



ECOBANK TRANSNATIONAL INCORPORATED

(Incorporated in Togo on 3 October 1985 as a public limited liability company with registration number 1986 B 1575)

US\$125,000,000 10.125% Notes due 15 October 2029

(to be consolidated and form a single series with the US\$400,000,000 10.125% Notes due 15 October 2029 issued on 15 October 2024)

New Issue Price: 102.634% plus accrued interest for the period from, and including 15 April 2024 to, but excluding, the New Issue Date (representing US\$1,300,781.25)

Ecobank Transnational Incorporated (the “**Company**” or “**ETI**”) is issuing US\$125,000,000 10.125% Notes due 15 October 2029 (the “**New Notes**”). The New Notes will be consolidated and form a single series with the US\$400,000,000 10.125% Notes due 15 October 2029 (the “**Original Notes**”) and, together with the New Notes, the “**Notes**”) issued by ETI on 15 October 2024 (the “**Original Issue Date**”), on the date that is 40 days after the New Issue Date (as defined below).

Application has been made to the Financial Conduct Authority (the “**FCA**”) in its capacity as competent authority under Regulation (EU) 2017/1129 as it forms part of United Kingdom (the “**UK**”) domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) (the “**UK Prospectus Regulation**”) for the New Notes to be admitted to the official list of the FCA (the “**Official List**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for such New Notes to be admitted to trading on the London Stock Exchange’s main market (the “**Market**”). The Market is a United Kingdom regulated market for the purposes of Regulation EU No. 600/2014 on markets in financial instruments as it forms part of United Kingdom domestic law by virtue of the EUWA (“**UK MiFIR**”).

This prospectus (the “**Prospectus**”) should be read and construed as one document in conjunction with the documents incorporated by reference herein, including, without limitation, the relevant sections of the Original Prospectus dated 10 October 2024 prepared by ETI in relation to the Original Notes (the “**Original Prospectus**”) and which constitutes a prospectus for the purposes of the UK Prospectus Regulation. See “*Documents Incorporated by Reference*” below. Capitalised terms used in the Original Prospectus have the same meanings in this Prospectus unless otherwise specified in this Prospectus. The Original Prospectus is available for viewing at <https://ecobank.com/upload/publication/20240927061829383YQF7YJT553/202410101022560849.pdf>.

This Prospectus has been approved by the FCA, as competent authority under the UK Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of ETI or the quality of the New Notes that are subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the New Notes.

The New Notes will be issued on 22 May 2025 (the “**New Issue Date**”). The New Notes accrue interest from (and including) 15 April 2025. Interest on the New Notes is payable semi-annually in arrear on 15 October and 15 April in each year, and the first payment of interest will be made on 15 October 2025 in respect of the period from 15 April 2025 to 15 October 2025. Payments on the New Notes will be made without deduction for or on account of taxes of Togo to the extent described under “*Terms and Conditions of the Notes – Taxation*”.

The Notes mature on 15 October 2029 but may be redeemed before then, in whole but not in part, at their principal amount, together with accrued interest, at the option of ETI at any time in the event of certain changes affecting taxes of Togo. See “*Terms and Conditions of the Notes—Redemption and Purchase—Redemption for Taxation Reasons*” on page 58 of the Original Prospectus. Noteholders shall have the option, in the event of a Put Event (as defined in “*Terms and Conditions of the Notes—Redemption and Purchase—Redemption at the Option of the Noteholders*”), to require ETI to redeem or purchase the relevant Notes at par plus accrued interest as described under “*Terms and Conditions of the Notes—Redemption and Purchase—Redemption at the Option of the Noteholders*”.

The New Notes are offered and sold in reliance on Regulation S (“**Regulation S**”) under the Securities Act of 1933, as amended (the “**Securities Act**”), and will be represented by beneficial interests in an unrestricted temporary global Note (the “**Temporary Global Note**”) in registered form, without interest coupons attached, which will be registered in the name of the nominee for, and shall be deposited on or about the New Issue Date with a common depository for, Euroclear Bank SA/NA (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”). The Temporary Global Note shall be exchanged for an unrestricted permanent global note in registered form (the “**Permanent Global Note**”, and together with the Temporary Global Note, the “**Unrestricted Global Notes**”), on the date that is 40 days after the New Issue Date. The New Notes are sold in offshore transactions in reliance on Regulation S and will be issued in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. See “*Terms and Conditions of the Notes – Form, Denomination and Title*” on page 46 of the Original Prospectus. Beneficial interests in the Unrestricted Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg and their participants. Except as described herein, certificates for New Notes will not be issued in exchange for beneficial interests in the Unrestricted Global Notes.

THE NOTES HAVE NOT BEEN NOR WILL BE REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR TERRITORY OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY US PERSON (AS SUCH TERMS ARE DEFINED IN REGULATION S), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. SEE “*FORM OF THE NOTES AND TRANSFER RESTRICTIONS*” ON PAGE 224 OF THE ORIGINAL PROSPECTUS.

The Original Notes were rated B- by Standard & Poor’s Credit Market Services Europe Limited (“**S&P**”) and B3 by Moody’s Investors Service Limited (“**Moody’s**”), and it is expected that the rating of the New Notes will be the same. ETI’s current long term debt rating by S&P is B- (outlook stable) and by Moody’s is B3 (outlook negative). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. S&P is established in the European Union and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the “**CRA Regulation**”). The ratings of S&P have been endorsed by S&P Global Ratings UK Limited in accordance with the CRA Regulation as it forms part of United Kingdom domestic law by virtue of the EUWA (the “**UK CRA Regulation**”). Each of S&P Global Ratings UK Limited and Moody’s is registered in the United Kingdom and registered under the UK CRA Regulation. The ratings issued by Moody’s have been endorsed by Moody’s Deutschland GmbH in accordance with the CRA Regulation. Each of S&P and Moody’s Deutschland GmbH is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

Investing in the New Notes involves a high degree of risk. See “*Risk Factors*”.

JOINT LEAD MANAGERS AND JOINT BOOKRUNNERS

ABSA

AFRICA FINANCE CORPORATION

AFRICAN EXPORT-IMPORT BANK

STANDARD CHARTERED BANK

MASHREQ

CO-MANAGER

ECOBANK DEVELOPMENT CORPORATION

FINANCIAL ADVISER

RENAISSANCE CAPITAL AFRICA

IMPORTANT NOTICE

This Prospectus constitutes a prospectus for the purpose of the UK Prospectus Regulation and for the purpose of giving information with regard to ETI and the New Notes which, according to the particular nature of ETI and the New Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of ETI and of the rights attaching to the New Notes. ETI accepts responsibility for the information contained in this Prospectus. To the best of ETI's knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus does not omit anything likely to affect the import of such information.

None of: (i) the Trustee (as defined below); (ii) Absa Bank Limited, Africa Finance Corporation, African Export-Import Bank, Mashreqbank psc and Standard Chartered Bank (together, the “**Joint Lead Managers**”) and Ecobank Development Corporation (the “**Co-Manager**” and together with the Joint Lead Managers, the “**Managers**”); and (iii) the Principal Paying Agent, the Paying and Transfer Agents, or the Registrar (each as defined herein, and together, the “**Agents**”) has independently verified the information contained herein. No representation or warranty, express or implied, is made by the Managers, the Trustee, the Agents or any of their respective directors, affiliates, advisers or agents with respect to the accuracy or completeness of such information. No responsibility is accepted by the Managers, the Trustee, the Agents or any of their respective directors, affiliates, advisers or agents for any act or omission of ETI or any other person (other than the relevant Manager, Trustee or Agent, as the case may be) in connection with the issue and offering of the New Notes. Nothing contained in this Prospectus is, is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Managers, the Trustee, the Agents or any of their respective directors, affiliates, advisers or agents in any respect. The contents of this Prospectus are not, are not to be construed as, and should not be relied on as, legal, business or tax advice and each prospective investor should consult its own legal and other advisers for any such advice relevant to it.

ETI does not intend to provide any post issuance transaction information regarding the New Notes. No person is authorised to give any information or make any representation not contained in this Prospectus in connection with the issue and offering of the New Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any of ETI, Citibank, N.A., London Branch (the “**Trustee**”), the Agents or the Managers or any of their directors, affiliates, advisers or agents. The delivery of this Prospectus does not imply that there has been no change in the business and affairs of ETI since the date hereof or that the information herein is correct as of any time subsequent to its date and neither the delivery of this Prospectus nor the offering, sale or delivery of any New Note shall in any circumstances create any implication that there has been no change, or any event reasonably likely to involve any change, in the condition (financial or otherwise), assets and liabilities, financial position, profit and losses and prospects of ETI or the Group after the date of this Prospectus.

Each potential investor in the New Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the New Notes, the merits and risks of investing in the New Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the New Notes and the impact the New Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the New Notes;
- understand thoroughly the terms of the New Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

New Notes may be complex financial instruments. A potential investor should not invest in the New Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the New Notes will perform under changing conditions, the resulting effects on the value of the New Notes and the impact the investment will have on the potential investor's overall investment portfolio.

Any consents or approvals that are needed by an investor in order to purchase any New Notes must be obtained. Neither ETI nor the Managers are responsible for compliance with these legal requirements. The appropriate characterisation of any New Notes under various legal investment restrictions, and thus the ability of investors subject to these restrictions to purchase such New Notes, is subject to significant interpretative uncertainties. None of ETI, the Trustee, the Agents, the Managers and their respective representatives is making any representation to any offeree or purchaser of the New Notes regarding the legality of an investment by such offeree or purchaser under relevant legal investment or similar laws. Such investors should consult their legal advisers regarding such matters.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to subscribe for or purchase any New Notes by any person in any jurisdiction where it is unlawful to make such an offer or solicitation. The distribution of this Prospectus and the offer or sale of the New Notes in certain jurisdictions is restricted by law. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstance in which such offer or solicitation is not authorised or is unlawful.

In particular, this Prospectus does not constitute an offer of securities to the public in the United Kingdom. Consequently this document is being distributed only to, and is directed at (a) persons who have professional experience in matters relating to investments falling within article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”) or (b) high net worth entities falling within article 49(2)(a) to (d) of the Order, and other persons to whom it may be lawfully communicated (all such persons together being referred to as “**relevant persons**”). Any person who is not a relevant person should not act or rely on this document or any of its contents. Persons into whose possession this Prospectus may come are required by ETI and the Managers to inform themselves about and to observe such restrictions.

The New Notes have not been, and will not be, registered under the Securities Act. The New Notes may not be offered or sold, directly or indirectly, into or within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Further information with regard to restrictions on offers, sales and deliveries of the New Notes and the distribution of this Prospectus and other offering material relating to the New Notes is set out under “*Subscription and Sale*” below and “*Form of the Notes and Transfer Restrictions*” on page 224 of the Original Prospectus.

TOGOLESE REPUBLIC

This Prospectus has not been prepared in the context of a public offering as this term is defined by Article 81 of the Uniform Act of the *Organisation pour l'Harmonisation en Afrique du Droit des Affaires* (“**OHADA**”) relating to commercial companies (“**AUSC&GIE**”). Therefore, prior approval of the *Autorité des Marchés Financiers de l'UEMOA* (“**AMF**”) is not required. Consequently, neither AUSC&GIE provisions nor West African Economic and Monetary Union (“**WAEMU**”) regulations in force in the Togolese Republic are applicable to this Prospectus or the New Notes.

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the New Notes has led to the

conclusion that: (i) the target market for the New Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the New Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the New Notes (a “**UK distributor**”) should take into consideration the manufacturer's target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the New Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION

Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, ETI has determined, and hereby notifies all relevant persons (as defined in Regulation 3(b) of the Securities and Futures (Capital Markets Products) Regulations 2018 (the “**SF (CMP) Regulations**”)), that the New Notes are “prescribed capital markets products” (as defined in the SF (CMP) Regulations) and “Excluded Investment Products” (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

STABILISATION

In connection with the issue of the New Notes, Standard Chartered Bank (the “**Stabilisation Manager**”) (or any person acting on behalf of the Stabilisation Manager) may over-allot New Notes or effect transactions with a view to supporting the market price of the New Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the New Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the New Notes and 60 days after the date of the allotment of the New Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

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GENERAL DESCRIPTION OF THE OFFERING

Issuer:	Ecobank Transnational Incorporated
Issuer Website:	www.ecobank.com/group
Trustee:	Citibank, N.A., London Branch
Principal Paying and Transfer Agent:	Citibank, N.A., London Branch
Registrar:	Citibank Europe PLC, Germany Branch
The Issue:	US\$125,000,000 10.125% Notes due 15 October 2029 (to be consolidated and form a single series with the US\$400,000,000 10.125% Notes due 15 October 2029 issued on 15 October 2024 (the “ Original Notes ”)).
New Issue Price:	102.634% of the principal amount of the New Notes (plus accrued interest from (and including) 15 April 2024 to (but excluding) the New Issue Date representing US\$1,300,781.25).
Original Issue Date:	15 October 2024.
New Issue Date:	22 May 2025.
Consolidation Date:	The New Notes will, on the date that is 40 days after the New Issue Date (the “ Consolidation Date ”), be consolidated and form a single series with the Original Notes. Until the Consolidation Date, the New Notes will have a temporary ISIN and temporary Common Code (the “ Temporary ISIN Code ” and “ Temporary Common Code ”, respectively). After the Consolidation Date, the New Notes will have the same ISIN and Common Code as the Original Notes that were offered and sold in reliance on Regulation S under the U.S. Securities Act of 1933.
Maturity Date:	15 October 2029.
Interest Rate:	The New Notes will bear interest at the rate of 10.125% per annum from and including 15 April 2025 to but excluding the Maturity Date.
Yield:	9.375%. The yield is calculated at the New Issue Date on the basis of the New Issue Price.
Interest Payment Dates:	Interest will be payable semi-annually in arrear on 15 October and 15 April in each year, commencing on 15 October 2025.
Withholding Taxes:	All payments in respect of the Notes will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of any Relevant Jurisdiction (as defined in the terms and conditions of the Notes) to the extent provided in Condition 12 (<i>Taxation</i>). In the event that any such withholding or deduction is made, ETI will, save in certain circumstances provided in

Condition 12 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.

Ranking: The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 5 (*Covenants*)) unsecured obligations of ETI. The Notes will at all times rank *pari passu* among themselves and at least *pari passu* in right of payment with all other present and future unsecured obligations of ETI.

Cross Default: The Notes will contain a cross default provision as described in Condition 14 (*Events of Default*).

Negative Pledge: The Notes will have the benefit of a negative pledge as described in Condition 5(a) (*Covenants—Negative Pledge*).

Covenants: The Notes will also contain covenants relating to certain capital adequacy requirements and, among other things, restrictions on certain consolidations or mergers, disposals and transactions with affiliates. See Condition 5 (*Covenants*).

The Notes will have the benefit of a covenant providing that Material Subsidiaries will guarantee the Notes on the same terms as any guarantees provided in respect of other indebtedness of ETI, as described in Condition 5(g) (*Covenants—Additional Guarantees*). Any such guarantee would come into effect after the date of this Prospectus.

Optional Redemption: ETI may, at its option, redeem all, but not some only, of the Notes at any time at par plus accrued interest, in the event of certain tax changes as described under Condition 11(b) (*Redemption and Purchase—Redemption for Taxation Reasons*). Noteholders shall have the option, in the event of a Put Event (as defined in Condition 11(c) (*Redemption and Purchase—Redemption at the Option of the Noteholders*)), to require ETI to redeem or purchase the relevant Notes at par plus accrued interest as described under Condition 11(c) (*Redemption and Purchase—Redemption at the Option of the Noteholders*).

In the event that Noteholders of not less than 85 per cent. of the aggregate principal amount of the outstanding Notes exercise such option, ETI will have the right to redeem or purchase all the Notes that remain outstanding following such redemption. See Condition 11 (*Redemption and Purchase*).

See Condition 11 (*Redemption and Purchase*).

Use of Proceeds: The net proceeds of the issue of the New Notes, amounting to approximately US\$128,852,281.25 after the deduction of fees and expenses in connection with the issuance of the New Notes, will be used by ETI for general corporate purposes.

Form of the Notes: The New Notes will be offered and sold in reliance on Regulation S and will be represented by beneficial interests in the Temporary Global Note in registered form, without interest coupons attached, which will be registered in the name of the nominee for, and shall be deposited on or

about the New Issue Date with a common depository for, Euroclear and Clearstream.

The Temporary Global Note shall be exchanged for the Permanent Global Note, on the date that is 40 days after the New Issue Date.

The New Notes are sold in offshore transactions in reliance on Regulation S and will be issued in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. See “*Terms and Conditions of the Notes – Form, Denomination and Title*” on page 46 of the Original Prospectus.

Beneficial interests in the Unrestricted Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg and their participants. Except as described herein, certificates for New Notes will not be issued in exchange for beneficial interests in the Unrestricted Global Notes.

Listing and Clearing: Application has been made to list the New Notes on the Official List and to trading on the Market.

It is expected that admission to listing will become effective and dealings are expected to commence on or about the New Issue Date. The New Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg with the following temporary ISIN, ISIN and Common Code:

Unrestricted Global Note:

Temporary ISIN Code: XS3038051176

Temporary Common Code: 303805117

ISIN Code: XS2879056534

Common Code: 287905653

Governing Law: The Notes will be governed by, and shall be construed in accordance with, English law.

Selling Restrictions: The offering and sale of New Notes is subject to applicable laws and regulations including, without limitation, those of WAEMU, the United States, the EEA, the United Kingdom, Singapore and South Africa. See “*Subscription and Sale*” below.

Ratings: The Original Notes were rated B- by S&P and B3 by Moody's and it is expected that the rating of the New Notes will be the same. ETI's current long-term debt rating by S&P is “B-” (outlook stable) and by Moody's is “B3” (outlook negative).

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

Risk Factors: Investing in the New Notes involves a high degree of risk. See “*Risk Factors*” below.

DOCUMENTS INCORPORATED BY REFERENCE

The Prospectus should be read and construed in conjunction with the sections set out below from the Original Prospectus, save that any statement contained in a document or section of a document which is incorporated herein by reference shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement or section contained in this Prospectus modifies or supersedes such earlier statement or section (whether expressly, by implication or otherwise), and any statement or section so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus:

1. Forward-Looking Statements (pages v to vi of the Original Prospectus);
2. Legal Personality, Waiver of Immunity and Enforcement (pages viii to ix of the Original Prospectus);
3. Presentation of Financial and Certain Other Information (pages x to xi of the Original Prospectus);
4. Alternative Performance Measures (pages xii to xv of the Original Prospectus);
5. Risk Factors (pages 4 to 43 of the Original Prospectus);
6. General Description of ETI and the Group (pages 44 to 45 of the Original Prospectus);
7. Terms and Conditions of the Notes (pages 46 to 70 of the Original Prospectus);
8. ETI and the Group (pages 72 to 98 of the Original Prospectus);
9. Directors and Senior Management (pages 195 to 213 of the Original Prospectus);
10. Regional Description (pages 214 to 216 of the Original Prospectus);
11. Banking Sectors (pages 217 to 222 of the Original Prospectus);
12. Share Capital and Ownership (page 223 of the Original Prospectus);
13. Form of the Notes and Transfer Restrictions (pages 224 to 230 of the Original Prospectus);
14. Taxation (pages 231 to 235 of the Original Prospectus); and
15. Subscription and Sale (pages 236 to 240 of the Original Prospectus).

The above document may be inspected as described in Paragraph 6 (*Documents on Display*) of “General Information” below at www.ecobank.com/group/investor-relations.

Any information or other documents themselves incorporated by reference, either expressly or implicitly, in the document incorporated by reference in this Prospectus shall not form part of this Prospectus, except where such information or other documents are specifically incorporated by reference into this Prospectus. It should be noted that, except as set forth above, no other portion of the above document is incorporated by reference into this Prospectus. In addition, where sections of any of the above document which is incorporated by reference into this Prospectus cross-reference other sections of the same document, such cross-referenced information shall not form part of this Prospectus, unless otherwise incorporated by reference herein. Those parts of the document incorporated by reference which are not specifically incorporated by reference in this Prospectus are either not relevant for prospective investors in the New Notes or the information is included elsewhere in this Prospectus.

LEGAL PERSONALITY, WAIVER OF IMMUNITY AND ENFORCEMENT

For the purposes of the New Notes only, the section in the Original Prospectus entitled “LEGAL PERSONALITY, WAIVER OF IMMUNITY AND ENFORCEMENT” as set out on pages viii to ix of the Original Prospectus is incorporated by reference herein, as amended as set out below.

The seventh paragraph of the section in the Original Prospectus entitled “*LEGAL PERSONALITY, WAIVER OF IMMUNITY AND ENFORCEMENT*” is deleted and restated as follows:

“ETI has, in accordance with the Decision of the Board of Directors dated 14 March 2025 (the “**Waiver of Immunity Decision**”) and pursuant to the relevant provisions of the Notes, the Agency Agreement and the Trust Deed, undertaken not to claim any immunity to the full extent permitted by the laws of any jurisdiction.”

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

For the purposes of the New Notes only, the section in the Original Prospectus entitled “PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION” as set out on pages x to xi of the Original Prospectus is incorporated by reference herein, as amended as set out below.

The following paragraphs shall be included in the section of the Original Prospectus entitled “PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION”, and the relevant definitions contained in the Original Prospectus shall be deemed to be amended, as follows:

“The unaudited condensed consolidated interim financial statements of the Group as at 31 March 2025 and for the three months ended 31 March 2025 included in this Prospectus, has, unless otherwise indicated, been derived from its consolidated unaudited statement of financial position as at 31 March 2025, its consolidated unaudited statements of comprehensive income, changes in equity and cash flow for the three months ended 31 March 2025, and the notes to the condensed consolidated unaudited financial statements including comparative information as at and for the three months ended 31 March 2024 (the “**Interim Financial Statements**”).

The financial information of ETI and its subsidiaries as of and for the year ended 31 December 2024 included in this Prospectus, has, unless otherwise indicated, been derived from its audited consolidated statement of financial position as at 31 December 2024 and the consolidated income statement, consolidated statements of comprehensive income, changes in equity and cash flows for the year ended 31 December 2024, and the notes to the consolidated financial statements (the “**2024 Financial Statements**”, and together with the 2023 Financial Statements, the 2022 Financial Statements and the 2021 Financial Statements, the “**Audited Financial Statements**”. The Audited Financial Statements, together with the Interim Financial Statements, the “**Financial Statements**”).”

ALTERNATIVE PERFORMANCE MEASURES AND KEY PERFORMANCE INDICATORS

For the purposes of the New Notes only, the section in the Original Prospectus entitled “ALTERNATIVE PERFORMANCE MEASURES” as set out on pages xii to xv of the Original Prospectus is incorporated by reference herein, as amended as set out below.

The table appearing on page xv of the Original Prospectus in the section entitled “ALTERNATIVE PERFORMANCE MEASURES”, shall be deleted and replaced as follows:

“	31 March 2025	31 December 2024	31 December 2023
<i>(US\$ thousands, except percentages)</i>			
Group profit attributable to owners of the parent (A)	83,776	333,175	287,824
Shareholders equity attributable to owners of parents (F)	1,198,609	1,079,040	1,053,961
Average Equity attributable to owners of the parent (B)*	1,138,825	1,066,501	1,224,405
Less			
Intangible Assets (C)	42,985	39,552	55,319
Total Adjusted equity (D = F - C)	1,155,624	1,039,488	998,642
Less			
Goodwill Impairment	-	254	-
Total Adjusted equity attributable to the parent excluding goodwill impairment (E)	1,155,624	1,039,234	998,642
Average Adjusted equity (G)	1,097,556	1,019,065	1,154,473
Average Adjusted equity attributable to the parent excluding goodwill impairment (H)	1,097,429	1,018,938	1,153,661
ROE (A/B)	29.4%	31.2%	23.5%
ROTE (A/G)	30.5%	32.7%	24.9%
ROTE excluding goodwill impairment (A/H)	30.5%	32.7%	24.9%”

Additional items considered to be APMs in this Prospectus (and that are not defined or specified by IFRS or any other legislation applicable to ETI) include (without limitation) the following (such terms being used in this Prospectus as defined below):

- *Total adjusted equity*: as of a particular date, this is: (a) the shareholders equity attributable to owners of parents as of such date *minus* (b) the intangible Assets as of such date.

- *Average Adjusted equity*: for a particular period, this is the average of the “total adjusted equity” as of the balance sheet date immediately prior to the commencement of such period (e.g., for any year, 31 December of the previous year) and the “total adjusted equity” as of the balance sheet date of such period.
- *Total adjusted equity attributable to the parent excluding goodwill impairment*: this is: (a) the total adjusted equity as of such date *minus* (b) the goodwill impairment as of such date.
- *Average Adjusted equity attributable to the parent excluding goodwill impairment*: for a particular period, this is the average of the “total adjusted equity attributable to the parent excluding goodwill impairment” as of the balance sheet date immediately prior to the commencement of such period (e.g., for any year, 31 December of the previous year) and the “total adjusted equity attributable to the parent excluding goodwill impairment” as of the balance sheet date of such period.

RISK FACTORS

The Company believes that the following factors may affect its ability to fulfil its obligations under the New Notes. In addition, factors which are material for the purpose of assessing the market risks associated with the New Notes are also described below.

If the risks described below materialise, the Group's business, results of operations, financial condition and/or prospects could be materially adversely affected, which could cause the trading price of the New Notes to decline and investors to lose all or part of their investment.

The Company believes that the factors described below represent the material risks inherent in investing in the New Notes, but the inability of the Company to pay interest, principal or other amounts on or in connection with any New Notes may occur for other reasons which may not be considered significant risks by the Company based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

For the purposes of the New Notes only, the section in the Original Prospectus entitled “RISK FACTORS” as set out on pages 4 to 43 of the Original Prospectus is incorporated by reference herein, as amended as set out below.

1. The fourth, fifth and sixth paragraphs of the risk factor entitled “The CBN’s approval in connection with this transaction is pending.” in the risk factor entitled “**RISK FACTORS - FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING RISKS ASSOCIATED WITH THE GROUP AND THE COMPANY - The Group’s largest subsidiary, Ecobank Nigeria, is not in compliance with its CBN minimum capital adequacy ratio requirement, compliance with which is a term and condition of its outstanding \$300 million 7.125% senior notes due 2026 (the “Ecobank Nigeria Eurobond”). It also has an approximately Naira 7 billion shortfall in relation to its new CBN minimum capital requirement (which is to be satisfied by April 2026). Ecobank Nigeria has received approval from the CBN for a capital remediation plan and obtained a temporary waiver from holders of the Ecobank Nigeria Eurobond for the breach of its minimum capital adequacy ratio, until 30 September 2025. If Ecobank Nigeria is unsuccessful in implementing its capital remediation plan, in whole or in part, it may trigger a default on the Ecobank Nigeria Eurobond and/or have its banking license revoked by the CBN, which could materially and adversely affect the Company’s business, results of operations and financial condition and lead to a breach of the terms and conditions of the Notes.**” shall be deemed deleted and replaced with the following:

“As a result, Ecobank Nigeria has developed and received CBN approval for a capital remediation plan to address its capital adequacy concerns. The capital remediation plan is broadly split into two categories: (i) meeting the new minimum capital requirement of Naira 200 billion (US\$122.2 million) by April 2026 (the “**Category 1 Priorities**”); and (ii) restoring Ecobank Nigeria’s capital adequacy ratio to be significantly above the regulatory minimum of 10 per cent. (the “**Category 2 Priorities**”):

- **Category 1 Priorities** – *Compliance with new minimum capital requirement:* Ecobank Nigeria's share capital and share premium had been Naira 13.7 billion and Naira 179.3 billion, respectively, resulting in an approximate shortfall of Naira 7 billion from its new CBN Naira 200 billion minimum capital requirement. On 23 September 2024, in order to ensure compliance with this new requirement, ETI injected US\$10 million in Ecobank Nigeria to close this common equity gap. As a result of this capital injection from ETI, Ecobank Nigeria’s capital adequacy ratio has improved to meet the new CBN Naira 200 billion minimum capital requirement. The CBN’s approval in connection with this transaction was obtained on 28 November 2024. See “*The Group operates in an uncertain regulatory environment in the African jurisdictions in which it has operations and recent*

changes to and by African banking regulators may have a material adverse effect on the Group”; and

- **Category 2 Priorities** – *Restoring Ecobank Nigeria’s capital adequacy ratio to be significantly above the regulatory minimum of 10 per cent.:* Ecobank Nigeria has engaged and obtained approval from the CBN to issue up to US\$200 million of AT-1 bonds (approved by the board of Ecobank Nigeria) in four tranches of approximately US\$50 million each (subject to market conditions), which will enhance Ecobank Nigeria’s Tier-1 capital.

Furthermore, as part of Ecobank Nigeria’s Category 2 Priorities, Ecobank Nigeria has also agreed to the following additional measures as part of its CBN capital remediation plan:

- *Early redemption of ETI Finance Company’s promissory notes, leading to a reduction in risk weighted assets.* Ecobank Nigeria is working with ETI to redeem USD\$200 million promissory notes issued by ETI Finance Company to Ecobank Nigeria early. Such redemption is expected to further lower Ecobank Nigeria’s risk weighted assets and improve its capital adequacy ratio. Ecobank Nigeria expects early redemption to occur prior to the contractual maturity of the promissory notes over a period of 24 months (with USD\$50 million expected to be redeemed in July 2025);
- *Further reduction in risk weighted assets through loan sales.* Ecobank Nigeria will look to reduce its risk weighted assets by up to US\$300 million through loan sales to eligible third-parties and prepayments by borrowers which is expected to lower its capital adequacy ratio. The timing of these sales is currently uncertain, although since 30 September 2024, risk weighted assets have been reduced by approximately US\$53 million; and
- *Conversion and restructuring of up to \$200 million dollar-denominated loans.* Ecobank Nigeria intends to convert up to US\$200 million in dollar-denominated loans to Naira and restructure them (when market conditions are favourable) to mitigate the impact of potential currency devaluation and translation issues. The timing of this conversion and restructuring is currently uncertain, although to date, approximately US\$30 million has been converted.

There can be no assurances that Ecobank Nigeria’s capital remediation plan, or any component thereof, will be successfully implemented by 30 September 2025 or at all. Any further devaluation of the Naira against the US dollar could further inflate Ecobank Nigeria’s risk weighted assets, making it more difficult to comply with the capital adequacy ratio requirement of the Ecobank Nigeria Eurobond or the CBN’s new minimum capital requirement. Failure of Ecobank Nigeria to comply with capital adequacy requirements in the future, and in any event by 30 September 2025, may result in: (i) ETI injecting further equity capital in Ecobank Nigeria through existing Group’s retained earnings; (ii) the revocation of Ecobank Nigeria’s banking licence; (iii) a breach of financial covenants in its borrowing instruments; and (iv) a cross-default on the borrowing instruments of the Company (for example, to the extent that there is a default under the Ecobank Nigeria Eurobond which results in the triggering of an event of default under the Notes, see “*The Company’s subsidiaries have on occasion been unable to comply with certain covenants under their outstanding bonds and have sought waivers and/or amendments to remain compliant. If in the future the Company or its subsidiaries are unable to comply with any covenants under their outstanding or future bonds and are unsuccessful in amending the relevant covenants or obtaining waivers, the Company and/or its subsidiaries may default under such bonds*”), including the Notes in accordance with the terms and conditions of the Notes. These actions could adversely impact Ecobank Nigeria’s ability to grow its loan book and other risk

assets, and in turn could materially and adversely affect the Company's business, results of operations and financial condition."

2. New paragraphs in the risk factor entitled "***RISK FACTORS - FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING RISKS ASSOCIATED WITH THE GROUP AND THE COMPANY - The Group has in the past experienced and may in the future experience credit default arising from adverse changes in credit quality and recoverability of outstanding loan balances inherent to the Group's banking business, which could impact its profitability***" shall be included as follows:

"As at 31 March 2025, the Group's NPL ratio was 6.6 per cent. compared with 6.7 per cent. as at 31 December 2024, 5.4 per cent. as at 31 December 2023 and 5.2 per cent. as at 31 December 2022. Specific provisions of US\$600.5 million, US\$519.1 million and US\$518.1 million, were recorded during the financial years ended 31 December 2024, 2023 and 2022, indicating a coverage ratio of 85.4 per cent., 86.5 per cent. and 86.5 per cent. respectively, as a result of positive revaluation of the security backing certain NPLs. However, not all NPLs are fully provisioned, principally because of the security backing certain NPLs. However, there can be no assurance that the level of provisioning will not have to increase in the future. For the financial year ended 31 December 2024, US\$60.3 million of NPLs were written off, the majority of which was related to wholesale and retail followed by construction.

As at 31 December 2024, the Group had US\$8.2 billion Stage 1 gross loans and advances to customers (31 December 2023: US\$9.0 billion), which represented 78.3 per cent. (31 December 2023: 81.7 per cent.) of the total gross loans and advances to customers, US\$1.6 billion Stage 2 gross loans and advances to customers (31 December 2023: US\$1.4 billion), which represented 15.0 per cent. (2023: 12.9 per cent.) of the total gross loans and advances to customer and US\$702.5 million Stage 3 (impaired) (31 December 2023: US\$600.2 million) gross loans and advances to customers, which represented 6.7 per cent. (31 December 2023: 5.4 per cent.) of the total gross loans and advances to customers. Provisions for collective loan impairment (Stage 1 and 2) were US\$163.1 million as at 31 December 2024 (31 December 2023: US\$199.3 million) and provisions for specific impairment as of the same date totalled US\$437.3 million (31 December 2023: US\$319.7 million)."

GENERAL DESCRIPTION OF ETI AND THE GROUP

For the purposes of the New Notes only, the section in the Original Prospectus entitled “GENERAL DESCRIPTION OF ETI AND THE GROUP” as set out on pages 44 to 45 of the Original Prospectus is incorporated by reference herein, as amended as set out below.

A new paragraph shall be inserted as follows:

“As at 31 March 2025, the Group had total assets of US\$28.9 billion (31 December 2024: US\$28.0 billion), deposits from customers of US\$21.5 billion (31 December 2024: US\$20.4 billion) and gross loans and advances to customers of US\$10.5 billion (31 December 2024: US\$10.5 billion). For the three months ended 31 March 2025, the Group's profit before tax and operating income were US\$175 million (financial year ended 31 December 2024: US\$657.8 million) and US\$516.3 million (financial year ended 31 December 2024: US\$2.1 billion), respectively.”

TERMS AND CONDITIONS OF THE NOTES

For the purposes of the New Notes only, the section in the Original Prospectus entitled “TERMS AND CONDITIONS OF THE NOTES” as set out on pages 46 to 70 of the Original Prospectus is incorporated by reference herein, as amended as set out below.

