up 6% from the prior quarter, driven predominately by non-interest revenue. Net interest income increased 2% to $106 million from the prior quarter. And although net loans increased 6% during the quarter, earning assets, overall dropped slightly. NIR was up 10% on the quarter, benefitting from strong client foreign exchange volumes.

  Operating expenses were $357 million for the nine months to September 2013, an increase of 37% from the prior year period, reflecting higher staff costs. The cost-to-income ratio for the period was 50.0% compared with 50.8% in the prior year period. For third quarter 2013, CIB's operating expenses grew 10% to $128 million from the prior quarter. The cost-to-income ratio for third quarter 2013 was 50.1%, up from the 48.7% achieved in second quarter 2013.

  Provision for impairment losses was $25 million for the nine months ended September 2013, down 8% from the prior year period. The decrease was due to a combination of underwriting risk discipline in credit extension, aggressive monitoring and recoveries of loans and a more benign credit environment. For third quarter 2013, provisions increased 21% on a sequential basis.

  Corporate and Investment Bank reported profit before tax of $330 million for the nine months ended September 2013, up 48% from the prior year period. For third quarter 2013, CIB profit before tax was $115 million, up 2% from the prior quarter.

- **Domestic Bank** *offers convenient, accessible and reliable financial products and services to retail, local corporates, public sector, and microfinance customers. Domestic Bank leverages an extensive branch and ATM network as well as mobile, internet and remittances banking platforms.*

  Domestic Bank revenue for the nine months ended September 2013 was $757 million, up 8% from the prior year period, driven by higher spread income. For third quarter 2013, revenue was $255 million, down 2% from second quarter 2013, due to lower net interest income whilst non-interest revenue showed a marginal growth of 3% despite regulatory-induced reduction in cards and account service fees for individuals in Nigeria. Net interest income for the nine months ended September 2013, was $493 million, an increase of 10% from the prior year period. For third quarter 2013, net interest income was $166 million, down 5% from second quarter 2013, due mainly to the regulatory increase in cash reserve requirement on public sector deposits. However, there was an 8% increase in net loans with a larger portion of this growth coming mostly in September, which should position us well going into the fourth quarter.

  Non-interest revenue was $264 million for the first nine months ended September 2013, up 4% from the prior year period. For third quarter 2013, non-interest revenue was $89 million, up 3% from second quarter 2013, driven by growth in fees and commissions.

  Operating expenses were $671 million for the nine months ended September 2013, up 5% from the prior year period, reflecting an increase in other operating expenses, partially offset by declines in staff and depreciation expenses. For third quarter 2013, operating expenses was $226 million, essentially flat compared with the previous quarter. The cost-to-income ratio was 88.6% for the nine months ended September 2013 compared with 91.3% in the same period in 2012. For third quarter 2013, the CIR increased slightly to 88.5% from 86% in the previous quarter, reflecting the lower revenue growth during the quarter and internal cost allocation policies.

  Provision for impairment losses was $90 million in the nine months ended September 2013, up 58% from the same period in 2012. The increase largely reflected the provision charges taken on the legacy SME portfolio in Ghana and local corporates in Nigeria. For third quarter 2013, provisions fell 11% to $33 million from the previous quarter.

Domestic bank reported a pre-tax loss of $3.7 million for the first nine months of 2013, compared to a pre-tax profit of $4.3 million for the comparable period in 2012. For third quarter 2013, Domestic Bank reported a pre-tax loss of $3.4 million, primarily due to the impact of increase in cash reserve requirements on public sector deposits in Nigeria.

## GEOGRAPHICAL CLUSTER FINANCIAL PERFORMANCE

Ecobank's operations in Africa are grouped into six geographical clusters according to size and shared attributes such as a common currency or membership of a Regional Economic Community: **Francophone West Africa**, **Nigeria**, **Rest of West Africa**, **Central Africa**, **East Africa** and **Southern Africa**. **International** [(1)]**,** our seventh cluster, comprises our Paris affiliate and representative offices in London, Dubai and Beijing.

