



PRESS RELEASE

PR. No 087/2019

**ECOBANK TRANSNATIONAL INCORPORATED (ETI) -
REPORTS A 51% INCREASE IN PROFIT BEFORE TAX RO \$436MILLION
AND A RETURN ON TANGIBLE EQUITY OF 21.0% FOR THE YEAR ENDED
2018**

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

Issued at Accra, this 28th
day of March, 2019.

- E N D -

att'd.

Distribution:

1. All LDMs
2. General Public
3. Company Secretary, ETI
4. Securities and Exchange Commission
5. Central Securities Depository
6. GSE Council Members
7. GCB Registrar (Registrars for ETI)
8. Custodians
9. GSE Notice Board

For enquiries, contact:

Listing Department, GSE on 0302 669908, 669914, 669935

*GA

Ecobank reports a 51% increase in profit before tax to \$436 million and a return on tangible equity of 21.0% for the year-ended 2018.

ROE	17.8%	EPS	\$0.01	Cost-to-income	61.5%	Loan-to-deposit	61.5%
ROTE ¹	21.0%	TBVPS ²	\$0.05	Cost-of-risk	2.4%	Basel II/III CAR ³	13.6%

Ade Ayeyemi, Group CEO said, “Our financial performance in 2018 was remarkable in many ways and reflected the meaningful and significant progress that we have made against the priorities that we set in our ‘Roadmap to Leadership’ strategy. We delivered a 51% growth in profit before tax to \$436 million and generated a return on tangible equity of 21%. Our cost-of-risk of 2.4% was an improvement on 2017 and demonstrated the progress that we have made addressing credit quality issues and enhancing internal control processes.

“In Francophone and Anglophone West Africa regions we delivered sustainable growth and value for shareholders. While in Nigeria, and the Central, Eastern and Southern Africa, regions we are spurred on by the gradual progress being made. Our businesses continued to serve customers diligently and with purpose and all delivered profit growth in 2018, with Commercial Bank overturning the loss before tax made in 2017.

“We continued to invest in the technology platforms to accelerate our shift from ‘physical’ to ‘digital’ and we are supporting our customers with digitally innovative products to enrich their engagements with Ecobank. To meet a key goal of expanding financial services to the unbanked, we have increased the number of Xpress Points, our agency network, to about 14,000 and we plan to grow this number. Our cash management and trade finance products, such as, Omni and e-Trade, are providing our customers with the convenience and efficiency of executing their cross-border transactions across Africa.

“Overall, we are excited about the prospects for the firm and for Africa. Yes, risks remain, and economic cycles come and go, but we will remain steadfast in serving our customers well. I am proud of the work that Ecobankers have done in the last three years to stabilise the firm and position it for long-term success. I am very grateful to them.”

Performance and Business Highlights

- Profit before tax of \$436 million, up \$148 million, or 51%, on operating income (net revenue) of \$1,825 million
- Profit attributable to shareholders of ETI up \$83 million to \$262 million with EPS up 47% to \$0.01 per share
- Cost-to-income ratio improved to 61.5%, reflecting efficiency gains. Continued spend on digitalisation and the rollout of Xpress Points, our agency network
- Return on assets (ROA) of 1.5%, return on equity (ROE) of 17.8%, and return on tangible equity (ROTE) of 21.0%
- Decision not to reinstate dividend payments based on various needs in the ‘Execution’ phase of ‘Roadmap to Leadership’ strategy. Decision taken to continue to strengthen subsidiaries, ensure compliance with upcoming regulatory capital demands, and grow liquidity buffers in the Holdco
- Strong client engagement via digital product offerings, such as Ecobank Pay, Omni, and Bank Collect contributed to the increase in customer deposits by \$733 million to \$15,936 million
- Net loans and advances to customers of \$9,167 million, down 2%. Excluding the impact of foreign currency translation in U.S. dollars for reporting purposes (FX), loans increased 6%, with 4Q18 growth of \$527 million
- Basel II/III Tier 1 and Capital Adequacy Ratio of 9.5% and 13.6%, respectively, as at 30 June 2018
- The Group’s decision to move away from using the CBN Official Rate (\$1:NGN306) and adopt Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate (\$1:NGN364) for translating Ecobank Nigeria’s financials had an adverse impact on equity. A capital injection of \$64 million was made into Nigeria in December 2018
- Business segments are delivering on their strategic priorities – *Commercial Bank* made a profit of \$29 million for 2018 compared to a loss of \$32 million for 2017; *Consumer Bank*’s profit before tax increased by 35% to \$62 million; and *Corporate and Investment Bank*’s profit before tax of \$268 million was marginally higher on 2017
- The restructuring efforts we undertook in the last few years aimed at *Securing the Foundations*, and particularly focused on Nigeria and CESA, are yielding results, albeit slowly. Our business in Nigeria is progressively improving, while CESA increased ROE to 13.5% vs 6.0% in 2017