1. The second paragraph of the Conditions of the Notes contained in the Original Prospectus is deleted and restated as follows:

“The US\$125,000,000 10.125% Notes due 15 October 2029 (the “**New Notes**”) (to be consolidated and form a single series with the US\$400,000,000 10.125% Notes due 15 October 2029 issued on 15 October 2024 (the “**Original Notes**”, and together with the New Notes, the “**Notes**”, which expression includes any further notes issued pursuant to Condition 20 (*Further Issues*) and forming a single series therewith)) of Ecobank Transnational Incorporated (the “**Company**”) are (a) constituted by and subject to, and have the benefit of, a trust deed dated 15 October 2024, as supplemented by a supplemental trust deed dated on or around 22 May 2025 (the “**Supplemental Trust Deed**”, and together with the Original Trust Deed, and as may be further amended or supplemented from time to time, the “**Trust Deed**”) between the Company and Citibank, N.A., London Branch as trustee (the “**Trustee**”, which expression includes all persons for the time being appointed as trustee for the Noteholders (as defined below) under the Trust Deed) and (b) are the subject of a paying agency agreement dated 15 October 2024 (the “**Agency Agreement**”) between the Company, the Trustee and Citibank, N.A., London Branch as principal paying and transfer agent (the “**Principal Paying and Transfer Agent**”, which expression includes any successor principal paying and transfer agents appointed from time to time in connection with the Notes), the other paying and transfer agents named therein (together with the Principal Paying and Transfer Agent, the “**Paying and Transfer Agents**”, which expression includes any successor or additional paying and transfer agents appointed from time to time in connection with the Notes), and Citibank Europe PLC, Germany Branch, in its capacity as Registrar (the “**Registrar**”, which expression shall include any successor registrar appointed from time to time in connection with the Notes).”

2. The third paragraph of Condition 1(b) contained in the Original Prospectus is deleted and replaced as follows:

*“The New Notes will be sold to investors outside the United States in reliance on Regulation S under the Securities Act and will be represented by an unrestricted temporary global Note (the “**Temporary Global Note**”) in registered form, without interest coupons attached, which will be registered in the name of the nominee for, and shall be deposited on or about the New Issue Date with a common depository for, Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”). The Temporary Global Note shall be exchanged for an unrestricted permanent global note in registered form (together with the Temporary Global Note, the “**Unrestricted Global Notes**” or the “**Global Notes**”), on the date that is 40 days after the New Issue Date.”*

3. Sub-paragraph (a) of the definition entitled “Permitted Security Interests” contained in Condition 6, as contained in the Original Prospectus, is deleted and replaced as follows:

“(a) any Security Interests existing on the Original Issue Date (as defined below);”

4. Sub-paragraph (j) of the definition entitled “Permitted Security Interests” contained in Condition 6, as contained in the Original Prospectus, is deleted and replaced as follows:

“(j) Security Interests on any assets or property acquired by any member of the Group after the Original Issue Date to secure the purchase price of such assets or property or to secure Indebtedness incurred solely for the purpose of financing the acquisition of such assets or property

and transactional expenses related to such acquisition or expenses related to the repair or refurbishment of such assets or property, provided that the maximum amount of Indebtedness secured by such Security Interest does not exceed the purchase price of such assets or property (including transactional expenses) or the Indebtedness incurred solely for the purpose of financing the acquisition, repair or refurbishment of such assets or property (including transactional expenses);”

5. Condition 9(a) contained in the Original Prospectus is deleted and replaced as follows:

“(a) **Interest Accrual.** Each Note bears interest from (and including) 15 April 2025 at the rate of 10.125 per cent. per annum (the “**Rate of Interest**”) payable semi-annually in arrear on 15 October and 15 April in each year (each, an “**Interest Payment Date**”), subject as provided in Condition 10 (*Payments*). The period beginning on (and including) 15 April 2025 and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, is herein called an “**Interest Period**”.”

6. Condition 11(b)(i) contained in the Original Prospectus is deleted and replaced as follows:

“(i) it has become or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Togo or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 15 April 2025 (the “**Original Issue Date**”); and”

USE OF PROCEEDS

The net proceeds of the issue of the New Notes, after deduction of the total fees and expenses in connection with the issuance of the New Notes, expected to amount to approximately US\$128,852,281.25, will be used by ETI for ETI's general corporate purposes.

SHARE CAPITAL AND OWNERSHIP

For the purposes of the New Notes only, the section of the Original Prospectus entitled “SHARE CAPITAL AND OWNERSHIP” as set out on page 223 of the Original Prospectus is incorporated by reference herein, as amended as set out below.

All references to “31 December 2023” in the section of the Original Prospectus entitled “*SHARE CAPITAL AND OWNERSHIP*” shall be deemed to be “31 March 2025”.

CAPITAL ADEQUACY

Group Level

The Group's Capital Management Policy aims to maintain compliance with all regulatory capital requirements and support the Group's credit rating objectives. The Capital Management Policy also establishes the principles by which capital is allocated to business activities in order to provide an optimal return to the providers of capital.

On a consolidated basis, the Group is required to comply with Basel II/III capital requirements set by the BCEAO for banks headquartered in the UEMOA zone. On a standalone basis, banking subsidiaries are required to maintain minimum capital levels and minimum capital adequacy ratios which are determined by their national or regional regulators.

As of 31 December 2024, the Group was compliant with BCEAO regulatory minimum capital adequacy ratios.

The following table sets out the minimum requirements under the UMOA Basel II/III regulations as at the dates indicated:

Minimum Requirements	2021	2022	2023	2024	2025	2026	2027
	(%)						
	UEMOA Regulatory Requirements						
Minimum Tier 1 CAR	7.25%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
Minimum Total CAR	10.375%	11.25%	11.5%	11.5%	11.5%	11.5%	11.5%
	ETI-specific regulatory requirements						
Regional SIFI buffer	0.7%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Minimum Tier 1 CAR + SIFI buffer	8.575%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
Minimum Total CAR + SIFI buffer	11.075%	12.25%	12.5%	12.5%	12.5%	12.5%	12.5%

The Group's capital ratios under Basel II/III (as determined in accordance with UMOA) are as follows as of 31 December 2024.

	Basel II/III ⁽¹⁾ 31 December 2024
Tier 1 capital	
Share capital	2,113,961
Retained earnings	1,040,494
IFRS 9 transition adjustment	-
Statutory Reserves	600,610
Other reserves	(2,442,429)
Non-controlling interests	243,515
Less: goodwill and intangibles	(10,569)
Total Additional Tier 1 capital	97,177
Total qualifying Tier 1 capital	1,642,759
Tier 2 capital	
Subordinated debt and other instruments	393,112
Revaluation reserve	41,652
Non-controlling interests included in Tier 2 capital	64,564
Total qualifying Tier 2 capital	499,328
Total regulatory capital	2,142,087
Risk-weighted assets:	
Credit risk weighted assets	10,151,624
Market risk weighted assets	88,955
Operational risk-weighted assets	3,319,440

	Basel II/III⁽¹⁾
	31 December 2024
Total risk-weighted assets	13,560,019
Tier 1 Capital Adequacy Ratio	12.1%
Total Capital Adequacy Ratio	15.8%

⁽¹⁾ UMOA Basel II/III: In compliance with prudential reporting to the BCEAO, the Group semi-annually calculates Basel II/III risk-weighted assets under rules set forth for UMOA banks. The Group's calculations are based on its request awaiting the approval of the UEMOA regulator for zero per cent. risk weighting of the sovereign exposures and cash placements of non-UEMOA affiliates. See also – “*Risk Factor – The Group operates in an uncertain regulatory environment in the African jurisdictions in which it has operations and recent changes to and by African banking regulators may have a material adverse effect on the Group.*”

Under new UMOA Basel II/III regulations, ETI was required to maintain a capital adequacy ratio of at least 12.5 per cent. from 1 January 2024 to 31 December 2024, with these ratios calculated semi-annually. As at 31 December 2024, the capital adequacy ratio, calculated in accordance with UMOA Basel II/III, was 15.8 per cent., an 80 basis points increase if compared to the 15.0 per cent. reported as at 31 December 2023. This increase in the capital adequacy ratio from December 2023 to December 2024 (Tier 1 CAR increased by 100 basis points to 12.1 per cent. as at 31 December 2024 from the 11.1 per cent. reported as at 31 December 2023) was primarily influenced by extensive optimization efforts carried out across the Group.

Capital Adequacy in Affiliates

In all of the Group's countries of operation, banking subsidiaries are required to maintain minimum capitalisation levels and minimum capital adequacy ratios which are determined by their national or regional (in the case of the UEMOA and CEMAC zones) regulators. 15 of the 22 regulators that supervise the Group's affiliates have already implemented Basel II/III standards.

In line with the Group's commitment to comply with all local regulations and to ensure that the Group's subsidiaries are well capitalised, the Group continues to monitor the capital adequacy of its subsidiaries. When a potential shortage arises, appropriate actions are taken to ensure immediate compliance with regulations.

The table below sets out the minimum capital adequacy ratios to which the Group's subsidiaries are subject to and their respective capital adequacy ratios as at the dates indicated.

Group Subsidiary	Total CAR As at 31 December 2024	Total CAR As at 30 June 2024	Regulatory minimum CAR Required (including any applicable buffer)
Nigeria	N/A ¹	7.0%	10.0%
Cote d'Ivoire	17.3%	18.9%	11.5%
Burkina Faso	15.9%	16.8%	11.5%
Senegal	17.5%	21.1%	11.5%
Mali	21.1%	21.3%	11.5%
Togo	19.6%	18.5%	11.5%

¹ Figure not yet finalised.

Group Subsidiary	Total As at 31 December 2024	CAR As at 30 June 2024	Regulatory minimum CAR Required (including any applicable buffer)
Benin	13.7%	13.0%	11.5%
Niger	21.1%	17.4%	11.5%
Guinea-Bissau	28.4%	26.7%	11.5%
Cape Verde	23.3%	26.0%	12.0%
Ghana	12.4%	13.2%	10.0%
Guinea	14.6%	13.9%	10.0%
Gambia	30.1%	23.6%	10.0%
Liberia	26.0%	29.2%	10.0%
Sierra Leone	37.2%	40.2%	15.0%
Cameroon	37.4%	37.2%	9.5%
Congo Brazza	17.2%	47.4%	8.5%
Chad	19.7%	10.1%	8.5%
CAR	18.6%	22.9%	8.5%
Gabon	16.6%	20.5%	8.5%
Eq. Guinea	10.5%	-0.2%	8.5%
Sao Tome	37.5%	50.3%	12.0%
Kenya	18.5%	15.6%	14.5%
Zimbabwe	31.6%	34.4%	12.0%
Zambia	39.0%	31.2%	10.0%
DRC	17.3%	16.6%	10.0%
Rwanda	18.0%	23.0%	15.0%
Malawi	24.2%	33.0%	15.0%
Uganda	32.8%	25.0%	12.0%
South Sudan	19.6%	24.7%	12.0%
Burundi	31.4%	32.6%	14.5%
Mozambique	44.7%	34.9%	10.0%
Tanzania	18.9%	22.2%	12.0%
France	16.8%	18.0%	14.5%

FORM OF THE NOTES AND TRANSFER RESTRICTIONS

For the purposes of the New Notes only, the section of the Original Prospectus entitled “FORM OF THE NOTES AND TRANSFER RESTRICTIONS” as set out on pages 224 to 230 of the Original Prospectus is incorporated by reference herein, as amended as set out below.

1. All references to “Notes” in the section of the Original Prospectus entitled “*FORM OF THE NOTES AND TRANSFER RESTRICTIONS*” shall be deemed to be “New Notes”.
2. The paragraph entitled “*Transfer Restrictions*” in the section of the Original Prospectus entitled “*FORM OF THE NOTES AND TRANSFER RESTRICTIONS*”, shall be deemed to be deleted and replaced, as follows:

“Transfer Restrictions

Because of the following transfer restrictions, investors are advised to consult legal counsel prior to making any reoffer, resale, pledge, transfer or disposal of the New Notes.

The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or territory of the United States or any other jurisdiction and, therefore, the New Notes may not be offered or sold, directly or indirectly, into or within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each purchaser of New Notes, and each purchaser in respect of a subsequent purchase of such New Notes in re-sales during the period which expires on and includes the 40th day after the later of the commencement of the offering of the New Notes and the Issue Date (the “**distribution compliance period**”), will be deemed to have represented, agreed and acknowledged as follows:

- (i) it is, or at the time New Notes are purchased will be, the beneficial owner of such New Notes and it is not a US person and it is located outside the United States (within the meaning of Regulation S);
- (ii) it understands that such New Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell pledge or otherwise transfer such New Notes except in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, and in accordance with any applicable securities laws of any State of the United States; and
- (iii) ETI, the Registrar, the Managers and their affiliates (as defined in Rule 501(b) of Regulation D of the Securities Act) and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.”

SUBSCRIPTION AND SALE

For the purposes of the New Notes only, the section in the Original Prospectus entitled “SUBSCRIPTION AND SALE” as set out on pages 236 to 240 of the Original Prospectus is incorporated by reference herein, as amended as set out below.

The first paragraph of the section in the Original Prospectus entitled “*SUBSCRIPTION AND SALE*” is deleted and restated as follows:

“Absa Bank Limited, Africa Finance Corporation, African Export-Import Bank, Mashreqbank psc and Standard Chartered Bank (the “**Joint Lead Managers**”) and Ecobank Development Corporation (the “**Co-Manager**” and together with the Joint Lead Managers, the “**Managers**”) have, pursuant to a subscription agreement dated 20 May 2025 (the “**Subscription Agreement**”), severally agreed with ETI, subject to the satisfaction of certain conditions, to subscribe for the New Notes. ETI has agreed to pay to the Managers a combined management and underwriting commission. In addition, ETI has agreed to reimburse the Managers for certain of their expenses in connection with the issue of the New Notes. The Subscription Agreement entitles the Managers to terminate it in certain circumstances prior to payment being made to ETI. ETI has agreed in the Subscription Agreement to indemnify the Managers against certain liabilities.”

GENERAL INFORMATION

1 Clearing Systems

ETI's LEI is 213800USCE9Y111R4656.

The Notes have been accepted for clearance through the Clearstream, Luxembourg and Euroclear systems. The New Notes will bear the following Temporary ISIN and Common Code, being XS3038051176 and 303805117, until the Consolidation Date. After the Consolidation Date, the New Notes will bear the same ISIN and Common Code as the Original Notes, being XS2879056534 and 287905653.

2 Admission to Trading

Application has been made to the FCA for the New Notes to be admitted to the Official List and to the London Stock Exchange for the New Notes to be admitted to trading on the Market. It is expected that admission of the New Notes to trading will be granted on or before 22 May 2025.

The estimated expenses associated with the admission to trading of the New Notes on the Market are expected to be approximately GBP 6,850.

3 Authorisations

ETI has obtained all necessary consents, approvals and authorisations in Togo in connection with the issue and performance of the New Notes. The issue of the New Notes was authorised by resolution of the Board of Directors of ETI passed on 14 March 2025.

4 Material Adverse Change

There has been no significant change in the financial performance or financial position of ETI since 31 March 2025 and there has been no material adverse change in the prospects of ETI since 31 December 2024.

5 Litigation

Other than set out in "*ETI and the Group – Legal Proceedings*" on pages 96 and 97 of the Original Prospectus, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) in the 12 months preceding the date of this Prospectus which may have or have in such period had a significant effect on the financial position or profitability of ETI or the Group.

6 Documents on Display

For so long as any of the Notes is outstanding, copies of the following documents may be inspected in electronic format at the specified offices of each of the Paying and Transfer Agents during normal business hours or www.ecobank.com/group/investor-relations:

- (a) the constitutional documents of ETI;
- (b) the: (i) audited financial statements of ETI as at and for the financial years ended 31 December 2024 and 2023 including, in each case, the audit report relating to such accounts; and (ii) unaudited interim financial statements of ETI as at and for the three months ended 31 March 2025;
- (c) the Trust Deed;

- (d) the Agency Agreement;
- (e) the Supplemental Trust Deed;
- (f) the Original Prospectus; and
- (g) the Prospectus.

Unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of this Prospectus.

7 **Auditors**

The consolidated accounts of the Group for the financial years ended 31 December 2024 and 2023 contained in this Prospectus have been audited by its joint auditors, Deloitte & Touche Nigeria and Grant Thornton Audit Côte d'Ivoire, in accordance with International Financial Reporting Standards qualification and Deloitte & Touche Nigeria and Grant Thornton Audit Côte d'Ivoire rendered an unqualified audit report on such accounts of ETI for each of these years.

The unaudited interim financial statements of ETI as at and for the three months ended 31 March 2025 contained in this Prospectus have been reviewed by Grant Thornton Audit Côte d'Ivoire pursuant to IAS 2410.

The auditors of ETI have no material interest in the Group. Deloitte & Touche Nigeria is an independent auditor in accordance with regulations and guidance issued by the Financial Reporting Council of Nigeria, its interpretation, the rulings of the laws of the Federal Republic of Nigeria and the applicable rules and regulations thereof. Its supervisory bodies are: (i) Financial Reporting Council of Nigeria; and (ii) The Institute of Chartered Accountants of Nigeria. Grant Thornton Audit Côte d'Ivoire is an independent auditor in accordance with regulation and guidance issued by regulation No. 01/2017/CM/OHADA on the harmonization of practices of accounting and auditing professionals in OHADA member countries and the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants. Its supervisory body is the order of chartered accountants of Ivory Coast.

8 **Conflicts of Interest**

There are no potential conflicts of interest between any duties of the members of the administrative, management or supervisory bodies of ETI towards ETI and their private interests and/or other duties.

9 **Managers transacting with ETI**

Certain of the Managers and their respective affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act) have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to ETI and ETI's affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ETI or ETI's affiliates. Certain of the Managers or their respective affiliates that have a lending relationship with ETI routinely hedge their credit exposure to ETI consistent with their customary risk management policies. Typically, such Managers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the New Notes. Any

such short positions could adversely affect future trading prices of the New Notes. The Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Save for the commissions described under “*Subscription and Sale*” and as described under “*Use of Proceeds*”, so far as ETI is aware, no person involved in the issue of the New Notes has an interest material to the offer.

10 **Yield**

On the basis of the issue price of the New Notes of 102.634 per cent. of their principal amount, the gross real yield of the New Notes is 9.375 per cent. on an annual basis. It is not an indication of future yield.

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ECOBANK TRANSNATIONAL INCORPORATED

**Consolidated Audited Financial Statements
31 December 2023**

Ecobank Transnational Incorporated
Consolidated Audited Financial Statements
For the year ended 31 December 2023

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Responsibility for consolidated financial statements

The Directors are responsible for the preparation of the consolidated financial statements for each financial period that give a true and fair view of the financial position of the Group as at 31 December 2023 and the results of its operations, statement of cash flow, income statement and changes in equity for the year ended 31 December 2023 is compliance with International Financial Reporting Standards ("IFRS"). This responsibility includes ensuring that the Group:

- (a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group;
- (b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- (c) prepares its consolidated financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, that are consistently applied.

The Directors accept responsibility for the consolidated financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS.

Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least twelve months from the date of these financial statements.

The Directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the Group and of its profit or loss for the year ended 31 December 2023. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors on 14 March 2024 and signed on its behalf by:



Alain Nkontchou
Group Chairman
FRC/2020/003/00000021578



Jeremy Awori
Group Chief Executive Officer

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ECOBANK TRANSNATIONAL INCORPORATED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Ecobank Transnational Incorporated** and its subsidiaries (together referred to as "the Group") set out on pages 7 to 77 which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of **Ecobank Transnational Incorporated** as at 31 December 2023, and its consolidated financial performance and statement of cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounts Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters noted below relate to the consolidated financial statements.

Key audit matters	How our audit addressed the key audit matters
Impairment of loans and advances to customers	
Loans and advances to customers constitute a significant portion of the total assets of the Group. At 31 December 2023, gross loans and advances to customers was US\$11,062million (31 December 2022: US\$11,521 million) against which total loan impairment amounted to US\$519 million (31 December 2022: US\$518 million), resulting in a net loan balance of US\$10,543 million (31 December 2022: US\$11,003 million). This asset represents 39 per cent (31 December 2022: 38 per cent) of the total assets as at the reporting date (see note 21). The basis of the impairment amount is summarised in the accounting policies in the consolidated financial statements in note 2.30.3.	<p>We focused our testing of the impairment on loans and advances to customers on the key assumptions and inputs made by management and directors.</p> <p>Specifically, our audit procedures included:</p> <ul style="list-style-type: none"> Obtaining an understanding of the loan impairment calculation process within the Group; Testing the design and implementation of key controls across the processes relevant to the Expected Credit Loss ('ECL'). This included model governance, controls that ensure data accuracy and completeness and related credit monitoring, allocation of assets into stages, the determination of economic scenarios, post model adjustments,

<p>The directors exercise significant judgement when determining both when and how much to record as loan impairment. This is because a number of significant assumptions and inputs go into the determination of expected credit loss ('ECL') impairment amounts on loans and advances to customers.</p> <p>The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus were:</p> <ol style="list-style-type: none"> i. Modelling for estimation of ECL parameters including: <ul style="list-style-type: none"> • probabilities of default (PDs) - 12-month and lifetime, • loss given default (LGD), and • exposure at default (EAD). ii. Assessment and measurement of Significant Increase in Credit Risk ('SICR') using appropriate criteria; iii. Identification, selection and measurement of economic scenarios to measure ECLs on a forward-looking basis reflecting a range of future economic conditions, including scenarios' weighting; iv. Ensuring the completeness and accuracy of data used to calculate the ECL; v. Considering the completeness and validity of out of model adjustments and overlays; and vi. Validating the loan staging and related disclosures in the consolidated financial statements. <p>Because of the significance of these estimates, judgements and the size of loans and advances portfolio, the audit of the loan impairment is considered a key audit matter.</p>	<p>individual impairment and processing of journal entries and disclosures;</p> <ul style="list-style-type: none"> • Assessing the ECL impairment levels by stage to determine if they were reasonable considering the Group's portfolio, risk profile, credit risk management practices and the macroeconomic environment; • Challenging the criteria used to allocate assets to stage 1, 2 or 3 in accordance with IFRS 9: <i>Financial Instruments</i>; • Testing the assumptions, inputs and formulae used in a sample of ECL models (covering at least 90% of the ECL provision with the support of our internal credit risk specialists); • Considering the appropriateness of model design and the formulae used in determining the PD's LGD's and EAD's and valuation of collateral in the current economic environment; • Through applying the assumptions and data included in management's model, we assessed the reasonableness of SICR classifications; • Testing the data used in the ECL calculation by reconciling to source systems; and • Assessing the Group's approach and methodology to incorporate the impact of changing macroeconomic conditions in the ECL model, by considering the assumptions used in the forward-looking economic model, the macroeconomic variables selected and the sensitivity of ECL components to each variable by comparing it to our own actuarial analysis and statistics with specific focus on affiliates operating in challenging economic circumstances. We also challenged the scenario weightings attached to the various probabilities of outcomes and carried out impact assessments of varying the scenario weights of the various probabilities of outcomes to assess reasonableness of entity's estimate. • Considering the completeness and validity of post model adjustments and overlays where this cannot be incorporated in base models; • In the Commercial segment where for large exposures in Stage 3 advances, tested the controls around the valuation of collateral (where applicable) for operating effectiveness, inspecting a sample of legal agreements, and supporting documentation to assess the legal right to and existence of collateral and expected timing of future cash flows; and • Assessing the adequacy and appropriateness of disclosures for compliance with the accounting standards <p>Based on our audit procedures performed, we found that the Group's expected credit loss methodologies, including all the relevant assumptions, judgements, and key inputs used by management and directors to estimate the amount of impairment losses on loans and advances to customers were appropriate.</p>
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Impairment assessment on Government of Ghana Debt Securities	
<p>Government of Ghana suspended the servicing payments of its Eurobonds, commercial loans and most bilateral loans.</p> <p>The default event therefore necessitated the need for the Group to reassess its exposure to Ghana Debt for impairment losses.</p> <p>After the default announcement, the Government of Ghana instituted a domestic debt exchange program in a bid to restructure its debt as part of the pre-condition in the staff level agreement with International Monetary Fund (IMF) for a US\$3billion macroeconomic support and bailout. The domestic debts restructuring was negotiated and concluded in February 2023.</p> <p>The Government of Ghana however continues to default on the payment of coupons due on series of the Eurobonds following the earlier announcement and there has been no formal negotiation on the defaulted Eurobonds.</p> <p>Given the level of uncertainty involved, the significance of the Group's exposure, lack of any proposals regarding specific restructuring program on the Eurobonds, and the materiality of the amount involved, it became pertinent that the directors exercise some judgement and make some assumptions regarding certain inputs to enable them to assess and determine the appropriate level of impairment on the Government of Ghana's Eurobond Debt Securities. Therefore, this item is considered a key audit matter.</p>	<p>We focused our testing on the impairment assessment of the Government of Ghana's Eurobond debt securities portfolios held by the Group as at 31 December 2023. We reviewed and challenged the key judgements, assumptions, and inputs made by management and directors.</p> <p>Specifically, our audit procedures included:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's process for estimating the expected credit loss on the instruments; • Obtained available information and data on the Government of Ghana debt securities which formed the basis of analysis by the Group management and directors; • Obtained and challenged key management and directors assumptions and inputs (i.e., cashflows, discount rates, and methodology) to assess accuracy and completeness as well as the reasonableness of the assumptions and inputs; • Performed a detailed review and assessment of the expected credit loss calculations by the Group; and • Assessed the adequacy and appropriateness of disclosures for compliance with the accounting standards. <p>Based on our audit procedures performed, we found that the Group's impairment methodology, including all the relevant assumptions and key inputs used by management and directors to estimate the amount of expected credit losses on the Government of Ghana's Eurobond debt securities were appropriate.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Ecobank Transnational Incorporated Financial Statements for the year ended 31 December 2023", which includes the Statement of Directors' Responsibilities which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The information does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounts Standards Board, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.
If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee and the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits derivable from such communication.



For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
20 March 2024

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



For: Grant Thornton
Chartered Accountants
Abidjan, Cote d'Ivoire
20 March 2024

Engagement Partner: Missa Kone

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

Ecobank Transnational Incorporated
Consolidated audited financial statements
For the year ended 31 December 2023
Consolidated income statement
(All amounts in thousands of US dollars unless otherwise stated)

	Notes	31 Dec. 2023	31 Dec. 2022
Interest income	7	1,866,085	1,617,454
Interest income calculated using the effective interest method		1,864,732	1,598,318
Other interest income		1,353	19,136
Interest expense	7	(697,433)	(603,751)
Net interest income		1,168,652	1,013,703
Fee and commission income	8	539,576	533,612
Fee and commission expense	8	(64,018)	(62,915)
Trading income and foreign exchange gains	9	361,240	310,606
Investment income	10	9,560	13,230
Other operating income	11	48,656	53,561
Non-interest revenue		895,014	848,094
Operating income		2,063,666	1,861,797
Staff expenses	12	(462,801)	(447,358)
Depreciation and amortization	12	(90,145)	(101,282)
Other operating expenses	12	(559,609)	(501,741)
Operating expenses		(1,112,555)	(1,050,381)
Operating profit before impairment charges and taxation		951,111	811,416
Impairment charges on financial assets	13	(329,939)	(198,066)
Non-conversion premium on bonds	14	-	(40,000)
Operating profit after impairment charges on financial assets		621,172	573,350
Net monetary loss arising from hyperinflationary economies	2.5	(39,948)	(33,891)
Share of post-tax results of associates	26	138	570
Profit before tax		581,362	540,029
Taxation	15	(174,439)	(173,338)
Profit after tax		406,923	366,691
Profit after tax attributable to:			
Ordinary shareholders		287,824	286,430
Other equity instrument holder		7,312	7,312
Non-controlling interests		111,787	72,949
		406,923	366,691
Earnings per share from continuing operations attributable to owners of the parent during the year (expressed in United States cents per share):			
- Basic	16	1.170	1.165
- Diluted	16	1.170	1.165

The accompanying notes are an integral part of these financial statements.

Ecobank Transnational Incorporated
Consolidated financial statements
For the year ended 31 December 2023
Consolidated statement of other comprehensive income
(All amounts in thousands of US dollars unless otherwise stated)

	Notes	31 Dec. 2023	31 Dec. 2022
Profit after tax		406,923	366,691
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Exchange difference on translation of foreign operations		(572,856)	(386,106)
Net change in fair value of other financial assets FVOCI		(64,434)	(81,145)
		(637,290)	(467,251)
Items that will not be reclassified to profit or loss:			
Net change in fair value on property and equipment		2,757	40,019
Remeasurements of defined benefit obligations	41	625	(665)
		3,382	39,354
Other comprehensive loss for the year, net of tax		(633,908)	(427,897)
Total comprehensive loss for the year		(226,985)	(61,206)
Total comprehensive (loss)/ profit attributable to:			
Ordinary shareholders		(313,684)	(86,420)
Other equity instrument holder		7,312	7,312
Non-controlling interests		79,387	17,902
		(226,985)	(61,206)

The accompanying notes are an integral part of these financial statements.

Ecobank Transnational Incorporated
Consolidated financial statements
As at 31 December 2023
Consolidated statement of financial position
(All amounts in thousands of US dollars unless otherwise stated)

As at:	Notes	31 Dec. 2023	31 Dec. 2022
ASSETS			
Cash and balances with central banks	17	3,930,723	4,293,810
Trading financial assets	18	41,278	173,195
Derivative financial instruments	19	78,057	137,468
Loans and advances to banks	20	2,241,873	1,496,567
Loans and advances to customers	21	10,542,753	11,002,905
Treasury bills and other eligible bills	22	1,595,628	2,455,739
Investment securities	23	6,622,055	7,004,434
Pledged assets	24	113,042	153,970
Other assets	25	1,178,100	1,197,175
Investment in associates	26	707	1,016
Intangible assets	27	55,319	84,545
Investment properties	28	11,070	9,922
Property and equipment	29	588,348	754,011
Deferred income tax assets	37	225,736	229,434
		27,224,689	28,994,191
Assets held for sale	31	5,476	9,978
Total assets		27,230,165	29,004,169
LIABILITIES			
Deposits from banks	32	1,588,118	2,461,934
Deposits from customers	33	19,973,948	20,813,313
Derivative financial instruments	19	44,303	94,224
Borrowed funds	34	2,249,583	2,278,392
Other liabilities	35	1,362,244	1,069,131
Provisions	36	62,275	63,255
Current income tax liabilities		112,635	77,696
Deferred income tax liabilities	37	71,612	99,948
Retirement benefit obligations	38	30,992	19,261
Total liabilities		25,495,710	26,977,154
EQUITY			
Share capital and premium	40	2,113,961	2,113,961
Retained earnings and reserves	41	(1,060,000)	(719,113)
Equity attributable to ordinary shareholders		1,053,961	1,394,848
Other equity instrument holder	41	74,088	74,088
Non-controlling interests		606,406	558,079
Total equity		1,734,455	2,027,015
Total liabilities and equity		27,230,165	29,004,169

The financial statements were approved for issue by the board of directors on 14 March 2024 and signed on its behalf by:



Alain Nkontchou
Group Chairman
FRC/2020/003/00000021578



Jeremy Awori
Group Chief Executive Officer



Ayo Adepoju, Ph.D.
Group Chief Financial Officer
FRC/2017/ICAN/00000017517

Ecobank Transnational Incorporated
Consolidated audited financial statements
For the year ended 31 December 2023
Consolidated statement of changes in equity
(All amounts in thousands of US dollars unless otherwise stated)

	Note	Attributable to equity holders of the company			Equity attributable to ordinary shareholders	Other equity instruments	Non-controlling interests	Total Equity
		Share capital & premium	Retained earnings	Other reserves				
At 31 December 2021 / At 1 January 2022		2,113,961	434,419	(1,015,989)	1,532,391	74,088	557,827	2,164,306
Net changes in debt instruments, net of taxes	41	-	-	(72,975)	(72,975)	-	(8,170)	(81,145)
Foreign currency translation differences	41	-	-	(323,504)	(323,504)	-	(62,602)	(386,106)
Net gains on revaluation of property	41	-	-	24,294	24,294	-	15,725	40,019
Remeasurements of post-employment benefit obligations	41	-	-	(665)	(665)	-	-	(665)
Other comprehensive loss for the year		-	-	(372,850)	(372,850)	-	(55,047)	(427,897)
Profit for the year		-	286,430	-	286,430	7,312	72,949	366,691
Total comprehensive loss for the year		-	286,430	(372,850)	(86,420)	7,312	17,902	(61,206)
Additional tier 1 capital	41	-	-	-	-	(7,312)	-	(7,312)
Transfer from revaluation reserve property on disposed property		-	85	(85)	-	-	-	-
Transfer to non-controlling interests		-	-	(6,471)	(6,471)	-	6,471	-
Equity component not converted		-	-	(5,084)	(5,084)	-	-	(5,084)
Transfer to general banking reserves	41	-	2,120	(2,120)	-	-	-	-
Transfer to statutory reserve	41	-	(112,454)	112,454	-	-	-	-
Dividend relating to 2021		-	(39,568)	-	(39,568)	-	(24,121)	(63,689)
At 31 December 2022		2,113,961	571,032	(1,290,145)	1,394,848	74,088	558,079	2,027,015
At 1 January 2023		2,113,961	571,032	(1,290,145)	1,394,848	74,088	558,079	2,027,015
Net changes in debt instruments, net of taxes	41	-	-	(53,812)	(53,812)	-	(10,622)	(64,434)
Foreign currency translation differences	41	-	-	(550,255)	(550,255)	-	(22,601)	(572,856)
Remeasurements of post-employment benefit obligations	41	-	-	684	684	-	(59)	625
Net gain on revaluation of property		-	-	1,875	1,875	-	882	2,757
Other comprehensive loss for the year		-	-	(601,508)	(601,508)	-	(32,400)	(633,908)
Profit for the year		-	287,824	-	287,824	7,312	111,787	406,923
Other comprehensive loss for the year		-	287,824	(601,508)	(313,684)	7,312	79,387	(226,985)
Additional tier 1 capital coupon	41	-	-	-	-	(7,312)	-	(7,312)
Transfer from revaluation reserve property on disposed property	41	-	5,190	(5,190)	-	-	-	-
Transfer from general banking reserves	41	-	(8,483)	8,483	-	-	-	-
Transfer to statutory reserve	41	-	(83,196)	83,196	-	-	-	-
Share option forfeited	41	-	1,250	(1,250)	-	-	-	-
Dividend relating to 2022		-	(27,203)	-	(27,203)	-	(31,060)	(58,263)
At 31 December 2023		2,113,961	746,414	(1,806,414)	1,053,961	74,088	606,406	1,734,455

The accompanying notes are an integral part of these financial statements

Ecobank Transnational Incorporated
Consolidated audited financial statements
For the year ended 31 December 2023
Consolidated statement of cash flows
(All amounts in thousands of US dollars unless otherwise stated)

	Notes	31 Dec. 2023	31 Dec. 2022
Cash flows from operating activities			
Profit before tax		581,362	540,029
Adjustments for:			
Foreign exchange income		(436,274)	(266,645)
Net gain from investment securities income	10	(9,560)	(13,230)
Fair value loss on assets held for sale	11	-	799
Fair value gain on investment properties	11	(2,419)	(131)
Impairment charges on loans and advances	13	145,054	10,328
Impairment charges on other financial assets	13	184,885	187,738
Depreciation of property and equipment	12	59,980	67,682
Amortisation of software and other intangibles	12	30,165	33,600
Profit on sale of property and equipment	11	(3,158)	(25,212)
Share of post-tax results of associates		(138)	(570)
Income taxes paid		(175,115)	(153,829)
Changes in operating assets and liabilities			
- Trading financial assets		79,364	86,843
- Derivative financial instruments		28,626	(63,820)
- Treasury bills and other eligible bills		(70,868)	(366,724)
- Loans and advances to banks		(700,732)	416,734
- Loans and advances to customers		(1,459,726)	(2,265,460)
- Pledged assets		(38,450)	35,506
- Other assets		(288,606)	(223,534)
- Mandatory reserve deposits with central banks		(326,993)	(192,552)
- Other deposits from banks		1,753	(143,462)
- Deposits from customers		3,016,611	3,344,638
- Derivative liabilities		(19,302)	66,972
- Provisions		1	(4,888)
- Other liabilities		611,974	119,457
Net cashflow from operating activities		1,208,434	1,190,269
Cash flows from investing activities			
Purchase of software	27	(14,821)	(12,524)
Purchase of property and equipment	29	(96,475)	(299,730)
Proceeds from sale of property and equipment	29	9,391	36,401
Purchase of investment securities	23	(567,231)	(2,454,034)
Proceeds from sale and redemption of investment securities	23	714,989	1,451,676
Net cashflow from /(used in) investing activities		45,853	(1,278,211)
Cash flows from financing activities			
Repayment of borrowed funds	34	(321,497)	(728,818)
Proceeds from borrowed funds	34	267,236	659,923
Coupon to additional tier 1 capital	41	(7,312)	(7,312)
Dividends paid to Ordinary shareholders	41	(27,203)	(39,568)
Dividends paid to non-controlling shareholders		(31,060)	(24,121)
Net cashflow used in financing activities		(119,836)	(139,896)
Net increase /(decrease) in cash and cash equivalents		1,134,451	(227,838)
Cash and cash equivalents at start of the year	42	3,382,968	3,986,309
Effects of exchange differences on cash and cash equivalents		(619,583)	(375,503)
Cash and cash equivalents at end of the year	42	3,897,836	3,382,968

The accompanying notes are an integral part of these financial statements

Notes

1 General information

Ecobank Transnational Incorporated (ETI) and its subsidiaries (together, 'the Group') provide retail, corporate and investment banking services throughout sub Saharan Africa outside South Africa. The Group had presence in 39 countries and employed over 14,982 people as at 31 December 2023 (31 December 2022: 13,175) .