The table below summarizes the financial performance of each of these clusters for the nine months ended 30 September 2013. The results of our corporate finance, investment banking, and securities and asset management businesses, which are managed by Ecobank Development Corporation [(2)] (EDC), are not reported under our six geographical clusters, rather separately under EDC Group and also within our Business Segments-Corporate and Investment Bank. In addition, the amounts in the table below are unadjusted for consolidation eliminations, and do not include eProcess (our shared services center subsidiary) and ETI (the parent company).

| $ million | Francophone West Africa | % y/y | Nigeria* | % y/y | Rest of West Africa | % y/y | Central Africa | % y/y | East Africa | % y/y | Southern Africa | % y/y |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **306.9** | *16* | **603.0** | *15* | **279.1** | *27* | **127.2** | *24* | **49.7** | *30* | **53.0** | *59* |
| Operating expenses | (202.6) | *17* | (479.6) | *8* | (141.5) | *18* | (85.9) | *22* | (52.4) | *14* | (40.6) | *28* |
| Net provision for impairment losses | (29.2) | *92* | (42.0) | *6* | (32.9) | *89* | (8.1) | *32* | (1.9) | *45* | (1.8) | *(44)* |
| **Profit before tax** | **75.0** | *(1)* | **81.5** | *86* | **104.9** | *27* | **32.9** | *29* | **(4.6)** | *59* | **10.6** | *752* |
| Customer loans | 3,381 | *20* | 3,726 | *25* | 1,222 | *14* | 1,300 | *32* | 436 | *28* | 252 | *22* |
| Total assets | 5,505 | *21* | 9,468 | *18* | 2,863 | *16* | 2,186 | *35* | 910 | *30* | 504 | *34* |
| Customer deposits | 3,953 | *18* | 6,753 | *16* | 2,031 | *15* | 1,817 | *38* | 640 | *31* | 344 | *43* |

- * Nigeria cluster comprises Ecobank Nigeria and legacy Oceanic subsidiaries (including Union Bank of Cameroon)
- (1) International's revenue is largely derived from corporate and treasury business and was $21.5 million for the nine months ended September 2013 and profit before tax was $6.2 million.
- (2) EDC's revenue for the first nine months to September 2013 was $36.2 million, with profit before tax of $23.9 million

### Highlights

- **Francophone West Africa** *(comprising affiliates in Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal, and Togo)*

  Francophone West Africa's revenue of $307 million for the nine months ended September 2013, increased by 16% from the prior year period. The increase reflected strong growth in spread income, which grew by 21% compared with a 10% growth in non-funded income. For third quarter 2013, revenue grew by 4% to $107 million, with volumes up in Burkina Faso, Côte d'Ivoire and Senegal.

  Operating expenses of $203 million for the nine months to September 2013 were up 17% from the prior year period, reflecting growth in staff expenses. For third quarter 2013, operating expenses increased by 4% to $69 million, including a decline in Benin's operating expenses for the quarter. The Cluster's cost-to-income ratio for the nine months ended September 2013 was 66% unchanged from the prior year figure. For the third quarter the ratio was 65% and was also unchanged from the prior quarter.

  Provisions for impairment losses were $29 million in the nine months ended September 2013, up 92% from the prior year period, including higher provisions in Mali and Niger. For third quarter 2013, provisions were $13 million, up 42% from the prior quarter reflecting higher provisions in Côte d'Ivoire and Senegal.

  Francophone West Africa's profit before tax of $75 million for the nine months to September 2013 decreased 1% from the prior year period, largely impacted by the higher provisions. And for third quarter 2013, pre-tax profit of $27 million was down 8% from the prior quarter.

- **Nigeria** *(categorized as a cluster in its own right due to its size and comprises Ecobank Nigeria and legacy Oceanic Bank subsidiaries, including Union Bank of Cameroon)*

  The operating environment in Nigeria during third quarter 2013 was challenged by regulatory headwinds which negatively impacted revenues and earnings. Despite these challenges, we remained focused on implementing our strategic initiatives to drive customer excellence, manage costs and improve branch productivity.

