



PRESS RELEASE

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**ECOBANK TRANSNATIONAL INCORPORATED (ETI) -
REPORTS PROFIT BEFORE TAX OF \$281 MILLION ON REVENUE OF \$1.4
BILLION FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2016**

ETI has released the attached announcement for the information of the general investing public.

Issued at Accra, this 28th
day of October, 2016.

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att'd.

Distribution:

1. All LDMs
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***JEB**

ECOBANK GROUP REPORTS PROFIT BEFORE TAX OF \$281 MILLION ON REVENUE OF \$1.4 BILLION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

Lomé, 28 October 2016 – Ecobank Group today reported unaudited results for the nine months ended 30 September 2016 with profit before tax of \$281 million on revenue of \$1.4 billion.

Financial highlights:

- Revenue of \$1.4 billion, down 11% year-on-year (flat in constant currency)
- Operating expenses of \$934 million, down 9% year-on-year (up 2% in constant currency); cost-to-income ratio of 65.5% (64.1% in September 2015)
- Pre-impairment income of \$493 million, down 14% year-on-year
- Profit before tax of \$281 million, down 29% year-on-year
- Attributable profit to ETI shareholders of \$177 million compared to \$265 million in September 2015
- Diluted earnings per share of 0.69 US cents compared to 1.06 US cents in September 2015
- Return on average total assets (ROAA) of 1.3% and return on average equity (ROAE) of 12.6%
- Net customer loans of \$9.8 billion, down \$1.7 billion, or 15% year-on-year (down 12% year-to-date), and down 8% in constant currency
- Customer deposits of \$14.0 billion, down \$2.1 billion, or 13% year-on-year (down 15% year-to-date), and down 3% in constant currency
- Basel I Tier 1 capital ratio of 22.0% and total capital adequacy ratio (CAR) of 24.2%

Group CEO Ade Ayeyemi said: “Our financial performance for the period was adversely impacted by the current tough market conditions in most of Middle Africa. Despite that, we continue to benefit from the power of our diversified business model and delivered revenue of \$1.4 billion, flat against the prior year in constant currency, while profit before tax of \$281 million fell on an increase in impairments.

“We are making extraordinary efforts to deliver on our strategy by continuing to invest in our people, innovation, technology, and risk and controls. We recently launched the ‘Xpress Account’, an exciting new product that provides customers with a convenient and easy way to open a digital current account and conduct financial transactions, simply with a smart mobile phone. This and other exciting products and services, which we are working on, underpin our strategic ambition to use technology to expand our reach and improve the value of our network for customers.

Mr. Ayeyemi concluded: “I am confident in the prospects for Africa, the competitive strength of our business model, and proud of the hard work Ecobankers put in daily to build sustainable customer relationships.”

ECOBANK GROUP FINANCIAL PERFORMANCE SUMMARY

Nine months ended 30 Sept (in millions of USD)	2016	2015	YoY	Constant Currency
				2016
Net revenue	1,426	1,598	(11%)	1,588
Operating expenses	934	1,025	(9%)	1,041
Pre-impairment income	493	573	(14%)	547
Impairment losses	213	175	21%	240
Profit before tax	281	398	(29%)	309
Profit after tax	214	306	(30%)	235
Profit attributable	177	265	(33%)	
Basic EPS (US cents)	0.74	1.11		
Diluted EPS (US cents)	0.69	1.06		
Basel I Tier 1 capital ratio	22.0%	20.6%		
Total capital adequacy ratio (CAR)	24.2%	22.8%		
Return on average total assets (ROAA) ¹	1.3%	1.7%		
Return on average total equity (ROAE) ²	12.6%	15.4%		
Return on tangible equity (ROTE) ³	14.7%	18.0%		
Net interest margin (NIM)	6.8%	6.8%		
Cost-income ratio (CIR)	65.5%	64.1%		

Note : Selected income statement lines only and totals may not sum up. (1) ROAA is computed by dividing the Group's profit after tax by average end-of-period total assets (2) ROAE is computed by dividing the Group's profit after tax by average end-of-period total equity (3) ROTE is computed by dividing the Group's profit after tax by average end-of-period tangible equity

Net revenue was \$1.4 billion, a decrease of \$171 million, or 11%, from the prior year period, primarily driven by a decrease in non-interest revenue. In constant currency, that is eliminating the effects of exchange rate fluctuations, revenue for the period was \$1.6 billion, flat on the year ago period.