¹ ROTE is computed by dividing the Group’s profit after tax by the average end-of-period tangible equity. Tangible equity represents the Group’s total equity less intangible assets including goodwill

² Tangible book value per ordinary share (TBVPS) is computed by dividing the Group’s tangible equity with the end-of-period number of ordinary shares outstanding

³ Group consolidated CAR is at 30 June 2018. Final CAR as at 31 December 2018 will be available on 30 April 2019

- Enriching the customer experience with innovative products and services – such as the Ecobank Mobile App and Ecobank Pay; Our App-based Rapid Transfer, that enables diaspora to transfer money cheaper; and Omni-Lite for small business, providing effective ease of transacting

ECOBANK GROUP FINANCIAL PERFORMANCE SUMMARY

Full year 2018, Ecobank reported profit before tax of \$436 million on operating income or net revenue of \$1,825 million, compared to a profit before tax of \$288 million on operating income of \$1,831 million for the full year 2017.

Comparisons noted in the commentary below are calculated for the year ended 31 December 2018 versus the year ended 31 December 2017, unless otherwise specified.

GROUP				
Year ended 31 December (in millions of \$)	2018	2017	YoY	In Constant \$ 2018
Net interest income	930	977	(5)%	936
Non-interest revenue	895	854	5%	891
Operating income	1,825	1,831	(0.3)%	1,827
Operating expenses	1,123	1,132	(0.8)%	1,127
Operating profit before impairment losses & taxation	702	700	0%	700
Impairment losses on financial assets	264	411	(36)%	261
Profit before tax	436	288	51%	439
Profit after tax	328	228	44%	325
Profit attributable to owners of the parent	262	179	47%	
Basic EPS (\$)	0.0106	0.0072	47%	
Diluted EPS (\$)	0.0106	0.0072	47%	
Return on average total assets (ROA) ¹	1.5%	1.2%		
Return on average total equity (ROE) ²	17.8%	13.3%		
Return on average tangible equity (ROTE) ³	21.0%	15.6%		
Net interest margin (NIM)	5.9%	6.2%		
Cost-to-income ratio (CIR)	61.5%	61.8%		
Impact on returns assuming \$400m convertible debt fully converts to equity:				
Return on average total equity (ROE)	17.8%	-		
Return on average tangible equity (ROTE)	20.6%	-		

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

Profit before tax of \$436 million, increased \$148 million, or 51%, driven by a significant decrease in impairment losses. Excluding the impact of FX translation, profit before tax increased by 52% or \$150 million.

Operating income (net revenue) of \$1,825 million was essentially flat on 2017. The growth in operating income was similarly flat if the impact of FX translation is excluded. This reflected lower net interest income growth, offset by an increase in non-interest revenue. The revenue mix continues to be strong as we continue to drive value in the non-interest revenue lines including the digital banking products. The share of non-interest revenue to operating income was 49.1% for 2018 compared with 46.6% for 2017, further reflecting the benefits of our diversified business model.

- Net interest income** of \$930 million, decreased \$48 million, or 5%. The decrease reflected a shift in the balance sheet mix of financial securities. Thus, increases in interest income from investment securities, treasury bills, inter-bank lending, and Corporate and Investment Bank loans, mostly in the Francophone Africa countries, were offset by declines in customer loans within Consumer Bank and Commercial Bank, and the adverse impact of the lower rate environment in Nigeria on Financial Trading Assets. The decrease in loan balances reflected the strategic shift towards investment securities especially in the more economically stable Francophone Africa countries and less from credit origination, especially in an anemic economic recovery.
- Non-interest revenue** of \$895 million, increased \$42 million, or 5%. The increase was primarily driven by fees and commissions income, led by cash management and cards, and a gain on the sale of investment securities and properties in Nigeria. These gains were largely offset by a decrease in fees on client FX sales and fixed-

income trading, reflecting comparably lower client activity in the FX market and the lower interest rate environment.

Operating expenses fell \$9 million, or 1%, to \$1,123 million. Excluding the impact of FX translation, expenses were flat. Staff expenses declined 1%, driven by headcount reductions, while costs associated with systems development and head office investments led to a 2% increase in depreciation and amortisation expense. Other operating expenses decreased by 2%, driven by lower expenses from rent and utilities and insurance. Overall, the decrease in operating expenses reflected the accrued benefits from the restructuring exercises in the last two years. The cost-to-income ratio, as a result, improved to 61.5% from 61.8% in 2017, despite slower revenue growth. Our continued investments in technology continues to positively impact costs and as a result we expect the cost-to-income ratio to trend towards the mid-50% +/- in the medium-term.

Impairment losses on financial assets were \$264 million (of which \$240 million were on loans and advances to customers), compared to \$411 million (of which \$326 million were on loans and advances to customers) for 2017. The decrease in impairment losses was driven by lower impairments within Commercial Bank and Corporate and Investment Bank, mostly in Nigeria. The cost-of-risk, as a result, improved from 3.3% in 2017 to 2.4% in 2018.