  Net revenue, for the nine months ended September 2013, grew by 15% to $603 million, driven by a balanced growth in both net interest income and non-interest revenue. For the third quarter 2013, revenue of $198 million was down 5% from the prior quarter.

  Net interest income of $349 million for the nine months ended September 2013, increased 15% from the prior year period, reflecting strong growth in loans and available-for-sale securities. For third quarter 2013, net interest income was held back by the increase in the Cash Reserve Ratio (CRR) on public sector deposits from 12% to 50% in early August. As at 30 September 2013 public sector deposits were approximately 15% of our total deposits in Nigeria. The CRR increase resulted in sales of government treasury securities, reducing interest income. Additionally, the increase in minimum rates on savings accounts had a similar impact on interest expense as was seen in the second quarter 2013. We are addressing these NII challenges by growing customer loans, increasing deposits from individuals and corporates to reduce our cost of funds and increasing margins on loans in some areas. Interest income for second quarter 2013 also included one-off interest income of $8 million from AMCON.

  Non-interest revenue for the nine months ended September 2013 was $254 million, an increase of 15% from the prior year period, primarily driven by client-related FX fees. For third quarter 2013 we continued to feel the adverse impact of the reduction in Commissions on Turnover (COT) on revenue at a similar rate to the previous quarter.

  Nigeria operating expenses were $480 million for the nine months ended September 2013, up 8% from the prior year period. Over a third of this increase was due to the increase in AMCON levy charges. For third quarter 2013, operating expenses were $161 million, up 3% from the prior quarter. The cost-to-income ratio improved to 80% in the nine months ended September 2013, from 84% in the prior year period. And for third quarter 2013, the efficiency ratio was 81% compared to the 75% achieved in the prior quarter.

  Nigeria provision for impairment losses was $42 million for the nine months ended September 2013, compared with $40 million for the same period in 2012. The increase reflected growth in loan balances as well as provisions taken on our local corporate portfolio. For third quarter 2013, provisions were $13 million compared with $20 million in the prior quarter.

  Nigeria reported a profit before tax of $81 million for the nine months ended September 2013, up 86% from the prior year period. For third quarter 2013, pre-tax profits were $25 million compared with $32 million in the prior quarter.

  **Rest of West Africa** *(comprising affiliates in Ghana, Guinea, Liberia, Sierra Leone and The Gambia)*

  Rest of WA revenue increased 27% to $279 million for the nine months ended September 2013 from the prior year period. The increase was primarily driven by solid growth in Ghana, where a favourable interest rate environment and reduction in cost of funds supported spread income expansion. For third quarter 2013, revenue rose 9% to $101 million from the prior quarter, again driven by a strong performance in Ghana and Guinea. This performance is in spite of the depreciation of the Ghana Cedi versus the US Dollar experienced during the period.

  Operating expenses grew by 18% to $141 million in the nine months to September 2013, significantly less than the rate of revenue growth. The Cluster’s cost-to-income ratio for the nine months to September 2013 was 51% versus 55% in the prior year period. And for third quarter 2013, the CIR improved to 48% compared with 51% for the second quarter.

  Provisions for the nine months to September 2013 rose 89% to $33 million from the prior year period. And for the third quarter 2013, provisions were $13 million, up 27% from the prior quarter. The third quarter increase in provisions was primarily attributable to an increase in provisions on the legacy SME loan portfolio in Ghana.

Rest of West Africa reported profit before tax of $105 million for the nine months ended September 2013, an increase of 27%, compared with the same period in 2012. For third quarter 2013, pre-tax profits were $39 million, up 12% from the prior quarter. Both increases were driven by the strong performance of our Ghana business.