Ecobank Transnational Incorporated is a limited liability company and is incorporated and domiciled in the Republic of Togo. The address of its registered office is as follows: 2365 Boulevard du Mono, Lomé, Togo. The company has a primary listing on the Ghana Stock Exchange, the Nigerian Stock Exchange and the Bourse Regionale Des Valeurs Mobilières (Abidjan) Cote D'Ivoire.

The consolidated financial statements for the year ended 31 December 2023 have been approved by the Board of Directors on 14 March 2024.

2 Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed elsewhere. These policies have been consistently applied to all the periods presented, unless otherwise stated. The notes also highlight new standards and interpretations issued at the time of preparation of the consolidated financial statements and their potential impact on the Group. The financial statements are for the Group consisting of Ecobank Transnational Incorporated and its subsidiaries.

2.1 Basis of presentation and measurement

The Group's consolidated financial statements for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) guidance. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared under the historical cost convention, except for the following:

- financial assets and liabilities at fair value through other comprehensive income or fair value through statement of profit or loss.

- Investment properties at fair value.

- assets held for sale - measured at fair value less cost of disposal

- land and buildings

- the liability for defined benefit obligations recognized at the present value of the defined benefit obligation less the fair value of the plan assets.

The consolidated financial statements are presented in US Dollars, which is the group's functional and presentation currency. The figures shown in the consolidated financial statements are stated in US Dollar thousands.

The consolidated financial statements comprise the consolidated statement of comprehensive income (shown as two statements), the statement of financial position, the statement of changes in equity, the statement of cash flows and the accompanying notes.

The consolidated statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities. Included in cash and cash equivalents are highly liquid investments.

The cash flows from operating activities are determined by using the indirect method. The Group's assignment of the cash flows to operating, investing and financing category depends on the Group's business model.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Directors to exercise judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Group's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

2.2 Going concern

At the time of approving the financial statements, nothing has come to the attention of the Directors to indicate that the group will not remain a going concern for at least twelve months from the date of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

2.3 New and amended standards adopted by the group

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

a) IFRS 17 – Insurance Contracts

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

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

b) Amendments to IAS 8 Definition of Accounting Estimates

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

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

c) Amendments to IAS 12

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

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

The amendment does not have any material impact on the Group

d) International Tax Reform—Pillar Two model rules (amendments to IAS 12)

The group is a multinational enterprise with a turnover of more than \$2.1b. It is subject to the Organization for Economic Cooperation and Development (OECD) Pillar Two model rules, which aim to ensure that the effective tax rate of affected entities is at least 15%. Pillar Two legislation is not yet substantially enacted in Togo, the jurisdiction in which the company is incorporated. Since the Pillar Two legislation was not effective at the reporting date, the group has no related current tax exposure.

The group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. The group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect.

e) Amendments to IAS 1 and IFRS practice statement 2 - disclosure of accounting policies

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies.
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosure.

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

2 Summary of material accounting policies (continued)

2.4 New and revised IFRS accounting standards in issue but not yet effective

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2024. At the date of authorisation of these financial statements, the Group has not applied these standards.

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

In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The amendment clarify:

- What is meant by a right to defer settlement.
 - That a right to defer must exist at the end of the reporting period.
 - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
 - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- The Board also added two new paragraphs (Paragraph 76A and 76B) to IAS1 to clarify what is meant by "settlement" of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity. The amendment is not expected to have a material impact on the Group.

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

In September 2022, the Board issued Lease Liability in a Sale and Leaseback. The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

However, the requirements do not prevent the seller-lessee from recognizing any gain or loss arising from the partial or full termination of a lease.

The amendment is not expected to have a material impact on the Group at the time it will take effect, the group did not enter into sale and lease back arrangements.

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

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments. The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions.

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

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

The amendments specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The amendment is not expected to have any material impact on the Group.

2.5 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in United States dollars, which is the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the official exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Changes in the fair value of monetary securities denominated in foreign currency classified as FVTOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as FVTOCI, are included in other comprehensive income.

c) Group companies

The results and financial position of all group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- ii) Income and expenses for each income statement are translated at average exchange rates; (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) and
- iii) All resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising from the above process are reported in shareholders' equity as 'Foreign currency translation differences'.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2 Summary of material accounting policies (continued)

2.5 Foreign currency translation (continued)

d) Classification of Zimbabwe as hyper-inflationary economy.

IAS 29 "Financial Reporting in Hyperinflationary Economies" requires that the financial statements of entities whose functional currency is that of a hyperinflationary economy to be adjusted for the effects of changes in a suitable general price index and to be expressed in terms of the current unit of measurement at the closing date of the reporting period. Accordingly, the inflation produced from the date of acquisition or from the revaluation date, as applicable, must be computed in the non-monetary items.

The Zimbabwe economy was designated as hyperinflationary from 1 July 2019. As a result, application of IAS 29 'Financial Reporting in Hyperinflationary Economy' has been applied to Ecobank Zimbabwe.

IAS 29 requires that adjustments are applicable from the start of the relevant entity's reporting period.

- The income statement is translated at the period end foreign exchange rate instead of an average rate and ;

- Adjustment of the income statement to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

- This resulted in a net monetary loss of \$40 million recorded in the income statement

2.6 Sale and repurchase agreements

Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in deposits from banks or deposits from customers, as appropriate. Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to other banks or customers, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are also retained in the financial statements.

2.7 Determination of fair value

Fair value under IFRS 13, Fair Value Measurement ('IFRS 13') is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market condition (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on exchanges (for example, NSE, BVRM, GSE) and quotes from approved bond market makers.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer or broker, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the consolidated statement of financial position.

The Group uses widely recognised valuation models for determining fair values of non-standardized financial instruments of lower complexity, such as options or interest rate and currency swaps. For these financial instruments, inputs into models are generally market observable.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk. Based on the established fair value model governance policies, and related controls and procedures applied, management believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value in the consolidated statement of financial position. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary – particularly in view of the current market developments.

The fair value of over-the-counter (OTC) derivatives is determined using valuation methods that are commonly accepted in the financial markets, such as present value techniques and option pricing models. The fair value of foreign exchange forwards is generally based on current forward exchange rates. Structured interest rate derivatives are measured using appropriate option pricing models (for example, the Black-Scholes model) or other procedures such as Monte Carlo simulation.

The fair value for loans and advances as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.

2.8 Fee and commission income

The Group applies IFRS 15 to all revenue arising from contracts with clients, unless the contracts are in the scope of the standards on leases, insurance contracts and financial instruments. The Group recognises revenues to depict the transfer of promised service to customers in an amount that reflects the consideration the Group expects to be entitled in exchange for the service.

Portfolio management advisory and service fees	Recognised based on the applicable service contracts, in most instances on a time-apportionment basis.
Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party	Recognised on completion of the underlying transaction.
Asset management fees related to investment funds	Recognised over the period in which the service is provided. The initial fees that exceed the level of recurring fees and relate to the future provision of services are deferred and amortised over the projected period over which services will be provided
Wealth management, financial planning and custody services	Recognised over the period in which the service is provided. The initial fees that exceed the level of recurring fees and relate to the future provision of services are deferred and amortised over the projected period over which services will be provided

2.9 Dividend income

Dividends are recognised in the consolidated income statement in other operating income when the entity's right to receive payment is established which is generally when the shareholders approve the dividend.

2.10 Trading income

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

2.11 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment at each reporting date. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.12 Share-based payments

The Group engages in equity settled share-based payment transactions in respect of services received from certain categories of its employees. The fair value of the services received is measured by reference to the fair value of the shares or share options granted on the date of the grant. The cost of the employee services received in respect of the shares or share options granted is recognised in the consolidated income statement over the period that the services are received, which is the vesting period. The fair value of the options granted is determined using option pricing models, which take into account the exercise price of the option, the current share price, the risk free interest rate, the expected volatility of the share price over the life of the option and other relevant factors. Except for those which include terms related to market conditions, vesting conditions included in the terms of the grant are not taken into account in estimating fair value.

Non-market vesting conditions are taken into account by adjusting the number of shares or share options included in the measurement of the cost of employee services so that ultimately, the amount recognised in the consolidated income statement reflects the number of vested shares or share options.

2 Summary of material accounting policies (continued)

2.13 Cash and cash equivalents

For purposes of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and bank overdrafts.

2.14 Repossessed collateral and properties

Repossessed collateral are equities, landed properties or other investments repossessed from customers and used to settle the outstanding obligations. Such investments and other assets are classified in accordance with the intention of the Group in the asset class which they belong. Repossessed properties acquired in exchange for loans as part of an orderly realisation are reported in 'other assets'. The repossessed properties are recognised when the risks and rewards of the properties have been transferred to the Group. The corresponding loans are derecognised when the Group becomes the holder of the title deed. The properties acquired are initially recorded fair value. They are subsequently measured at the lower of the carrying amount or net realisable value. No depreciation is charged in respect of these properties. Any subsequent write-down of the acquired properties to net realisable value is recognised in the statement of comprehensive income. Any subsequent increase in net realisable value, to the extent that it does not exceed the cumulative write-down, is also recognised in the statement of comprehensive income. Gains or losses on disposal of repossessed properties are reported in 'Other operating income' or 'Operating expenses', as the case may be.

2.15 Leases

The group leases various offices, branches, houses, ATM locations, equipment and cars. Rental contracts are typically made for fixed periods of 1 to 65 years but may have extension options as described in (ii) below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the affiliate's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment, copiers and other small items of office furniture.

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

2.16 Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the Group, are classified as investment properties. Investment properties comprise office buildings and Commercial Bank parks leased out under operating lease agreements.

Some properties may be partially occupied by the Group, with the remainder being held for rental income or capital appreciation. If that part of the property occupied by the Group can be sold separately, the Group accounts for the portions separately. The portion that is owner-occupied is accounted for under IAS 16, and the portion that is held for rental income or capital appreciation or both is treated as investment property under IAS 40. When the portions cannot be sold separately, the whole property is treated as investment property only if an insignificant portion is owner-occupied.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost has been incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the date of the consolidated statement of financial position. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated income statement in the year in which they arise. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated income statement during the financial period in which they are incurred.

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease.

The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value is calculated by discounting the expected net rentals at a rate that reflects the current market conditions as of the valuation date adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure. These valuations are performed annually by external appraisers.

Investment properties are derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as other income in the profit and loss.

2.17 Property and equipment

Items of property and equipment are initially recognised at cost if it is probable that any future economic benefits associated with the items will flow to the group and they have a cost that can be measured reliably. Subsequent expenditure is capitalised to the carrying amount of items of property and equipment if it is measurable and it is probable that it increases the future economic benefits associated with the asset. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

Land and buildings comprise mainly branches and offices and are measured using the revaluation model. All other property and equipment used by the Group is stated at historical cost less depreciation. Subsequent to initial recognition, motor vehicles, furniture and equipment, installations and computer equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are carried at revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. If an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs shall be revalued. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. If an asset's carrying amount is increased as a result of a revaluation, the increase shall be credited directly to other comprehensive income. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be debited directly to equity under the heading of revaluation reserve to the extent of any credit balance existing in the revaluation surplus in respect of that asset. For assets revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Land and buildings are the class of items that are revalued on a regular basis. The other items are evaluated at cost.

An independent valuation of the Group's land and buildings was performed by professionally qualified independent valuers to determine the fair value of the land and buildings as at year end. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in 'revaluation reserve – property and equipment' in shareholders equity (Note 41). Fair value is derived by applying internationally acceptable and appropriately benchmarked valuation techniques such as depreciated replacement cost or market value approach. The depreciated replacement cost approach involves estimating the value of the property in its existing use and the gross replacement cost. For these appropriate deductions are made to allow for age, condition and economic or functional obsolescence, environmental and other factors that might result in the existing property being worth less than a new replacement. The market value approach involves comparing the properties with identical or similar properties, for which evidence of recent transaction is available or alternatively identical or similar properties that are available in the market for sale making adequate adjustments on price information to reflect any differences in terms of actual time of the transaction, including legal, physical and economic characteristics of the properties.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

-Buildings	25-50 year
-Leasehold improvements	25 years or over the period of the lease if less than 25 years
-Furniture,equipment installations	3-5 years
-Motors vehicles	3-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Assets are subject to review for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

2.18 Intangible assets

a) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiaries and associates at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units is represented by each primary reporting segment.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstance indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment is tested by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill. Impairment losses on goodwill are not reversed.

b) Computer software licences

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful lives.

Costs associated with maintaining computer software programs are recognised as an expense incurred. Development costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives (not exceeding three years).

2.19 Income tax

a) Current income tax

Income tax payable (receivable) is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognised as an expense (income) for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity (for example, current tax on debt instruments at FVOCI).

Where the Group has tax losses that can be relieved against a tax liability for a previous year, it recognises those losses as an asset, because the tax relief is recoverable by refund of tax previously paid. This asset is offset against an existing current tax balance. Where tax losses can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises. Those losses carried forward are set off against deferred tax liabilities carried in the consolidated statement of financial position. The Group does not offset income tax liabilities and current income tax assets.

b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2.19 Income tax (Continued)

b) Deferred income tax (continued)

The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and liabilities, provisions for pensions and other post-retirement benefits and carry-forwards; and, in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base, fair value changes on investment securities, tax loss carried forward, revaluation on property and equipment. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to fair value re-measurement of investment securities, which are recognised in other comprehensive income, is also recognised in the other comprehensive income and subsequently in the consolidated income statement together with the deferred gain or loss.

2.20 Provisions

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more probable than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The Group recognises no provisions for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.21 Employee benefits

a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

b) Other post-retirement obligations

The Group also provides gratuity benefits to its retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

d) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

e) Short term benefits

The Group seeks to ensure that the compensation arrangements for its employees are fair and provide adequate protection for current and retiring employees. Employee benefits are determined based on individual level and performance within defined salary bands for each employee grade. Individual position and job responsibilities will also be considered in determining employee benefits. Employees will be provided adequate medical benefits and insurance protection against disability and other unforeseen situations. Employees shall be provided with retirement benefits in accordance with the Separation and Termination policies. Details of employee benefits are available with Group or Country Human Resources.

2.22 Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contracts is discharged, cancelled or expired. The difference between the carrying amount of financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the income statement as other operating income.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.23 Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder. The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry. When the conversion option is not exercised upon maturity, the equity component remains in equity.

2.24 Fiduciary activities

Group companies commonly act as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. An assessment of control has been performed and this does not result in control for the group. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

2.25 Share capital

Financial instruments issued are classified as equity when there is no contractual obligation to transfer cash, other financial assets, or issue available number of own equity instruments. Incremental costs directly attributable to the issue of this new financial instrument are shown in equity as a deduction from the proceeds.

Securities that carry a discretionary coupon and have no fixed maturity or redemption date are classified as other equity instruments. Interest payments on these securities are recognized as distributions from equity in the period in which they are paid.

a) Share issue costs

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

b) Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by Ecobank Transnational Incorporated's shareholders. Dividends for the year that are declared after the reporting date are disclosed in the subsequent events note.

c) Treasury shares

Where the company purchases its equity share capital, the consideration paid is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

2.26 Segment reporting

The Group's segmental reporting is in accordance with IFRS 8, Operating Segments ("IFRS 8"). Operating segments are reported in a manner consistent with the internal reporting provided to the Group Executive Committee, which is responsible for allocating resources and assessing performance of the operating segments and has been identified by the Group as the Chief Operating Decision Maker (CODM).

All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated in head office. Income and expenses directly associated with each segment are included in determining business segment performance.

In accordance with IFRS 8, the Group has the following business segments: Corporate & Investment Banking, Commercial Banking and Consumer Banking.

2.27 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter the assets (or disposal group) are measured at the lower of their carrying amount or fair value less cost to sell. Any impairment loss on a disposal group is first allocated to reduce goodwill and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets, deferred tax assets, investment properties, insurance assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss until finally sold. Property, equipment and intangible assets, once classified as held for sale, are not depreciated or amortised.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interests in its former subsidiary after the sale.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

2.28 Discontinued operations:

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operation, is part of single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with the view to resale. The Group presents discontinued operations in a separate line in the income statement.

Net profit from discontinued operations includes the net total of operating profit and loss before tax from operations, including net gain or loss on sale before tax or measurement to fair value less costs to sell and discontinued operations tax expense. A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group's operations and cash flows. If an entity or a component of an entity is classified as a discontinued operation, the Group restates prior periods in the Income statement.

2.29 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

Where IAS 8, Accounting policies ("IAS 8"), changes in accounting estimates and errors' applies, comparative figures have been adjusted to conform with changes in presentation in the current year.

2.30 Financial assets and liabilities

2.30.1 Financial assets - Classification and Measurement Policies

Financial assets are measured at initial recognition at fair value, and are classified and subsequently measured at fair value through statement of profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) or amortized cost based on our business model for managing the financial instruments and the contractual cash flow characteristics of the instrument. For non-revolving facilities, origination date is the date the facility is disbursed while origination date for revolving facilities is the date the line is availed. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

a) A financial asset is measured at amortized cost if it meets both of the following conditions:

- (i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

b) A debt instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- (i) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset; and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Debt instruments are those instruments that meet the definition of a financial liability from the holder's perspective, such as loans, government and corporate bonds. Movements in the carrying amount of these assets are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in Net investment income. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

c) A debt instrument is measured at FVTPL

- Debt instruments measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that are solely payments of principal and interest. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments are measured at fair value in the Statement of Financial Position, with transaction costs recognized immediately in the Income Statement as part of trading income. Realized and unrealized gains and losses are recognized as part of trading income in the Statement of Profit or Loss.

d) Equity Instruments

Equity instruments are instruments that meet the definition of equity from the holder's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Equity instruments are measured at FVTPL. However, on initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect for strategic or long term investment reasons to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. On adoption of the standard, the Group did designate some of its equity instruments as FVTOCI. Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to the Statement of Profit or Loss. For equity instruments measured at FVTPL, changes in fair value are recognized in the Statement of Profit or Loss. Dividends received are recorded in other income in the Statement of Profit or Loss. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Statement of Profit or Loss on sale of the security (this only apply for equity instruments measured at FVTOCI).

e) Business model assessment

Business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Group in determining the business model for a Group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL. The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Other factors considered in the determination of the business model include:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

The Group may decide to sell financial instruments held with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions are met:

- (i) When the Group sells financial assets to reduce credit risk or losses because of an increase in the assets' credit risk.
- (ii) Where these sales are infrequent even if significant in value. A sale of financial assets is considered infrequent if the sale is one-off during the financial year.
- (iii) Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than one (1) per cent of the carrying amount (book value) of the total assets within the business model.
- (iv) When these sales are made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets has a tenor to maturity of not more than one (1) year and/or the difference between the remaining contractual cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.

Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the portfolio held with the sole objective of collecting cashflows category that will not constitute a change in business model:

- Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
- Selling the financial asset to manage credit concentration risk (infrequent).
- Selling the financial assets as a result of changes in tax laws or due to a regulatory requirement e.g. comply with liquidity requirements (infrequent).
- Other situations also depends upon the facts and circumstances which need to be judged by the management

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

2.30 Financial assets and liabilities (Continued)

2.30.1 Financial assets - Classification and Measurement Policies (Continued)

f) Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. Principal may change over the life of the instruments due to repayments. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. nonrecourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

2.30.2 Financial liabilities

Derivative liabilities are classified as at FVTPL and are measured at fair value with the gains and losses arising from changes in their fair value included in the consolidated income statement and are reported as 'Trading income'. These financial instruments are recognised in the consolidated statement of financial position as 'Derivative financial instruments'.

Financial liabilities that are not classified as at fair value through profit or loss are measured at amortised cost. Financial liabilities measured at amortised cost are deposits from banks and customers, other deposits, financial liabilities in other liabilities, borrowed funds for which the fair value option is not applied, convertible bonds and subordinated debts.

2.30.3 Expected Credit Loss Impairment Model on financial assets

The Group's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Group adopts a three-stage approach for impairment assessment based on changes in credit quality since initial recognition:

- (i) Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.
- (ii) Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- (iii) Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

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

The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance is based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination.

The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime. The Group generally considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

a) Measurement

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

b) Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized. (Refer to note 2.30.6).

The ECL are then measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

c) Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

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

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

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

c) Credit-impaired financial assets

A loan that has been renegotiated due to a deterioration in the borrower's financial condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered impaired.

In making an assessment of whether an investment in debt securities is credit-impaired, the Group considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The issuer's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

d) Presentation of allowance for ECL in the statement of financial position

Loan allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision within Other liabilities;
- Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- Debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve in Consolidated Statement of Comprehensive Income.

e) Write-off

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

f) Definition of default

The Group considers a financial asset to be in default which is fully aligned with the credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

- The borrower is more than 90 days past due on its contractual payments .
- The borrower has an internal obligor risk rating (ORR)of 9 or 10.

Qualitative criteria

The borrower meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's expected loss calculations.

Curing

The Bank considers an instrument previously in default to no longer be in default (i.e. to have cured) when it no longer meets the default criteria. For the purposes of staging however, the facility will observe a probationary period of 90 days before transferring to a higher credit quality stage. For the purpose of determining that a cure has occurred the Bank classifies facilities to be either in a performing state or non-performing state. A facility is said to have cured when it transitions from a non-performing state into a performing state.

Performing state consists of facilities classified internally as I, IA or IIA while non-performing state consists of IIN, III and IV.

Facilities that have moved from a non-performing state into a performing state are required to observe a 90 day probationary period before they are considered to be cured for IFRS 9 staging purposes.

Backward transition

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

The Probationary period to be applied shall be;

- Transfer from Stage 2 to 1:- 90 days
- Transfer from Stage 3 to 2:- 90 days
- Transfer from Stage 3 to Stage 1:- 180 days

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

ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD, and LGD, defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default (2.30.3 f above) and credit-impaired financial assets" (2.30.3 c above)), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. This 12M PD is used to calculate 12-month ECLs. The Lifetime PD is used to calculate lifetime ECLs for stage 2 and 3 exposures.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type:

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

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

- (i) For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.
- (ii) For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Group's recent default data. The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type:

- (i) For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- (ii) For unsecured products, LGD's are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies, including contracted debt sales and price.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type.

The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

h) Significant Increase in Credit Risk (SICR)

At each reporting date, the Group assesses whether there has been a significant increase in credit risk (SICR) for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors. The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on factors such as the type of product, industry, borrower, geographical region etc.

The Group adopts a multi factor approach in assessing changes in credit risk. This approach considers: Quantitative, Qualitative and Back stop indicators which are critical in allocating financial assets into stages. The quantitative models considers deterioration in the credit rating of obligor/counterparty based on the Group's internal rating system or external ratings while qualitative factors considers information such as expected forbearance, restructuring, exposure classification by licensed credit bureau etc. A backstop is typically used to ensure that in the (unlikely) event that the quantitative indicators do not change and there is no trigger from the qualitative indicators, an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 or stage 3 as the case may be except where there is a reasonable and supportable evidence available without undue cost to rebut the presumption.

i) Forward-looking information incorporated in the ECL models

The assessment of Expected Credit Losses incorporates the use of forward-looking information. The Group has identified the key economic variables impacting its credit risk and expected credit losses and performed historical analysis to determine the significance and impact of these economic variables on its credit risk and expected credit losses. Significant economic variables and the impact of these variables on credit losses vary by clusters and affiliates within the Group. The key drivers for credit risk for the Group are: gross domestic product, commodity prices, oil prices, foreign exchange rates and inflation rate. The impact of these economic variables on the expected credit losses has been determined by performing multi-variate analysis to understand the impact that changes in these variables have had historically on default rates and on the components of expected credit losses.

The forecasts of these economic variables, constitute three scenarios, the best estimate, the optimistic, and the downturn scenario.

In addition to the base economic scenario, the Group's Economics team also provide other possible scenarios along with scenario weightings. The number scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. The Group concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario represents. The Group measures expected credit losses as a probability weighted expected credit losses. These probability-weighted expected credit losses are determined by running each of the scenarios through the relevant expected credit loss model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

The assessment of SICR is performed using the changes in credit risk rating (as a proxy for lifetime PD) along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Group measures ECL as either a probability weighted 12-month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3).

As with any economic forecasts, the projections and likelihood of occurrence are subject to high degree of inherent uncertainty and therefore the actual outcomes may significantly differ from those projected. The Group considers these forecasts to represent its best estimate of possible outcomes and has analysed the non-linearities an asymmetry within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of scenarios.

The economic scenario forecasts used as at 31 December 2023 are derived as follows:

	Weighting	2023 current year actual	2024 Forecast
NIGERIA			
GDP Growth			
Base	70%	3.18%	4.18%
Upside	15%	3.18%	10.68%
Downside	15%	3.18%	-2.32%
Price of Crude/USD			
Base	70%	90.79	95.26
Upside	15%	90.79	156.85
Downside	15%	90.79	33.66
UEMOA			
Commodity Price Index			
Base	80%	609.67	691.75
Upside	5%	609.67	949.32
Downside	15%	609.67	434.18
GDP Growth			
Base	80%	6.02%	5.94%
Upside	5%	6.02%	11.42%
Downside	15%	6.02%	0.46%
AWA			
GDP Growth			
Base	70%	1.61%	6.32%
Upside	5%	1.61%	12.43%
Downside	25%	1.61%	0.21%

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

j) Expected Life

For instruments in Stage 2 or Stage 3, loss allowances reflect expected credit losses over the expected remaining lifetime of the instrument. For most instruments, the expected life is limited to the remaining contractual life. An exemption is provided for certain instruments with the following characteristics: (a) the instrument includes both a loan and undrawn commitment component; (b) we have the contractual ability to demand repayment and cancel the undrawn commitment; and (c) our exposure to credit losses is not limited to the contractual notice period. For products in scope of this exemption, the expected life may exceed the remaining contractual life and is the period over which our exposure to credit losses is not mitigated by our normal credit risk management actions. This period varies by product and risk category and is estimated based on our historical experience with similar exposures and consideration of credit risk management actions taken as part of our regular credit review cycle. Products in scope of this exemption include credit cards, overdraft balances and certain revolving lines of credit. Judgment is required in determining the instruments in scope for this exemption and estimating the appropriate remaining life based on our historical experience and credit risk mitigation practices.

2.30.4 Interest income

Interest income and expense for all interest-bearing financial instruments are recognized within 'interest income' and 'interest expense' in the consolidated income statement using the effective interest method. The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired (as set out in Note 2.30.3) and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, financial instruments designated at FVTPL. Interest income on interest bearing financial assets measured at FVTOCI are also recorded by using the EIR method. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a Group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

For purchased or originated credit-impaired financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows to the amortised cost of the assets.

2.30.5 Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

A change in the Group's business model will occur only when the Group either begins or ceases to perform an activity that is significant to its operations such as:

- Significant internal restructuring or business combinations;
- Disposal of a business line i.e. disposal of a business segment
- Any other reason that might warrant a change in the Group's business model as determined by management based on facts and circumstances

The following are not considered to be changes in the business model:

- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets.
- A transfer of financial assets between parts of the Group with different business models.

When reclassification occurs, the Group reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. Gains, losses or interest previously recognised are not restated when reclassification occurs.

There were no changes to any of the Group's business models during the current year.

2.30.6 Modification of financial assets

The Group sometimes renegotiates or otherwise modifies the terms of loans provided to customers. This may be due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

The Group may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

The Group continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific models for modified assets.

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

A modification of a financial asset is substantial and will thus result in derecognition of the original financial asset, where the modified contractual terms are priced to reflect current conditions on the date of modification and are not merely an attempt to recover outstanding amounts. Where the modification does not result in an accounting derecognition the original asset continues to be recognised. In this case, the Group recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

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

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

2.30.7 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

2.30.8 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as 'Pledged Assets', if the transferee has the right to sell or repledge them.

2.31 Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Group are measured as the amount of the loss allowance.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision within "Other liabilities". However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

2.32 Offsetting financial instruments

In accordance with IAS 32, the Group reports financial assets and liabilities on a net basis on the statement of financial position only if there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the company or the counterparty.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the trading activity.

2.33 Classes of financial instruments

The Group classifies the financial instruments into classes that reflect the nature of information and take into account the characteristics of those financial instruments. The classification made can be seen in the table below:

Financial assets

Category (as defined by IFRS9)	Class (as determined by the Group)	Note
Fair Value Through Statement of Profit or Loss (FVTPL)	Trading financial assets	18
	Derivative financial instruments	19
Amortised Cost	Cash and balances with central banks	17
	Loans and advances to banks	20
	Loans and advances to customers	21
	Other assets, excluding prepayments and repossessed assets	25
Fair Value Through Other Comprehensive Income (FVTOCI)	Treasury bills and other eligible bills	22
	Investment securities	23
	Pledged assets	24

Financial liabilities

Category (as defined by IFRS9)	Class (as determined by the Group)	Note
Financial liabilities at fair value through statement of profit or loss	Derivative financial instruments	19
Financial liabilities at amortised cost	Deposits from banks	32
	Deposits from customers	33
	Borrowed funds	34
	Other liabilities, excluding non-financial liabilities	35

Off balance sheet financial instruments

Category (as defined by IFRS9)	Class (as determined by the Group)	Note
Loan commitments	Loan commitments	39
Guarantees, acceptances and other financial facilities	Guarantees, acceptances and other financial facilities	39

3 Critical accounting estimates, and judgments in applying accounting policies

The preparation of financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

a) Impairment losses on loans and advances

The Group reviews its loan portfolios to assess impairment at least monthly. Where impairment has been identified, an allowance for impairment is recorded. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination in which case loss allowance is measured at an amount equal to lifetime ECL. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

The Group generally considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'. Loss allowances on such low credit risk instrument are recognised at the equivalent of 12-month ECL.

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as the expected life of the instrument, determination of significant increase in credit risk, selection of appropriate macro-economic variables and other forward-looking information etc.

(i) Determining criteria for significant increase in credit risk and choosing appropriate models and assumptions for the measurement of ECL

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. In assessing SICR, the Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has been applied in this process.

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

(ii) *Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL*

The scenario weightings applied in the incorporation of the forward-looking information into the calculation of ECL are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The forward-looking information used in ECL are based on forecasts. As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

(iii) *Establishing groups of similar financial assets for the purposes of measuring ECL*

In determining whether an impairment loss should be recorded in the income statement, the Group makes judgements as to movement in the level of credit risk on the instrument since origination. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(iv) *Establishing Probability of Default parameters (PD)*

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

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

(v) *Establishing loss given default parameters (LGD)*

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

b) *Fair value of financial instruments*

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. To the extent practical, models use only observable data; however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments. Fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the consolidated statement of financial position.

c) *Goodwill impairment*

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.18. These calculations require the use of estimates. The recoverable amount of all CGUs has been determined based on value-in-use calculations. These calculations use post-tax cash flow projections based on financial budgets approved by management covering a five-year period. No goodwill impairment charge for the period.

d) *Taxes*

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

e) *Business model assessment*

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of Note 2.30.1). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

f) *Hyper-inflationary accounting*

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

Zimbabwe hyperinflationary results.

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

Economic events in Ghana over the recent years has actuated consideration of whether the economy is in hyperinflation. In a publication released by the Institute of Chartered Accountants Ghana (ICAG), the ICAG concluded that the economy was not a hyperinflationary economy. Management and Directors concur with ICAG's conclusion. Consequently IAS 29 'Financial Reporting in Hyperinflationary Economies' was not applied. Management further assessed the potential impact had the provisions of IAS 29 been applied. The potential impacts were considered immaterial.

Notes

4 Financial Risk Management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. The Board of Directors provides written principles for overall financial risk management and written policies covering specific areas, such as credit risk, market risk (including foreign exchange risk, interest rate risk and equity price risk) liquidity risk and use of derivative financial instruments. Such written policies are reviewed annually by the Board of Directors and periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with. Risk management is carried out by the Group Risk team under the policies approved by the Board of Directors.

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

4.1 Credit Risk

Credit risk is the risk of suffering financial loss, should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group. Credit risk arises mainly from interbank, commercial and consumer loans and advances, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as credit derivatives (credit default swaps), financial guarantees, letters of credit, endorsements and acceptances.

The Group is also exposed to other credit risks arising from investments in debt securities and other exposures arising from its trading activities ('trading exposures') including non-equity trading portfolio assets and derivatives as well as settlement balances with market counterparties and reverse repurchase agreements.

Credit risk is the single largest risk for the Group's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in a credit risk management team which reports regularly to the Board of Directors and head of each business unit.

4.1.1 Credit quality analysis

The Group uses internal credit risk gradings that reflect its assessment of the probability of default of individual counterparties. The Group use internal rating models tailored to the various categories of counterparty. Borrower and loan specific information collected at the time of application (such as disposable income, and level of collateral for retail exposures; and turnover and industry type for wholesale exposures) is incorporated into this rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers (where available). In addition, the expected credit models enable expert judgement from the Credit Risk Officer to be incorporated into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model.

Credit risk grading

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between an A and A- rating grade is lower than the difference in the PD between a B and B- rating grade.

The following are additional considerations for each type of portfolio held by the Group:

Retail

After the date of initial recognition, for retail business, the payment behaviour of the borrower is monitored on a periodic basis to develop a behavioural score. Any other known information about the borrower which impacts their creditworthiness — such as unemployment and previous delinquency history — is also incorporated into the behavioural score. This score is mapped to a PD.

Wholesale

For wholesale business, the rating is determined at the borrower level. A relationship manager will incorporate any updated or new information/credit assessments into the credit system on an ongoing basis. In addition, the relationship manager will also update information about the creditworthiness of the borrower every year from sources such as public financial statements. This will determine the updated internal credit rating and PD.

Investment Securities

For debt securities in the Treasury portfolio, external rating agency credit grades are used. These published grades are continuously monitored and updated. The PD's associated with each grade are determined based on realised default rates over the prior 12 months, as published by the rating agency.