Selected Balance Sheet Information

Period As At: (in millions of \$, except per share amounts)	31 Dec 2018	31 Dec 2017
Gross loans and advances to customers	9,807	9,913
Less: allowance for impairments	639	555
Net loans and advances to customers	9,169	9,358
Deposits from customers	15,936	15,203
Total assets	22,582	22,432
Equity attributable to owners of the parent	1,537	1,881
Total equity	1,812	2,172
Loan-to-deposit ratio	61.5%	65.2%
Basel II/III total capital adequacy ratio (CAR) ¹	13.6%	-
End-of-period ordinary shares outstanding (millions of shares)	24,730	24,730
# of ordinary shares to be issued if issued dilutive instruments converted (see appendix)	1,302	-
# of ordinary shares to be issued if convertible bond converts	6,667	-
Per share data (\$)		
Book value per ordinary share, BVPS	0.06	0.08
Tangible book value per ordinary share, TBVPS	0.05	0.06
Share price	0.04	0.05

(1) The Group consolidated CAR is as of 30 June 2018. Final CAR as at 31 December 2018 will be available on 30 April 2019

Net loans and advances to customers of \$9,169 million, decreased by \$189 million, or 2%. Excluding the impact of FX translation, loans increased by \$608 million, reflecting growth within Corporate and Investment Bank, and Consumer Bank, within UEMOA, AWA, and CESA, regions, particularly in the fourth-quarter. This growth was partially offset by the \$299 million day one impact from the implementation of IFRS 9.

Deposits from customers increased by \$733 million, or 5%, to \$15,936 million. Excluding the impact of FX translation, deposits increased by \$2.0 billion. The increase was driven by Corporate and Investment Bank and Commercial Bank, where deposit growth was driven by strong customer engagements especially through digital products and channel offerings.

Total equity of \$1,812 million decreased 17%, or 6%, excluding the impact of FX translation, as the significant growth in profits was partially offset by the adverse impact from other comprehensive income (OCI) items and from the full impact of the implementation of IFRS 9. The primary OCI drivers were the foreign currency translation reserves (FCTR), which moved by \$295 million, which negatively impacted equity, due primarily to the Group's decision to adopt the NAFEX rate. As a result, Nigeria's contribution to the FCTR movement was approximately \$158 million. Equity was additionally impacted by the depreciation of the XOF/XAF and GHS against the US dollar. Also, changes in the fair value of debt instruments (the equivalent of AFS movements pre-IFRS 9) of \$73 million, driven by the revaluation of investments held in Nigeria and other affiliates, negatively impacted equity.

The Group calculated its Basel II/III total capital adequacy ratio (CAR) at 13.6% as at 30 June 2018. Its capital adequacy as at 31 December 2018 will be finalized on 30 April 2019.

Asset Quality		
In millions of \$	31 Dec 2018	31 Dec 2017
Impairment losses:		
On loans & advances	240	326
Of which stage 1: 12-month ECL ⁽¹⁾	(82)	n.a.
Of which stage 2: Life-time ECL	(16)	n.a.
Of which stage 3: Life-time ECL	338	n.a.
On other financial assets	24	85
Impairment losses on financial assets	264	411
Cost-of-risk ⁽²⁾	2.4%	3.3%
	31 Dec 2018	31 Dec 2017
As at:		
Gross loans and advances to customers	9,807	9,913
Of which stage 1	7,677	n.a.
Of which stage 2	1,186	n.a.
Of which stage 3, credit impaired loans (non-performing loans)	945	n.a.
Less: allowance for impairments (expected credit loss)	639	555
Of which stage 1: 12-month ECL	89	n.a.
Of which stage 2: Life-time ECL	81	n.a.
Of which stage 3: Life-time ECL	468	n.a.
Net loans and advances to customers	9,169	9,358
NPL ratio	9.6%	10.7%
NPL coverage	67.6%	52.4%
Stage 3 cover ratio ⁽³⁾	49.5%	n.a.
	31 Dec 2018	31 Dec 2017
Stage 3 Gross loans / individually credit impaired		
Stage 3 Gross loans / individually credit impaired	945	1,060
Less: allowance for impairments	468	555
	477	505
Fair value of collateral	(565)	(586)
Amount of (over) / under collateralisation	(89)	(81)

(1) Expected Credit Losses

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

(2) Stage 3 cover ratio is for the period as at 31 December 2018 only

Impaired loans (non-performing loans) were \$945 million as at 31 December 2018 compared to \$1,060 as at 31 December 2017. The decrease in non-performing loans (NPL) was driven by loan write-offs within Commercial Bank and Corporate and Investment Bank. In addition, the continued implementation of our NPL strategy aimed at maximisation of cash recoveries and reduction in NPLs, contributed effectively to reducing our NPLs in 2018. The NPL ratio improved to 9.6% compared with 10.7% in the prior year. The reserve allowance for impairment losses was \$639 million compared to \$555 million in the prior year. The increase was driven by higher impairment losses on stage 3 loans driven by refreshment of model inputs under IFRS 9, largely offset by loan write-offs.