- **Central Africa** *(comprising affiliates in Cameroon, Central African Republic, Chad, Congo-Brazzaville, Equatorial Guinea, Gabon and Sao Tome & Principe)*

  Central Africa revenue of $127 million for the nine months ended September 2013 increased 24% from the prior year period. The increase reflected strong growth in non-interest revenue, which increased by 31% driven by fees and commissions. Except for Central Africa Republic, all Cluster affiliates registered increases in revenue. For third quarter 2013, revenue increased strongly by 20% from the prior quarter to $49 million, driven by growth in Cameroon and Congo Brazzaville.

  Operating expenses were $86 million, up 22% from the prior year period reflecting growth in Cameroon and Chad and largely driven by increases in staff cost. For third quarter 2013, operating expenses grew by 14% to $31 million from the prior quarter, led by growth in Cameroon. The Cluster's cost-to-income ratio was 64% for the third quarter, improving from 67% in the second quarter. And for the nine months to September 2013, the cost-to-income ratio was 68%, again falling from the 69% recorded in the prior year period.

  The provision for impairment losses increased 32% to $8.1 million, up 32% from the prior year period and in line with loan growth, with higher provisions in Gabon. For third quarter 2013, provisions were $3.8 million, up 27% from the prior year period.

  Central Africa's profit before tax for the nine months to September 2013 was $33 million, up 29% from last year. This strong performance was enhanced by a reduction in effective tax rate from 47% in 2012 to 30% this year, leading to an increase of 69% in profit after tax. For third quarter 2013, profit before tax was $14 million, up 36% from the prior quarter, including a positive contribution from Equatorial Guinea.

- **East Africa** *(comprising affiliates in Burundi, Kenya, Rwanda, South Sudan, Tanzania, Uganda and a representative office in Ethiopia*)*

  East Africa revenue of $50 million in the nine months ended September 2013 grew 30%, from the prior year period, driven by strong growth in spread income and to a lesser extent non-funded income. Growth was primarily driven by Kenya and benefitted slightly from the addition of South Sudan to our portfolio. For third quarter 2013, revenue was $17 million, up 2% on the second quarter, helped by Burundi.

  Operating expenses were $52 million, up 14% from the prior year period reflecting growth in other operating expenses. Operating expenses for third quarter 2013 were $19 million, up 2% from the previous quarter, reflecting continued emphasis on cost discipline. The cost-to-income ratio was 106% for the nine months ended September 2013, an improvement on the 121% achieved in the same period in 2012. For third quarter 2013, the efficiency ratio remained essentially flat at 111% from the second quarter.

  Provision for impairment loss was $1.9 million in the first nine months of 2013 compared with $3.3 million in the prior year period. The decrease in the provision charge was primarily driven by Kenya and Rwanda. For third quarter 2013, provisions were $0.7 million, lower compared with the second quarter.

  East Africa reported a reduced pre-tax loss of $4.6 million for the first nine months of 2013 compared with a pre-tax loss of $11 million in 2012.

  **East Africa results exclude Ethiopia representative office, which was opened in October 2013.*

- **Southern Africa** *(comprising affiliates in Democratic Republic of Congo, Malawi, Zambia, Zimbabwe and a representative office in Angola)*

  Southern Africa revenue of $53 million for the nine months to September 2013 increased 59% from the prior year period. The increase reflected net interest income growth of 81% and non-interest revenue growth of 45%, driven by net fees and commissions income. Revenues of $19 million in the third quarter 2013 increased by 4% from the second quarter 2013, benefitting from growth in Malawi, partially offset by a weaker performance in Zambia.

  Operating expenses increased 28% from September 2012 to $41 million in September 2013. Operating expenses for third quarter 2013 were $15 million, an increase of 9% from the second quarter, driven by non-staff expenses. The cost-to-income ratio improved sharply to 77% in the nine months to September

2013 versus 95% in the prior year period. For third quarter 2013, the cost-to-income ratio was 80%, slightly higher than the 76% achieved in second quarter 2013.

Provision for impairment losses was $1.8 million for the nine months to September 2013 compared with $3.3 million in the prior year period. The decrease was mainly due to Zambia, where provision levels were reduced and we saw some loan recoveries. For third quarter 2013, provision charges were $0.3 million versus $1.2 million in the second quarter.