The Group's rating method comprises 10 rating levels. The master scale assigns each rating category a specified range of probabilities of default, which is stable over time. The rating methods are subject to an annual validation and recalibration so that they reflect the latest projections in the light of all actually observed defaults.

The Group's internal rating scale and mapping of external ratings are set out below:

Credit rating	1	2	3	4	5	6	7	8	9	10	
S&P	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	
Description of the grade	Investment Grade			Speculative Grade					Default		
Classification	Performing					Watchlist					Doubtful or Loss
						Substandard					
Stages	Stage 1						Stage2			Stage 3	

The ratings of the major rating agency shown in the table above are mapped to the group's rating classes based on the long-term average default rates for each external grade. The Group uses the external ratings where available to benchmark our internal credit risk assessment. Observed defaults per rating category vary year on year, especially over an economic cycle. As per the Group Credit Policy, the Bank does not originate loans rated worst than 7.

The Group's policy requires the review of individual financial assets that are above materiality thresholds at least annually or more regularly when individual circumstances require.

4.1.2 Risk limit control and mitigation policies

The Group manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries and countries. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. The Group's credit risk exposures are presented quarterly to the Board of Directors. The exposure to any one borrower including banks and other non bank financial institutions is further restricted by sub-limits covering on- and off-statement of financial position exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily. Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Some other specific control and mitigation measures are outlined below:

(a) Collateral

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; individual credit facilities are generally unsecured. In addition, in order to minimise the credit loss the Group will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

(b) Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions – are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

Notes

4 Financial Risk Management (continued)

4.1 Credit Risk (continued)

4.1.2 Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- a) A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
- b) If a SICR since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Refer below for a description of how the Group determines when a significant increase in credit risk has occurred.
- c) If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Refer below for a description of how the Group defines credit-impaired and default.
- d) Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Refer below for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- e) A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note 4.1.3 below includes an explanation of how the Group has incorporated this in its ECL models.
- f) POCI financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Further explanation is also provided of how the Group determines appropriate Groupings when ECL is measured on a collective basis.

The following diagram summarises the impairment requirements under IFRS 9 (other than POCI financial assets):

Change in credit quality since initial recognition		
Stage 1	Stage 2	Stage 3
(initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12 month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

4.1.3 Significant increase in credit risk

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met.

The quantitative criteria is based on either absolute or relative changes in credit quality. In both cases, the Group is expected to specify the percentage change, for either 12-month or lifetime PDs in comparison to the corresponding 12-month or lifetime PDs as calculated at origination, respectively, that would indicate a significant increase in credit risk since origination.

a) Forward transitions: Credit Ratings

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower. Notch differences between the current rating grade and initial rating grade can be indicative of significant increase in credit risks.

The Group specifies the number of notch increases that will be viewed as a significant increase in credit risk since origination. This number is specified separately for both low and high risk accounts. The split between low and high risk accounts is also specified by the Group. Assuming the account is currently classified as Stage 1, if the current credit rating increases by more notches than the specified number since origination, the account is classified as Stage 2.

In addition, if the accounts current credit rating is worse than the default credit rating indicator, also specified by the Group, the account is classified as Stage 3.

These credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data.

Wholesale exposures	Retail exposures	All exposures
Information obtained during periodic review of customer files — e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes	Internally collected data on customer behaviour — e.g. utilisation of credit card facilities	Payment record —this includes overdue status as well as a range of variables about payment ratios
Data from credit reference agencies, press articles, changes in external credit ratings	Affordability metrics	Utilisation of the granted limit
Quoted bond and credit default swap (CDS) prices for the borrower where available	External data from credit reference agencies including industry-standard credit scores	Requests for and granting of forbearance
Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities		Existing and forecast changes in business, financial and economic conditions

b) Forward transitions: Days past due

Transition from Stage 1 to Stage 2 considers the 30 days past due presumption in addition to other classification criteria (refer to d below). Transition from Stage 2 to Stage 3 is based on the 90 days past due presumption. The table below summarises the Stage classification based on the days past due.

Stage	Days Past Due
1	0 to 30
2	31 to 90
3	91+

c) Forward transitions: Watchlist & Restructure

The Group classifies accounts that are included on their Watchlist or have been restructured as Stage 2 if the significant driver for the account being watchlisted or restructured is due to a significant increase in credit risk.

d) Forward transitions: Classification

In addition to the days past due, the Group classifies accounts in accordance with the Group's credit policy and procedures manual (GCPPM) as either '1, 1A, II, III, or IV'. This classification is considered together with days past due in determining the Stage classification. The table below summarises the account classification and days past due.

Classification	Days Past Due
1 & 1A.	0 to 90
II.	91 to 180
III.	181 to 365
IV.	365+

The internal rating systems described above focus more on credit-quality mapping from the inception of the lending.

"1" : relate to assets classified as "Investment Grade" (no evident weakness).

"1A": relate to items for which there are evidence of a weakness in the financial or operating condition of the obligor which requires management's close attention.

"II" : there is a well-defined weakness in the financial or operating condition of the obligor which jeopardizes the timely repayment of its obligations.

"III" : there are all of the weakness that are normally seen in a substandard credit with the additional characteristic that these weaknesses make full repayment unlikely.

"IV" : Financial instruments that are considered to be in default.

Notes

4 Financial Risk Management (continued)

4.1 Credit Risk (continued)

4.1.4 Grouping of instruments for losses measured on a collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a Group are homogeneous. In performing this Grouping, there must be sufficient information for the Group to be statistically credible. Where sufficient information is not available internally, the Group has considered benchmarking internal/external supplementary data to use for modelling purposes. The characteristics and any supplementary data used to determine Groupings are outlined below:

Retail – Groupings for collective measurement

- Loan to value ratio band
- Credit Rating band
- Product type (e.g. Residential/Buy to Let mortgage, Overdraft, Credit Card)
- Repayment type (e.g. Repayment/Interest only)

Wholesale – Groupings for collective measurement

- Collateral type
- Credit Rating band

The appropriateness of groupings is monitored and reviewed on a periodic basis by the Credit Risk team.

4.1.5 Maximum exposure to credit risk

4.1.5.1 Maximum exposure to credit risk – Financial instruments subject to ECL impairment

For ECL purposes, the bank's financial asset is segmented into sub-portfolios are listed below:

- Loans and advances to customers
- Loans and advances to banks
- Investment securities - Debt instruments
- Other assets
- Off balance sheet exposures

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

US\$'000

Loans and advances to customers				
31 December 2023				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount	9,032,369	1,429,255	600,185	11,061,809
Loss allowance	(59,338)	(139,985)	(319,733)	(519,056)
Carrying amount	8,973,031	1,289,270	280,452	10,542,753

US\$'000

Loans and advances to customers				
31 December 2022				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount	9,748,200	1,174,146	598,666	11,521,012
Loss allowance	(61,525)	(139,513)	(317,069)	(518,107)
Carrying amount	9,686,675	1,034,633	281,597	11,002,905

US\$'000

Loans and advances to banks				
31 December 2023				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount	2,235,055	3,549	15,776	2,254,380
Loss allowance	-	(1,403)	(11,104)	(12,507)
Carrying amount	2,235,055	2,146	4,672	2,241,873

US\$'000

Loans and advances to banks				
31 December 2022				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount	1,492,053	-	13,112	1,505,165
Loss allowance	(86)	-	(8,512)	(8,598)
Carrying amount	1,491,967	-	4,600	1,496,567

Notes

4 Financial Risk Management (continued)

4.1 Credit Risk (continued)

4.1.1 Maximum exposure to credit risk – Financial instruments subject to ECL impairment (continued)

US\$'000		Investment securities - debt instruments			
		31 December 2023			
ECL staging		Stage 1	Stage 2	Stage 3	Total
		12-month ECL	Lifetime ECL	Lifetime ECL	
Gross carrying amount		5,909,099	-	534,113	6,890,047
Loss allowance		(826)	-	(267,166)	(267,992)
Carrying amount		5,908,273	-	266,947	6,622,055

US\$'000		Investment securities - debt instruments			
		31 December 2022			
ECL staging		Stage 1	Stage 2	Stage 3	Total
		12-month ECL	Lifetime ECL	Lifetime ECL	
Gross carrying amount		6,024,593	-	1,184,976	7,209,569
Loss allowance		(1,231)	-	(203,904)	(205,135)
Carrying amount		6,023,362	-	981,072	7,004,434

US\$'000		Other assets			
		31 December 2023			
ECL staging		Stage 1	Stage 2	Stage 3	Total
		12-month ECL	Lifetime ECL	Lifetime ECL	
Gross carrying amount		885,731	1,179	868	887,778
Loss allowance		(6,581)	(1,179)	(645)	(8,405)
Carrying amount		879,150	-	223	879,373

US\$'000		Other assets			
		31 December 2022			
ECL staging		Stage 1	Stage 2	Stage 3	Total
		12-month ECL	Lifetime ECL	Lifetime ECL	
Gross carrying amount*		866,893	-	89,824	956,717
Loss allowance		(32,509)	-	(71,373)	(103,882)
Carrying amount		834,384	-	18,451	852,835

US\$'000		Off Balance sheet			
		31 December 2023			
ECL staging		Stage 1	Stage 2	Stage 3	Total
		12-month ECL	Lifetime ECL	Lifetime ECL	
Gross carrying amount		3,448,273	41,752	12,098	3,502,124
Loss allowance		(2,800)	(8,469)	(5,148)	(16,417)
Carrying amount		3,445,473	33,283	6,950	3,485,707

US\$'000		Off Balance sheet			
		31 December 2022			
ECL staging		Stage 1	Stage 2	Stage 3	Total
		12-month ECL	Lifetime ECL	Lifetime ECL	
Gross carrying amount		4,841,673	25,493	6,531	4,873,697
Loss allowance		(8,379)	(1,027)	(1,396)	(10,802)
Carrying amount		4,833,294	24,466	5,135	4,862,895

4.1.5.2 Maximum exposure to credit risk – Financial instruments not subject to ECL impairment

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment (i.e. FVTPL):

US\$'000	31 December 2023	31 December 2022
Trading assets		
• Debt Securities	41,278	173,195
• Derivatives	78,057	137,468
Financial assets designated at fair value		
• Debt securities	-	-
• Loans and advances to customers	-	-

4.1.5.3 Maximum exposure to credit risk before collateral held

Credit risk exposures relating to on-statement of financial position assets are as follows:

Balances with central banks
Treasury bills and other eligible bills
Loans and advances to banks
Loans and advances to customers:

CIB

- Overdrafts
- Term loans

Commercial

- Overdrafts
- Term loans

Consumer

- Overdrafts
- Credit cards
- Term loans
- Mortgages

Trading financial assets

- Debt securities

Derivative financial instruments

Financial assets designated at fair value:

Investment securities :

- Debt securities

Pledged assets

Other assets excluding prepayments and repossessed assets

Credit risk exposures relating to off-balance sheet items are as follows:

Financial guarantees and other financial facilities

Loan commitments

Maximum exposure	
31 Dec. 2023	31 Dec. 2022
3,273,483	3,607,620
1,595,628	2,455,739
2,241,873	1,496,567
838,499	643,979
6,969,397	7,582,991
175,820	246,320
1,383,004	1,415,031
13,647	28,330
1,005	73
1,022,826	950,847
138,555	135,334
41,278	173,195
78,057	137,468
6,622,055	6,777,850
113,042	153,970
879,373	852,835
2,854,288	3,405,209
647,836	1,457,686
28,889,666	31,521,044

The above table represents a worse case scenario of credit risk exposure of the Group at 31 December 2023 and 31 December 2022, without taking into account any collateral held or other credit enhancements attached. For on-balance-sheet assets, the exposures set out above are based on net carrying amounts as reported in the statement of financial position.

As shown above, 44% (December 2022: 39%) of the total maximum exposure is derived from loans and advances to banks and customers, 23% (December 2022: 21%) represents investments securities in debt securities.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Group resulting from its loan and advances portfolio, debt securities and other assets based on the following:

- 83% (December 2022: 85%) of the loans and advances portfolio are considered to be neither past due nor in default;
- Investment in debt securities are largely government securities.

Notes

4 Financial Risk Management (continued)

4.1 Credit Risk (continued)

4.1.6 Collateral and other credit enhancements

The Group employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Group has internal policies on the acceptability of specific classes of collateral or credit risk mitigation. The Group prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured. Derivatives are also collateralised.

The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group since the prior year.

A portion of the Group's financial assets originated by the mortgage business has sufficiently low 'loan to value' (LTV) ratios, which results in no loss allowance being recognised in accordance with the Group's expected credit loss model. The carrying amount of such financial assets is USD142 million as at 31 December 2023 (2022 :\$140 million).

The Group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Group will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown in note 4.1.9 (c).

4.1.7 Loss allowance

The loss allowance recognised in the year is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the year, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the year, as well as releases for financial instruments de-recognised in the year;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the year, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the year.

The following tables explain the changes in the loss allowance between the beginning and the end of the reporting period due to these factors:

Loans and advances to customers	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime	Lifetime ECL	
	USD'000	USD'000	USD'000	USD'000
Loss allowance as at 1 January 2023	61,525	139,513	317,069	518,107
Movements with P&L impact				
New financial assets	20,734	15,454	90,950	127,138
Transfer from Stage 1 to Stage 2	(12,245)	12,245	-	-
Transfer from Stage 1 to Stage 3	(18,329)	-	(18,329)	(36,658)
Changes in PDs/LGDs/EADs	12,594	9,157	23,962	45,713
Changes to model assumptions and methodology	(1,261)	2,685	7,437	8,861
Total net P&L charge during the year	1,493	39,541	104,020	145,054
Other movements with no P&L impact				
FX and other movements	(3,680)	(34,974)	(34,969)	(73,623)
Transfer from Stage 2 to Stage 3	-	(7,194)	7,194	-
Transfer from Stage 3 to Stage 2	-	3,099	(3,099)	-
Write-offs	-	-	(70,482)	(70,482)
Loss allowance as at 31 December 2023	59,338	139,985	319,733	519,056

Notes

4 Financial Risk Management (continued)

4.1 Credit Risk (continued)

4.1.7 Loss allowance (continued)

Loans and Advances to customers	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime	Lifetime ECL	
	USD'000	USD'000	USD'000	USD'000
Loss allowance as at 1 January 2022	79,923	143,420	429,033	652,376
Movements with P&L impact				
New financial assets originated	36,066	8,176	42,326	86,568
Transfer from Stage 1 to Stage 2	(15,860)	15,860	-	-
Transfer from Stage 1 to Stage 3	(30,123)	-	30,123	-
Changes in PDs/LGDs/EADs	12,927	30,414	(110,988)	(67,647)
Changes to model assumptions and methodologies	(8,627)	374	(340)	(8,593)
Total net P&L charges during the year	(5,617)	54,824	(38,879)	10,328
Other movements with no P&L impact				
FX and other movements	(12,781)	(51,171)	119,878	55,926
Transfer from Stage 2 to Stage 3	-	(8,516)	8,516	-
Transfer from Stage 3 to Stage 2	-	956	(956)	-
Financial assets derecognised during the year	-	-	-	-
Write-offs	-	-	(200,523)	(200,523)
Loss allowance as at 31 December 2022	61,525	139,513	317,069	518,107

Significant changes in the gross carrying amount of financial assets that contributed to changes in the loss allowances were as follows

- The write-off of loans with a total gross carrying amount of USD 70 million (2022: \$201 million) resulted in the reduction of the Stage 3 loss allowance by the same amount.
- Impairments relating to new financial assets originated in the year .

Investment securities - Debt instruments	Stage 1	Stage 2	Stage 3	Purchased originated credit impairment	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		
	USD'000	USD'000	USD'000		USD'000
Loss allowance as at 1 January 2023	1,231	-	203,904	-	205,135
Movements with P&L impact					
Changes in PDs/LGDs/EADs	-	-	147,146	-	147,146
Changes to model assumptions and methodologies	-	-	-	-	-
Unwind of discount(a)	-	-	-	-	-
Total net P&L charges during the year	-	-	147,146	-	147,146
Other movements with no P&L impact					
FX and other movements	(405)	-	29,656	-	29,251
Transfer from Stage 2 to Stage 3	-	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
Write-offs	-	-	(113,540)	-	(113,540)
Loss allowance as at 31 December 2023	826	-	267,166	-	267,992

Notes

4 Financial Risk Management (continued)

4.1 Credit Risk (continued)

4.1.7 Loss allowance (continued)

Investment securities - Debt instruments	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	USD'000	USD'000	USD'000	
Loss allowance as at 1 January 2022	1,304	-	-	1,304
Movements with P&L impact				
Changes in PDs/LGDs/EADs	-	-	170,190	170,190
Changes to model assumptions and methodologies	-	-	-	-
Unwind of discount(a)	-	-	-	-
Total net P&L charges during the year	-	-	170,190	170,190
Other movements with no P&L impact				
FX and other movements	(73)	-	33,714	33,641
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Financial assets derecognised during the year	-	-	-	-
Write-offs	-	-	-	-
Loss allowance as at 31 December 2022	1,231	-	203,904	205,135
Other assets	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	USD'000	USD'000	USD'000	
Loss allowance as at 1 January 2023	103,882	-	-	103,882
Movements with P&L impact				
New financial assets originated or purchased	-	-	-	-
Changes in PDs/LGDs/EADs	32,006	1,179	645	33,830
Changes to model assumptions and methodologies	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-
Unwind of discount(a)	-	-	-	-
Total net P&L charges during the year	32,006	1,179	645	33,830
Other movements with no P&L impact				
FX and other movements	6,418	-	-	6,418
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Financial assets derecognised during the year	-	-	-	-
Write-offs	(135,725)	-	-	(135,725)
Loss allowance as at 31 December 2023	6,581	1,179	645	8,405
Other assets	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	USD'000	USD'000	USD'000	
Loss allowance as at 1 January 2022	209,321	-	-	209,321
Movements with P&L impact				
New financial assets originated or purchased	-	-	-	-
Changes in PDs/LGDs/EADs	17,160	-	-	17,160
Modification of contractual cash flows of financial assets	-	-	-	-
Unwind of discount(a)	-	-	-	-
Total net P&L charges during the year	17,160	-	-	17,160
Other movements with no P&L impact				
FX and other movements	(122,599)	-	-	(122,599)
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Financial assets derecognised during the year	-	-	-	-
Write-offs	-	-	-	-
Loss allowance as at 31 December 2022	103,882	-	-	103,882

Notes

4 Transition to IFRS 9: Financial Instruments (continued)

4.1 Credit risk exposure (continued)

4.1.7 Loss allowance (continued)

Loans and advances to Banks	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime	Lifetime ECL	
	USD'000	USD'000	USD'000	
Loss allowance as at 1 January 2023	86	-	8,512	8,598
Movements with P&L impact				
New financial assets originated or purchased	-	-	-	-
Changes in PDs/LGDs/EADs	-	1,403	2,259	3,662
Changes to model assumptions and methodologies	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-
Unwind of discount(a)	-	-	-	-
Total net P&L charge during the year	-	1,403	2,259	3,662
Other movements with no P&L impact				
FX and other movements	(86)	-	333	247
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Financial assets derecognised during the year	-	-	-	-
Write-offs	-	-	-	-
Loss allowance as at 31 December 2023	-	1,403	11,104	12,507
Loans and advances to Banks	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime	Lifetime ECL	
	USD'000	USD'000	USD'000	
Loss allowance as at 1 January 2022	1,365	-	-	1,365
Movements with P&L impact				
New financial assets originated or purchased	-	-	-	-
Changes in PDs/LGDs/EADs	-	-	-	-
Changes to model assumptions and methodologies	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-
Unwind of discount(a)	-	-	-	-
Total net P&L charge during the year	-	-	-	-
Other movements with no P&L impact				
FX and other movements	(1,279)	-	8,512	7,233
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Financial assets derecognised during the year	-	-	-	-
Write-offs	-	-	-	-
Loss allowance as at 31 December 2022	86	-	8,512	8,598

Notes

4 Transition to IFRS 9: Financial Instruments (continued)

4.1 Credit risk exposure (continued)

4.1.7 Loss allowance (continued)

Off Balance sheet	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	USD'000	USD'000	USD'000	
Loss allowance as at 1 January 2023	8,379	1,027	1,396	10,802
Movements with P&L impact				
New financial assets originated or purchased	936	(689)	-	247
Changes in PDs/LGDs/EADs	-	-	-	-
Changes to model assumptions and methodologies	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-
Unwind of discount(a)	-	-	-	-
Total net P&L charge during the year	936	(689)	-	247
Other movements with no P&L impact				
FX and other movements	(6,515)	8,131	3,752	5,368
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Financial assets derecognised during the year	-	-	-	-
Write-offs	-	-	-	-
Loss allowance as at 31 December 2023	2,800	8,469	5,148	16,417

Off Balance sheet	Stage 1		Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	USD'000	USD'000	USD'000	USD'000
Loss allowance as at 1 January 2022	13,161	59	13	13,233
Movements with P&L impact				
New financial assets originated or purchased	388	-	-	388
Changes in PDs/LGDs/EADs	-	-	-	-
Changes to model assumptions and methodologies	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-
Unwind of discount(a)	-	-	-	-
Total net P&L charge during the year	388	-	-	388
Other movements with no P&L impact				
FX and other movements	(5,170)	968	1,383	(2,819)
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Financial assets derecognised during the year	-	-	-	-
Write-offs	-	-	-	-
Loss allowance as at 31 December 2022	8,379	1,027	1,396	10,802

4.1.8 Loans and advances exposure by internal rating

4.1.8 (a) Loans and advances to customers by facility risk rating

Credit Rating	31 December 2023			31 December 2022		
	Loans and advances			Loans and advances		
	US\$'000			US\$'000		
1	245,320	2%		434,067	4%	
2	18,172	0%		20,547	0%	
3	40,942	0%		177,252	2%	
4	613,383	6%		633,729	6%	
5	1,397,225	13%		1,944,098	17%	
6	6,717,327	61%		6,538,507	57%	
7	874,773	8%		655,204	6%	
8	554,482	5%		518,942	5%	
9	378,517	3%		280,716	2%	
10	221,668	2%		317,950	3%	
	11,061,809	100%		11,521,012	100%	

4.1.8 (b) Loans and advances to customers by internal rating

Group's rating	31 December 2023				31 December 2022			
	Loans and advances		Impairment provision		Loans and advances		Impairment provision	
	US\$'000		US\$'000		US\$'000		US\$'000	
1 Current	8,278,856	75%	52,510	1%	9,367,774	81%	53,336	1%
1A. Watchlist	753,513	7%	6,828	1%	380,426	3%	8,189	2%
II. Substandard	1,429,255	13%	139,985	10%	1,174,146	10%	139,513	12%
III. Doubtful	510,156	5%	223,911	44%	519,957	5%	275,383	53%
IV. Loss	90,029	1%	95,822	106%	78,709	1%	41,686	53%
	11,061,809	100%	519,056	5%	11,521,012	100%	518,107	4%

4.1.8 (c) Other Financial Instruments by internal rating

	31 December 2023			31 December 2022			31 December 2023			31 December 2022		
	Balances with central banks			Balances with central banks			Treasury bills and other eligible bills			Treasury bills and other eligible bills		
	US\$'000			US\$'000			US\$'000			US\$'000		
1	3,941	0%		270,383	7%		-	0%		-	0%	
2	160,440	5%		42,291	1%		-	0%		13,471	1%	
3	-	0%		-	0%		982	0%		-	0%	
4	310,542	9%		295,559	8%		2,673	0%		4,036	0%	
5	617,554	19%		421,233	12%		122,124	8%		348,309	14%	
6	1,279,901	39%		2,458,115	68%		1,193,738	75%		1,933,426	79%	
7	901,105	28%		120,039	3%		236,312	15%		156,497	6%	
8	-	0%		-	0%		39,799	2%		-	0%	
9	-	0%		-	0%		-	0%		-	0%	
10	-	0%		-	0%		-	0%		-	0%	
	3,273,483	100.00%		3,607,620	100%		1,595,628	100%		2,455,739	100%	

4.1.8 Loans and advances exposure by internal rating
4.1.8 (c) Other Financial Instruments by internal rating

31 December 2023					31 December 2022				
Loans and advances to banks					Loans and advances to banks				
	US\$'000				US\$'000				
1	24	0%	7	0%					
2	106,174	5%	84,147	6%					
3	302,926	13%	121,403	8%					
4	969,479	43%	418,002	28%					
5	112,276	5%	41,847	3%					
6	750,685	33%	827,764	55%					
7	8,331	0%	8,795	1%					
8	-	0%	-	0%					
9	-	0%	-	0%					
10	4,485	0%	3,200	0%					
	2,254,380	100%	1,505,165	100%					

31 December 2023					31 December 2022				
Trading financial assets					Trading financial assets				
	US\$'000				US\$'000				
	-	0%	-	0%					
	-	0%	950	1%					
	25	0%	-	0%					
	69	0%	285	0%					
	3,159	8%	24,565	14%					
	30,881	75%	136,358	79%					
	6,113	15%	11,037	6%					
	1,031	2%	-	0%					
	-	0%	-	0%					
	-	0%	-	0%					
	41,278	100%	173,195	100%					

31 December 2023					31 December 2022				
Investment securities					Investment securities				
	US\$'000				US\$'000				
1	-	0%	-	0%					
2	-	0%	39,548	1%					
3	4,238	0%	-	0%					
4	11,540	0%	11,848	0%					
5	527,342	8%	1,022,566	14%					
6	5,154,654	75%	5,676,162	79%					
7	1,020,416	15%	459,445	6%					
8	171,857	2%	-	0%					
9	-	0%	-	0%					
10	-	0%	-	0%					
	6,890,047	100%	7,209,569	100%					

31 December 2023					31 December 2022				
Pledged assets					Pledged assets				
	US\$'000				US\$'000				
	-	0%	-	0%					
	-	0%	845	1%					
	70	0%	-	0%					
	189	0%	253	0%					
	8,652	8%	21,838	14%					
	84,570	75%	121,222	79%					
	16,742	15%	9,812	6%					
	2,819	2%	-	0%					
	-	0%	-	0%					
	-	0%	-	0%					
	113,042	100%	153,970	100%					

31 December 2023					31 December 2022				
Contingent					Contingent				
	US\$'000				US\$'000				
1	318,328	9%	260,845	5%					
2	6,775	0%	20,004	0%					
3	177,306	5%	210,525	4%					
4	355,590	10%	750,309	15%					
5	374,845	11%	706,467	15%					
6	1,836,464	52%	2,469,843	51%					
7	309,947	9%	392,866	8%					
8	94,612	3%	45,227	1%					
9	15,074	0%	3,114	0%					
10	13,183	0%	3,695	0%					
	3,502,124	100%	4,862,895	100%					

4.1.9 Loans and advances by status

Loans and advances are summarised as follows:

	31 December 2023		31 December 2022	
	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers
	US\$'000	US\$'000	US\$'000	US\$'000
Neither past due nor in default	2,235,055	9,032,369	1,492,053	9,748,200
Past due but not in default	3,549	1,429,255	-	1,174,146
Default	15,776	600,185	13,112	598,666
Gross	2,254,380	11,061,809	1,505,165	11,521,012
Less: allowance for impairment	(12,507)	(519,056)	(8,598)	(518,107)
Net	2,241,873	10,542,753	1,496,567	11,002,905

Other financial assets are neither past due nor in default except for investment securities ,off balance sheet and other assets with impairment provision in note 4.1.7 ,note 35 and note 25 respectively.

Notes

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

4 Financial Risk Management

4.1 Credit Risk

4.1.9 Loans and advances by status (continued)

(a) Loans and advances neither past due nor in default

The credit quality of the portfolio of loans and advances that were neither past due nor in default can be assessed by reference to the internal rating system adopted by the Group in the Group Credit Policy and Procedure Manual (see the Note 4.1.3 Significant increase in credit risk).

31 December 2023

136,280

Grades:	Loans and advances to customers											Total
	CIB			Commercial				Consumer				
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term Loans	Others	Overdrafts	Credit cards	Term Loans	Mortgages	
Current	726,144	5,156,910	-	135,143	-	1,148,197	-	18,260	1,013	960,588	132,601	8,278,856
Watchlist	93,688	515,593	-	17,987	-	87,148	-	84	86	35,248	3,679	753,513
Total	819,832	5,672,503	-	153,130	-	1,235,345	-	18,344	1,099	995,836	136,280	9,032,369

31 December 2022

31 December 2022												
Loans and advances to customers												
Grades:	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term Loans	Others	Overdrafts	Credit cards	Term Loans	Mortgages	
Current	645,028	6,170,680	-	186,090	-	1,294,675	-	35,203	1,542	911,814	122,742	9,367,774
Watchlist	32,970	255,454	-	30,610	-	43,336	-	137	-	14,818	3,101	380,426
Total	677,998	6,426,134	-	216,700	-	1,338,011	-	35,340	1,542	926,632	125,843	9,748,200

All loans and advances to banks are neither past due nor in default and all fall under the 'current' grade.

(b) Loans and advances past due but not in default

Loans and advances less than 90 days past due are not considered in default, unless other information is available to indicate the contrary. Gross amount of loans and advances by class of customers that were past due but not in default were as follows:

31 December 2023

Past due	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term Loans	Others	Overdrafts	Credit cards	Term Loans	Mortgages	
Past due up to 30 days	807	16,841	-	1,197	-	36,742	-	6	-	3,245	148	58,986
Past due 30-60 days	2,259	129,230	-	1,182	-	33,022	-	184	-	12,492	1,447	179,816
Past due 60-90 days	32,888	998,449	-	25,981	-	118,505	-	1,360	11	10,669	2,590	1,190,453
Total	35,954	1,144,520	-	28,360	-	188,269	-	1,550	11	26,406	4,185	1,429,255
Fair value of collateral	(11,607)	(369,499)	-	(9,156)	-	(60,781)	-	(500)	(4)	(8,525)	(1,351)	(461,423)
Amount of (over)/ under collateralisation	24,347	775,021	-	19,204	-	127,488	-	1,050	15	17,881	2,834	967,832

31 December 2022

Past due	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term Loans	Mortgages	Overdrafts	Credit cards	Term Loans	Mortgages	
Past due up to 30 days	425	3,483	-	12,773	-	126,490	-	183	-	2,633	8,260	154,247
Past due 30-60 days	525	242,921	-	307	-	9,767	-	94	-	10,692	295	264,601
Past due 60-90 days	12,829	577,890	-	23,771	-	119,385	-	420	-	17,382	3,621	755,298
Total	13,779	824,294	-	36,851	-	255,642	-	697	-	30,707	12,176	1,174,146
Fair value of collateral	(12,199)	(540,187)	-	(19,748)	-	(19,432)	-	(817)	-	(27,713)	(12,090)	(632,186)
Amount of (over)/ under collateralisation	1,580	284,107	-	17,103	-	236,210	-	(120)	-	2,994	86	541,960

Upon initial recognition of loans and advances, the fair value of collateral is based on valuation techniques commonly used for the corresponding assets. In subsequent periods, the fair value is updated by reference to market price.

Notes

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

c) Loans and advances individually in default

i) Loans and advances to customers

The breakdown of the gross amount of individually in default loans and advances by class, along with the fair value of related collateral held by the Group as security, are as follows:

31 December 2023	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term Loans	Others	Overdrafts	Credit cards	Term Loans	Mortgages	
Gross	14,631	425,993	-	30,120	-	76,166	-	12,078	19	39,265	1,913	600,185
Impairment allowance	(12,886)	(184,438)	-	(19,122)	-	(58,910)	-	(9,428)	(4)	(33,681)	(1,264)	(319,733)
	1,745	241,555	-	10,998	-	17,256	-	2,650	15	5,584	649	280,452
Fair value of collateral	(3,221)	(445,954)	-	(20,303)	-	(31,856)	-	(4,892)	-	(10,308)	(1,198)	(517,732)
Amount of (over) / under collateralisation	(1,476)	(204,399)	-	(9,305)	-	(14,600)	-	(2,242)	15	(4,724)	(549)	(237,280)

31 December 2022	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term Loans	Others	Overdrafts	Credit cards	Term Loans	Mortgages	
Gross	22,130	433,414	-	28,961	-	57,648	-	16,202	-	37,735	2,576	598,666
Impairment allowance	(4,103)	(190,901)	-	(24,992)	-	(50,166)	-	(15,754)	-	(30,379)	(774)	(317,069)
	18,027	242,513	-	3,969	-	7,482	-	448	-	7,356	1,802	281,597
Fair value of collateral	(23,834)	(752,187)	-	(10,335)	-	(31,900)	-	(7,446)	-	(13,282)	(5,202)	(844,186)
Amount of (over) / under collateralisation	(5,807)	(509,674)	-	(6,366)	-	(24,418)	-	(6,998)	-	(5,926)	(3,400)	(562,589)

(d) Other assets with exposure to credit risks

31 December 2023

Neither past due nor default

Past due but not in default

In Default

Purchased originated credit impairment

Gross

Less: allowance for impairment

Net

Carrying amounts

Balances with central banks	Trading financial assets	Derivative financial instruments	Treasury bills and other eligible bills	Investment securities	Pledged assets	Other assets less prepayments and repossessed assets	Total
3,273,483	41,278	78,057	1,595,628	5,909,099	113,042	887,778	11,898,365
-	-	-	-	-	-	1,179	1,179
-	15,358	-	-	534,113	-	868	550,339
-	-	-	-	446,835	-	-	446,835
3,273,483	56,636	78,057	1,595,628	6,890,047	113,042	889,825	12,896,718
-	-	-	-	(267,992)	-	(8,405)	(276,397)
3,273,483	56,636	78,057	1,595,628	6,622,055	113,042	881,420	12,620,321

31 December 2022

Neither past due nor default

Past due but not in default

In Default

Gross

Less: allowance for impairment

Net

Carrying amounts

Balances with central banks	Financial assets held for trading	Derivative financial instruments	Treasury bills and other eligible bills	Investment debt securities	Pledged assets	Other assets less prepayments and repossessed assets *	Total
3,607,620	23,116	137,468	2,455,739	6,024,593	153,970	866,893	13,269,399
-	-	-	-	-	-	89,824	89,824
-	150,079	-	-	1,184,976	-	-	1,335,055
3,607,620	173,195	137,468	2,455,739	7,209,569	153,970	956,717	14,694,278
-	-	-	-	(205,135)	-	(103,882)	(309,017)
3,607,620	173,195	137,468	2,455,739	7,004,434	153,970	852,835	14,385,261

Ecobank Transnational Incorporated
Consolidated audited financial statements
As at 31 December 2023

Notes

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

4.1.10 Concentration of risks of financial assets with credit risk exposure

a) Geographical sectors

The following table breaks down the Group's main credit exposure at their carrying amounts, as categorised by geographical region as of 31 December 2023 and 31 December 2022. For this table, the Group has allocated exposures to regions based on the country of domicile of our counterparties.