Net interest income was \$831 million, a decrease of \$7.3 million, or 1%, primarily driven by foreign exchange translation. Excluding the impact of foreign exchange translation, net interest income increased marginally, benefiting from the impact of higher yields on investment securities, partially offset by a decrease in loan growth.

Non-interest revenue was \$596 million, a decrease of \$164 million, or 22%, reflecting the current tough market conditions characterized by lower economic growth, weak commodity prices, and foreign-exchange scarcity in most of our regional markets. Client activity remained subdued, as a result, leading to lower fees and commissions generated on cash management, loans, and trade finance.

Operating expenses were \$934 million, a decrease of \$91 million, or 9%, primarily benefiting from foreign exchange translation. In constant currency, operating expenses increased 2%, driven by an increase in staff expenses and inflation-induced costs, partially offset by targeted cost reductions in Nigeria. The current period's operating expenses include one-off restructuring costs in Nigeria. The cost-to-income ratio for the period was 65.5% compared to 64.1% in the prior year period, largely reflecting lower revenue growth.

Impairment losses were \$213 million (of which \$206 million were on loans and advances), compared to \$175 million (of which \$150 million were on loans and advances), in the prior year period. The current period's impairments reflect the deteriorating economic conditions, which helped drive higher impairments in Commercial Banking, particularly among small and medium-sized businesses and in Corporate Bank. The annualised cost-of-risk was 2.46% compared to 1.62% in the prior year period.

Profit after tax was \$214 million, a decrease of \$92 million, or 30%, from the prior year period. In constant currency, profit decreased 23%, predominately driven by lower non-interest revenue and higher impairment losses. Profit attributable to owners of ETI was \$177 million, a decrease of \$88 million, or 33%, from the prior year period.

Selected Balance Sheet Information

Period as at: (in billions of USD)	30 Sept 2016	31 Dec 2015	30 Sept 2015
Gross loans	10.42	11.86	11.98
Less: allowance for impairments	0.62	0.66	0.44
Net loans	9.80	11.20	11.54
Customer deposits	13.98	16.43	16.09
Total assets	20.91	23.55	23.37
Shareholders' equity	1.82	2.35	2.47
Total equity	2.01	2.52	2.65
Risk weighted assets (RWA)	13.41	15.13	15.99
Loans-to-deposits ratio	74.6%	72.2%	74.5%

Customer loans (net) were \$9.8 billion at 30 September 2016, down \$1.7 billion, or 15%, from the prior year period, and down 12% year-to-date. In constant currency, loans decreased 8% year-on-year, primarily driven by a deliberate decision to curb credit underwriting in the current environment.

Customer deposits were \$14.0 billion at 30 September 2016, down \$2.1 billion, or 13%, from the prior year period, and down 15% year-to-date. In constant currency, customer deposits decreased 3% year-on-year, primarily driven by a competitive deposit market and the attraction of higher yields on short-term money market securities.

Capital – As of 30 September 2016, total equity was \$2.0 billion (of which shareholders' equity was \$1.8 billion). The Group's Tier 1 capital under Basel I was \$3.0 billion and Tier 1 capital ratio was 22.0%. Risk-weighted assets (RWA) were \$13.4 billion, or 64% of total assets, compared to \$16.0 billion, or 68% of total assets, as at September 2015.