GEOGRAPHICAL REGION FINANCIAL PERFORMANCE

Ecobank segments its businesses 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).**

Comparisons noted in the commentary below are calculated for the year ended 31 December 2018 versus the year ended 31 December 2017, unless otherwise specified.

Summary performance - Geographical Regions (In millions of \$, except for ratios)								
	NIGERIA	UEMOA	AWA	CESA	ETI & OTHERS (1)	Subtotal: Entities	RV(2)	Ecobank Group
Income statement highlights								
Operating income (net revenue)	444	511	394	450	27	1,825	-	1,825
Total operating expenses	275	310	204	271	63	1,123	-	1,123
Operating profit before impairment losses & taxation	169	201	190	178	(36)	702	-	702
Impairment losses on financial assets	78	50	42	67	40	276	(13)	264
Profit before tax	91	151	148	111	(78)	423	13	436
Profit after tax	90	143	103	68	(87)	316	13	329
Balance sheet highlights								
Loans and advances to customers, net	2,313	3,744	1,123	1,619	370	9,169	-	9,169
Total assets	5,431	8,819	3,233	5,394	(295)	22,582	-	22,582
Deposits from customers	3,523	5,737	2,447	4,047	182	15,936	-	15,936
Total equity	716	592	374	513	(383)	1,812	-	1,812
Ratios								
ROA	1.6%	1.6%	3.3%	1.4%	-	-	-	1.5%
ROE	11.0%	23.7%	29.7%	13.5%	-	-	-	17.8%
Cost-to-income ratio	61.9%	60.7%	51.9%	60.3%	-	-	-	61.5%
NPL ratio	13.7%	5.5%	10.3%	10.7%	-	-	-	9.6%
NPL coverage	66.3%	50.5%	57.8%	75.3%	-	-	-	67.6%
Loan-to-deposit ratio	72.2%	67.1%	48.8%	43.5%	-	-	-	61.5%

1. ETI & Others comprise ETI, the Holdco, eProcess (the Group's technology service company), the International business in Paris, Ecobank Development Corp. (the Group's Investment Banking and Securities and Asset Management businesses), and the impact of other affiliates and structured entities of ETI. The impact of consolidation eliminations is also included in 'ETI & Others'

2. The Resolution Vehicle (RV), a structured entity that was set up in Nigeria to purchase and hold the challenged legacy risk assets from Ecobank Nigeria.

Francophone West Africa (UEMOA)

Year ended 31 December (in millions of \$)	2018	2017	In Constant \$	
			YoY	2018
Net interest income	283	260	9%	271
Non-interest revenue	228	217	5%	218
Operating income	511	477	7%	490
Operating expenses	310	285	9%	298
Operating profit before impairment losses & taxation	201	193	4%	192
Impairment losses on financial assets	50	81	(39%)	47
Profit before tax	151	111	36%	146
Taxation	8.6	2.7	217%	
Profit after tax	143	114	25%	137
Loans & advances to customers (net)	3,744	3,836	(2%)	3,921
Total assets	8,819	9,222	(4%)	9,237
Deposits from customers	5,737	5,698	1%	6,009
Total equity	592	610	(3%)	620
Cost-to-income	60.7%	59.7%		
ROE	23.7%	22.7%		
Loan-to-deposit ratio	70.7%	68.5%		
NPL ratio	5.5%	5.2%		
NPL coverage ratio	50.5%	32.2%		

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

Highlights

- UEMOA delivered profit before tax of \$151 million for 2018, up \$40 million, or 36%, from the previous year, as growth of \$8.2 million in operating profit before impairment losses and taxation benefited from a \$32 million reduction in impairment losses. Excluding the impact of FX translation, profit before tax grew by \$34 million. ROE was 23.7% versus 22.7% for the prior year.
- Operating income increased by \$33 million, or 7%, to \$511 million, predominantly driven by net interest income. Excluding the impact of FX translation, operating income increased by \$12 million.
 - Net interest income of \$283 million, increased \$23 million, or 9%, primarily driven by increased holdings of investment securities and a marginal increase in loans within Corporate and Investment Bank in the fourth quarter.
 - Non-interest revenue of \$228 million, increased \$10 million, or 5%, primarily driven by client FX sales and cash management and related fees and FX translation benefits.
- Operating expenses increased by \$25 million, or 9%, to \$310 million. Excluding the impact of FX translation, expenses increased \$13 million. The cost-to-income ratio was largely unchanged at 60.7%.
- Impairment losses on financial assets were \$50 million for 2018 compared with \$81 million for 2017, driven by loan recoveries, reflecting the positive impact of our NPL strategy