	UEMOA	Nigeria	AWA	CESA	Others	Total
As at 31 December 2023						
Balances with central banks	579,281	991,751	804,726	735,150	162,575	3,273,483
Trading financial assets	-	3,780	29,654	7,844	-	41,278
Derivative financial instruments	22,595	19,137	-	-	36,325	78,057
Loans and advances to banks	493,482	243,625	469,429	742,146	305,698	2,254,380
Loans and advances to customers:						
CIB						
- Overdrafts	440,812	19,013	142,544	242,513	25,536	870,418
- Term loans	3,263,674	1,804,105	704,936	774,504	695,796	7,243,015
Consumer						
- Overdrafts	10,156	-	10,206	11,610	-	31,972
- Credit cards	-	-	976	152	-	1,128
- Term loans	652,286	39,400	145,043	224,780	-	1,061,509
- Mortgages	82,706	1,352	38,019	20,301	-	142,378
Commercial						
- Overdrafts	67,102	187	63,929	80,391	-	211,609
- Term loans	589,036	121,856	341,449	447,439	-	1,499,780
Treasury bills and other eligible bills	70,105	403,267	396,970	725,286	-	1,595,628
Investment securities – debt securities	3,718,044	292,908	1,271,373	1,502,020	105,702	6,890,047
Pledged assets	-	113,042	-	-	-	113,042
Other assets excluding prepayments and repossessed assets	237,053	269,470	92,017	163,906	125,332	887,778
Total	10,226,332	4,322,893	4,511,271	5,678,042	1,456,964	26,195,502
Credit commitments	1,417,233	435,961	657,324	906,437	85,169	3,502,124
As at 31 December 2022						
Balances with central banks	600,044	1,331,858	692,452	700,381	282,885	3,607,620
Trading financial assets	-	19,553	134,459	19,183	-	173,195
Derivative financial instruments	21,810	63,366	-	-	52,292	137,468
Loans and advances to banks	414,650	282,766	395,586	282,320	123,742	1,499,064
Loans and advances to customers:						
CIB						
- Overdrafts	324,316	15,938	177,081	206,238	-	723,573
- Term loans	2,953,739	2,237,248	831,655	875,184	913,354	7,811,180
Consumer						
- Overdrafts	11,017	5,312	17,400	18,691	-	52,420
- Credit cards	-	-	1,348	194	-	1,542
- Term loans	559,744	71,135	150,976	204,799	-	986,654
- Mortgages	76,203	-	36,579	26,977	-	139,759
Commercial						
- Overdrafts	57,228	65,277	83,619	75,795	-	281,919
- Term loans	523,475	186,538	322,862	491,090	-	1,523,965
Treasury bills and other eligible bills	165,026	1,039,010	336,286	915,417	-	2,455,739
Investment securities – debt securities	4,454,463	340,959	1,077,172	1,336,746	229	7,209,569
Pledged assets	-	153,970	-	-	-	153,970
Other assets excluding prepayments and repossessed assets	105,362	389,110	151,044	204,179	107,022	956,717
Total	10,267,077	6,202,040	4,408,519	5,357,194	1,479,524	27,714,354
Credit commitments	1,394,817	946,801	677,867	1,732,531	110,879	4,862,895

Notes

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

4.1.10 Concentration of risks of financial assets with credit risk exposure

(b) Industry sectors

The following table breaks down the Group's main credit exposure at their carrying amounts, as categorised by the industry sectors of our counterparties.

	Financial institutions	Wholesale & retail trading	Manufacturing	Government	Mining & construction	Services & others	Total
31 December 2023							
Balances with central banks	3,273,483	-	-	-	-	-	3,273,483
Trading financial assets	12,569	-	-	28,709	-	-	41,278
Derivative financial instruments	55,462	-	-	22,595	-	-	78,057
Loans and advances to banks	2,013,731	76,087	87,886	63,035	-	13,641	2,254,380
Loans and advances to customers:							
– Overdrafts	138,591	321,280	122,852	71,451	260,986	198,839	1,113,999
– Credit cards	171	244	195	366	-	152	1,128
– Term loans	671,081	1,751,916	764,102	2,034,446	736,225	3,846,534	9,804,304
– Mortgages	8,147	6,560	3,435	7,018	8,058	109,160	142,378
Treasury bills and other eligible bills	181,362	-	-	1,343,796	70,470	-	1,595,628
Investment securities – debt securities	416,122	-	-	6,472,313	1,612	-	6,890,047
Pledged assets	-	-	-	113,042	-	-	113,042
Other assets excluding prepayments and repossessed assets	322,824	119,290	691	11,447	-	433,526	887,778
Total	7,093,543	2,275,377	979,161	10,168,218	1,077,351	4,601,852	26,195,502
Credit commitments	740,548	858,000	115,259	40,023	529,662	1,218,632	3,502,124
31 December 2022							
Balances with central banks	3,607,620	-	-	-	-	-	3,607,620
Trading financial assets	145,330	-	-	27,865	-	-	173,195
Derivative financial instruments	115,658	-	-	21,810	-	-	137,468
Loans and advances to banks	1,333,083	-	-	7,854	-	158,127	1,499,064
Loans and advances to customers:							
– Overdrafts	9,900	349,717	123,012	27,803	98,100	449,380	1,057,912
– Credit cards	-	-	-	-	-	1,542	1,542
– Term loans	194,310	2,013,594	1,019,724	1,728,392	704,293	4,661,486	10,321,799
– Mortgages	27	5,038	6,948	3,516	5,694	118,536	139,759
Treasury bills and other eligible bills	1,627,293	-	-	783,698	-	44,748	2,455,739
Investment securities – debt securities	625,208	-	-	6,584,361	-	-	7,209,569
Pledged assets	153,970	-	-	-	-	-	153,970
Other assets excluding prepayments and repossessed assets	316,921	81,263	-	8,272	-	550,261	956,717
Total	8,129,320	2,449,612	1,149,684	9,193,571	808,087	5,984,080	27,714,354
Credit commitments	2,036,329	815,125	171,019	191,664	462,687	1,186,071	4,862,895

4.2 Market risk

Market risk is the risk that changes in market prices, which include currency exchange rates and interest rates, will affect the fair value or future cash flows of a financial instrument. Market risk arises from open positions in interest rates and foreign currencies, both of which are exposed to general and specific market movements and changes in the level of volatility. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while optimising the return on risk. Overall responsibility for managing market risk rests with the Group Risk Management and the Board's Risk Committee. The Group Risk Management is responsible for the development of detailed risk management policies and procedures (subject to review and approval Board's Risk Committee) and for the day to day implementation of those policies. It will be worth noted that due to significant currency evolution , the year end exposure of foreign exchange and interest rate sensitivity analysis may be unrepresentative of the exposure during the year.

The market risks arising from trading and non-trading activities are concentrated in Group Treasury. Regular reports are submitted to the Board of Directors and heads of each business unit. Trading portfolios include those positions arising from market-making transactions where the Group acts as principal with clients or with the market. Non-trading portfolios primarily arise from the interest rate management of the subsidiary's banking assets and liabilities. Non-trading portfolios also consist mainly of foreign exchange risks arising from the Group's investment securities.

The Group applies a 'value at risk' methodology (VaR) to its trading portfolios, to estimate the market risk of positions held and the maximum losses expected.

Our VaR model is designed to take into account a comprehensive set of risk factors across all asset classes in our trading book. Our (VaR) model is predominantly based on historical simulation which derives plausible future trading losses from the analysis of historic market prices. We use a three-year historical dataset, a one-day holding period and a 99% confidence level. This means that we would expect daily mark-to-market trading losses to exceed the reported (VaR) not more than once in 100 trading days. These assumptions are aligned with international standards for market risk management.

The use of this approach does not prevent losses outside of these limits in the event of more significant market movements. To mitigate some of the (VaR) limitations and estimate losses associated with unusually severe market movements, we use other metrics designed for risk management purposes, including stressed (VaR), position risk and scenario analysis. Backtesting is also used to assess the accuracy of the (VaR) model, by comparing the results produced from the (VaR) model with the actual daily trading revenue.

	31 December 2023			31 December 2022		
	Low	Average	High	Low	Average	High
Foreign exchange risk	133	298	502	5	30	96
Interest risk	320	850	1,503	373	2,850	5,828

4.2.1 Foreign exchange risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. There are sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 December 2023 and 31 December 2022. Included in the table are the Group's financial instruments at carrying amounts, categorised by currency.

As at 31 December 2023	Dollar	Euro	CFA	Naira	Cedis	Others	Total
Assets							
Cash and balances with central banks	537,279	225,406	1,107,887	1,004,315	636,784	419,052	3,930,723
Trading financial assets	7,358	-	-	3,780	29,653	487	41,278
Derivative financial instruments	18	58,899	-	19,140	-	-	78,057
Loans and advances to banks	468,896	627,227	555,323	130,748	182,639	277,040	2,241,873
Loans and advances to customers	2,656,079	550,904	5,762,239	589,290	461,039	523,202	10,542,753
Treasury bills and other eligible bills	63,874	-	395,787	403,267	153,300	579,400	1,595,628
Investment securities	933,601	71,729	5,063,588	6,605	156,411	390,121	6,622,055
Pledged assets	-	-	-	113,042	-	-	113,042
Other assets excluding prepayments and repossessed assets	235,619	77,792	294,557	144,424	72,826	54,155	879,373
Total financial assets	4,902,724	1,611,957	13,179,381	2,414,611	1,692,652	2,243,457	26,044,782
Liabilities							
Deposits from banks	157,898	482,839	854,914	121	84,930	7,416	1,588,118
Deposit from customers	4,503,519	516,246	10,077,892	1,710,150	1,315,948	1,850,193	19,973,948
Derivative financial instruments	-	15,533	-	28,770	-	-	44,303
Other borrowed funds	1,836,370	13,690	129,938	210,433	18,096	41,056	2,249,583
Other liabilities excluding accrued income	189,712	159,235	566,806	151,308	102,854	91,058	1,260,973
Total financial liabilities	6,687,499	1,187,543	11,629,550	2,100,782	1,521,828	1,989,723	25,116,925
Net on-statement of financial position	(1,784,775)	424,414	1,549,831	313,829	170,824	253,734	927,857
Credit commitments	929,086	523,894	1,454,082	132,556	111,531	350,975	3,502,124

Foreign Exchange Risk

Foreign exchange risk is the risk to earnings and capital arising from adverse movements in currency exchange rates that are used for valuation of open foreign currency positions.

Foreign exchange risk is generated not only when the Treasury department buys and sells currency from customers and counterparties, but also from other banking activities, such as remittances and currency transfers for customers, teller transactions, and accrual of interest on foreign currency loans and deposits. Accurate determination of open foreign currency positions can be done only from the books and records of the Bank.

FX risk is measured as the Net Open Position in a currency. E.g. for the Euro, the Euro NOP is the difference between assets and liabilities (including off-balance sheet assets and liabilities,) denominated in Euro. A positive number (Assets exceed Liabilities) represents a "Long" or "Overbought" position in the currency. A negative number (Assets are less than Liabilities) represents a "Short" or "Oversold" position in the currency.

Management of Foreign Exchange risk is done by placing limits against the maximum oversold or overbought individual currency positions and portfolio level at each affiliate. Net Open FX Positions are generally monitored and reported in terms of the U.S. dollar. Net Open FX Positions in the Trading Portfolio are marked-to-market daily at the close of the trading day using market FX rates obtained independently of the Traders. Profit and loss are reported in a daily Profit and Loss Report.

Notes

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

4.2.1 Foreign exchange risk (continued)

As at 31 December 2022

Assets

Cash and balances with central banks
Trading financial assets
Derivative financial instruments
Loans and advances to banks
Loans and advances to customers
Treasury bills and other eligible bills
Investment securities - available-for-sale
Pledged assets
Other assets excluding prepayments and repossessed assets

Total financial assets

Liabilities

Deposits from banks
Deposit from customers
Derivative financial instruments
Other borrowed funds
Other liabilities excluding accrued income

Total financial liabilities

Net on-statement of financial position

Credit commitments

	Dollar	Euro	CFA	Naira	Cedis	Others	Total
Cash and balances with central banks	537,807	379,474	1,130,863	1,375,787	440,653	429,226	4,293,810
Trading financial assets	46,591	-	-	17,450	97,785	11,369	173,195
Derivative financial instruments	-	52,292	21,810	63,366	-	-	137,468
Loans and advances to banks	345,705	316,729	270,887	137,655	53,194	372,397	1,496,567
Loans and advances to customers	2,241,886	509,467	5,090,545	1,532,272	933,225	695,510	11,002,905
Treasury bills and other eligible bills	159,426	-	441,979	1,039,198	1,725	813,411	2,455,739
Investment securities - available-for-sale	668,592	63,304	5,117,688	265,762	408,357	480,731	7,004,434
Pledged assets	-	-	-	153,970	-	-	153,970
Other assets excluding prepayments and repossessed assets	253,549	75,000	68,199	219,970	40,509	195,608	852,835
Total financial assets	4,253,556	1,396,266	12,141,971	4,805,430	1,975,448	2,998,252	27,570,923
Deposits from banks	810,396	573,481	948,730	129	38,013	91,185	2,461,934
Deposit from customers	4,591,837	660,176	9,087,885	3,025,696	1,402,623	2,045,096	20,813,313
Derivative financial instruments	-	32,558	-	61,666	-	-	94,224
Other borrowed funds	1,748,137	22,795	100,509	359,500	9,374	38,077	2,278,392
Other liabilities excluding accrued income	193,430	96,293	225,300	303,244	90,971	46,595	955,833
Total financial liabilities	7,343,800	1,385,303	10,362,424	3,750,235	1,540,981	2,220,953	26,603,696
Net on-statement of financial position	(3,090,244)	10,963	1,779,547	1,055,195	434,467	777,299	967,227
Credit commitments	2,209,428	494,383	1,437,045	-	421,398	300,641	4,862,895

Currency Sensitivity Analysis

ETI periodically performs sensitivity analysis to determine the impact on Group's balance sheet resulting from a potential appreciation of the United States Dollars (USD) relative to the currencies to which the Group has major exposure namely; CFA Franc (FCFA), the Euro (EUR), the Nigerian Naira (NGN) and the Ghana Cedi (GHS). The results using data as of 31 December 2023 and 31 December 2022 are shown in the table below.

Overall Impact

Projected Appreciation of the USD
Estimated Impact on Net Asset Value (\$ Million)

Impact for NGN

Projected Appreciation of the USD
Estimated Impact on Net Asset Value (\$ Million)

Impact for CFA

Projected Appreciation of the USD
Estimated Impact on Net Asset Value (\$ Million)

Impact for EUR

Projected Appreciation of the USD
Estimated Impact on Net Asset Value (\$ Million)

Impact for GHS

Projected Appreciation of the USD
Estimated Impact on Net Asset Value (\$ Million)

31 December 2023			31 December 2022		
5%	10%	20%	5%	10%	20%
(101)	(202)	(403)	(127)	(254)	(507)

5%	10%	20%	5%	10%	20%
(12)	(23)	(47)	(39)	(78)	(155)

5%	10%	20%	5%	10%	20%
(58)	(115)	(230)	(71)	(143)	(285)

5%	10%	20%	5%	10%	20%
(16)	(32)	(63)	(0)	(1)	(2)

5%	10%	20%	5%	10%	20%
(6)	(13)	(25)	(16)	(32)	(65)

Notes

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

4.2.2 Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. Limits are set on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by Group Treasury.

The table below summarises the Group's exposure to interest rate risks. It includes the Group's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The Group's derivatives will be settled on a net basis.

As at 31 December 2023	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest bearing	Total
Assets							
Cash and balances with central banks	2,425,132	136,113	34,973	-	-	1,334,505	3,930,723
Trading financial assets	5,286	3,810	14,598	17,584	-	-	41,278
Derivative financial instruments	35,129	5,450	5,450	28,015	4,013	-	78,057
Loans and advances to banks	913,178	535,371	417,251	320,963	55,110	-	2,241,873
Loans and advances to customers	1,735,866	1,607,665	1,918,159	3,387,239	1,893,824	-	10,542,753
Treasury bills and other eligible bills	103,383	305,642	1,007,109	179,494	-	-	1,595,628
Investment securities	776,553	618,599	314,560	3,473,144	1,439,199	-	6,622,055
Pledged assets	-	403	210	55,601	56,828	-	113,042
Other assets excluding prepayments and repossessed assets	97,711	118,457	499,913	-	-	163,292	879,373
Total financial assets	6,092,238	3,331,510	4,212,223	7,462,040	3,448,974	1,497,797	26,044,782
Liabilities							
Deposits from banks	879,861	271,826	321,657	111,743	3,031	-	1,588,118
Deposit from customers	13,766,772	1,290,645	2,342,589	786,096	1,787,846	-	19,973,948
Derivative financial instruments	16,758	7,666	7,666	8,380	3,833	-	44,303
Borrowed funds	101,958	180,049	687,955	900,868	378,753	-	2,249,583
Other liabilities excluding accrued income	291,349	251,384	350,610	235,165	14,109	118,356	1,260,973
Total financial liabilities	15,056,698	2,001,570	3,710,477	2,042,252	2,187,572	118,356	25,116,925
Total interest repricing gap	(8,964,460)	1,329,940	501,746	5,419,788	1,261,402	1,379,441	927,857

As at 31 December 2022							
Assets							
Cash and balances with central banks	3,597,984	100,236	73,370	-	-	522,220	4,293,810
Trading financial assets	3,593	13,324	16,301	139,492	485	-	173,195
Derivative financial instruments	82,091	5,428	28,139	-	21,810	-	137,468
Loans and advances to banks	445,880	339,859	410,479	277,037	23,312	-	1,496,567
Loans and advances to customers	1,652,138	2,111,101	2,145,705	3,733,245	1,360,716	-	11,002,905
Treasury bills and other eligible bills	229,201	551,245	1,485,676	132,236	57,381	-	2,455,739
Investment securities	265,525	313,077	539,091	4,905,903	980,838	-	7,004,434
Pledged assets	-	-	153,970	-	-	-	153,970
Other assets excluding prepayments and repossessed assets	187,588	96,130	428,142	-	-	140,975	852,835
Total financial assets	6,464,000	3,530,400	5,280,873	9,187,913	2,444,542	663,195	27,570,923
Liabilities							
Deposits from banks	1,445,054	300,005	83,103	121,293	1,719	510,760	2,461,934
Deposit from customers	9,625,341	1,833,659	3,188,358	1,482,015	3,287,055	1,396,885	20,813,313
Derivative financial instruments	61,327	6,998	25,899	-	-	-	94,224
Borrowed funds	31,020	10,809	257,925	972,191	1,006,447	-	2,278,392
Other liabilities excluding accrued income	71,301	50,689	154,290	431,799	42,618	205,136	955,833
Total financial liabilities	11,234,043	2,202,160	3,709,575	3,007,298	4,337,839	2,112,781	26,603,696
Total interest repricing gap	(4,770,043)	1,328,240	1,571,298	6,180,615	(1,893,297)	(1,449,586)	967,227

Interest Rate Sensitivity Analysis

The Group performs a periodic analysis of the sensitivity of its one-year projected earnings to an increase or decrease in market interest rates assuming a parallel shift in yield curves and a constant balance sheet position and the results using data as of 31 December 2023 and 31 December 2022 are shown below.

31 December 2023
Projected Change in Interest Rates
Estimated Impact on Earnings/ Equity (\$ Million)
31 December 2022
Projected Change in Interest Rates
Estimated Impact on Earnings/ Equity (\$ Million)

25 basis points Increase	50 basis points Increase	100 basis points Increase	25 basis points decrease	50 basis points decrease	100 basis points decrease
8.6	17.3	34.6	(8.6)	(17.3)	(34.6)

25 basis points Increase	50 basis points Increase	100 basis points Increase	25 basis points decrease	50 basis points decrease	100 basis points decrease
9.4	18.7	37.4	(9.4)	(18.7)	(37.4)

Notes

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

4.3 Liquidity risk

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

4.3.1 Liquidity risk management process

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

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

4.3.2 Undiscounted cash flows

The table below presents the cash flows payable by the Group by remaining contractual maturities at the statement of financial position date. The amounts disclosed in the table are the contractual undiscounted cash flows. The Group manages the inherent liquidity risk based on expected undiscounted cash inflows.

As at 31 December 2023

Assets

Cash and balances with central banks
Trading financial assets
Derivative financial instruments
Loans and advances to banks
Loans and advances to customers
Treasury bills and other eligible bills
Investment securities
Pledged assets
Other assets excluding prepayments and repossessed assets

Total assets (expected maturity dates)

Liabilities

Deposits from banks
Deposit from customers
Other borrowed funds
Other liabilities excluding accrued income
Derivative financial instruments
Total liabilities (contractual maturity dates)

Gap analysis

Off-balance sheet items

Loan commitments
Guarantees, acceptances and other financial facilities

Total

As at 31 December 2022

Assets

Cash and balances with central banks
Trading financial assets
Derivative financial instruments
Loans and advances to banks
Loans and advances to customers
Treasury bills and other eligible bills
Investment securities
Pledged assets
Other assets excluding prepayments and repossessed assets

Total assets (expected maturity dates)

Liabilities

Deposits from banks
Deposit from customers
Borrowed funds
Derivative financial instruments
Other liabilities excluding accrued income

Total liabilities(contractual maturity dates)

Gap analysis

Off-balance sheet items

Loan commitments
Guarantees, acceptances and other financial facilities

	Up to 1 month	1 -3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Cash and balances with central banks	2,596,218	-	-	-	1,334,505	3,930,723
Trading financial assets	4,416	11,606	29,663	14	-	45,699
Derivative financial instruments	92	5,450	41,995	33,351	-	80,888
Loans and advances to banks	1,475,181	394,873	324,584	210,935	-	2,405,573
Loans and advances to customers	1,459,476	1,821,251	2,783,003	3,567,334	2,119,356	11,750,420
Treasury bills and other eligible bills	127,845	456,039	889,463	174,312	-	1,647,659
Investment securities	1,135,232	519,661	602,689	3,517,459	1,557,516	7,332,557
Pledged assets	403	210	55,601	59,650	-	115,864
Other assets excluding prepayments and repossessed assets	52,086	220,102	607,185	-	-	879,373
Total assets (expected maturity dates)	6,850,949	3,429,192	5,334,183	7,563,055	5,011,377	28,188,756
Deposits from banks	1,314,070	89,414	65,528	168,838	-	1,637,850
Deposit from customers	16,368,757	762,698	1,825,587	1,609,376	180,772	20,747,190
Other borrowed funds	83,840	204,768	780,737	568,082	847,834	2,485,261
Other liabilities excluding accrued income	234,547	388,048	395,914	242,198	266	1,260,973
Derivative financial instruments	16,758	7,666	7,666	13,936	-	46,026
Total liabilities (contractual maturity dates)	18,017,972	1,452,594	3,075,432	2,602,430	1,028,872	26,177,300
Gap analysis	(11,167,023)	1,976,598	2,258,751	4,960,625	3,982,505	2,011,456
Loan commitments	-	-	-	647,836	-	647,836
Guarantees, acceptances and other financial facilities	424,267	897,938	935,719	596,364	-	2,854,288
Total	424,267	897,938	935,719	1,244,200	-	3,502,124
As at 31 December 2022	Up to 1 month	1 -3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Cash and balances with central banks	2,568,620	-	-	-	1,725,190	4,293,810
Trading financial assets	29,723	46,421	25,713	47,435	34,800	184,092
Derivative financial instruments	1,789	-	113,873	23,071	-	138,733
Loans and advances to banks	875,059	218,633	230,813	243,745	60	1,568,310
Loans and advances to customers	2,243,226	2,399,212	2,122,432	2,648,415	2,558,055	11,971,340
Treasury bills and other eligible bills	354,800	842,933	1,245,287	94,047	-	2,537,067
Investment securities	1,292,258	100,821	511,170	3,114,812	2,046,426	7,065,487
Pledged assets	-	-	94,095	61,801	-	155,896
Other assets excluding prepayments and repossessed assets	48,138	177,325	627,372	-	-	852,835
Total assets (expected maturity dates)	7,413,613	3,785,345	4,970,755	6,233,326	6,364,531	28,767,570
Deposits from banks	1,222,432	399,128	751,893	102,780	1,719	2,477,952
Deposit from customers	15,945,627	1,116,839	1,194,258	2,511,091	184,092	20,951,907
Borrowed funds	60,921	20,226	138,159	1,060,224	1,066,896	2,346,426
Derivative financial instruments	55,818	197,762	286,033	303,308	112,912	955,833
Other liabilities excluding accrued income	27,845	13,540	48,368	6,989	-	96,742
Total liabilities(contractual maturity dates)	17,312,643	1,747,495	2,418,711	3,984,392	1,365,619	26,828,860
Gap analysis	(9,899,030)	2,037,850	2,552,044	2,248,934	4,998,912	1,938,710
Loan commitments	-	-	991,226	466,460	-	1,457,686
Guarantees, acceptances and other financial facilities	-	-	2,315,542	1,089,667	-	3,405,209
Total	-	-	3,306,768	1,556,127	-	4,862,895

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, central bank balances, items in the course of collection and treasury and other eligible bills; loans and advances to banks; loans and advances to customers and other assets. In the normal course of business, a proportion of customer loans and advances contractually repayable within one year will be extended. The Group would also be able to meet unexpected net cash outflows by selling investment securities.

Notes

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

4.4. Offsetting

As at 31 December 2023

	Gross amount	Gross amount set-off on SOFP	Net amount presented on SOFP	Related amount not set-off on SOFP	Net amount
Derivative financial assets					
- forwards	75,978	-	75,978	-	75,978
- swaps	2,079	-	2,079	-	2,079
- options	-	-	-	-	-
Derivative financial liabilities					
- forwards	44,303	-	44,303	-	44,303
- swaps	-	-	-	-	-
- options	-	-	-	-	-

As at 31 December 2022

	Gross amount	Gross amount set-off on SOFP	Net amount presented on SOFP	Related amount not set-off on SOFP	Net amount
Derivative financial assets					
- forwards	115,658	-	115,658	-	115,658
- swaps	21,810	-	21,810	-	21,810
- options	-	-	-	-	-
Derivative financial liabilities					
- forwards	83,581	-	83,581	-	83,581
- swaps	10,643	-	10,643	-	10,643
- options	-	-	-	-	-

There are no amounts that have been offsetted as at the year ended 31 December 2023 (December 2022 : nil).

Notes

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

4.5 Fair value of financial assets and liabilities

Fair value is a market-based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions. When determining fair value it is presumed that the entity is a going concern and is not an amount that represents a forced transaction, involuntary liquidation or a distressed sale.

(a) Financial instruments not measured at fair value

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

	Carrying value		Fair value	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
Financial assets:				
Cash and balances with central banks	3,930,723	4,293,810	3,930,723	4,293,810
Loans and advances to banks	2,254,380	1,505,165	2,263,152	1,499,725
Loans and advances to customers	11,061,809	11,521,012	11,169,143	11,721,340
Other assets excluding prepayments and repossessed assets *	879,373	852,835	879,373	852,835
Financial liabilities:				
Deposits from banks	1,588,118	2,461,934	1,638,093	2,454,657
Deposit from customers	19,973,948	20,813,313	20,065,715	20,881,908
Other liabilities , excluding accrued income	1,260,973	955,833	1,260,973	955,833
Borrowed funds	2,249,583	2,278,392	2,283,091	2,293,588

All the fair values are determined using the Level 2 fair value hierarchy

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

Management do not believe any greater disaggregation of the items shown in the table above other than the line items presented in the statement of financial position would provide any more meaningful information nor have an impact on the fair value amounts disclosed.

(i) Cash

The carrying amount of cash and balances with banks is a reasonable approximation of fair value

(ii) Loans and advances to banks

Loans and advances to banks include inter-bank placements and items in the course of collection. The carrying amount of floating rate placements and overnight deposits is a reasonable approximation of fair value. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity.

(iii) Loans and advances to customers

Loans and advances are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(iv) Deposit from banks, due to customers and other deposits

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand.

The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

For those notes where quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining term to maturity.

(v) Other assets

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

(vi) Other liabilities

The carrying amount of financial liabilities in other liabilities is a reasonable approximation of fair value because these are short term in nature with a maturity of less than one year

(vii) Borrowed Funds

The estimated fair value of borrowed funds represents the discounted amount of estimated future cash flows expected to be paid. Expected cash flows are discounted at current market rates to determine the fair value. This will take into account closest similar instruments with similar coupons and maturities where available.

(b) Fair value hierarchy

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

Notes

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

4.5 Fair value of financial assets and liabilities (continued)

(b) Fair value hierarchy (continued)

- i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.
This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

	31 December 2023			31 December 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Treasury and other eligible bills	780,165	815,463	-	275,525	2,180,214	-
Trading financial assets	40,791	487	-	48,361	124,834	-
Derivative financial instruments	-	78,057	-	-	137,468	-
Pledged assets	-	113,042	-	-	153,970	-
Investment securities	1,464,625	5,046,552	109,926	394,900	6,487,820	121,714
Total financial assets	2,285,581	6,053,601	109,926	718,786	9,084,306	121,714
Derivative financial instruments	-	44,303	-	-	94,224	-
Total financial liabilities	-	44,303	-	-	94,224	-

There are no movements between Level 1 and Level 2. The following table presents the changes in Level 3 instruments for the investment securities:

	31 Dec. 2023	31 Dec. 2022
Opening balance	Level 3	Level 3
Disposal	121,714	119,899
Transfer from level 2 to level 3	-	-
Exchange difference	16,111	1,815
Gains & losses recognised in the income statement	-	-
Gains & losses recognised in other comprehensive income	(27,899)	-
Closing balance	109,926	121,714
Total gain for the year	9,560	13,230

Level 3 fair value measurement

The table below sets out some information about significant unobservable value inputs used at year end in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

S/N	Type of Financial instrument	Fair Value as at 31 December	Valuation Technique	Range Values 5%	Range Values -5%
1	FMDQ	2,575	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement.	2,704	2,446
2	Nigerian Automated Clearing System/NIBSS	3,540	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement.	3,717	3,363
3	Credit Reference Company	182	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement.	191	173
4	Unified Payment Services Limited	99	Income approach (DCF) with forecast financials and cashflows.	104	94
5	African Finance Corporation	98,969	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement.	103,917	94,021
6	Accion Microfinance Limited	947	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement.	994	900
7	Afreximbank	3,614	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement.	3,795	3,433
	Total	109,926		115,422	104,430

Notes

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

4.5 Fair value of financial assets and liabilities (continued)

31 December 2023

Assets

Cash and balances with central banks	3,930,723	-	-	-	-	-	-	3,930,723
Trading financial assets	-	41,278	-	-	-	-	-	41,278
Derivative financial instruments	-	78,057	-	-	-	-	-	78,057
Loans and advances to banks	2,241,873	-	-	-	-	-	-	2,241,873
Loans and advances to customers	10,542,753	-	-	-	-	-	-	10,542,753
Treasury bills and other eligible bills	371,141	-	1,224,487	-	-	-	-	1,595,628
Investment securities - Equity instruments	-	-	-	94,333	109,926	-	-	204,259
Investment securities - Debt instruments	1,066,839	-	5,350,957	-	-	-	-	6,417,796
Pledged assets	113,042	-	-	-	-	-	-	113,042
Other assets excluding prepayments and repossessed assets	879,373	-	-	-	-	-	-	879,373

Total

Liabilities

Deposits from banks	-	-	-	-	-	-	1,588,118	1,588,118
Deposit from customers	-	-	-	-	-	-	19,973,948	19,973,948
Derivative financial instruments	-	-	-	-	-	44,303	-	44,303
Borrowed funds	-	-	-	-	-	-	2,249,583	2,249,583
Other liabilities, excluding non-financial liabilities	-	-	-	-	-	-	1,260,973	1,260,973

Total

31 December 2022

Assets

Cash and balances with central banks	4,293,810	-	-	-	-	-	-	4,293,810
Trading financial assets	17,815	155,380	-	-	-	-	-	173,195
Derivative financial instruments	-	137,468	-	-	-	-	-	137,468
Loans and advances to banks	1,496,567	-	-	-	-	-	-	1,496,567
Loans and advances to customers	11,002,905	-	-	-	-	-	-	11,002,905
Treasury bills and other eligible bills	276,791	-	2,178,948	-	-	-	-	2,455,739
Investment securities - Equity instruments	-	-	-	104,870	121,714	-	-	226,584
Investment securities - Debt instruments	307,621	-	6,470,229	-	-	-	-	6,777,850
Pledged assets	153,970	-	-	-	-	-	-	153,970
Other assets excluding prepayments and repossessed assets	852,835	-	-	-	-	-	-	852,835

Total

Liabilities

Deposits from banks	-	-	-	-	-	-	2,461,934	2,461,934
Deposit from customers	-	-	-	-	-	-	20,813,313	20,813,313
Derivative financial instruments	-	-	-	-	-	94,224	-	94,224
Borrowed funds	-	-	-	-	-	-	2,278,392	2,278,392
Other liabilities, excluding non-financial liabilities	-	-	-	-	-	-	955,833	955,833

Total

	Amortised cost	FVTPL	FVTOCI - Debt Instruments	Equity Instruments at FVTPL	FVTOCI - Equity instruments	Liabilities at fair value through profit or loss	Liabilities at amortized cost	Total
31 December 2023								
Assets								
Cash and balances with central banks	3,930,723	-	-	-	-	-	-	3,930,723
Trading financial assets	-	41,278	-	-	-	-	-	41,278
Derivative financial instruments	-	78,057	-	-	-	-	-	78,057
Loans and advances to banks	2,241,873	-	-	-	-	-	-	2,241,873
Loans and advances to customers	10,542,753	-	-	-	-	-	-	10,542,753
Treasury bills and other eligible bills	371,141	-	1,224,487	-	-	-	-	1,595,628
Investment securities - Equity instruments	-	-	-	94,333	109,926	-	-	204,259
Investment securities - Debt instruments	1,066,839	-	5,350,957	-	-	-	-	6,417,796
Pledged assets	113,042	-	-	-	-	-	-	113,042
Other assets excluding prepayments and repossessed assets	879,373	-	-	-	-	-	-	879,373
Total	19,145,744	119,335	6,575,444	94,333	109,926	-	-	26,044,782
Liabilities								
Deposits from banks	-	-	-	-	-	-	1,588,118	1,588,118
Deposit from customers	-	-	-	-	-	-	19,973,948	19,973,948
Derivative financial instruments	-	-	-	-	-	44,303	-	44,303
Borrowed funds	-	-	-	-	-	-	2,249,583	2,249,583
Other liabilities, excluding non-financial liabilities	-	-	-	-	-	-	1,260,973	1,260,973
Total	-	-	-	-	-	44,303	25,072,622	25,116,925
31 December 2022								
Assets								
Cash and balances with central banks	4,293,810	-	-	-	-	-	-	4,293,810
Trading financial assets	17,815	155,380	-	-	-	-	-	173,195
Derivative financial instruments	-	137,468	-	-	-	-	-	137,468
Loans and advances to banks	1,496,567	-	-	-	-	-	-	1,496,567
Loans and advances to customers	11,002,905	-	-	-	-	-	-	11,002,905
Treasury bills and other eligible bills	276,791	-	2,178,948	-	-	-	-	2,455,739
Investment securities - Equity instruments	-	-	-	104,870	121,714	-	-	226,584
Investment securities - Debt instruments	307,621	-	6,470,229	-	-	-	-	6,777,850
Pledged assets	153,970	-	-	-	-	-	-	153,970
Other assets excluding prepayments and repossessed assets	852,835	-	-	-	-	-	-	852,835
Total	18,402,314	292,848	8,649,177	104,870	121,714	-	-	27,570,923
Liabilities								
Deposits from banks	-	-	-	-	-	-	2,461,934	2,461,934
Deposit from customers	-	-	-	-	-	-	20,813,313	20,813,313
Derivative financial instruments	-	-	-	-	-	94,224	-	94,224
Borrowed funds	-	-	-	-	-	-	2,278,392	2,278,392
Other liabilities, excluding non-financial liabilities	-	-	-	-	-	-	955,833	955,833
Total	-	-	-	-	-	94,224	26,509,472	26,603,696

5 Financial Capital Management

The Group's capital management objectives are:

- To comply with the capital requirements set by regulators in the markets where the Group's entities operate and safeguard the Group's ability to continue as a going concern;
- To maintain a strong capital base that supports the development of the business; and
- To sustain a sufficient level of returns for the Group's shareholders.