Asset Quality

For the nine months ended (in millions of USD)	30 Sept 2016	30 Sept 2015
Impairment losses:		
On loans & advances	206	150
On other assets	7	26
Impairment losses on financial assets	213	175
<i>Cost-of-risk ⁽¹⁾</i>	2.46%	1.62%
As at:	30 Sept 2016	30 Sept 2015
Non-performing loans (NPLs)	930	602
Allowance for impairment losses	618	437
NPL ratio	8.9%	5.0%
NPL coverage ratio	66.5%	72.7%

⁽¹⁾ Cost-of-risk is calculated on an annualised basis; Note: totals may not add up due to rounding

Net impairment losses on loans were \$206 million compared to \$150 million in the prior year period. The current period's impairments were driven by higher provisions in Commercial Banking and Corporate Bank.

Non-performing loans were \$930 million (8.9% of average total gross loans) at the end of the period compared to \$602 million (5.0% of average total gross loans) in the prior year period, primarily driven by deterioration in economic conditions. We are working hand in hand with our clients to address problem loans across all of our businesses. The non-performing loans coverage ratio was 67% compared to 73% in September 2015.

GEOGRAPHICAL REGION FINANCIAL PERFORMANCE

Ecobank's operations in Middle Africa are grouped into four geographical regions. These are **Nigeria**, Francophone West Africa (**UEMOA**), Anglophone West Africa (**AWA**), Central Africa, Eastern Africa and Southern Africa (**CESA**).

The financial results presented for each region have **not been adjusted for consolidation eliminations**.

NIGERIA				
Nine months ended 30 Sept (in millions of USD)	2016	2015	YoY	Constant Currency
				2016
Net revenue	483	662	(27%)	588
Operating expenses	300	407	(26%)	365
Pre-impairment income	183	255	(28%)	223
Impairment losses	114	88	29%	138
Profit before tax	70	167	(58%)	85
Profit after tax	69	156	(56%)	84
Customer loans (net)	3,183	4,312	(26%)	3,898
Total assets	6,208	9,477	(34%)	8,403
Customer deposits	3,562	5,879	(39%)	4,915

Note: selected income statement lines only and thus may not sum up

Highlights

Nigeria profit after tax was \$69 million, down \$87 million, or 56%, from the prior year period, primarily driven by lower revenues and higher impairments.

Net revenue was \$483 million, down \$179 million, or 27%, and in constant currency, down 11%, driven by lower non-interest revenue. Net interest income was \$324 million, down \$52 million, or 14%, and in constant currency, increased 5%, driven by higher rates on investment securities, partially offset by an increase in yields on interest bearing liabilities. Non-interest revenue was \$159 million, a decrease of \$128 million, or 45%, and in constant currency, down 11%, driven by a decrease in fees on current account servicing, trade finance, and loans, reflecting broadly, the current tough macroeconomic conditions including the significant depreciation of the Naira.

Operating expenses decreased \$107 million, or 26%, to \$300 million, and in constant dollars, decreased 13%, primarily driven by lower staff costs and ongoing targeted cost reductions. The current period's operating expenses include one-off restructuring-related costs that are not expected to recur in 2017. The cost-to-income ratio was 62.1% versus 61.5% in the prior year period.

Impairment losses were \$114 million (of which \$109 million were on loans and advances), an increase of \$26 million, primarily driven by higher impairments on small and medium-sized businesses in Commercial Banking and Corporate Bank.

UEMOA

Nine months ended 30 Sept (in millions of USD)	2016	2015	YoY	Constant Currency
				2016
Net revenue	332	325	2%	332
Operating expenses	202	194	4%	202
Pre-impairment income	130	131	(1%)	130
Impairment losses	53	34	56%	53
Profit before tax	77	97	(21%)	77
Profit after tax	74	82	(10%)	74
Customer loans (net)	3,193	3,394	(6%)	3,205
Total assets	7,052	6,235	13%	7,078
Customer deposits	4,983	4,681	6%	5,002

Note: selected income statement line items only and thus may not sum up

Highlights

UEMOA profit after tax was \$74 million, down \$8.4 million, or 10%, from the prior year period.