Southern Africa profit before tax was $11 million for the nine months ended September 2013 compared with a pre-tax loss of $1.5 million for the prior year period. For third quarter 2013, profit before tax was $3.5 million, up 14% from the second quarter.

- **International**

  Net revenue from the International business was $22 million for the nine months ended September 2013, an increase of 58% from the prior year period. The increase reflected strong growth in fees and commissions related to FX and trade support activities for clients. For third quarter 2013, net revenues were $7.6 million, down 15% from the prior quarter.

  Operating expenses were $15 million for the nine months ended September 2013 compared with $8.8 million for the prior year period. The increase was driven by higher staff costs, IT and regulatory compliance to support growth in the business. For third quarter 2013, operating expenses were $5.7 million, unchanged from the second quarter.

  Profit before tax of $6.2 million for the nine months ended September 2013 increased 28% from the prior year period. For third quarter 2013, pre-tax profits were $1.9 million compared to $3.3 million for second quarter 2013.

- **EDC Group (the investment banking subsidiary of ETI)**

  EDC Group revenues of $36.2 million for the nine months ended September 2013 increased 39% from the prior year period. The increase reflected strong growth in financial advisory and portfolio management fees. For third quarter 2013, net revenues increased 12% to $15 million from second quarter 2013.

  Operating expenses were $12.9 million, up 7% from the prior year period, primarily driven by other operating expenses and largely offset by year-on-year declines in staff and depreciation and amortization costs. The cost-to-income ratio for the nine months ended September 2013 was 36%, an improvement on the CIR of 47% in the prior year period. For third quarter 2013, operating expenses were $5.1 million, down 9% from the previous quarter.

  EDC Group, for the nine months ended September 2013, reported profit before tax of $23.9 million, up 69% from the prior year period. And for third quarter 2013, pre-tax profit for EDC Group was $10 million, up 36% from the previous quarter.

**About Ecobank:** Incorporated in Lomé, Togo, Ecobank Transnational Incorporated (ETI) is the parent company of the leading independent pan-African banking group, Ecobank. It currently has a presence in 35 African countries, namely: Angola, Benin, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Congo (Brazzaville), Congo (Democratic Republic), Côte d'Ivoire, Equatorial Guinea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Liberia, Malawi, Mali, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, South Africa, South Sudan, Tanzania, Togo, Uganda, Zambia, Zimbabwe.

The Group is also represented in France through its affiliate EBI SA in Paris. ETI also has representative offices in Dubai-United Arab Emirates, London-UK and Beijing-China. ETI is listed on the stock exchanges in Lagos, Accra, and the West African Economic and Monetary Union (UEMOA) – the BRVM. The Group is owned by more than 600,000 local and international institutional and individual shareholders. The Group employs nearly 19,000 people in 39 different countries in over 1,200 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 organizations, medium, small and micro businesses and individuals. Additional information may be found at : www.ecobank.com.

**Cautionary Note Regarding Forward-Looking Statements**
Certain statements in this document are "forward-looking statements". These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements.

## Management Conference Call

Ecobank will host a conference call for analysts and investors on **Monday 4 November 2013 at 14:00 GMT (15:00 Lagos time)** during which senior management will present the unaudited financial results for the nine months ended 30 September 2013. There will be an opportunity at the end of the call for questions.

The conference call facility can be accessed by dialling:

| | |
|---|---|
| UK Standard International | +44 1452 555 566 |
| UK Free call | 0800 694 0257 |
| USA Free call | 1866 966 9439 |
| USA Local call | 1631 510 7498 |
| South Africa Free Call | 0800 980 759 |
| United Arab Emirates | 8000 3570 3030 |

Participants will be asked for their full name, company name and conference ID.

Conference ID**:** **92 733 046**

Participants should call at least five minutes before the start of the presentation.

For those who are unable to listen to the live call, an Encore replay facility will be available until **17 November, 2013** with details made available after the call on request.

The presentation will be posted on the Ecobank website prior to the conference call at www.ecobank.com.