NIGERIA

Year ended 31 December (in millions of \$)	2018	2017	YoY	In Constant \$
				2018
Net interest income	259	332	(22)%	262
Non-interest revenue	185	225	(18)%	187
Operating income	444	557	(20)%	448
Operating expenses	275	285	(4)%	281
Operating profit before impairment losses & taxation	169	272	(38)%	167
Impairment losses on financial assets	78	205	(62)%	77
Profit before tax	91	67	37%	90
Profit after tax	90	66	36%	89
Loans & advances to customers (net)	2,313	2,718	(15)%	2,753
Total assets	5,431	6,056	(10)%	6,464
Deposits from customers	3,523	3,517	0%	4,193
Total equity	716	927	(23)%	853
Cost-to-income	61.9%	51.2%		
ROE	11.0%	7.8%		
Loan-to-deposit ratio	72.2%	85.3%		
NPL ratio	13.7%	14.5%		
NPL coverage ratio	66.3%	65.0%		

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

Highlights

- Nigeria posted a profit before tax of \$91 million for 2018, up \$25 million, or 37%, to \$91 million, driven by lower impairment losses. Excluding the impact of FX translation, profit before tax increased by \$23 million. ROE improved to 11% from 7.8% for the prior year. In November 2018, ETI's Board decided for the Group to adopt the NAFEX rate of approximately NGN364:\$1.00 in translating the financials of Ecobank Nigeria rather than the CBN official rate of NGN306:\$1.00. This had an adverse impact on Nigeria's capital adequacy ratio. A capital injection of \$64 million was made consequently into Ecobank Nigeria.
- Operating income decreased by \$114 million, or 20%, to \$444 million, led by decreases in both net interest income and non-interest revenue. Excluding the impact of FX translation, operating income declined by \$109 million.
 - Net interest income of \$259 million, decreased by \$74 million, or 22%, driven by lower average yields on interest earning assets and lower earning asset balances.
 - Non-interest revenue of \$185 million, decreased by \$40 million, or 18%, driven by lower fees and commissions income, the impact of lower yields on fixed income trading, and significantly lower spreads in FX sales, following normalisation in the currency market compared with 2017.
- Operating expenses of \$275 million were down by \$11 million, or 4%. Excluding the impact of FX translation, expenses declined by \$4.4 million reflecting the benefits of ongoing cost containment initiatives. The cost-to-income ratio, however, was 61.9% compared to 51.2%, primarily due to slower revenue growth.
- Impairment losses on financial assets were \$78 million compared to \$205 million for the prior year. The lower impairment losses for 2018 reflected the gradual improvements in the credit risk portfolio and episodic loan recoveries.

Anglophone West Africa (AWA)

Year ended 31 December (in millions of \$)	2018	2017	YoY	In Constant \$
				2018
Net interest income	242	219	10%	258
Non-interest revenue	151	135	12%	163
Operating income	393	354	11%	421
Operating expenses	204	192	7%	220
Operating profit before impairment losses & taxation	189	162	16%	201
Impairment losses on financial assets	42	58	(27)%	45
Profit before tax	148	105	41%	156
Profit after tax	103	71	45%	109
Loans & advances to customers (net)	1,123	847	33%	1,233
Total assets	3,233	2,951	10%	3,508
Deposits from customers	2,447	2,228	10%	2,654
Total equity	374	318	18%	407
Cost-to-income	51.9%	54.2%		
ROE	29.7%	22.8%		
Loan-to-deposit ratio	48.8%	41.6%		
NPL ratio	10.3%	14.7%		
NPL coverage ratio	57.8%	58.8%		

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

Highlights

- AWA delivered profit before tax of \$148 million for 2018, an increase of \$43 million, or 41%, driven by the combination of positive operating leverage and lower impairment losses. Excluding the impact of FX translation, profit before tax increased \$51 million. ROE was 29.7% compared to 22.8% for the prior year.
- Operating income increased by \$39 million, or 11%, to \$393 million. Excluding the impact of FX translation, operating income increased \$66 million, led by growth in both net interest income and non-interest revenue.
 - Net interest income of \$242 million, increased \$23 million, or 10%, driven by an increase in loans within Corporate and Investment Bank and investment securities, marginally offset by the impact of spread compression due to a lower yield environment.
 - Non-interest revenue of \$151 million, was up \$16 million, or 12%, primarily driven by client FX sales and trading income.
- Operating expenses of \$204 million, increased \$13 million, or 7%. Excluding the impact of FX translation, expense grew by \$28 million, driven by revenue induced expense drivers. The cost-to-income ratio improved to 51.9% compared to 54.2% on positive operating leverage.
- Impairment losses on financial assets of \$42 million is lower compared to the \$58 million for 2017. Impairment losses for 2018 benefited from improved credit portfolio management and modestly favourable economic conditions, especially in Ghana. Ecobank Ghana's exposure to the Bulk Distribution Companies (BDCs) is still yet to be resolved. The NPL ratio of 10.3% is expected to materially decrease upon resolution.