Net revenue was \$332 million, up \$7.5 million, or 2%, driven by an increase in net interest income. Net interest income was \$180 million, up \$7.7 million, or 4%, driven by the impact of higher rates on growth in investment securities. Non-interest revenue was \$153 million, flat on the prior year period, as an increase in client foreign exchange and fixed income sales were partially offset by lower transaction services fees.

Operating expenses were \$202 million, up \$8.3 million, or 4%, primarily driven by depreciation and amortisation expense. The cost-to-income ratio was 60.9% compared to 59.7% in the prior year period.

Impairment losses were \$53 million, an increase of \$19 million, compared to the prior year period, driven by higher reserve builds in Corporate and Commercial Banking.

AWA

Nine months ended 30 Sept (in millions of USD)	2016	2015	YoY	Constant Currency
				2016
Net revenue	290	275	5%	307
Operating expenses	145	128	13%	154
Pre-impairment income	145	147	(1%)	153
Impairment losses	20	18	9%	22
Profit before tax	126	130	(3%)	132
Profit after tax	87	91	(4%)	92
Customer loans (net)	1,161	1,232	(6%)	1,215
Total assets	2,829	2,663	6%	2,985
Customer deposits	2,060	1,944	6%	2,174

Note: selected income statement line items only and thus totals may not sum up

Highlights

AWA profit after tax was \$87 million, down \$3.8 million, or 4%, from the prior year period. In constant currency, profit after tax was flat on the year ago period, primarily driven by higher impairments.

Net revenue was \$290 million, up \$15 million, or 5%, and up 12% in constant currency, primarily driven by higher interest rates on growth in government securities in Ghana, partially offset by lower non-interest revenue. Net interest income was \$197 million, up \$32 million, or 19%, driven by an increase in net interest spreads. Non-interest revenue was \$93 million, down \$17 million, or 15%, driven by lower fees on trade finance, cash management, and foreign-exchange client sales.

Operating expenses were \$145 million, up \$17 million, or 13%, and up 20% in constant currency, primarily driven

by higher staff cost and inflation-induced expenses. The cost-to-income ratio was 49.9%, compared to 46.4%, in the prior year period.

Impairment losses were \$20 million, compared to \$18 million in the prior year period, reflecting an increase in non-performing loans in Commercial and Corporate Banking.

CESA				
				Constant Currency
Nine months ended 30 September (in millions of USD)	2016	2015	YoY	2016
Net revenue	283	297	(5%)	342
Operating expenses	206	209	(2%)	247
Pre-impairment income	77	88	(12%)	95
Impairment losses	22	21	5%	24
Profit before tax	55	67	(17%)	72
Profit after tax	39	46	(16%)	51
Customer loans (net)	2,060	2,312	(11%)	2,105
Total assets	4,175	4,279	(2%)	4,380
Customer deposits	3,100	3,273	(5%)	3,284

Note: selected income statement lines only and thus totals may not sum up

Highlights

CESA profit after tax was \$39 million, down \$7.2 million, or 16%, and in constant currency, up 10% from the prior year period, driven by an increase in net interest income.

Net revenue was \$283 million, down \$14 million, or 5%, and in constant currency, increased 15%, primarily driven by higher net interest income. Net interest income was \$144 million, up \$4.9 million, or 4%, on higher rates on government treasury bills and bonds. Non-interest revenue was \$139 million, down \$19 million, or 12%, reflecting lower fees from treasury services and transaction services flows.

Operating expenses were \$206 million, down \$3.7 million, or 2%, but up 18% in constant currency, reflecting an increase in other operating expenses. The cost-to-income ratio improved slightly to 70.5% compared to 72.6% in the prior year period.