On a consolidated basis, the Group is required to comply with Basel II/III capital requirements set by the BCEAO for banks headquartered in the UEMOA zone. On a standalone basis, banking subsidiaries are required to maintain minimum capital levels and minimum capital adequacy ratios which are determined by their national or regional regulators.

The Group's capital is divided into two tiers:

- Tier 1 capital: share capital (net of treasury shares), retained earnings, reserves created by appropriations of retained earnings, and non-controlling interests allowed as Tier 1 capital by the regulator. Certain intangibles and goodwill are deducted in calculating Tier 1 capital; and

- Tier 2 capital: subordinated debt and other loss-absorbing instruments, certain revaluation reserves, and noncontrolling interests allowed as Tier 2 capital by the regulator.

Risk-weighted assets are calculated in accordance with regulatory guidelines. Credit risk-weighted assets are measured by applying a hierarchy of risk weights related to the nature of the risks associated with each of the Group's on- and off-balance sheet asset classes. Operational risk weighted assets are calculated by applying a scaling factor to the Group's average gross income over the last three years. Market risk-weighted assets are calculated by applying factors to the Group's trading exposures to foreign currencies, interest rates, and prices.

The Group has remained compliant with the UEMOA minimum regulatory capital adequacy ratios for Regionally systemically important banks (8.5 % CET1 CAR, 9.5% Tier 1 CAR, and 12.5% for Total CAR). Regulatory capital ratios are submitted to our regulator every six months.

	31 Dec 2023	31 Dec 2022
Common Equity Tier 1 capital		
Tier 1 capital		
Share capital	2,113,961	2,113,961
Retained earnings	746,414	571,032
IFRS 9 Day One transition adjustment	-	74,825
Statutory reserves	676,059	748,268
Other reserves	(2,324,624)	(2,180,902)
Non-controlling interests	252,418	224,008
Less: goodwill and intangibles	(11,845)	(84,545)
Less: other deductions	-	-
Total CET 1 capital	1,452,383	1,466,647
Additional Tier 1 capital		
Additional Tier 1 instrument	75,000	75,000
Minority interests included in Tier 2 capital	22,788	23,628
Total Additional Tier 1 capital	97,788	98,628
Total qualifying Tier 1 capital	1,550,171	1,565,275
Tier 2 capital		
Subordinated debt and other instruments		
Revaluation reserve	418,536	476,095
Minority interests included in Tier 2 capital	55,536	69,420
	64,871	66,502
Total qualifying Tier 2 capital	538,943	612,017
Total regulatory capital	2,089,114	2,177,292
Risk-weighted assets:		
Credit risk weighted assets	10,651,114	12,038,889
Market risk weighted assets	87,069	35,674
Operational risk weighted assets	3,167,457	3,281,166
Total risk-weighted assets	13,905,640	15,355,730
CET 1 Capital Adequacy Ratio	10.4%	9.6%
Tier 1 Capital Adequacy Ratio	11.1%	10.2%
Total Capital Adequacy Ratio	15.0%	14.2%

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

6 Segment Analysis

Operating segments are reported in accordance with the internal reporting provided to the Group Executive Committee (the chief operating decision-maker), which is responsible for allocating resources to the reportable segments and assesses its performance. All operating segments used by the group meet the definition of a reportable segment under IFRS 8.

The group operating segments are described below:

- Corporate & Investment Bank: Focuses on providing one-stop banking services to multinationals, regional companies, government and government agencies, financial institutions and international organizations across the network. This unit provides also Treasury activities.
- Commercial banking : Focuses on serving local corporates, small and medium corporates ,SMEs, Schools, Churches and local NGOs and Public Sector.
- Consumer : Focuses on serving banking customers that are individuals.

All revenues are external revenues. Attributing revenue to geographical areas is based on affiliate geographical position and activities. The reconciling items are intercompany adjustments : mainly elimination of intra group dividend income and other intercompany assets and liabilities.

Segment assets and liabilities comprise operating assets and liabilities, being the majority of the statement of financial position, but exclude items such as taxation and borrowings.

The following table shows the Group's performance by business segments.

At 31 December 2023	CIB	Commercial	Consumer	Others	Total business segment	Consolidation adjustments	Ecobank Group
Interest income	1,499,623	262,837	136,424	10,666	1,909,550	(43,465)	1,866,085
Interest expense	(380,575)	(66,273)	(137,040)	(157,892)	(741,780)	44,347	(697,433)
Inter-segment (loss) / income	(466,202)	101,653	299,791	64,758	-	-	-
Fee and commission income	205,095	149,160	185,503	13,334	553,092	(13,516)	539,576
Fee and commission expense	(36,651)	(14,035)	(12,749)	(2,530)	(65,965)	1,947	(64,018)
Trading income and foreign exchange gains /(loss)	197,532	134,112	44,919	(15,323)	361,240	-	361,240
Other income	14,882	5,549	5,724	720,324	746,479	(688,263)	58,216
Operating income	1,033,704	573,003	522,572	633,337	2,762,616	(698,950)	2,063,666
Impairment charges on financial assets	(273,329)	(32,973)	(6,380)	(17,257)	(329,939)	-	(329,939)
Depreciation and amortization	(24,165)	(20,140)	(18,489)	(28,748)	(91,542)	1,397	(90,145)
Operating expenses	(409,622)	(291,907)	(313,112)	(140,985)	(1,155,626)	133,216	(1,022,410)
Operating profit	326,588	227,983	184,591	446,347	1,185,509	(564,337)	621,172
Share of post-tax results of associates	-	-	-	(2)	(2)	140	138
Net monetary loss arising from hyperinflationary economies	(17,179)	(15,683)	(7,086)	-	(39,948)	-	(39,948)
Profit before tax	309,409	212,300	177,505	446,345	1,145,559	(564,197)	581,362
Balance Sheet Highlights as at 31 December 2023							
Total assets	15,470,470	2,276,411	1,182,888	4,039,329	22,969,098	4,261,067	27,230,165
Total liabilities	11,994,285	5,071,493	6,501,757	1,929,229	25,496,764	(1,054)	25,495,710
At 31 December 2022							
Interest income	1,293,923	221,026	125,832	7,800	1,648,581	(31,127)	1,617,454
Interest expense	(331,994)	(65,501)	(105,989)	(131,935)	(635,419)	31,668	(603,751)
Inter-segment (loss) / income	(369,896)	87,221	249,729	32,946	-	-	-
Fee and commission income	217,268	146,491	170,021	33,293	567,073	(33,461)	533,612
Fee and commission expense	(33,287)	(19,184)	(9,402)	(3,553)	(65,426)	2,511	(62,915)
Trading income and foreign exchange gains /(loss)	184,744	95,893	33,310	(3,341)	310,606	-	310,606
Other income	24,550	5,333	6,220	287,702	323,805	(257,014)	66,791
Operating income	985,308	471,279	469,721	222,912	2,149,220	(287,423)	1,861,797
Impairment charges on financial assets	(199,070)	(32,835)	(16,879)	(48,291)	(297,075)	99,009	(198,066)
Non-conversion premium on bond	-	-	-	(40,000)	(40,000)	-	(40,000)
Depreciation and amortization*	(28,159)	(22,239)	(19,461)	(32,915)	(102,774)	1,492	(101,282)
Operating expenses	(408,885)	(268,761)	(296,631)	(131,572)	(1,105,849)	156,750	(949,099)
Operating profit	349,194	147,444	136,750	(29,866)	603,522	(30,172)	573,350
Share of post-tax results of associates	-	-	-	(40)	(40)	610	570
Net monetary loss arising from hyperinflationary economies	(15,869)	(12,989)	(5,033)	-	(33,891)	-	(33,891)
Profit before tax	333,325	134,455	131,717	(29,906)	569,591	(29,562)	540,029
Balance Sheet Highlights as at 31 December 2022							
Total assets	16,252,647	2,371,379	1,116,807	3,931,886	23,672,719	5,331,450	29,004,169
Total liabilities	13,992,641	5,637,852	6,499,917	2,156,776	28,287,186	(1,310,032)	26,977,154

The reconciling items are intercompany adjustments mainly elimination of intra group dividend income, intercompany assets and liabilities and other adjustments for consolidation.

*Depreciation and amortization, previously merged with operating expenses, have now been presented separately in the comparative segment information for 2022.

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6.1 Entity-wide disclosures

The group is also further organised under the following geographical clusters:

- i) Union Economique et Monétaire Ouest Africaine (UEMOA) region comprises all subsidiaries within the UEMOA monetary zone. Countries in this zone share a common currency except Cape Verde. This region currently includes subsidiaries in Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Mali, Niger, Senegal, Togo and Guinea Bissau and any other related entities.
- ii) Nigeria region is made up of Ecobank Nigeria and other related entities domiciled in Nigeria.
- iii) Anglophone West Africa (AWA) region comprises all subsidiaries in West African countries not included in the common monetary zone described as UEMOA. This region currently includes subsidiaries in Ghana, Guinea, Liberia, Sierra Leone and Gambia and any other related entities.
- iv) CESA Central, Eastern and Southern region comprises all subsidiaries within the CEMAC (Central African Economic and Monetary Community) , EAC (East African Community) and SADC (Southern African Development Community) monetary zone. Countries in this zone share a common currency except Sao Tomé. These countries are : Cameroon, Chad, Central Africa, Congo Brazzaville, Gabon, Sao Tome and Equatorial Guinea, Burundi, Kenya, Rwanda, Tanzania, Uganda and South Sudan, Democratic Republic of Congo, Malawi, Zambia, Zimbabwe and Mozambique and any other related entities.

Transactions between the business segments are carried out at arm's length. The revenue from external parties reported to the Group Executive Committee (GEC) is measured in a manner consistent with that in the consolidated income statement. Internal charges and transfer pricing adjustments have been reflected in the performance of each business. Revenue-sharing agreements are used to allocate external customer revenues to a business segment on a reasonable basis. The Group's management reporting is based on a measure of operating profit comprising net interest income, loan impairment charges, net fee and commission income, other income and non-interest expenses. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. As the GEC reviews operating profit, the results of discontinued operations are not included in the measure of operating profit. The information provided about each segment is based on the internal reports about segment profit or loss, assets and other information, which are regularly reviewed by the GEC. Segment assets and liabilities comprise operating assets and liabilities, being the majority of the consolidated statement of financial position, but exclude items such as taxation.

Segment results of operations. The segment information provided to the Group Executive Board for the reportable segments for the year ended 31 December 2023 and December 2022 are as follows:

	UEMOA	NIGERIA	AWA	CESA	Others and conso adjust.	Ecobank Group
At 31 December 2023						
Net interest income	387,996	137,792	426,010	333,777	(116,923)	1,168,652
Non interest income	278,473	96,611	145,602	326,541	47,787	895,014
Operating income	666,469	234,403	571,612	660,318	(69,136)	2,063,666
Impairment charges on financial assets	(34,723)	(32,252)	(97,037)	(28,524)	(137,403)	(329,939)
Depreciation and amortization	(21,806)	(8,142)	(12,167)	(19,611)	(28,419)	(90,145)
Operating expenses	(291,554)	(167,419)	(238,663)	(285,586)	(39,188)	(1,022,410)
Operating profit	318,386	26,590	223,745	326,597	(274,146)	621,172
Share of post-tax results of associates	-	-	-	-	138	138
Net monetary loss arising from hyperinflationary economies	-	-	-	(39,948)	-	(39,948)
Profit before tax	318,386	26,590	223,745	286,649	(274,008)	581,362
Taxation	(45,164)	(3,364)	(75,365)	(61,774)	11,228	(174,439)
Profit after tax	273,222	23,226	148,380	224,875	(262,780)	406,923
Balance Sheet Highlights as at 31 December 2023						
Total assets	10,894,681	4,403,278	5,105,137	6,583,335	243,734	27,230,165
Total liabilities	9,877,409	4,058,687	4,525,474	5,890,079	1,144,061	25,495,710
At 31 December 2022						
Net interest income	330,275	107,265	388,978	298,273	(111,088)	1,013,703
Non interest income	241,648	131,996	164,555	261,778	48,117	848,094
Operating income	571,923	239,261	553,533	560,051	(62,971)	1,861,797
Impairment charges on financial assets	(43,503)	(17,225)	(182,598)	(44,526)	89,786	(198,066)
Non-conversion premium on bond	-	-	-	-	(40,000)	(40,000)
Depreciation and amortization*	(21,317)	(11,636)	(14,367)	(21,280)	(32,682)	(101,282)
Operating expenses	(268,490)	(179,212)	(232,125)	(266,564)	(2,708)	(949,099)
Operating profit	238,613	31,188	124,443	227,681	(48,575)	573,350
Share of post-tax results of associates	-	-	-	-	570	570
Net monetary loss arising from hyperinflationary economies	-	-	-	(33,891)	-	(33,891)
Profit before tax	238,613	31,188	124,443	193,790	(48,005)	540,029
Taxation	(41,908)	(4,969)	(39,420)	(41,096)	(45,945)	(173,338)
Profit after tax	196,705	26,219	85,023	152,694	(93,950)	366,691
Balance Sheet Highlights as at 31 December 2022						
Total assets	10,832,619	6,486,754	5,116,301	6,830,893	(262,398)	29,004,169
Total liabilities	9,908,234	5,806,878	4,569,096	6,151,380	541,566	26,977,154

*Depreciation and amortization, previously merged with operating expenses, have now been presented separately in the comparative segment information for 2022.

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7 Net interest income	31 Dec. 2023	31 Dec. 2022
Interest income *		
Interest income calculated using the effective interest method		
Loans and advances to banks	111,606	56,080
Loans and advances to customers:		
- Corporate	693,317	564,778
- Commercial	192,515	172,786
- Consumer	131,419	124,576
Treasury bills and other eligible bills	248,126	221,007
Investment securities	463,270	456,649
Others	24,479	2,442
	1,864,732	1,598,318
Other interest income		
Trading financial assets	1,353	19,136
	1,866,085	1,617,454
Interest expense		
Deposits from banks	87,141	46,573
Due to customers:		
- Corporate	212,861	223,380
- Commercial	51,166	59,238
- Consumer	133,160	104,751
Borrowed funds	182,016	160,298
Interest expense on lease liabilities	3,146	4,277
Others	27,943	5,234
	697,433	603,751

*Interest income in the statement of comprehensive income has been disaggregated into interest income calculated using the effective interest rate method and other interest income for disclosure purposes only.

8 Net fee and commission income		
Fee and commission income		
Credit related fee and commission	135,197	140,871
Corporate finance fee	10,452	18,329
Portfolio and other management fee	10,348	13,032
Brokerage fees and commission	5,144	9,140
Cash management fee	281,111	236,046
Card management fee	84,351	94,733
Other fee	12,973	21,461
	539,576	533,612
Fee and commission expense		
Brokerage fees paid	7,810	2,434
Bank charges	18,189	33,161
Other fees paid	38,019	27,320
	64,018	62,915

The Group provides custody, trustee, investment management and advisory services to third parties, which involve the Group making allocation and purchase and sale decisions in relation to a wide range of financial instruments. Those assets that are held in a fiduciary capacity are not included in these financial statements.

Analysis of Net fee and commission income by Region

	UEMOA	NIGERIA	AWA	CESA	Other and consolidation adjustment	Total
31 December 2023						
Fee and commission income						
Credit related fees and commission	46,984	13,041	28,479	38,086	8,607	135,197
Corporate finance fees	6,690	-	3,586	176	-	10,452
Portfolio and other management fee	8,686	283	63	1,316	-	10,348
Brokerage fees and commission	808	779	24	3,533	-	5,144
Cash management fees	95,021	25,203	54,299	101,885	4,703	281,111
Card management fees	20,090	4,984	24,700	34,577	-	84,351
Other fees	1,889	1,007	4,577	4,726	774	12,973
Total	180,168	45,297	115,728	184,299	14,084	539,576
Fees and commission expense						
Brokerage fees paid	933	1,346	5,456	75	-	7,810
Bank charges	715	184	1,855	14,297	1,138	18,189
Other fees paid	8,406	13,858	4,478	6,140	5,120	38,019
Total	10,054	15,388	11,789	20,512	6,258	64,018
Net Fees and Commission	170,114	29,909	103,939	163,787	7,826	475,558
31 December 2022						
Fees and commission income						
Credit related fees and commission	35,022	21,176	29,547	43,374	11,752	140,871
Corporate finance fees	11,728	869	2,426	3,306	-	18,329
Portfolio and other management fees	11,925	350	150	607	-	13,032
Brokerage fees and commission	640	1,537	1,648	5,303	12	9,140
Cash management fees	73,825	21,693	50,948	85,499	4,081	236,046
Card management fees	17,533	22,229	23,610	31,098	263	94,733
Other fee	3,518	419	12,753	4,637	134	21,461
Total	154,191	68,273	121,082	173,824	16,242	533,612
Fee and commission expense						
Brokerage fees paid	726	1,554	-	154	-	2,434
Bank charges	589	16,345	2,500	11,854	1,873	33,161
Other fees paid	7,245	6,781	5,555	2,847	4,892	27,320
Total	8,560	24,680	8,055	14,855	6,765	62,915
Net Fees and Commission	145,631	43,593	113,027	158,969	9,477	470,697

8 Net fee and commission income (continued)
Analysis of Net fee and commission income by Business unit

	CIB	COMMERCIAL	CONSUMER	Other and consolidation adjustment	Total
31 December 2023					
Fee and commission income					
Credit related fees and commission	89,007	34,928	11,262	-	135,197
Corporate finance fees	10,209	243	-	-	10,452
Portfolio and other management fee	10,348	-	-	-	10,348
Brokerage fees and commission	2,454	641	2,049	-	5,144
Cash management fees	85,619	109,150	86,342	-	281,111
Card management fees	154	974	83,223	-	84,351
Other fee	7,305	3,224	2,627	(183)	12,973
Total	205,096	149,160	185,503	(183)	539,576
Fee and commission expense					
Brokerage fees paid	7,810	-	-	-	7,810
Bank charges	9,815	4,578	3,355	441	18,189
Other fees paid	19,027	9,457	9,394	141	38,019
Total	36,652	14,035	12,749	582	64,018
Net fees and commission	168,444	135,125	172,754	(765)	475,558
31 December 2022					
Fees and commission income					
Credit related fees and commission	97,200	35,316	8,355	-	140,871
Corporate finance fees	17,724	605	-	-	18,329
Portfolio and other management fees	13,032	-	-	-	13,032
Brokerage fees and commission	5,457	2,082	1,601	-	9,140
Cash management fees	66,874	87,825	79,946	1,401	236,046
Card management fees	4,631	15,965	73,873	264	94,733
Other fees	12,350	4,699	4,834	(422)	21,461
Total	217,268	146,492	168,609	1,243	533,612
Fee and commission expense					
Brokerage fees paid	2,429	-	5	-	2,434
Bank charges	10,548	16,913	3,891	1,809	33,161
Other fees paid	20,310	2,271	5,506	(767)	27,320
Total	33,287	19,184	9,402	1,042	62,915
Net fees and commission	183,981	127,308	159,207	201	470,697

9 Trading income and foreign exchange gains

	31 Dec. 2023	31 Dec. 2022
Foreign exchange translation gains	436,274	266,645
Foreign exchange trading (losses)/ gains	(70,959)	24,372
Trading (losses) / income on securities	(4,075)	19,589
	361,240	310,606

10 Investment income

Net gains from investment securities	9,560	13,230
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11 Other operating income

	31 Dec. 2023	31 Dec. 2022
i) Lease income	212	518
ii) Dividend income		
Trading securities	158	171
Other equity securities	1,837	3,575
	1,995	3,746
iii) Others		
Fair value loss on asset held for sale	-	(799)
Fair value on investment property	2,419	131
Profit on sale of property and equipment	3,158	25,212
Recovery*	23,157	7,887
Rental income	4,383	5,054
Others	13,332	11,812
	46,449	49,297
Total other operating income	48,656	53,561

*In June 2023, Ecobank Nigeria recovered on loans previously sold to Nigeria's Asset Management Corporation of Nigeria (AMCON).

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	31 Dec. 2023	31 Dec. 2022
12 Operating expenses		
a) Staff expenses		
Salaries, allowances and other compensation	398,719	394,685
Social security costs	42,975	43,238
Pension costs:		
defined contribution plans	12,714	6,204
Other post retirement benefits	8,393	3,231
	462,801	447,358
b) Depreciation and amortisation		
Depreciation of property and equipment (Note 29)	42,938	49,911
Depreciation of right-of-use assets (Note 30)	17,042	17,771
Amortisation of software and other intangibles (Note 27)	30,165	33,600
	90,145	101,282
c) Other operating expenses		
Directors' emoluments	1,675	1,787
Social responsibility	1,300	1,447
Rent and utilities	30,465	28,291
Insurance	39,757	35,658
Advertising and promotion	22,261	20,387
Professional and legal costs	75,270	72,620
Operational losses and fines	13,683	8,763
Communications and technology	178,242	156,065
Business travels	14,851	11,494
AGM and board activities	2,554	2,898
Training	8,568	6,553
Employee activities	17,666	16,206
Repairs and maintenance	20,830	19,206
Supplies and services	11,322	8,164
Cash transportation	20,443	19,768
Fuel	9,602	9,072
Other taxes	22,430	23,221
Listing fees	2,563	2,084
Banking resolution sinking fund cost (AMCON)	30,019	39,264
Other administrative expenses	36,108	18,793
Total	559,609	501,741
Total operating expenses	1,112,555	1,050,381

13 Impairment charges on financial assets

Impairment charges on loans and advances	288,333	270,160
Recoveries / Release of provisions	(143,279)	(259,832)
Net impairment charges on loans and advances	145,054	10,328
Net impairment change on DDEP bonds*	25,850	-
Impairment investment securities	121,296	170,190
Impairment charges on off balance sheet	247	388
Impairment charges on of loans to banks	3,662	-
Impairment charges on other financial assets	33,830	17,160
	329,939	198,066

*In May 2023, IMF approved \$3bn extended credit facility arrangement for Ghana, following positive feedback from Ghana's official Creditor Committee co-chaired by China and France. The first tranche of \$600m of the IMF facility was released immediately with the second tranche of \$600m being released subsequent to the financial year end. As at 31 December 2023, no formal Ghana Eurobond restructure proposal had been tabled by the GoG. In assessing the estimated credit losses, the Group considered the loss percentage experienced on the DDEP. The Group also utilized external benchmark data corroborate the expected loss.

14 Non-conversion premium on bonds

-	40,000
-	40,000

The Group issued a convertible bond in 2017, a 5-year instrument totaling US\$400 million. The first tranche of US\$250 million matured in September 2022 and the second tranche of US\$150 million matured in October 2022. The conversion options on these bonds existed up until the maturity date. As such, ETI redeemed the bond at 110 percent of the nominal value in accordance with the signed contractual agreement.

15 Taxation

Current income tax	210,054	165,183
Deferred income tax (Note 37)	(35,615)	8,155
	174,439	173,338

The income tax rate applicable to the majority of income of the subsidiaries ranged from 25% to 45%
Further information about deferred income tax is presented in Note 37. The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the group as follows:

Profit before tax	581,362	540,029
Tax calculated at local tax rates applicable to profits in the respective countries	238,964	209,988
Tax impact on income not subject to tax	(120,040)	(44,057)
Tax impact on expenses not deductible for tax purposes:	74,163	6,344
Utilisation of previously unrecognised tax losses	(18,648)	1,063
Income tax expense	174,439	173,338

Under the Headquarters Agreement between Ecobank Transnational Incorporated (ETI, "the Company") and the Republic of Togo signed in October 1985, ETI is exempt from tax on all its income arising from operations in Togo.

16 Earnings per share

Basic

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

	31 Dec. 2023	31 Dec. 2022
Profit attributable to ordinary shareholders	287,824	286,430
Weighted average number of ordinary shares in issue (in thousands)	24,592,619	24,592,619
Basic earnings per share (expressed in US cents per share)	1.170	1.165

Diluted

	31 Dec. 2023	31 Dec. 2022
Profit attributable to ordinary shareholders	287,824	286,430
Weighted average number of ordinary shares in issue (in thousands)	24,592,619	24,592,619
Dilutive earnings per share (expressed in US cents per share)	1.170	1.165

17 Cash and balances with central banks

	31 Dec. 2023	31 Dec. 2022
Cash in hand	657,240	686,190
Balances with central banks other than mandatory reserve deposits	1,938,978	1,882,430
Included in cash and cash equivalents (Note 42)	2,596,218	2,568,620
Mandatory reserve deposits with central banks	1,334,505	1,725,190
	3,930,723	4,293,810

Mandatory reserve deposits are not available for use in the group's day-to-day operations. The balances are current and non-current.

18 Trading financial assets

Debt securities:

- Government bonds

	41,278	173,195
Total	41,278	173,195

All trading financial assets are current

19 Derivative financial instruments

The Group uses the following derivative instruments for non-hedging purposes.

Currency forwards represents commitments to purchase foreign and domestic currency, including undelivered spot transactions. Foreign currency and interest rate futures are contractual obligations to receive or pay a net amount based on changes in currency rates or interest rates or buy or sell foreign currency or financial institution on a future date at a specified price. The credit risk is negligible, as futures contracts are collateralised by cash or marketable securities, and changes in the futures contract value are settled daily with the exchange.

Currency and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies or interest rate (for example, fixed rate for floating rate). No exchange of principal takes place, except for certain currency swaps. The Group's credit risk represents the potential cost to replace the swap contracts if counterparties fail to perform their obligation. This risk is monitored on an ongoing basis with reference to the current fair value and the liquidity of the market.

	31 December 2023			31 December 2022		
Derivatives	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Currency forwards	1,053,271	75,978	44,303	1,059,714	115,658	83,581
Cross currency interest rate swaps	1,013,949	2,079	-	62,893	21,810	10,643
Total	2,067,220	78,057	44,303	1,122,607	137,468	94,224

The Group has not designated at initial recognition any financial liability as at fair value through profit or loss. All derivative financial instruments are current.

20 Loans and advances to banks

	31 Dec. 2023	31 Dec. 2022
Items in course of collection from other banks	51,678	73,588
Deposits with other banks (Note 42)	1,229,276	997,716
Placements with other banks	960,919	425,263
	2,241,873	1,496,567

All loans and advances to banks are current.

21 Loans and advances to customers

a) Analysis by type:

- Overdrafts
- Credit cards
- Term loans
- Mortgage loans

Gross loans and advances

Less: allowance for impairment

At 31 December

b) Analysis by stage:

Gross Loans

Stage 1

Stage 2

Stage 3 (Impaired)

Total

Impairment

Stage 1

Stage 2

Stage 3 (Impaired)

Total

c) Analysis by security:

Secured against real estate

Otherwise secured

Unsecured

Current

Non current

CIB		Commercial		Consumer		Total	
2023	2022	2023	2022	2023	2022	2023	2022
870,418	723,573	211,609	281,919	31,972	52,420	1,113,999	1,057,912
-	-	-	-	1,128	1,542	1,128	1,542
7,243,015	7,811,180	1,499,780	1,523,965	1,061,509	986,654	9,804,304	10,321,799
-	-	-	-	142,378	139,759	142,378	139,759
8,113,433	8,534,753	1,711,389	1,805,884	1,236,987	1,180,375	11,061,809	11,521,012
(305,537)	(307,783)	(152,565)	(144,533)	(60,954)	(65,791)	(519,056)	(518,107)
7,807,896	8,226,970	1,558,824	1,661,351	1,176,033	1,114,584	10,542,753	11,002,905
6,492,334	7,104,132	1,388,474	1,554,711	1,151,561	1,089,357	9,032,369	9,748,200
1,180,475	975,077	216,628	164,564	32,152	34,505	1,429,255	1,174,146
440,624	455,544	106,287	86,609	53,274	56,513	600,185	598,666
8,113,433	8,534,753	1,711,389	1,805,884	1,236,987	1,180,375	11,061,809	11,521,012
(24,116)	(29,208)	(21,944)	(18,137)	(13,278)	(14,180)	(59,338)	(61,525)
(84,097)	(83,571)	(52,589)	(51,239)	(3,299)	(4,703)	(139,985)	(139,513)
(197,324)	(195,004)	(78,032)	(75,157)	(44,377)	(46,908)	(319,733)	(317,069)
(305,537)	(307,783)	(152,565)	(144,533)	(60,954)	(65,791)	(519,056)	(518,107)
2,095,546	1,872,306	498,373	528,881	303,866	268,559	2,897,785	2,669,746
3,648,429	4,002,808	971,288	946,979	544,432	496,352	5,164,149	5,446,139
2,369,458	2,659,639	241,728	330,024	388,689	415,464	2,999,875	3,405,127
8,113,433	8,534,753	1,711,389	1,805,884	1,236,987	1,180,375	11,061,809	11,521,012
						5,780,746	6,359,464
						5,281,063	5,161,548
						11,061,809	11,521,012

d) Movements in loans and advances

The movement in loans and advances summarised as follows:

At 31 December 2023

	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January	723,573	7,811,180	-	281,919	-	1,523,965	-	52,420	1,542	986,654	139,759	11,521,012
New loans*	430,801	3,485,936	-	318,221	-	901,666	-	36,254	165	360,602	70,967	5,604,612
Paid off during the year	(217,480)	(2,540,847)	-	(315,214)	-	(604,002)	-	(40,904)	(155)	(116,182)	(57,323)	(3,892,107)
Amounts written off as uncollectible	(16,740)	(16,467)	-	(8,706)	-	(15,106)	-	(9,322)	-	(4,141)	-	(70,482)
Exchange difference	(49,736)	(1,496,787)	-	(64,611)	-	(306,743)	-	(6,476)	(424)	(165,424)	(11,025)	(2,101,226)
At 31 December 2023	870,418	7,243,015	-	211,609	-	1,499,780	-	31,972	1,128	1,061,509	142,378	11,061,809

At 31 December 2022

	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January	710,199	6,762,412	-	296,087	-	1,284,752	-	90,647	2,529	955,235	126,380	10,228,241
New loans*	401,801	4,474,645	-	583,696	-	1,058,162	459	32,060	177	376,025	89,287	7,016,312
Paid off during the year	(248,611)	(3,069,953)	-	(563,330)	-	(630,147)	-	(63,392)	(537)	(122,002)	(67,510)	(4,765,482)
Amounts written off as uncollectible	(37,403)	(72,746)	-	(9,466)	-	(65,294)	-	(4,342)	-	(10,618)	(654)	(200,523)
Reclassification	(40,688)	119,189	-	3,193	-	(88,147)	-	144,511	-	(143,824)	5,766	-
Exchange difference	(61,725)	(402,367)	-	(28,261)	-	(35,361)	(459)	(147,064)	(627)	(68,162)	(13,510)	(757,536)
At 31 December 2022	723,573	7,811,180	-	281,919	-	1,523,965	-	52,420	1,542	986,654	139,759	11,521,012

*New loans includes modified and restructured facilities.

21 Loans and advances to customers (continued)

e) Allowance for impairment

Movement of impairment losses on loans and advances summarised by class is as follows:

At 31 December 2023	CIB				Commercial				Consumer				Total
Specific impairment (stage 3)	Overdrafts	Term loans	Others		Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January	55,659	139,345	-		23,788	-	51,369	-	12,214	1,354	31,566	1,774	317,069
Provision for loan impairment	4,898	146,585	-		26,745	-	52,805	-	14,666	-	12,100	157	257,956
Recoveries / Release of provisions	(28,305)	(40,569)	-		(21,642)	-	(28,812)	-	(7,611)	-	(15,981)	(359)	(143,279)
Loans written off during the year	(16,740)	(16,467)	-		(8,706)	-	(15,106)	-	(9,322)	-	(4,141)	-	(70,482)
Reclassification	-	(11,364)	-		-	-	-	-	1,350	(1,350)	11,364	-	-
Exchange difference	(2,626)	(33,092)	-		(1,063)	-	(1,346)	-	(1,869)	-	(1,227)	(308)	(41,531)
At 31 December 2023	12,886	184,438	-		19,122	-	58,910	-	9,428	4	33,681	1,264	319,733

At 31 December 2023	CIB				Commercial				Consumer				Total
Collective impairment (stage 1 and 2)	Overdrafts	Term loans	Others		Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January	23,935	88,844	-		11,811	-	57,565	-	11,876	115	4,241	2,651	201,038
Provision for loan impairment	10,103	8,015	-		4,086	-	3,613	-	1,033	-	3,028	499	30,377
Reclassification	(14,109)	2,286	-		1,763	-	9,235	-	2,344	4	(988)	(535)	-
Exchange difference	(896)	(9,965)	-		(993)	-	(12,547)	-	(6,356)	-	(1,279)	(56)	(32,092)
At 31 December 2023	19,033	89,180	-		16,667	-	57,866	-	8,897	119	5,002	2,559	199,323
Total allowance for impairment	31,919	273,618	-		35,789	-	116,776	-	18,325	123	38,683	3,823	519,056

At 31 December 2022	CIB				Commercial				Consumer				Total
Specific impairment (stage 3)	Overdrafts	Term loans	Others		Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January	1,031	197,942	-		57,619	-	121,682	-	10,329	-	39,913	516	429,032
Provision for loan impairment	22,115	96,981	-		38,048	-	55,888	-	4,120	1,400	22,687	777	242,016
Recoveries / Release of provisions	(50,277)	(114,850)	-		(26,533)	-	(46,691)	-	(3,224)	-	(18,229)	(28)	(259,832)
Loans written off during the year	(53,735)	(63,730)	-		(15,396)	-	(41,965)	104	(4,345)	-	(20,970)	(486)	(200,523)
Reclassification	47,899	(62,492)	-		3,205	-	11,815	(104)	(1,190)	-	804	63	-
Exchange difference	88,626	85,494	-		(33,155)	-	(49,360)	-	6,524	(46)	7,361	932	106,376
At 31 December 2022	55,659	139,345	-		23,788	-	51,369	-	12,214	1,354	31,566	1,774	317,069

At 31 December 2022	CIB				Commercial				Consumer				Total
Collective impairment (stage 1 and 2)	Overdrafts	Term loans	Others		Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January	39,342	102,015	-		7,433	-	50,584	-	18,788	97	3,820	1,264	223,343
Provision for loan impairment	5,198	6,764	-		3,809	-	3,619	-	2,881	-	2,958	2,915	28,144
Reclassification	(1,578)	(9,046)	-		(1,669)	-	4,630	-	(1,130)	-	9,080	(287)	-
Exchange difference	(19,027)	(10,889)	-		2,238	-	(1,268)	-	(8,663)	18	(11,617)	(1,241)	(50,449)
At 31 December 2022	23,935	88,844	-		11,811	-	57,565	-	11,876	115	4,241	2,651	201,038
Total allowance for impairment	79,594	228,189	-		35,599	-	108,934	-	24,090	1,469	35,807	4,425	518,107

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21 Loans and advances to customers (continued)

f) Investment in finance leases

Loans and advances to customers include finance lease receivables analysed below.