Central, Eastern & Southern Africa (CESA)

Year ended 31 December (in millions of \$)	2018	2017	YoY	In Constant \$
				2018
Net interest income	207	193	7%	208
Non-interest revenue	242	200	21%	242
Operating income	450	393	14%	450
Operating expenses	271	288	(6)%	272
Operating profit before impairment losses & taxation	178	106	69%	177
Impairment losses on financial assets	67	56	20%	66
Profit before tax	111	49	125%	112
Profit after tax	108	28	285%	69
Loans & advances to customers (net)	1,619	1,711	(5)%	1,671
Total assets	5,394	4,657	16%	5,573
Deposits from customers	4,047	3,542	14%	4,180
Total equity	513	501	2%	530
Cost-to-income	60.3%	73.1%		
ROE	13.5%	6.0%		
Loan-to-deposit ratio	43.5%	52.8%		
NPL ratio	10.7%	15.8%		
NPL coverage ratio	75.3%	53.2%		

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

Highlights

- CESA posted profit before tax of \$111 million, up \$62 million, or 125%. Excluding the impact of FX translation, profit before tax increased \$62 million, benefiting significantly from the restructuring exercise in 2017. ROE, as a result, improved to 13.5% compared with 6.0% in 2017.
- Operating income of \$450 million, increased by \$56 million, or 14%. Excluding the impact of FX translation, operating income grew by \$57 million, primarily led by growth in non-interest revenue.
 - Net interest income increased by \$14 million, or 7%, to \$207 million, driven by an increase in the holdings of investment securities
 - Non-interest revenue increased by \$42 million, or 21%, to \$242 million, primarily driven by cash management and related fees, credit related fees and commissions, and FX and fixed-income sales
- Operating expenses decreased by \$16 million, or 6%, to \$271 million. Excluding the impact of FX translation, expense fell by \$15 million, reflecting the accrued benefits from continued right-sizing of the business. The cost-to-income ratio improved significantly to 60.3% versus 73.1% in 2017, driven by positive operating leverage.
- Impairment losses on financial assets for the year was \$67 million compared to \$56 million in the prior year due to provisioning of specific challenged assets largely in East Africa.

###

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 16,000 people in 40 different countries in 888 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.

Conference Call Information

Ecobank will host a live conference call on **Monday, 1 April 2019 at 14:00 GMT (15:00 Lagos time)** to present the audited financial results for the year ended 31 December 2018. There will be a Q&A session at the end of the call.

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

Online Registration: <http://emea.directeventreg.com/registration/2856765>

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 (Helpful keypad commands: *0=operator assistance; *6=self-mute/unmute)

If you should encounter any problems with the online registration, please dial the following number for assistance: **+44 330-606-8606** (you will also need to provide the **Conference ID: 2856765**).

For those who are unable to listen to the live call, a replay of the conference will be available from **1 April at 19:30 GMT to 6 April to 19:30 GMT. You may participate by dialling +44 333-300-9785, UK free call: 0808-238-0667, or USA: +1-866-331-1332 or +1 917-677-7532 and the Conference ID: 2856765**

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 Ecobank Investor Relations via ir@ecobank.com. Full contact details below:

Investor contact:

Ato Arku

T: +228 22 21 03 03

M: +228 92 40 90 09

E: aarku@ecobank.com

APPENDIX

POTENTIAL DILUTIVE INSTRUMENT

Opec Fund for International Development (OFID) – convertible and subordinated loan

A total outstanding balance of \$8.57 million in loans granted by OFID are convertible into ordinary shares. The conversion price is the lower of i) 10.41 \$ cents plus a premium that varies from 30% to 50%, depending on exercise date; and ii) the prevailing market price, based on a 45 day average.

Conversion can occur any time from 15 June 2016 until 3 July 2019.

ETI \$400 million convertible debt

The \$400 million convertible debt due 2022 has a maturity of five (5) years from date of issuance, a coupon rate comprising a reference rate of **3-month LIBOR plus a spread of 6.46%** (i.e. 3-month LIBOR + 6.46%), payable semi-annually in arrears. The debt will be convertible into ETI ordinary shares at an exercise price of **\$0.06** (*NGN21.66, GHS0.33, XOF34.69 at current exchange rates for illustrative purposes only*) during the conversion period of **19 October 2019 to 13 October 2022**. This debt will be redeemed at 110% of principal amount if the conversion option is not exercised.