Impairment losses for the period were \$22 million, up \$1.1 million, or 5%, from the prior year period, primarily driven by higher non-performing loans in Consumer and Commercial Banking.

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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 36 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 over 17,000 people in 40 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 organisations, medium, small and micro businesses and individuals. Additional information may be found on the Group's corporate website 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.

PLEASE SEE NEXT PAGE FOR INVESTOR CONFERENCE CALL DETAILS

Management Conference Call

Ecobank will host a live conference call on **Monday 31 October 2016 at 13:00 GMT (14:00 Lagos time)** to present the unaudited financial results for the nine months ended 30 September 2016. There will be a Q&A session at the end of the call.

Please note financial results for the nine months ended 30 September 2016 were published on Friday 28 October 2016. These results are available on Ecobank's website at www.ecobank.com

The conference call facility can be accessed via online registration using the link provided below:

Online Registration: <http://emea.directeventreg.com/registration/7069567>

Please note the key steps in the registration process outlined below:

Upon registering each participant will be provided with Participant Dial-in Numbers, Direct Event Passcode and unique Registrant ID.

Registered Participants will also receive a call reminder via email the day prior to the event.

In the 10 minutes prior to call start time, Participants will need to use the conference access information provided in the email received at the point of registering.

Note: Due to regional restrictions some participants may receive Operator assistance when joining this conference call and will not be automatically connected.

If you should encounter any problems with the online registration, please dial the following number for assistance: **+44 145 256 9034** (you will also need to provide the **Conference ID: 7069567**).

For those who are unable to listen to the live call, a replay of the conference call will be available from 16:30 GMT on 31 October to 16:30 GMT on 6 November 2016. **You may participate by dialling +44 145 255 0000, UK free call: 08009531533, or USA: 1 (866) 247-4222 and the Conference ID: 7069567**

The earnings presentation will be posted on our 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, including any suggestions as to how we can communicate more effectively, please contact Ato Arku via ir@ecobank.com. Full contact details below:

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Ecobank Group
IFRS UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE
NINE MONTHS ENDED 30 SEPTEMBER 2016

In thousands of US dollars, except per share amounts

	2016	2015
Revenue		
Interest income	1,260,304	1,298,846
Interest expense	(429,752)	(461,017)
Net interest income	830,552	837,829
Fee and commission income	356,671	458,124
Fee and commission expense	(39,079)	(24,677)
Net trading income	259,536	313,173
Other operating income	18,817	13,460
Non-interest revenue	595,945	760,080
Operating income	1,426,497	1,597,909
Operating expenses		
Staff expenses	(438,039)	(459,410)
Depreciation and amortisation	(73,358)	(81,823)
Other operating expenses	(422,264)	(483,762)
Operating expense	(933,661)	(1,024,995)
Operating profit before impairment losses and taxation	492,836	572,914
Impairment losses on:		
loans and advances	(205,510)	(149,707)
other financial assets	(7,021)	(25,720)
Impairment losses on financial assets	(212,531)	(175,427)
Operating profit after impairment losses	280,305	397,487
Share of profit of associates	390	508
Profit before tax	280,695	397,995
Taxation	(64,549)	(91,235)
Profit for the period from continuing operations	216,146	306,760
Loss for the period from discontinued operations	(1,977)	(1,091)
Profit for the period	214,169	305,669
Attributable to:		
Owners of the parent (total)	177,497	265,150
Continuing operations	178,565	265,739
Discontinued operations	(1,068)	(589)
Non-controlling interest (total)	36,672	40,519
Continuing operations	37,581	41,021
Discontinued operations	(909)	(502)
	214,169	305,669
Earnings per share from continuing operations attributable to owners of the parent during the period (expressed in United States cents per share)		
Basic	0.74	1.11
Diluted	0.69	1.06

Ecobank Group
IFRS UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION AS AT 30 SEPTEMBER 2016