## Investor Relations

Ecobank is committed to continuous improvement in its investor communications. For further information, and if you have any suggestions on what we can do better, please contact James Etherington and Ato Arku via ir@ecobank.com. Full contact details below:

| | | |
|---|---|---|
| James Etherington | Group Manager, Investor Relations<br>London | T: +44 203 582 8803<br>M: +44 783 747 1182<br>E: jetherington@ecobank.com |
| Ato Arku | Group Officer, Investor Relations<br>Lomé | T: +228 2221 0303<br>M: +228 9240 9009<br>E: aarku@ecobank.com |

## IFRS UNAUDITED CONSOLIDATED INCOME STATEMENT
### FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

| | For the nine months ended 30 Sept | |
|---|---|---|
| | **2013** | 2012 |
| | **US$ '000** | US$ '000 |
| Interest income | **1,177,505** | 1,020,778 |
| Interest expense | **(405,764)** | (398,428) |
| **Net interest income** | **771,741** | 622,350 |
| Fee and commission income | **453,909** | 378,306 |
| Fee and commission expense | **(17,811)** | (19,438) |
| **Net fee and commission income** | **436,098** | 358,868 |
| Lease income | **1,274** | 1,713 |
| Dividend income | **3,589** | 2,209 |
| Net trading income | **220,640** | 182,279 |
| Gains less losses from investment securities | **(63)** | (2,841) |
| Other operating income | **22,318** | 12,324 |
| **Operating income before impairment loss** | **1,455,597** | 1,176,902 |
| Impairment losses for loans | **(115,380)** | (84,970) |
| **Operating income after impairment loss** | **1,340,217** | 1,091,932 |
| Staff expenses | **(463,703)** | (419,015) |
| Depreciation and amortisation | **(98,764)** | (97,601) |
| Other operating expenses | **(478,899)** | (383,459) |
| **Total operating expenses** | **(1,041,366)** | (900,075) |
| **Operating profit** | **298,851** | 191,857 |
| Share of loss of associates | **(21)** | (409) |
| **Profit before tax** | **298,830** | 191,448 |
| Income tax expense | **(48,530)** | (40,169) |
| **Profit for the period** | **250,300** | 151,279 |
| **Attributable to:** | | |
| - Owners of the parent | **217,145** | 124,835 |
| - Non-controlling interests | **33,155** | 26,444 |
| | **250,300** | 151,279 |
| Earnings per share for profit attributable to the equity holders of the parent company during the period (in US cents) | | |
| • Basic EPS | **1.26** | 0.90 |
| • Diluted EPS | **1.04** | 0.65 |

## IFRS UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
### AS AT 30 SEPTEMBER 2013

| | As at 30 Sept | |
|---|---|---|
| | **2013** | 2012 |
| | **USD '000** | USD '000 |
| **Assets** | | |
| Cash and balances with central banks | **2,805,941** | 1,827,402 |
| Treasury bills and other eligible bills | **1,085,985** | 967,520 |
| Loans and advances to banks | **1,742,090** | 2,048,202 |
| Loans and advances to customers | **10,507,532** | 8,560,264 |
| Trading assets | **35,048** | 272,925 |
| Derivative financial instruments | **138,567** | 449 |
| Investment securities: available for sale | **1,859,653** | 2,201,704 |
| Investments in associates | **15,609** | 2,414 |
| Pledged assets | **1,056,845** | 464,877 |
| Intangible assets | **507,268** | 529,131 |
| Property and equipment | **860,723** | 820,151 |
| Investment properties | **197,945** | 61,996 |
| Deferred income tax assets | **101,528** | 70,823 |
| Other assets | **626,124** | 713,051 |
| **Total Assets** | **21,540,858** | 18,540,910 |
| **Liabilities** | | |
| Deposits from other banks | **929,704** | 466,377 |
| Deposits from customers | **15,734,053** | 13,117,238 |
| Other deposits | **564,537** | 221,160 |
| Derivative financial instruments | **4,140** | 407 |
| Borrowed funds | **1,082,669** | 1,347,640 |
| Other liabilities | **843,220** | 1,382,884 |
| Other provisions | **28,562** | 21,131 |
| Current income tax liabilities | **31,329** | 19,275 |
| Deferred income tax liabilities | **40,460** | 17,997 |
| Retirement benefit obligations | **15,314** | 6,499 |
| **Total Liabilities** | **19,273,988** | 16,600,608 |
| **Equity** | | |
| **Equity attributable to the owners of the parent** | | |
| Share capital and premium | **1,411,556** | 1,425,284 |
| Retained earnings and reserves | **676,329** | 368,029 |
| **Shareholders' equity** | **2,087,885** | 1,793,313 |
| Non-controlling interests in equity | **178,985** | 146,989 |
| **Total Equity** | **2,266,870** | 1,940,302 |
| **Total Liabilities and Equity** | **21,540,858** | 18,540,910 |