Ecobank Group

CONSOLIDATED INCOME STATEMENT

Year Ended 31 December

In thousands of US dollars, except per share amounts

	2018	2017
Interest income	1,528,410	1,570,320
Interest expense	(598,650)	(593,001)
Net interest income	929,760	977,319
Fee and commission income	507,434	469,520
Fee and commission expense	(62,993)	(69,140)
Net trading income	381,885	415,725
Net losses from investment securities	(14)	(5)
Other operating income	69,099	37,783
Non-interest revenue	895,411	853,883
Operating income	1,825,171	1,831,202
Staff expenses	(512,455)	(515,040)
Depreciation and amortization	(97,444)	(95,820)
Other operating expenses	(512,868)	(520,691)
Total operating expenses	(1,122,767)	(1,131,551)
Operating profit before impairment losses and taxation	702,404	699,651
Impairment losses on:		
- loans and advances	(240,001)	(326,248)
- other financial assets	(23,914)	(84,806)
Impairment losses on financial assets	(263,915)	(411,054)
Operating profit after impairment losses	438,489	288,597
Share of loss of associates	(2,512)	(257)
Profit before tax	435,977	288,340
Taxation	(108,129)	(60,757)
Profit for the year from continuing operations	327,848	227,583
Profit for the year from discontinued operations	801	951
Profit) for the year	328,649	228,534
Attributable to:		
Owners of the parent (total)	261,647	178,585
Continuing operations	261,214	178,071
Discontinued operations	433	514
Non-controlling interest (total)	67,002	49,949
Continuing operations	66,634	49,512
Discontinued operations	368	437
	328,649	228,534
Earnings per share from continuing operations attributable to owners of the parent during the period (expressed in United States cents per share)		
Basic	1.06	0.72
Diluted	1.06	0.72

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year Ended 31 December

In thousands of US dollars

	2018	2017
Profit for the year	328,649	228,534
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss:		
Exchange difference on translation of foreign operations	(295,361)	101,172
Net fair value loss on available-for-sale financial assets	-	43,970
Fair value loss (profit) on debt instruments at FVOCI	(75,962)	-
Taxation relating to components of other comprehensive income that may be subsequently reclassified to profit or loss	2,695	(1,805)
	(368,628)	143,337
Items that will not be reclassified to profit or loss:		
Property and equipment - net revaluation gain	(643)	6,255
Fair value in equity instruments designated at FVOCI	348	-
Remeasurements of defined benefit obligations	1,374	(6,064)
Taxation relating to components of other comprehensive income that will not be subsequently reclassified to profit or loss	(4,342)	(3,144)
	(3,263)	(2,953)
Other comprehensive loss/ profit for the year, net of tax	(371,891)	140,384
Total comprehensive loss/ profit for the year	(43,242)	368,918
Attributable to:		
Owners of the parent	(65,289)	304,611
Continuing operations	(65,226)	304,097
Discontinued operations	(63)	514
Non-controlling interests	22,047	64,307
Continuing operations	22,101	63,870
Discontinued operations	(54)	437
	(43,242)	368,918

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 31 December

In thousands of US dollars

	2018	2017
Assets		
Cash and balances with central banks	2,797,417	2,661,745
Trading Financial Assets	122,283	36,557
Derivative financial instruments	49,914	39,267
Loans and advances to banks	1,717,575	1,685,806
Loans and advances to customers	9,168,669	9,357,864
Treasury bills and other eligible bills	1,828,251	1,718,977
Investment securities	4,568,262	4,405,240
Pledged assets	240,434	298,561
Other assets	739,168	760,724
Investment in associates	6,147	9,964
Intangible assets	278,334	283,664
Property and equipment	827,165	924,163
Investment properties	29,787	43,514
Deferred income tax assets	118,715	121,715
	22,492,121	22,347,761
Assets held for sale and discontinued operations	90,075	83,843
Total assets	22,582,196	22,431,604
Liabilities		
Deposits from banks	1,465,646	1,772,414
Deposits from customers	15,935,999	15,203,271
Derivative financial instruments	29,907	32,497
Borrowed funds	2,059,690	1,728,756
Other liabilities	996,557	1,210,908
Provisions	52,979	52,450
Current income tax liabilities	52,076	58,107
Deferred income tax liabilities	55,099	64,269
Retirement benefit obligations	3,896	24,064
	20,651,849	20,146,736
Liabilities held for sale and discontinued operations	117,856	112,785
Total liabilities	20,769,705	20,259,521
Equity		
Equity attributable to owners holders of the parents		
Share capital and premium	2,113,957	2,113,957
Retained earnings and reserves	(577,005)	(233,213)
Shareholders' equity	1,536,952	1,880,744
Non-controlling interests	275,539	291,339
Total equity	1,812,491	2,172,083
Total liabilities and equity	22,582,196	22,431,604