Gross investment in finance leases, receivable

No later than 1 year

Later than 1 year and no later than 5 years

Unearned future finance income on finance leases

Net investment in finance leases

Analysis by transport industry on gross loans

The net investment in finance lease may be analysed as follows:

No later than 1 year

Later than 1 year and no later than 5 years

31 Dec. 2023 **31 Dec. 2022**

92 19

- 485

92 **504**

5 76

97 **580**

92 19

5 560

97 **580**

22 Treasury bills and other eligible bills

Maturing within three months (Note 42)

Maturing after three months

409,025 780,446

1,186,603 1,675,293

1,595,628 **2,455,739**

Current

1,416,134 2,266,122

Non current

179,494 189,617

1,595,628 **2,455,739**

Treasury bills and other eligible bills are debt securities issued by the government of various countries in which the Group operates.

23 Investment securities

Debt securities

- At FVTOCI listed

2,058,435 2,955,975

- At FVTOCI unlisted

3,292,522 3,514,254

- At Amortised cost

1,066,839 307,621

Total

6,417,796 **6,777,850**

Equity securities

- At FVTOCI unlisted

91,830 102,050

- At FVTPL listed

2,503 3,213

- At FVTPL unlisted

109,926 121,321

Total

204,259 **226,584**

Total investment securities

6,622,055 **7,004,434**

Current

1,709,712 1,161,832

Non current

4,912,343 5,842,602

6,622,055 **7,004,434**

The movement in investment securities summarised as follows:

At 1 January

7,004,434 6,560,228

Additions

567,231 2,454,034

Disposal (sale and redemption)

(714,989) (1,451,676)

Accrued interest on debt securities

41,758 97,263

Carrying amount of derecognized defaulted bond

(339,913) -

Initial value on re-recognition

314,063 -

Impairment on investment securities

(62,857) (203,831)

Loss from changes in fair value

(53,812) (112,540)

Exchange differences

(133,860) (339,044)

6,622,055 **7,004,434**

Ghana Debt Restructure

Local Bond

*On Monday 5th December, 2022, the Government of Ghana (GoG) launched the Ghana Domestic Debt Exchange Programme (DDEP) as part of a broader response to macroeconomic challenges being faced by the country. In February 2023, the GoG settled on the DDEP by offering new bonds for the old eligible local currency bonds. Ecobank Ghana subscribed to the DDEP. Consequently the bond exchange resulted in the Group recording \$25 million additional impairment between December 2022 and the date of settlement.

	31 Dec. 2023
Gross amount of existing defaulted bond	427,603
Existing impairment on date of derecognition	(87,690)
Impairment until date of settlement	(25,850)
Initial value of re-recognition	314,063

Eurobond

In May 2023, IMF approved \$3bn extended credit facility arrangement for Ghana, following positive feedback from Ghana's official Creditor Committee co-chaired by China and France. The first tranche of \$600m of the IMF facility was released immediately with the second tranche of \$600m being released subsequent to the financial year end.

As at 31 December 2023, no formal Ghana Eurobond restructure proposal had been tabled by the GoG. In assessing the estimated credit losses, the Group considered the loss percentage experienced on the DDEP. The Group also utilized external benchmark data corroborate the expected loss.

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	31 Dec. 2023	31 Dec. 2022
24 Pledged assets		
Treasury bills	66,179	95,995
Government bonds	46,863	57,975
	113,042	153,970
Pledged assets have been stated at fair values		
Current	66,179	95,995
Non-current	46,863	57,975
	113,042	153,970
25 Other assets		
Fees receivable	3,511	4,156
Accounts receivable	606,317	667,729
Prepayments	121,649	175,034
Repossessed assets	177,078	169,306
Sundry receivables	277,950	284,832
	1,186,505	1,301,057
Impairment charges on receivable balances	(8,405)	(103,882)
	1,178,100	1,197,175
Current	1,001,022	1,027,869
Non-current	177,078	169,306
	1,178,100	1,197,175
The movement in impairment allowance on other assets may be summarised as follows:		
1 January	103,882	209,321
Net movement in impairment charges*	(95,477)	(105,439)
At 31 December	8,405	103,882
*Net movement includes write offs		
26 Investment in associates		
At 1 January	1,016	4,863
Share of post-tax results of associates	138	570
Derecognition of Old Mutual General Insurance	-	(3,500)
Exchange difference	(447)	(917)
At 31 December	707	1,016
Investment in associates balances are non-current.		

26 Investment in associates (Continued)

	At 31 December 2023	At 31 December 2022
	Accion Microfinance Bank Ltd (Nigeria)	Accion Microfinance Bank Ltd (Nigeria)
Current assets	14,172	30,835
Non- current assets	1,441	2,511
Total assets	15,613	33,346
Liabilities	8,519	18,396
Total Liabilities	8,519	18,396
Revenues	8,709	14,508
Profit after tax	644	2,807

The associate is not listed. There are no published price quotations of the associate of the Group. Furthermore, there are no significant restrictions on the ability of associate to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. The associate is a strategic to the Group. The ACCION entity is a microfinance bank .

	At 31 December 2023			At 31 December 2022		
	Principal place of business/ Country of incorporation	Net assets of associates	Share Holding (Direct and Indirect)	Country of incorporation	Net assets of associate	Share Holding (Direct and Indirect)
Accion Microfinance Bank Ltd (Nigeria)	Nigeria	7,095	21.71%	Nigeria	14,950	21.73%

Reconciliation of summarised financial information to the carrying amount of its interests in associates

At 31 December 2023

Opening net assets

Profit for the year
Exchange difference

Closing net assets

Interest in associates

EB-ACCION Nigeria	Total
14,950	14,950
644	644
(8,499)	(8,499)
7,095	7,095
1,540	1,540

At 31 December 2022

Opening net assets

(Loss) /profit for the year
Exchange difference

Closing net assets

Interest in associates

EB-ACCION Nigeria	Total
14,394	14,394
2,807	2,807
(2,251)	(2,251)
14,950	14,950
3,249	3,249

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27 Intangible assets

Goodwill

At 1 January

Acquisition

Goodwill impairment

Exchange differences

At December

Software costs

At 1 January

Purchase

Amortisation (Note 12)

Exchange difference

At December

Total intangible assets

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill acquired through business combinations is allocated to cash-generating units (CGUs). The recoverable amounts of the CGUs have been determined based on the value-in-use calculations; using cash flow projections based on the financial budgets approved by senior management covering a period of five years.

The goodwill is arising on acquisitions of the following subsidiaries:

Ecobank Ghana (The Trust Bank)
Ecobank Rwanda
Ecobank Zimbabwe
Ecobank Chad
Ecobank Central Africa
Ecobank Burundi
Ecobank Malawi
Ecobank Burkina Faso

	31 Dec. 2023	31 Dec. 2022
At 1 January	13,923	18,339
Acquisition	-	-
Goodwill impairment	-	(1,623)
Exchange differences	(2,078)	(2,793)
At December	11,845	13,923
<i>Software costs</i>		
At 1 January	70,622	103,949
Purchase	14,821	12,524
Amortisation (Note 12)	(30,165)	(33,600)
Exchange difference	(11,804)	(12,251)
At December	43,474	70,622
Total intangible assets	55,319	84,545

	31 Dec. 2023	31 Dec. 2022
Ecobank Ghana (The Trust Bank)	3,471	4,860
Ecobank Rwanda	3,004	3,546
Ecobank Zimbabwe	1	10
Ecobank Chad	2,578	2,488
Ecobank Central Africa	1,587	1,531
Ecobank Burundi	657	921
Ecobank Malawi	58	95
Ecobank Burkina Faso	489	472
	11,845	13,923

The calculation of value-in-use was based on the following key assumptions:

Summary of key inputs	Dec. 2023		Dec. 2022	
	Discount factor	Long term growth rate	Discount factor	Long term growth rate
Entitles				
Ecobank Ghana (The Trust Bank)	30.00%	4.4%	22.37%	4.4%
Ecobank Rwanda	20.82%	4.7%	17.87%	4.7%
Ecobank Zimbabwe	30.00%	2.3%	30.50%	2.3%
SOFIPE	-	5.1%	15.05%	5.1%
Ecobank Chad	22.52%	3.4%	19.06%	3.4%
Ecobank Central Africa	19.88%	2.8%	17.00%	2.8%
Ecobank Burundi	19.01%	2.3%	15.55%	2.3%
Ecobank Sierra Leone (ProCredit)	-	4.5%	30.50%	4.5%
Ecobank Malawi	19.01%	5.2%	27.66%	5.2%
Ecobank Burkina Faso	17.35%	5.1%	15.05%	5.1%
PASL Ghana	-	4.4%	22.37%	4.4%
PASL Cameroon	-	5.1%	14.15%	5.1%

1. The cash flows were projected based on the Group's approved budget. The cash flows were based on past experiences and were adjusted to reflect expected future performances of the company taking into consideration the country's gross domestic product.
2. A range of terminal growth rate of 2.3-5.2 % was applied in determining the terminal cash flows depending on the country the entity is domiciled.
3. Discount rates ranging from 14.15% to 30.5%, representing pre-tax cost of equity of an entity was applied in determining the value in use. The growth rate used to extrapolate terminal cash flows for goodwill impairment testing is consistent with long term average growth rate for industry and countries.
4. The Group expects that through these acquisitions, it would create synergy that enhances its ability to tap into opportunities in the respective countries where the entities are domiciled;
5. The key assumptions described above and summarised below may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of either CGU to decline below the carrying amount.

Notes

(All amounts in thousands US dollar unless otherwise stated)

28 Investment property

	31 Dec. 2023	31 Dec. 2022
1 January	9,922	11,019
Fair value gain	2,419	131
Exchange difference	(1,271)	(1,228)
31 December	11,070	9,922

The following amounts have been recognised in the income statement:

Rental income	416	385
Direct operating expenses arising from investment properties that generate rental income	(91)	(77)
Fair value	2,419	131
	2,744	438

Investment properties are carried at fair value. The valuation of investment properties has been done using the level 2 technique (inputs other than quoted prices that are observable for the asset or liability). There has been no change in the techniques used in the valuation of the investment properties. The fair value of investment property is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The valuation methodology used is the market approach. The fair value are derived using the sales comparison approach where the main inputs in the determination of the fair value are recent land sales or asking prices for similarly sized plots in the immediate vicinity of the investment property. In certain cases, due to the unavailability of similar large land size traded in the immediate property market, the valuers subdivided the entire land area into smaller plots; allowing for circulation and infrastructure and applying an adjusted sales price per plot to arrive at a gross sales price. In certain circumstances further adjustments are also done on the basis of quality of title and location.

29 Property and equipment

	Motor Vehicles	Land & Buildings	Furniture & Equipment	Installations	Construction in progress	Total
At 1 January 2022						
Cost or Valuation	43,749	709,026	403,514	146,973	71,839	1,375,101
Accumulated depreciation	32,429	164,470	312,090	115,497	-	624,486
Net book amount	11,320	544,556	91,424	31,476	71,839	750,615
Year ended 31 December 2022						
1 January	11,320	544,556	91,424	31,476	71,839	750,615
Purchase of property, plant and equipment	5,546	187,385	81,350	13,563	11,890	299,734
Right of use assets	-	19,473	-	-	-	19,473
Revaluation	-	64,263	-	-	-	64,263
Disposals	(3,990)	(167,576)	(80,708)	(4,889)	(11,589)	(268,752)
Disposals - accumulated depreciation	3,898	16,870	9,674	614	706	31,762
Reclassifications - cost	20	1,230	659	-	(1,909)	-
Reclassifications - accumulated depreciation	1,130	(310)	957	(308)	(1,469)	-
Depreciation charge	(5,262)	(13,962)	(23,123)	(7,564)	-	(49,911)
Depreciation charge (ROU)	(295)	(17,283)	(193)	-	-	(17,771)
Exchange difference	(1,989)	(54,996)	(14,714)	(1,962)	(1,741)	(75,402)
31 December 2022	10,378	579,650	65,326	30,930	67,727	754,011
At 31 December 2022 / 1 January 2023						
Cost or Valuation	41,483	741,047	368,105	146,570	67,727	1,364,932
Accumulated depreciation	31,105	161,397	302,779	115,640	-	610,921
Net book amount	10,378	579,650	65,326	30,930	67,727	754,011
Year ended 31 December 2023						
1 January	10,378	579,650	65,326	30,930	67,727	754,011
Purchase of property, plant and equipment	5,748	15,674	34,059	17,065	23,929	96,475
Right of use assets	585	12,466	283	-	-	13,334
Revaluation	-	4,947	-	-	-	4,947
Disposals	(5,301)	(36,928)	(45,595)	(21,273)	-	(109,097)
Disposals - accumulated depreciation	5,066	31,738	45,022	21,038	-	102,864
Reclassifications - cost	66	(6,260)	572	459	5,163	-
Reclassifications - accumulated depreciation	(66)	6,260	(572)	(459)	(5,163)	-
Depreciation charge	(4,506)	(13,370)	(17,778)	(7,284)	-	(42,938)
Depreciation charge (ROU)	(181)	(16,517)	(344)	-	-	(17,042)
Exchange difference	(1,135)	(155,393)	(18,822)	(14,795)	(24,061)	(214,206)
31 December 2023	10,654	422,267	62,151	25,681	67,595	588,348
At 31 December 2023						
Cost	37,372	573,162	318,686	139,439	67,595	1,136,254
Accumulated depreciation	26,718	150,895	256,535	113,758	-	547,906
Net book amount	10,654	422,267	62,151	25,681	67,595	588,348

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29 Property and equipment (Continued)

Land and buildings are measured using the revaluation model. The valuation of land and buildings has been done using the level 2 technique (inputs other than quoted prices that are observable for the asset). There has been no change in the valuation techniques used in the valuation of the land and buildings. The valuation of the Group's land and buildings was performed by independent valuers to determine the fair value of the land and buildings as at 31 December 2023. The fair values are derived by applying internationally acceptable and appropriately benchmarked valuation techniques such as depreciated replacement cost or market value approach. The depreciated replacement cost approach involves estimating the value of the property in its existing use and the gross replacement cost. For this, appropriate deductions are made to allow for age, condition and economic or functional obsolescence, environmental and other factors that might result in the existing property being worth less than a new replacement. The valuation methodology used is the market approach. The market value approach key inputs involves comparing the properties with identical or similar properties, for which evidence of recent transaction is available or alternatively identical or similar properties that are available in the market for sale making adequate adjustments on price information to reflect any differences in terms of actual time of the transaction, including legal, physical and economic characteristics of the properties.

The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in 'revaluation reserve – property and equipment' in shareholders equity (Note 41).

If land and buildings were stated at historical costs, the amounts would be as follows:

	31 Dec. 2023	31 Dec. 2022
Cost	399,080	400,779
Accumulated depreciation	151,659	109,864
Net book amount	247,421	290,915

30 Right-of-use assets

Property, plant and equipment comprise leased assets that do not meet the definition of investment property. They are right-of-use assets, included in the Property, plant and equipment line items, over the following :

	31 Dec. 2023	31 Dec. 2022
Motor Vehicles	1,027	572
Land & Buildings	51,430	58,106
Furniture & Equipment	3,245	2,538
Installations	-	-
	55,702	61,216

Additional information on the right-of-use assets by class of assets is as follows:

	Motor Vehicles	Land & Buildings	Furniture & Equipment	Installations	Total
At 1 January	572	58,106	2,538	-	61,216
Additions	585	12,466	283	-	13,334
Depreciations	(181)	(16,517)	(344)	-	(17,042)
Exchange difference	51	(2,625)	768	-	(1,806)
At 31 December 2023	1,027	51,430	3,245	-	55,702

	Motor Vehicles	Land & Buildings	Furniture & Equipment	Installations	Total
At 1 January	433	55,590	2,153	582	58,758
Additions	-	19,473	-	-	19,473
Depreciations	(295)	(17,139)	(337)	-	(17,771)
Exchange difference	434	182	722	(582)	756
At 31 December 2022	572	58,106	2,538	-	61,216

31 Assets and Liabilities Held for sale

Assets held for sale	31 Dec. 2023	31 Dec. 2022
ETI Property	4,439	9,162
Ecobank Nigeria Property	1,037	816
	5,476	9,978

31.1 ETI : Property in Ogombo, Lagos, Nigeria

Assets held for sale	31 Dec. 2023	31 Dec. 2022
ETI Landed Property	9,162	9,961
Foreign exchange translation loss on investment property	(4,723)	(799)
	4,439	9,162

ETI owns a property in Ogombo, Lagos, Nigeria. ETI does no longer intend to hold this property and is in an advanced stage of selling to a willing party. The value of this property has been reduced to its net realizable value per the requirement of IFRS 5.

31.2 Ecobank Nigeria : Property in Victoria Island, Lagos , Nigeria

Assets held for sale	31 Dec. 2023	31 Dec. 2022
Land	-	-
Freehold buildings	1,037	816
	1,037	816

In December 2022, Ecobank Nigeria publicly announced the decision of its Board of Directors to sell its former head office building located at 21 Ahmadu Bello Way, Victoria Island, Lagos and some other Bank's properties. During the year a portion of land and freehold buildings was sold. At 31 December 2023, freehold buildings valued at \$1.0 million still remain unsold. The remaining portion is expected to be sold within the next 12 months.

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	31 Dec. 2023	31 Dec. 2022
32 Deposits from other banks		
Operating accounts with banks	336,683	963,814
Other deposits from banks	1,251,435	1,498,120
	1,588,118	2,461,934
All deposits from banks are current and have variable interest rates.		
33 Deposit from customers		
CIB		
- Current accounts	6,423,332	6,604,770
- Term deposits	2,197,707	2,343,070
	8,621,039	8,947,840
Commercial		
- Current accounts	4,166,911	4,440,591
- Term deposits	570,200	803,839
- Savings deposits	116,240	124,181
	4,853,351	5,368,611
Consumer		
- Current accounts	2,676,209	2,539,286
- Term deposits	543,773	562,792
- Savings deposits	3,279,576	3,394,784
	6,499,558	6,496,862
Total	19,973,948	20,813,313
Current	17,400,006	16,044,243
Non current	2,573,942	4,769,070
	19,973,948	20,813,313

Customer deposits carry variable interest rates.

At 31 December 2023

	CIB		Commercial			Consumer			Total
	Current account	Term deposits	Current account	Term deposits	Savings	Current account	Term deposits	Savings	
At 1 January	6,604,770	2,343,070	4,440,591	803,839	124,181	2,539,286	562,792	3,394,784	20,813,313
Additions	2,325,109	912,808	1,093,724	100,842	33,945	729,879	132,628	551,754	5,880,689
Withdrawals	(1,593,233)	(289,325)	(472,222)	(96,044)	(2,039)	(223,435)	(25,765)	(112,985)	(2,815,048)
Exchange difference	(913,314)	(768,846)	(895,182)	(238,437)	(39,847)	(369,521)	(125,882)	(553,977)	(3,905,006)
At 31 December 2023	6,423,332	2,197,707	4,166,911	570,200	116,240	2,676,209	543,773	3,279,576	19,973,948

At 31 December 2022

	CIB		Commercial			Consumer			Total
	Current account	Term deposits	Current account	Term deposits	Savings	Current account	Term deposits	Savings	
At 1 January	6,149,502	2,428,782	3,991,425	633,300	139,374	2,451,800	554,827	3,364,339	19,713,349
Additions	3,050,525	695,702	1,363,116	323,524	23,369	653,708	115,461	488,017	6,713,422
Withdrawals	(1,846,180)	(594,134)	(299,389)	(91,736)	(15,493)	(271,513)	(70,530)	(187,401)	(3,376,376)
Exchange difference	(731,871)	(187,296)	(606,087)	(61,277)	(23,069)	(320,760)	(36,946)	(269,776)	(2,237,082)
At 31 December 2022	6,604,770	2,343,070	4,440,591	803,839	124,181	2,539,286	562,792	3,394,784	20,813,313

(All amounts in thousands US dollar unless otherwise stated)

	31 Dec. 2023	31 Dec. 2022
34 Borrowed funds		
a Eurobond	508,904	506,588
b Eurobond II	344,340	343,336
c Eurobond Nigeria	306,683	305,945
d Development Bank of Nigeria	52,720	108,204
e Bank of Industry of Nigeria (BOI)	2,666	10,876
f Propaco II	41,240	71,050
g Nigeria Sovereign Investment Authority (NSIA)	62,590	11,085
h Central Bank of Nigeria	135,636	238,074
i Caisse Régionale de Refinancement Hypothécaire (CRRH)	-	1,783
j Findev Canada	17,176	20,468
k Credit Europe Bank	102,828	98,890
l Africa Finance Corporation facility	291,071	325,482
m European Investment Bank	90,842	-
n Sanad Fund for MSME Debt Sub-Fund	15,066	-
o Eco-Business Fund (see note n)	17,879	-
p Creative Industry Financial Initiative Funds	69,998	-
q Lease liability	53,557	52,192
Other loans	136,387	184,420
	2,249,583	2,278,392
Current	969,962	531,063
Non current	1,279,621	1,747,329
	2,249,583	2,278,392

- a) ETI issued a USD 500 million Senior Unsecured 5-year Eurobond (Reg S / 144A) with a maturity date of 18 April 2024. An initial issuance of USD 450 million in April 2019 was followed by a tap issuance of USD 50 million in July 2019. The bonds bear a coupon rate of 9.5%.
- b) Ecobank Transnational Incorporated - ETI raised US\$350 million Tier 2 Sustainability Notes in June 2021. This represents the first ever Tier 2 Sustainability Notes by a financial institution in Sub-Saharan Africa. This Tier 2 issuance is the first to have Basel III-compliant 10NC5 structure outside of South Africa in 144A/RegS format and is listed on the main market of the London Stock Exchange. The bond matures in June 2031 and has a call option in June 2026. The bond was issued with interest payable semi-annually, on June 17 and December 17 each year.
- c) On 16 February 2021, the Ecobank Nigeria issued a \$300 million eurobond at 7.125% coupon rate. The Bond is a 5-year tenor with maturity date of 16 February 2026.
- d) Ecobank Nigeria secured a 50 billion Naira (\$121 million) loan from Development Bank of Nigeria (DBN) in December 2020. The facility has a tenor of 10 years, maturity date of November 29, 2030 with an interest rate of 6.5%, fixed for the first 5 years and subject to repricing afterwards.
- e) The Bank of Industry (BOI) loan to Ecobank Nigeria represents the Central Bank of Nigeria's intervention funds on-lent to some of the Bank's customers in the manufacturing sector through BOI. The fund is administered at an all-in interest rate of 7% per annum payable on a quarterly basis. The maximum tenor of the facility is 15 years.
- f) PROPARCO granted a facility of USD 50 million to ETI in November 2013, to support the development of the Ecobank Group. The loan amortises over the period of the loan until the final repayment date in January 2023.
A Parparco-led syndicate granted a \$60 million 3-year facility to ETI in October 2021. The loan matures in September 2024.
- g) NSIA granted facilities to Ecobank Nigeria through ETI. These amounted to USD 63 million and are all maturing in March 2024.
- h) Ecobank Nigeria secured a 50 billion Naira (\$121 million) loan from Development Bank of Nigeria (DBN) in December 2020. The facility has a tenor of 10 years, maturity date of November 29, 2030 with an interest rate of 6.5%, fixed for the first 5 years and subject to repricing afterwards.
- i) Caisse Régionale de Refinancement Hypothécaire (CRRH) facilities to Ecobank Cote d'Ivoire and Ecobank Senegal are repayable over ten years and matured in 2023. Interest is payable semi-annually at an annual rate of 6%.
- j) In December 2021, ETI signed a Senior Term Facility agreement with Development Finance Institute Canada (DFIC) Inc. ("FinDev Canada"). The funds were disbursed on March 31, 2022. The proceeds of the Facility shall be used to support the ETI's general corporate purposes, at least thirty percent (30%) of the proceeds of the Facility to be used for on-lending to WSMEs and not less than fifty per cent (50%) of the proceeds of the Facility to be used for on-lending to Sub-Borrower. Interest will be payable semi-annually, in arrears, at the end of the respective interest period. The tenure of facility is 4 years from the date of the disbursement.
- k) In August 2022, ETI raised a 2-year \$100 million 4.25% senior loan from Credit Europe Bank. The bond is scheduled to be repaid on maturity in August 2024.
- l) In October 2022, a syndicate led by the Africa Finance Corporation, Bank of Africa and Rand Merchant Bank disbursed a total of \$325 million in two tranches of \$113 million for two years with maturity in 2024 and \$212 million (Facility A 6.17% Facility B 5.20%) for three years with maturity in 2025.
- m) ETI has a facility of \$25million with European Investment Bank maturing in 2029.
- n) In December 2023, eco.business Fund, a biodiversity conservation-focused investment fund joined forces with SANAD, a leading financial intermediary in the Middle East and Africa region to provide a total of \$32.8 million to ETI as financial support for the agricultural sector. The loan which has a two year moratorium on principal payments, has semi-annual repayments till maturity in December 2029.
- p) Ecobank Nigeria has a facility with Creative Industry Financial Initiative Funds at interest rate of 9% for 7 years maturing on the 28th of May 2027.

Lease liabilities

Maturity analysis - contractual undiscounted cash flows

	31 Dec. 2023	31 Dec. 2022
Less than one year	2,093	2,593
One to five years	28,636	27,123
More than five years	22,828	22,476
Total undiscounted lease liabilities	53,557	52,192
Lease liabilities included in borrowings		
Current	2,093	2,593
Non-current	51,464	49,599
	53,557	52,192
At 1 January	2,278,392	2,353,508
Accrued interest	5,615	10,055
Additions Borrowings	267,236	659,923
Additions Lease liabilities	13,334	19,473
Repayments	(321,497)	(728,818)
Exchange difference	6,503	(35,749)
At 31 December	2,249,583	2,278,392

	31 Dec. 2023	31 Dec. 2022
35 Other liabilities		
Accrued income	101,271	113,298
Unclaimed dividend	10,968	11,390
Accruals*	232,962	279,249
Obligations under customers' letters of credit	67,287	63,256
Bankers draft	4,263	39,755
Accounts payable	271,496	167,587
Allowance for off balance sheet receivables	16,417	10,802
Others **	657,580	383,794
	1,362,244	1,069,131

Other liabilities are expected to be settled within no more than 12 months after the reporting date.

*Accruals represent expense accrued for expenses like audit fees ,bonus ,directors fees ,travel,training and other expenses which have not been paid at year end.

**Others is comprised of settlement accounts, customer foreign exchange purchase accounts, POS and VISA settlement accounts.

36 Provisions		
At 1 January	63,255	72,230
Additional provisions charged to income statement	26,229	16,970
Provision no longer required	(6,726)	(723)
Utilised during the period	(9,645)	(23,818)
Exchange differences	(10,838)	(1,404)
At 31 December	62,275	63,255

Provisions represent amounts provided for in respect of various litigations pending in court. Based on professional advice, the amounts for pending litigations have been set aside to cover the expected losses to the Group on the determination of these litigations.

37 Deferred income taxes

Deferred income taxes are calculated using substantively enacted tax rate of each subsidiary.

The movement on the deferred income tax account is as follows:

At 1 January	(129,486)	(114,245)
Income statement charge	(11,970)	8,155
Investment securities directly in OCI:		
- fair value remeasurement	7,020	31,395
Revaluation of property and equipment (directly in OCI)	(16,965)	(15,700)
Exchange differences	(2,723)	(39,091)
At 31 December	(154,124)	(129,486)

Deferred income tax assets and liabilities are attributable to the following items:

<i>Deferred income tax liabilities</i>		
Accelerated tax depreciation	2,101	3,755
Investment securities	4,949	19,826
Revaluation of property and equipment	46,393	63,358
Other temporary differences	18,169	13,009
	71,612	99,948

Deferred income tax assets

Pension and other post retirement benefits	313	255
Impairment charges on financial assets	5,725	31,553
Other provisions	67,206	14,016
Tax loss carried forward	18,220	25,036
Other temporary differences	88,062	104,244
On unutilised capital allowances	487	750
Investment securities	45,723	53,580
	225,736	229,434

Deferred tax liabilities

- To be recovered within 12 months	65,453	48,543
- To be recovered after more than 12 months	6,159	51,405
	71,612	99,948

Deferred tax assets

- To be recovered within 12 months	95,673	167,568
- To be recovered after more than 12 months	81,346	61,866
	225,736	229,434

The deferred tax charge in the income statement comprises the following temporary differences:

Accelerated tax depreciation	567	(1,740)
Pensions and other post retirement benefits	(259)	60
Impairment charges on financial assets	248	37,490
Other provisions	(4,973)	(705)
Tax losses carry forward	3,354	17,214
Other temporary differences	(744)	(6,179)
Exchange differences	(10,163)	(37,985)
	(11,970)	8,155

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes related to the same fiscal authority.

Income tax effects relating to components of other comprehensive income:

	31 Dec. 2023	31 Dec. 2022
	Net	Net
Fair value loss on investment securities	(53,812)	(72,975)
Revaluation gain on property and equipment	1,875	24,294
	(51,937)	(48,681)

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38 Retirement benefit obligations

Other post-retirement benefits

Apart from the pension schemes, the Group operates a post employment gratuity payment scheme.

The method of accounting and the frequency of valuations are as described in Note 2.21.

The Group operates a post employment gratuity payment scheme. The amounts recognised in the statement of financial position are as follows:

Present value of funded obligations

Fair value of plan assets

Present value of unfunded obligations

Liability in the statement of financial position

31 Dec. 2023 **31 Dec. 2022**

44,110	29,255
(22,906)	(19,748)
21,204	9,507
9,788	9,754
30,992	19,261

In 2023, the movement in the defined benefit obligation over the period is as follows :

	31 December 2023			31 December 2022		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
At 1 January	39,009	(19,748)	19,261	43,153	(18,075)	25,078
Current service cost	3,904	-	3,904	708	-	708
Interest expense and income	5,208	(790)	4,418	444	(723)	(279)
	<u>9,112</u>	<u>(790)</u>	<u>8,322</u>	<u>1,153</u>	<u>(723)</u>	<u>430</u>
Remeasurements						
Return on plan assets	-	(731)	(731)	-	(1,265)	(1,265)
Actuarial (Gain)/Loss due to Experience Adjustment	684	-	684	(665)	-	(665)
	<u>684</u>	<u>(731)</u>	<u>(47)</u>	<u>(665)</u>	<u>(1,265)</u>	<u>(1,930)</u>
Exchange difference	2,896	217	3,113	(1,404)	199	(1,205)
Contributions	538	115	653	900	116	1,016
Reversal of provision	1,562	-	1,562	(1,683)	-	(1,683)
Retirement benefit payments		(2,066)	(2,066)	(2,445)	-	(2,445)
At 31 December	53,801	(23,003)	30,798	39,009	(19,748)	19,261

The defined benefit obligation and plan assets are composed by regions/countries as follows :

	31 December 2023				31 December 2022			
	ETI	UEMOA/CEMAC	Others	Total	ETI	UEMOA /CEMAC	Others	Total
Present value obligation	9,788	16,755	27,258	53,801	9,754	16,755	12,500	39,009
Fair value of plan assets	-	(22,906)		(22,906)	-	(19,748)	-	(19,748)
Total liability	9,788	(6,151)	27,258	30,895	9,754	(2,993)	12,500	19,261

Income tax effects relating to components of other comprehensive income

The amounts recognised in the income statement are as follows:

Current service cost

Net interest cost

Total included in staff costs

Other Comprehensive Income

Actuarial loss on obligations

Actuarial loss on plan assets

31 Dec. 2023 **31 Dec. 2022**

3,904	708
5,208	444
9,112	1,152
684	(665)
-	-
684	(665)

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38 Retirement benefit obligations (Continued)

As the plan assets include significant investments in government bonds, the Group is also exposed to interest rate risks and impact of changes monetary policies on bond yields. The defined benefit plan does not have any significant impact on the group's cash flows.

The net actuarial gain on the fair value of plan assets arose as a result of the actual returns on the assets being greater than the calculated expected return on assets.

Plan assets are comprised as follows:

	31 December 2023				31 December 2022			
	%	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total
Cash	8%	1,832	-	1,832	13%	2,567	-	2,567
Equity instruments	0%	2	-	2	0%	10	-	10
Debt instruments (Bonds)	92%	16,858	4,214	21,072	87%	13,737	3,434	17,171
	100%	16,860	4,214	22,906	100%	13,747	3,434	19,748

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy.

The principal assumptions used for ETI and the subsidiaries operating in UEMOA region were as follows:

	ETI		UEMOA	
	2023	2022	2023	2022
Discount rate	5.50%	5.50%	5.5%	5.5%
Expected return on plan assets	4.45%	4.45%	4.45%	4.45%
Future salary increases	1.80%	1.80%	1.8%	1.8%

Sensitivity analysis on actuarial assumptions for ETI	Increase in assumption by 1%	Liability changes to	Decrease in assumption by 1%	Liability changes to
Discount rate	Decrease in the liability by 4.5%	9,111	Increase in the liability by 8%	10,015
Exit rate	Decrease in the liability by 5%	9,064	Increase in the liability by 13%	10,062
Dismissal rate	Increase in the liability by 5.2%	10,033	Decrease in the liability by 9%	9,088

The Group also operates a defined contribution plan. For the defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. There were no outstanding contributions due at the end of the year.

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39 Contingent liabilities and commitments

a) Legal proceedings

The Group is a party to various legal actions arising out of its normal business operations. The Directors believe that, based on currently available information and advice of counsel, none of the outcomes that result from such proceedings will have a material adverse effect on the financial position of the Group, either individually or in the aggregate. The amounts that the directors believe will materialize are disclosed in Note 36.

b) Capital commitments

At 31 December 2023, the Group had capital commitments of \$ 10 million (December 2022: \$ 11 million) in respect of buildings and equipment purchases. The Group's management is confident that future net revenues and funding will be sufficient to cover this commitment.

c) Loan commitments, guarantee and other financial facilities

At 31 December 2023 the Group had contractual amounts of the off-balance sheet that commit it to extend credit to customers guarantees and other facilities are as follows:

	31 Dec. 2023	31 Dec. 2022
Guaranteed commercial papers and banker acceptances	81,677	125,374
Documentary and commercial letters of credit	1,131,338	1,647,020
Performance bond, guarantees and indemnities	1,641,273	1,632,815
Loan commitments	647,836	1,457,686
	3,502,124	4,862,895

An ECL amount of \$ 16 million (December 2022 : \$ 11 million) has been recognized on the off balance sheet items shown above. This is reported in "other liabilities" (see note 35).

d) Tax exposures

The Group is exposed to ongoing tax reviews in some subsidiary entities. The Group considers the impact of tax exposures, including whether additional taxes may be due. This assessment relies on estimates and assumptions and may involve series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the period in which such a determination is made. The total amount of tax exposure as at 31 December 2023 \$228 million (December 2022 : \$ 173 million). Based on Group's assessment, the probable liability is not likely to exceed \$15 million (December 2022 : \$ 12 million) which provisions have been made in the books in Note 36.

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40 Share capital	No of shares (‘000)	Ordinary shares	Share premium	Treasury shares	Total
At 1 January 2022	24,592,619	618,259	1,499,145	(3,443)	2,113,961
At 31 December 2022/ 1 January 2023	24,592,619	618,259	1,499,145	(3,443)	2,113,961
Treasury shares	-	-	-	-	-
At 31 December 2023	24,592,619	618,259	1,499,145	(3,443)	2,113,961

The total authorised number of ordinary shares at period end was 50 billion (31 December 2022: 50 billion) with a par value of US\$0.025 per share (December 2022: US\$0.025 per share). Total issued shares as of 31 December 2023 were 24 730 billion shares. The adjustment for treasury shares on consolidation resulted in the share count of 24.592 billion shares.