# IFRS UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
# FOR NINE MONTHS ENDED 30 SEPTEMBER 2013

| | For the nine months ended 30 Sept | |
|---|---|---|
| | **2013** | 2012 |
| | **USD '000** | USD '000 |
| **Cash flows from operating activities** | | |
| Profit before tax | **298,851** | 191,857 |
| Net trading income – foreign exchange | **(155,917)** | (143,858) |
| Net gain from investment securities | **(63)** | (2,841) |
| Impairment losses on loans and advances | **115,380** | 84,970 |
| Depreciation of property and equipment | **80,770** | 79,257 |
| Amortisation of software and other intangibles | **17,994** | 18,344 |
| Impairment charges: | | |
| - property and equipment | **192** | 544 |
| - doubtful receivables | **519** | (1,935) |
| Profit on sale of property and equipment | **(598)** | (150) |
| Share of loss of associates | **21** | 409 |
| Income taxes paid | **(61,352)** | (63,854) |
| **Changes in operating assets and liabilities** | | |
| - net decrease/(increase) in trading assets | **57,806** | (271,355) |
| - net increase in pledged assets | **(356,791)** | (367,431) |
| - net decrease in derivative financial assets | **4,850** | 8,162 |
| - net decrease in loans and advances to banks | **269,751** | 768,166 |
| - net increase in loans and advances to customers | **(1,102,267)** | (1,320,988) |
| - net increase in other assets | **(29,855)** | (121,108) |
| - net increase in mandatory reserve deposits with central banks | **(605,152)** | (342,982) |
| - net increase in other deposits | **195,177** | 51,061 |
| - net increase in amounts due to customers | **1,113,575** | 1,040,743 |
| - net increase/(decrease) in derivative liabilities | **4.011** | (9,863) |
| - net increase in other liabilities | **105,299** | 355,683 |
| - net increase in other provisions | **2,522** | 2,093 |
| **Net cash flow used in operating activities** | **(45,277)** | (45,076) |
| **Cash flow from investing activities** | | |
| Disposal of subsidiaries | **21,420** | 119,245 |
| Purchase of software | **(13,759)** | (28,407) |
| Net purchase of property and equipment | **(75,326)** | (142,963) |
| Sale of investment securities | **458,600** | 496,207 |
| Interest received | **89,390** | 219,116 |
| **Net cash from investing activities** | **480,325** | 663,198 |
| **Cash flow from financing activities** | | |
| Repayment of borrowed funds | **(157,014)** | (55,381) |
| Proceeds of subscription of ordinary shares | **-** | 345,098 |
| Dividends paid to non-controlling shareholders | **(24,144)** | (22,525) |
| Dividends paid | **(68,879)** | (55,612) |
| **Net cashflow (used in)/from financing activities** | **(250, 037)** | 211,580 |
| **Net increase in cash and cash equivalents** | **185,011** | 829,702 |
| Cash and cash equivalents at start of period | **1,813,053** | 1.330,596 |
| Effects of exchange differences on cash and cash equivalents | **290,953** | (6,856) |
| **Cash and cash equivalents at end of period** | **2,289,017** | 2,153,442 |