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the company			Total	Non-Controlling Interest	Total Equity
	Share capital & premium	Retained Earnings	Other Reserves			
<i>In thousands of US dollars</i>						
At 1 January 2017	2,114,332	230,847	(767,255)	1,577,924	186,154	1,764,078
Net changes in available for sale investments, net of taxes	-	-	42,165	42,165	-	42,165
Foreign currency translation differences	-	-	86,814	86,814	14,358	101,172
Remeasurements of post-employment benefit obligations	-	-	(6,064)	(6,064)	-	(6,064)
Net gains on revaluation of property	-	-	3,111	3,111	-	3,111
Other comprehensive income for the year	-	-	126,026	126,026	14,358	140,384
Profit for the year	-	178,585	-	178,585	49,949	228,534
Total comprehensive loss for the year	-	178,585	126,026	304,611	64,307	368,918
Transfer to other group reserve	-	(130,447)	130,447	-	-	-
Dividend relating to 2016	-	-	-	-	(23,378)	(23,378)
Change in minority interest	-	-	-	-	64,256	64,256
Treasury shares	(375)	-	-	(375)	-	(375)
Transfer from share option reserve	-	(344)	344	-	-	-
Transfer to general banking reserves	-	(17,049)	17,049	-	-	-
Transfer to statutory reserve	-	(45,450)	45,450	-	-	-
Convertible loans - equity component	-	-	(1,416)	(1,416)	-	(1,416)
At 31 December 2017 / 1 January 2018	2,113,957	216,142	(449,355)	1,880,744	291,339	2,172,083
IFRS 9 day 1 adjustment	-	(278,503)	-	(278,503)	(20,797)	(299,300)
Restated opening balance 1 January 2018	2,113,957	(62,361)	(449,355)	1,602,241	270,542	1,872,783
Net changes in debt instruments, net of taxes	-	-	(65,265)	(65,265)	(8,002)	(73,267)
Net changes in equity instruments, net of taxes	-	-	348	348	-	348
Foreign currency translation differences	-	-	(258,408)	(258,408)	(36,953)	(295,361)
Remeasurements of post-employment benefit obligations	-	-	1,374	1,374	-	1,374
Net gains on revaluation of property	-	-	(4,985)	(4,985)	-	(4,985)
Other comprehensive income for the year	-	-	(326,936)	(326,936)	(44,955)	(371,891)
Profit for the year	-	261,647	-	261,647	67,002	328,649
Total comprehensive income for the year	-	261,647	(326,936)	(65,289)	22,047	(43,242)
Transfer to other group reserves	-	(12,591)	12,591	-	-	-
Dividend relating to 2017	-	-	-	-	(17,050)	(17,050)
Change in minority interest	-	-	-	-	-	-
Transfer to share option reserve	-	(219)	219	-	-	-
Transfer from general banking reserves	-	124,262	(124,262)	-	-	-
Transfer to statutory reserve	-	(45,376)	45,376	-	-	-
At 31 December 2018	2,113,957	265,362	(842,367)	1,536,952	275,539	1,812,491

Ecobank Group
CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 December

In thousands of US dollars

	2018	2017
Cash flow from operating activities		
Profit before tax	435,977	288,340
Foreign exchange income	(46,917)	(37,498)
Net losses from investment securities	14	5
Fair value (gain)/loss on investment properties	1,077	827
Impairment losses on loans and advances	240,001	326,248
Impairment losses on other financial assets	23,914	84,806
Depreciation of property and equipment	77,541	80,557
Net interest income	(929,760)	(977,319)
Amortisation of software and other intangibles	19,903	15,263
Profit on sale of property and equipment	(63)	(3,253)
Share of loss of associates	2,512	257
Income taxes paid	(118,862)	(77,608)
Changes in operating assets and liabilities		
Trading assets	(85,726)	40,851
Derivative financial assets	(10,647)	28,937
Treasury bills and other eligible bills	(51,142)	(542,527)
Loans and advances to banks	84,298	(156,834)
Loans and advances to customers	(105,569)	(244,255)
Pledged assets	58,127	219,644
Other assets	(7,782)	33,931
Mandatory reserve deposits	60,386	(163,158)
Other deposits from banks	(500,781)	-
Due to customers	732,728	1,706,551
Derivative liabilities	(2,590)	9,395
Other provisions	529	23,668
Other liabilities	(214,351)	(131,727)
Interest received	1,528,410	1,570,320
Interest paid	(598,650)	(593,001)
Net cash flow from operating activities	592,577	1,502,420
Cash flows from investing activities		
Purchase of software	(21,471)	(26,355)
Purchase of property and equipment	(200,945)	(256,194)
Proceeds from sale of property and equipment	222,163	147,896
Purchase of investment securities	(1,684,041)	(1,631,773)
Purchase of investment properties	(10,481)	(10,012)
Disposal of investment properties	22,604	1,324
Proceeds from sale and redemption of investment securities	1,314,559	809,340
Net cashflow used in investing activities	(357,612)	(965,774)
Cash flows from financing activities		
Net repayment of borrowed funds	(110,022)	(533,110)
Net proceeds from borrowed funds	440,958	410,980
Dividends paid to non-controlling shareholders	(17,050)	(23,378)
Net cashflow from / (used) financing activities	313,886	(145,508)
Net increase in cash and cash equivalents	548,851	391,138
Cash and cash equivalents at start of year	1,965,611	2,020,838
Effects of exchange differences on cash and cash equivalents	(372,607)	(446,365)
Cash and cash equivalents at end of the period	2,141,855	1,965,611