In thousands of US dollars

2016

2015

Assets

Cash and balances with central banks	2,395,182	3,245,363
Financial assets held for trading	102,725	171,334
Derivative financial instruments	75,043	144,225
Loans and advances to banks	1,568,010	1,770,036
Loans and advances to customers	9,802,604	11,200,349
Treasury bills and other eligible bills	1,290,557	1,436,405
Investment securities: available-for-sale	3,103,176	2,669,692
Pledged assets	497,448	759,086
Other assets	734,687	513,629
Investments in associates	15,439	15,802
Intangible assets	279,792	382,451
Property and equipment	773,219	893,855
Investment properties	137,354	136,466
Deferred income tax assets	58,192	123,413

20,833,428 23,462,106

Assets held for sale **80,032** 91,813

Total assets **20,913,460** 23,553,919

Liabilities

Deposits from other banks	1,843,985	1,433,386
Deposits from customers	13,976,005	16,427,553
Derivative financial instruments	-	1,336
Borrowed funds	1,582,481	1,779,277
Other liabilities	1,238,511	1,049,059
Provisions	31,969	28,694
Current income tax liabilities	47,890	69,081
Deferred income tax liabilities	49,690	117,821
Retirement benefit obligations	30,310	17,436

18,800,841 20,923,643

Liabilities held for sale **98,838** 107,031

Total liabilities **18,899,679** 21,030,674

Equity

Capital and reserves attributable to the equity holders of the parent entity

Share capital and premium	2,029,698	2,029,698
Retained earnings and reserves	(205,522)	316,311

Shareholders' equity **1,824,176** 2,346,009

Non-controlling interests **189,605** 177,236

Total equity **2,013,781** 2,523,245

Total liabilities and equity **20,913,460** 23,553,919

Ecobank Group
IFRS UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

In thousands of US dollars	2016	2015
Cash flow from operating activities		
Profit before tax	280,695	397,995
Net trading income - foreign exchange	(73,602)	(33,891)
Net loss from investment securities	180	2,214
Impairment losses on loans and advances	205,510	149,707
Impairment losses on other financial assets	7,021	25,720
Depreciation of property and equipment	63,283	64,346
Net interest income	(830,552)	(837,829)
Amortisation of software and other intangibles	10,075	17,477
Profit on sale of property and equipment	(940)	804
Share of profit of associates	(390)	(508)
Income taxes paid	(88,650)	(98,450)
Changes in operating assets and liabilities		
Trading assets	68,609	74,370
Derivative financial assets	69,182	107,533
Other treasury bills	145,848	104,365
Loans and advances to banks	98,028	188,973
Loans and advances to customers	1,436,508	715,537
Pledged assets	261,638	(69,749)
Other assets	(221,058)	(351,047)
Mandatory reserve deposits	444,009	367,180
Other deposits from banks	82,300	(171,058)
Due to customers	(2,451,548)	(1,351,058)
Derivative liabilities	(1,336)	(20,478)
Other provisions	3,275	16,848
Other liabilities	189,452	460,744
Interest received	1,260,304	1,298,846
Interest paid	(429,752)	(461,017)
Net cash flow from operating activities	528,088	597,573
Cash flows from investing activities		
Purchase of software	(18,987)	(19,325)
Purchase of property and equipment	(106,625)	(101,594)
Proceeds from sale and redemption of securities	(433,484)	(743,726)
Net cashflow used in investing activities	(559,096)	(864,645)
Cash flows from financing activities		
Repayment of from borrowed funds	(196,796)	(24,204)
Dividends paid to non-controlling shareholders	(33,547)	(25,328)
Dividends paid to owners of the parent	(45,809)	-
Net cashflow used in financing activities	(276,152)	(49,532)
Net decrease in cash and cash equivalents	(307,160)	(316,604)
Cash and cash equivalents at start of the period	2,610,050	2,373,090
Effects of exchange differences on cash and cash equivalents	(252,756)	(231,994)
Cash and cash equivalents at end of the period	2,050,134	1,824,493