Treasury shares were ETI shares held by subsidiaries and related entities within the Group as at period end. The treasury shares count as at 31 December 2023 is 137.7 million shares.

The adjustment of ordinary shares is to align with the ordinary shares Shareholders register.

Share options

The Company offers share option to certain employees with more than three years' service. Options are conditional on the employee completing three years' service. The options are exercisable starting three years from the grant date. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Movement in the number of share options outstanding are as

	31 Dec. 2023	31 Dec. 2022
At 1 January	50,000	79,500
Forfeited	(50,000)	(29,500)
Lapsed	-	-
At 31 December	-	50,000

The number of shares outstanding at the end of the year was as follows:

Expiry date:2023

	31 Dec. 2023	31 Dec. 2022
	-	50,000
At 31 December	-	50,000

New shares options totalling 119 million shares were also granted on 16 July 2012 with contractual life of 5 years .New share options tatalling 50 million shares were also granted in September 2015 with a contractual life of 5 years ,futher extended by 2 years.

Measurement of fair values - share options

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using the Black-Scholes formula. The service and non-market performance conditions attached to the transactions were not taken into account in measuring fair value. The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows.

Fair value of share options and assumptions	2012 scheme	2015 scheme
Fair value at grant date (US\$)	0.012	0.025
Share price at grant date (US\$)	0.063	0.092
Exercise price (US\$)	0.063	0.092
Expected volatility	0.75%	1.73%
Expected life (number of years)	4	5
Expected dividends	6%	3%
Risk-free interest rate	11.8%	11.8%

The expected volatility is based on both historical average share price.

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41 Retained earnings, other reserves and other equity instruments	31 Dec. 2023	31 Dec. 2022
Retained earnings	746,414	571,032
Other reserves	(1,806,414)	(1,290,145)
	(1,060,000)	(719,113)
a) Retained earnings		
Movements in retained earnings were as follows:		
At 1 January	571,032	434,419
Profit for year	287,824	286,430
Transfer (to)/ from general banking reserve	(8,483)	2,120
Transfer to statutory reserve	(83,196)	(112,454)
Dividends paid to Ordinary shareholders	(27,203)	(39,568)
Share option forfeited	1,250	
Transfer from revaluation reserve property on disposed property	5,190	85
At 31 December	746,414	571,032
b) Other Reserves	31 Dec. 2023	31 Dec. 2022
General banking reserve	153,265	144,782
Statutory reserve	676,059	592,863
Revaluation reserve - Investment securities	(104,671)	(50,859)
Revaluation reserve - property and equipment	135,510	138,825
Share option reserve	-	1,251
Remeasurements of post-employment benefit obligations	692	8
Translation reserve	(2,667,269)	(2,116,708)
	(1,806,414)	(1,289,838)
Movements in the other reserves were as follows:		
i) General banking reserve		
At 1 January	144,782	146,902
Transfer to / (from) retained earnings	8,483	(2,120)
At 31 December	153,265	144,782
The general banking reserve represents transfers from retained earnings for unforeseeable risks and future losses. General banking reserves can only be distributed following approval by the shareholders in general meeting.		
ii) Statutory reserve		
At 1 January	592,863	480,409
Transfer from retained earnings	83,196	112,454
At 31 December	676,059	592,863
Statutory reserves represents accumulated transfers from retained earnings in accordance with relevant local banking legislation. These reserves are not distributable.		
iii) Share option reserve		
At 1 January	1,250	1,250
Transfer to retained earnings	(1,250)	-
At 31 December	-	1,250
iv) Remeasurements of post-employment benefit obligations		
At 1 January	8	673
Actuarial gains on retirement benefit	684	(665)
At 31 December	692	8

Notes

(All amounts in thousands US dollar unless otherwise stated)

	31 Dec. 2023	31 Dec. 2022
41 Retained earnings and other reserves (Continued)		
v) Revaluation reserves		
At 1 January	(50,859)	22,116
Net loss from changes in fair value debt securities	(53,812)	(72,975)
At 31 December	(104,671)	(50,859)

The revaluation reserve shows the effects from the fair value measurement of investment securities after deduction of deferred taxes. The net loss from changes in fair value in this note (\$54 million) represents the owner's part while the amount in the amount in Statement of OCI represent the Group amount (\$67 million).

Convertible bond - equity component

Movement in equity component of convertibles were as follows:

At 1 January	-	5,084
Equity component of convertible loan not converted during the year	-	(5,084)
At 31 December	-	-

The equity component of the convertible bond is computed as a residual amount after determining the loan amount using the market rate of an equivalent loan.

vii) Revaluation Reserve - property and equipment

At 1 January	138,825	114,616
Transfer to retained earnings fair value on disposed property	(5,190)	(85)
Net gain from change in fair value	1,875	24,294
At 31 December	135,510	138,825

viii) Translation reserve

At 1 January	(2,116,708)	(1,793,204)
Currency translation difference arising during the year	(550,561)	(323,504)
At 31 December	(2,667,269)	(2,116,708)

c) Other equity instruments

At 1 January	74,088	74,088
Attributable to other equity instrument holder	7,312	7,312
Additional tier 1 capital coupon	(7,312)	(7,312)
At 31 December	74,088	74,088

As at 31 December 2021, perpetual subordinated notes (Additional Tier 1 – AT1) issued by the Group and recognized under “other equity instruments” totaled \$74.1 million (2020: nil). This is the net proceeds after deducting the issuance costs. The parent company raised this instrument with a nominal value of \$75 million in September 2021 at a fixed coupon rate of 9.75%, with coupon payment dates of 3 March and 3 September and a first reset date of 3 September 2026. The AT1 instrument was raised for general business purposes and to increase the regulatory capital base of the Group.

42 Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents comprise the following balances with less than three months maturity.

	31 Dec. 2023	31 Dec. 2022
Cash and balances with central banks (Note 17)	2,596,218	2,568,620
Treasury Bills and other eligible bills (Note 22)	409,025	780,446
Deposits with other banks (Note 20)	1,229,276	997,716
Deposits from other banks (Note 32)	(336,683)	(963,814)
	3,897,836	3,382,968

43 Group entities

a) Significant subsidiaries

	Country of incorporation	Ownership interests	
		2023	2022
Ecobank Nigeria Limited	Nigeria	100%	100%
Ecobank Ghana Limited	Ghana	68.93%	69%
Ecobank Cote d'Ivoire	Cote d'Ivoire	75%	75%
Ecobank Burkina	Burkina Faso	78%	78%
Ecobank Senegal	Senegal	78%	78%
Ecobank Benin	Benin	79%	79%
Ecobank Cameroon	Cameroon	80%	80%
Ecobank Mali	Mali	93%	93%
Ecobank Togo	Togo	82%	82%

b) Non-controlling interests in subsidiaries that are material to the Group

The following table summarises the information relating to the Group's subsidiary that has material non-controlling interests (NCI), before any intra-group eliminations as at 31 December 2023 and 31 December 2022.

Entity	Ecobank Ghana		Ecobank Côte d'Ivoire		Ecobank Burkina	
NCI percentage	31%	31%	25%	25%	22%	21.8%
Period	2023	2022	2023	2022	2023	2022
Loans and advances to customers	831,423	998,301	1,760,084	1,464,391	820,713	742,837
Investment securities	746,869	808,981	1,026,406	1,176,632	534,429	594,441
Other assets	81,512	114,824	121,484	87,936	59,865	42,161
Deposits from customers	2,382,790	2,419,530	2,417,279	2,043,746	1,344,543	1,247,110
Other liabilities	86,289	112,217	153,936	104,637	34,266	23,647
Net assets	322,658	323,954	318,319	317,908	147,857	122,531
Carrying amount of NCI	100,241	100,644	79,597	79,494	32,269	26,742
At 31 December / December						
Operating income	349,259	258,266	177,388	111,962	99,841	67,732
Profit before tax	111,918	125,824	82,931	48,751	49,334	28,496
Profit after tax	66,751	80,473	74,475	44,487	41,528	22,553
Total comprehensive income	96,580	52,451	47,917	53,090	35,488	16,839
Profit allocated to NCI	30,005	16,295	11,982	13,275	7,745	3,675

c) Significant restrictions

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which banking subsidiaries operate. The supervisory frameworks require banking subsidiaries to keep certain levels of regulatory capital and liquid assets, limit their exposure to other parts of the Group and comply with other ratios.

d) Involvement with unconsolidated structured entities

The table below describes the structured entities in which the Group does not hold an interest but is a sponsor. The Group considers itself a sponsor of a structured entity when it facilitates the establishment of the structured entity. These entities were not consolidated in December 2023.

Name	Type of structured entity	Nature and purpose	Investment held by the Group
FCP UEMOA DIVERSIFIE (Incorporated in Ivory Coast in 2007)	Asset-backed structured entity	a) Provide investors with an exposure to a referenced asset such as debt instrument	None
FCP UEMOA RENDEMENT (Incorporated in Ivory Coast in 2007)	Asset-backed structured entity	b) Generate fees for agent activities and funding for the Group's lending activities	None

The table below sets out information as at 31 December 2023 in respect of structured entities that the Group sponsors, but which the Group does not have an interest.

Asset-backed structured entities	FCP UEMOA DIVERSIFIE	FCP UEMOA RENDEMENT
Fee income earned from asset-backed structured entities	636	73
*Carrying amount of assets transferred by third parties to conduit vehicle		
Carrying amount of the financing received from unrelated third parties	10,499	1,029
The carrying value is stated at book value (costs less impairment)		

The Group does not have any exposure to any loss arising from these structured entities.

44 Related party transactions

The related party is the key management personnel, their related companies and close family relations. The key management personnel included directors (executive and non-executive), and other members of the Group Executive Committee.

A number of banking transactions are entered into with related parties in the normal course of business and at commercial terms. These transactions include loans, deposits, and foreign currency transactions. The volumes of related party transactions, outstanding balances at the end of the period, and relating expense and income for the period as follows:

Loans and advances to related parties

	Directors and key management personnel		Related companies	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
Loans outstanding at beginning of the period	2,076	2,600	43,590	49,590
Loans outstanding at end of the period	1,742	2,076	55,295	43,590
Interest income earned	116	127	848	159

No provisions have been recognised in respect of loans given to related parties (2022: nil).

The loans issued to executive directors during the year and related companies controlled by directors were given on commercial terms and market rates.

Directors' remuneration

Total directors fees and allowances

31 Dec. 2023	31 Dec. 2022
1,675	1,331

Related party credits

During the year the Group through its subsidiaries granted various credit facilities to directors and companies whose directors are also directors of ETI at rates and terms comparable to other facilities in the Group's portfolio. An aggregate of US\$ 55.3 million was outstanding on these facilities at the end of the reporting period. The status of performance of each facility is as shown below:

Name of company/individual	Relationship	Type	Status	Amount
ECOWAS	Director related	Bonds	Non-impaired	3,369
NEDBANK	Director related	Guarantees	Non-impaired	36,015
QATAR NATIONAL BANK	Director related	Guarantees	Non-impaired	15,911
				55,295

Parent

The parent company, which is also the ultimate parent company, is Ecobank Transnational Incorporated

45 Banking subsidiaries

	% of interests
Ecobank Cameroon	80%
Ecobank Chad	74%
Ecobank Sao Tomé	100%
Ecobank Central Africa	75%
Ecobank Congo Brazzaville	86%
Ecobank Gabon	75%
Ecobank Guinea Equatoriale	60%
Ecobank Benin	79%
Ecobank Burkina Faso	78%
Ecobank Côte d'Ivoire	75%
Ecobank Mali	93%
Ecobank Niger	81%
Ecobank Sénégal	78%
Ecobank Togo	82%
Ecobank Guinea Bissau	96%
Ecobank Cape Verde	99%
Ecobank Ghana	68.93%
Ecobank Guinea	83%
Ecobank Liberia	100%
Ecobank Sierra Leone	100%
Ecobank Gambia	97%
Ecobank Rwanda	97%
Ecobank Tanzania	100%
Ecobank Kenya	100%
Ecobank Burundi	75%
Ecobank Uganda	100%
Ecobank South Sudan	94%
Ecobank Nigeria	100%
Ecobank Malawi	96%
Ecobank Congo RDC	100%
Ecobank Zambia	100%
Ecobank Zimbabwe	100%
Ecobank Mozambique	99%
SOFIPE Burkina	78%
Ecobank Micro Finance Sierra Leone	100%
Pan-African Savings and Loans Ghana	70%
Pan-African Savings and Loans Cameroon	82%
EBI SA (France)	100%

Non Banking subsidiaries

EDC	98%
EDCN	85%
EDCFM	98%
EDCNIB	98%
OCCL	98%
EIC	98%
EAM	98%
EDCGE	98%
EDCGI	98%
EDCGS	98%
EDCA	98%
EDCC	98%
EDCK	98%
TBPIC*	100%
FCP	41%
EPI	100%
ARTSA	100%
Bew	100%
ESF	100%

(*) TBPIC is an entity for which ETI has control and so it is included in the consolidation scope as per IFRS 10.

46 Events after reporting date

a) Ghana Eurobond

On 12th January 2023, the Government of Ghana announced that it has reached an agreement with its Official Creditors under the G20 Common Framework. The discussion with Eurobond holders is expected to take some few months to conclude.

b) Senior Bridge-to-Bond Loan Facility

On 8 March 2024, Ecobank Transnational Incorporated (ETI), signed a USD 250 million senior unsecured bridge-to-bond Loan Facility with The African Export-Import Bank (Afreximbank) and Africa Finance Corporation (AFC) acting as Global Coordinators and Initial Mandated Lead Arranger. This loan facility aims to support trade finance and the general corporate purposes of the Group. The facility has a tenor of twelve months, with a six-month extension option at the lenders' discretion.

OTHER DISCLOSURES

STATEMENT OF VALUE ADDED

	Year ended 31 December 2023				Year ended 31 December 2022			
	US\$'000	%	NGN'000	%	US\$'000	%	NGN'000	%
Gross income	2,825,255		1,829,640,052		2,529,033		1,079,723,479	
Interest expenses paid	(697,433)		(451,658,824)		(603,751)		(257,760,231)	
Fee and commission expenses	(64,018)		(41,458,168)		(62,915)		(26,860,386)	
	2,063,804		1,336,523,060		1,862,367		795,102,862	
Impairment loss on financial assets	(329,939)		(213,669,070)		(198,066)		(84,560,585)	
Non-conversion premium on bonds	-		-		(40,000)		(17,077,254)	
	1,733,865		1,122,853,990		1,624,301		693,465,023	
Bought in material & services	(599,557)		(388,274,155)		(535,632)		(228,678,094)	
Value Added	1,134,308	100%	734,579,835	100%	1,088,669	100%	464,786,929	100%
Distributions								
Employees								
Staff salaries and benefits	462,801	41%	299,710,733	41%	447,358	41%	190,991,156	41%
Government								
Income tax	174,439	15%	112,967,000	15%	173,338	16%	74,003,427	16%
Retained in the group								
Asset replacement (depreciation and amortisation)	90,145	8%	58,378,059	8%	101,282	9%	43,240,461	9%
Expansion(transfer to reserves and non-controlling interest)	406,923	36%	263,524,043	36%	366,691	34%	156,551,885	34%
	1,134,308	100%	734,579,835	100%	1,088,669	100%	464,786,929	100%

FIVE-YEAR SUMMARY FINANCIALS

	2023	2022	2021	2020	2019
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At the year end					
Total assets	27,230,165	29,004,169	27,561,793	25,939,473	23,641,184
Loans and advances to customers	10,542,753	11,002,905	9,575,865	9,239,948	9,276,608
Deposits from customers	19,973,948	20,813,313	19,713,349	18,296,952	16,246,120
Total equity	1,734,455	2,027,015	2,164,306	2,027,713	1,885,777
For the year					
Revenue	2,063,666	1,861,797	1,756,714	1,679,765	1,622,259
Profit before tax	581,362	540,029	477,992	174,318	405,079
Profit after tax *	406,923	366,691	357,366	88,319	274,934
Profit attributable to ordinary shareholders	287,824	286,430	262,234	4,202	193,958
Earnings per share-basic(cents)	1.170	1.165	1.063	0.01	0.778
Earnings per share-diluted (cents)	1.17	1.165	1.063	0.01	0.778
Dividend (US cents)		0.11	0.16	-	-
Cost to income ratio	53.9%	56.4%	58.9%	62.7%	66.2%
NPL Ratio	5.4%	5.2%	6.2%	7.6%	9.7%
NPL Cover	86.5%	86.5%	102.1%	74.5%	58.3%
Return on Average Assets	1.4%	1.3%	1.3%	0.4%	1.2%
Return on Tangible Equity (ROTE) **	24.9%	21.1%	19.0%	0.3%	13.2%
Cost of Risk	1.3%	0.1%	1.7%	1.8%	1.1%
Loans/Deposits	55.4%	55.4%	51.9%	53.6%	60.2%

*The profit results for 2020 includes the effects of goodwill impairment charge of \$164m.

**Return on equity is calculated as profit attributable to ETI shareholders divided by the average end-of-periods shareholders equity.

ECOBANK TRANSNATIONAL INCORPORATED

**Consolidated Financial Statements
31 December 2024**

Ecobank Transnational Incorporated
Consolidated Audited Financial Statements
For the year ended 31 December 2024

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Responsibility for consolidated financial statements

The Directors are responsible for the preparation of the consolidated financial statements for each financial period that give a true and fair view of the financial position of the Group as at 31 December 2024 and the results of its operations, statement of cash flow, income statement and changes in equity for the year ended 31 December 2024 is compliance with IFRS Accounting standards . This responsibility includes ensuring that the Group:

- (a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group;
- (b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- (c) prepares its consolidated financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, that are consistently applied.

The Directors accept responsibility for the consolidated financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting standards.

Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least twelve months from the date of these financial statements.

The Directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the Group and of its profit or loss for the year ended 31 December 2024. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors on 14 March 2025 and signed on its behalf by:



Papa Madiaw Ndiaye
Group Chairman



Jeremy Awori
Group Chief Executive Officer

Ecobank Transnational Management Report on Internal Control Over Financial Reporting

Ecobank Management has set up and maintained a sufficient system of internal control over financial (ICoFR) according to the Sections 60 – 63 of the Investments and Securities Act, 2007 from the SEC Nigeria, which includes protecting assets from unauthorized access, use or loss.

This system is intended to provide reasonable assurance to management and the board of directors about producing reliable financial statements for publication and safeguarding the Corporation's assets with self-checking mechanisms and is audited by the internal audit function.

This system is supported by written policies and procedures such as the scoping and materiality assessment document, 30 separate process manuals that describe clear process flows with adequate description of ICoFR related risks and controls that apply to the end-to-end processes for each of the 40 significant Financial Statement Lines -FSLIs scoped from both balance sheet and Income Statement of the Group. A consolidated ICoFR related Risk and Control Matrix-RCM has been also issued to guide ICoFR related controls testing process covering all significant FSLIs across the Group.

Management takes appropriate actions to fix deficiencies as they are identified. All internal control systems have inherent limitations, including the possibility of bypassing and overriding of controls, and, therefore, can provide only reasonable assurance about the reliability of financial statement preparation and such asset protection.

Ecobank Group has evaluated the effectiveness of its internal control over financial reporting as of December 31, 2024. In making this evaluation, it used the criteria described in "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, management believes that, as of December 31, 2024 the Ecobank Group's internal control over financial reporting is effective. Deloitte and Grant Thornton have issued a joint report on management's evaluation and on the effectiveness of the Group's internal control over financial reporting.



Jeremy Awori
Group Chief Executive Officer



Ayo Adepoju, Ph.D.
Group Chief Financial Officer

Assurance Report of Independent Auditors

To the Shareholders of Ecobank Transnational Incorporated

Assurance Report on management's assessment of controls over financial reporting

We have performed a limited assurance engagement in respect of the systems of internal control over financial reporting of Ecobank Transnational Incorporated and its subsidiaries ("the Group") as of 31 December 2024, in accordance with the FRC Guidance on assurance engagement report on Internal Control over Financial Reporting and based on criteria established in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ("the ICFR framework"), and the SEC Guidance on Management Report on Internal Control Over Financial Reporting. Ecobank Transnational Incorporated's management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting including the accompanying Management's Report on Internal Control Over Financial Reporting.

We have also audited, in accordance with the International Standards on Auditing, the financial statements of the Group and our report dated 26 March 2025 expressed an unmodified opinion.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the Group did not establish and maintain an effective system of internal control over financial reporting, as of the specified date, based on the SEC Guidance on Management Report on Internal Control Over Financial Reporting.

Definition of internal control over financial reporting

Internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal control over financial reporting includes those policies and procedures that:

- I. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- II. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; and
- III. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations

Our procedures included the examination of historical evidence of the design and implementation of the Group's system of internal control over financial reporting for the year ended 31 December 2024. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Directors' and Management's Responsibilities

The Directors are responsible for ensuring the integrity of the entity's financial controls and reporting.

Management is responsible for establishing and maintaining a system of internal control over financial reporting that provides reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with the International Financial Reporting Standards (IFRS) and the ICFR framework.

Section 7(2f) of the Financial Reporting Act 2011 (as amended) further requires that management perform an assessment of internal controls, including information system controls. Management is responsible for maintaining evidential matters, including documentation, to provide reasonable support for its assessment of internal control over financial reporting.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditor's Responsibility and Approach

Our responsibility is to express a limited assurance opinion on the Group's internal control over financial reporting based on our Assurance engagement.

We performed our work in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information (ISAE 3000) revised. That Standard requires that we comply with ethical requirements and plan and perform the limited assurance engagement to obtain limited assurance on whether any matters came to our attention that causes us to believe that the Group did not establish and maintain an effective system of internal control over financial reporting in accordance with the ICFR framework.

That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the Group established and maintained an effective system of internal control over financial reporting.

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances.

We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting.



Deloitte & Touche (FRC/2022/COY/091021)
Chartered Accountants
Lagos Nigeria
26 March 2025
Engagement Partner: Bolaji Saidi
FRC/2021/PRO/00000024025



For: Grant Thornton
Chartered Accountants
Abidjan, Cote d'Ivoire
26 March 2025
Engagement Partner: Missa Kone



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ECOBANK TRANSNATIONAL INCORPORATED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Ecobank Transnational Incorporated** and its subsidiaries (the Group) set out on pages 11 to 82 which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of **Ecobank Transnational Incorporated** as at 31 December 2024, and its consolidated financial performance and consolidated statement of cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters noted below relate to the consolidated financial statements.

Key audit matters	How our audit addressed the key audit matters
Impairment of loans and advances to customers	
Loans and advances to customers constitute a significant portion of the total assets of the Group. At 31 December 2024, gross loans and advances to customers was US\$10,507 million (31 December 2023: US\$11,062 million) against which total loan impairment amounted to US\$601 million (31 December 2023: US\$519 million), resulting in a net loan balance of US\$9,906 million (31 December 2023: US\$10,543 million). This asset represents 35 percent (31 December 2023: 39 percent) of the total assets as at the reporting date (see note 20).	<p>We focused our testing of the impairment on loans and advances to customers on the key assumptions and inputs made by management and directors.</p> <p>Specifically, our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the loan impairment calculation process within the Group; • Testing the design and implementation of key controls across the processes relevant to the Expected Credit Loss ('ECL'). This included model governance, controls that ensure data accuracy and completeness and related credit monitoring,

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

The directors exercise significant judgement when determining both when and how much to record as loan impairment. This is because a number of significant assumptions and inputs go into the determination of expected credit loss (ECL) impairment amounts on loans and advances to customers.

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

- i. Modelling for estimation of ECL parameters including:
 - probabilities of default (PDs) - 12-month and lifetime,
 - loss given default (LGD), and
 - exposure at default (EAD).
- ii. Assessment and measurement of Significant Increase in Credit Risk ('SICR') using appropriate criteria;
- iii. Identification, selection and measurement of economic scenarios to measure ECLs on a forward-looking basis reflecting a range of future economic conditions, including scenarios' weighting;
- iv. Ensuring the completeness and accuracy of data used to calculate the ECL;
- v. Considering the completeness and validity of out of model adjustments and overlays; and
- vi. Validating the loan staging and related disclosures in the consolidated financial statements.

Because of the significance of these estimates, judgements and the size of loans and advances portfolio, the audit of the loan impairment is considered a key audit matter.

allocation of assets into stages, the determination of economic scenarios, post model adjustments, individual impairment and processing of journal entries and disclosures.

- Assessing the ECL impairment levels by stage to determine if they were reasonable considering the Group's portfolio, risk profile, credit risk management practices and the macroeconomic environment.
- Challenging the criteria used to allocate assets to stage 1, 2 or 3 in accordance with IFRS 9: *Financial Instruments*;
- Testing the assumptions, inputs and formulae used in a sample of ECL models (covering at least 90% of the ECL provision with the support of our internal credit risk specialists);
- Considering the appropriateness of model design and the formulae used in determining the PD's LGD's and EAD's and valuation of collateral in the current economic environment;
- Through applying the assumptions and data included in management's model, we assessed the reasonableness of SICR classifications;
- Testing the data used in the ECL calculation by reconciling to source systems;
- Assessing the Group's approach and methodology to incorporate the impact of changing macroeconomic conditions in the ECL model, by considering the assumptions used in the forward-looking economic model, the macroeconomic variables selected and the sensitivity of ECL components to each variable by comparing it to our own actuarial analysis and statistics with specific focus on affiliates operating in challenging economic circumstances. We also challenged the scenario weightings attached to the various probabilities of outcomes and carried out impact assessments of varying the scenario weights of the various probabilities of outcomes to assess reasonableness of the group's estimate;
- Considering the completeness and validity of post model adjustments and overlays where this cannot be incorporated in base models;
- In the Commercial segment where for large exposures in Stage 3 advances, tested the controls around the valuation of collateral (where applicable) for operating effectiveness, inspecting a sample of legal agreements, and supporting documentation to assess the legal right to and existence of collateral and expected timing of future cash flows; and
- Assessing the adequacy and appropriateness of disclosures for compliance with the accounting standards

	Based on the audit procedures performed, we concluded that the Group's expected credit loss methodologies, including all the relevant assumptions, judgements, and key inputs used by management and the directors to estimate the amount of impairment losses on loans and advances to customers were appropriate.
Impairment assessment on Government of Ghana Debt Securities	
<p>Government of Ghana suspended the servicing payments of its Eurobonds, commercial loans and most bilateral loans.</p> <p>On 9 October 2024, The Government of Ghana concluded the Eurobond debt exchange programme (The Programme). This Programme is limited to Eurobonds (collectively, the Eligible Bonds).</p> <p>Holders of Eligible Bonds will offer their Eligible Bonds governed by Ghanaian law and denominated in United States Dollars (USD) for new benchmark Government of Ghana bonds (New Bonds). The total original principal amount of bonds subject to The Programme is approximately USD 13.1 billion.</p> <p>Bondholders had the choice between DISCO (discount) or PAR (Par value) bonds, the PAR bonds were capped to a maximum of USD1.6 billion, there is no limit on the DISCO bonds. A 37% haircut is applied to DISCO bonds. No haircut is applied to the PAR bonds except for the Post-Default Interest (PDI) bond.</p> <p>There is a risk that the accounting treatment of the transaction is not consistent with IFRS 9 on derecognition of the extinct bond and recognition of the new bond in ensuring that:</p> <ol style="list-style-type: none"> The value of the old bond derecognized is consistent with the balance in the affected component's account; All associated losses are properly valued and recorded; and The new bond recognized is recorded in line with the new terms of restructure. <p>Given the level of uncertainty involved, the significance of the Group's exposure, and the materiality of the amount involved, it became pertinent that the directors exercise some judgement and make some assumptions regarding certain inputs to enable them to determine the fair value of the bonds on derecognition (see note 22). Therefore, this item is considered a key audit matter.</p>	<p>We focused our testing on the derecognition of the eligible bonds and the recognition of the new Ghana Eurobond debt securities portfolios held by the Group as at 31 December 2024. We reviewed and challenged the key judgements, assumptions, and inputs made by management and the directors.</p> <p>Specifically, our audit procedures included:</p> <ul style="list-style-type: none"> Obtaining an understanding of management's process for accounting for the Euro Bonds and the impact of the debt restructure; Obtaining available information on the Eurobond exchange program which formed a basis for further discussion with Group Management; Evaluating management estimates, assumptions and accounting for reasonableness and possible bias; Performing an independent assessment of the expected balances to derecognize, losses to be recognized and the carrying value of the new bond based on the debt restructure agreement; Working closely with the component auditors of the subsidiaries that are holders of Eurobonds to ensure proper alignment and uniformity in the treatment of the instruments for both the group and statutory financial reporting purposes; and Subjecting management's position on the valuation and/or impairment assessment to independent audit challenge. <p>Based on the audit procedures performed, we concluded that the Group's impairment methodology, including all the relevant assumptions and key inputs used by management and the directors to account for the Eurobond debt exchange programme and the related expected credit losses on the Government of Ghana's Eurobond debt securities were appropriate.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Ecobank Transnational Incorporated Financial Statements for the year ended 31 December 2024”, which includes the Statement of Directors’ Responsibilities which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The information does not include the consolidated financial statements and our auditors’ report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors’ report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.


- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.
If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee and the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

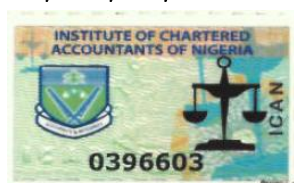
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits derivable from such communication.

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the entity's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, the Securities and Exchange Commission Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007 and based on the procedures we have performed and the evidence obtained, we have issued an unmodified conclusion in our report dated 26 March 2025. That report is included on page 3 of the financial statements.



Deloitte & Touche (FRC/2022/COY/091021)
Chartered Accountants
Lagos, Nigeria
26 March 2025
Engagement Partner: Bolaji Saidi
FRC/2021/PRO/00000024025




For: Grant Thornton
Chartered Accountants
Abidjan, Cote d'Ivoire
26 March 2025
Engagement Partner: Missa Kone

Ecobank Transnational Incorporated
Consolidated financial statements
For the year ended 31 December 2024
Consolidated income statement
(All amounts in thousands of US dollars unless otherwise stated)

	Notes	31 Dec. 2024	31 Dec. 2023
Interest income	7	1,850,709	1,866,085
Interest income calculated using the effective interest method		1,850,206	1,864,732
Other interest income		503	1,353
Interest expense	7	(675,340)	(697,433)
Net interest income		1,175,369	1,168,652
Fee and commission income	8	590,229	539,576
Fee and commission expense	8	(65,733)	(64,018)
Trading income and foreign exchange gains	9	361,419	361,240
Investment (loss) / income	10	(1,678)	9,560
Other operating income	11	29,512	48,656
Non-interest revenue		913,749	895,014
Operating income		2,089,118	2,063,666
Staff expenses	12	(450,429)	(462,801)
Depreciation and amortization	12	(79,284)	(90,145)
Other operating expenses	12	(578,043)	(559,609)
Operating expenses		(1,107,756)	(1,112,555)
Operating profit before impairment charges and taxation		981,362	951,111
Impairment charges on financial assets	13	(323,607)	(329,939)
Operating profit after impairment charges on financial assets		657,755	621,172
Net monetary loss arising from hyperinflationary economies	2.5	-	(39,948)
Share of post-tax results of associates	26	74	138
Profit before tax		657,829	581,362
Taxation	14	(164,199)	(174,439)
Profit after tax		493,630	406,923
Profit after tax attributable to:			
Ordinary shareholders		333,175	287,824
Other equity instrument holder		7,313	7,312
Non-controlling interests		153,142	111,787
		493,630	406,923
Earnings per share from continuing operations attributable to owners of the parent during the year (expressed in United States cents per share):			
- Basic	15	1.355	1.170
- Diluted	15	1.355	1.170

The accompanying notes are an integral part of these financial statements.

Ecobank Transnational Incorporated
Consolidated financial statements
For the year ended 31 December 2024
Consolidated statement of other comprehensive income
(All amounts in thousands of US dollars unless otherwise stated)

	Notes	31 Dec. 2024	31 Dec. 2023
Profit after tax		493,630	406,923
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Exchange difference on translation of foreign operations		(439,116)	(572,856)
Net change in fair value of other financial assets FVOCI		66,094	(64,434)
		(373,022)	(637,290)
Items that will not be reclassified to profit or loss:			
Net change in fair value on property and equipment		3,554	2,757
Re-measurements of defined benefit obligations	40	-	625
		3,554	3,382
Other comprehensive loss for the year, net of tax		(369,468)	(633,908)
Total comprehensive income / (loss) for the year		124,162	(226,985)
Total comprehensive income / (loss) attributable to:			
Ordinary shareholders		25,079	(313,684)
Other equity instrument holder		7,313	7,312
Non-controlling interests		91,770	79,387
		124,162	(226,985)

The accompanying notes are an integral part of these financial statements.

Ecobank Transnational Incorporated
Consolidated financial statements
As at 31 December 2024
Consolidated statement of financial position
(All amounts in thousands of US dollars unless otherwise stated)

As at:	Notes	31 Dec. 2024	31 Dec. 2023
ASSETS			
Cash and balances with central banks	16	5,095,969	3,930,723
Trading financial assets	17	62,789	41,278
Derivative financial instruments	18	76,635	78,057
Loans and advances to banks	19	2,391,697	2,241,873
Loans and advances to customers	20	9,906,819	10,542,753
Treasury bills and other eligible bills	21	1,656,471	1,595,628
Investment securities	22	6,897,740	6,622,055
Pledged assets	23	18,760	113,042
Other assets	24	999,329	1,178,100
Investment in associates	25	351	707
Intangible assets	26	39,552	55,319
Investment properties	27	11,073	11,070
Property and equipment	28	562,809	588,348
Deferred income tax assets	36	232,451	225,736
		27,952,445	27,224,689
Assets held for sale	30	2,727	5,476
Total assets		27,955,172	27,230,165
LIABILITIES			
Deposits from banks	31	2,020,636	1,588,118
Deposits from customers	32	20,423,736	19,973,948
Derivative financial instruments	18	35,146	44,303
Borrowed funds	33	2,159,847	2,249,583
Other liabilities	34	1,282,751	1,362,244
Provisions	35	59,987	62,275
Current income tax liabilities		104,317	112,635
Deferred income tax liabilities	36	47,611	71,612
Retirement benefit obligations	37	26,339	30,992
Total liabilities		26,160,370	25,495,710
EQUITY			
Share capital and premium	39	2,113,961	2,113,961
Retained earnings and reserves	40	(1,034,921)	(1,060,000)
Equity attributable to ordinary shareholders		1,079,040	1,053,961
Other equity instrument holder	40	74,088	74,088
Non-controlling interests		641,674	606,406
Total equity		1,794,802	1,734,455
Total liabilities and equity		27,955,172	27,230,165

The financial statements were approved for issue by the board of directors on 14 March 2025 and signed on its behalf by:

The Group Chairman and Group Chief Executive Officer who are a signatory to the financial statements were granted a waiver by the Financial Reporting Council of Nigeria (FRCN) allowing them to sign the financial statements (without indicating their FRC registration number).



Papa Madiaw Ndiaye
Group Chairman



Jeremy Awori
Group Chief Executive Officer



Ayo Adepoju, Ph.D.
Group Chief Financial Officer
FRC/2017/ICAN/00000017517

Ecobank Transnational Incorporated
Consolidated financial statements
For the year ended 31 December 2024
Consolidated statement of changes in equity
(All amounts in thousands of US dollars unless otherwise stated)

	Note	Attributable to equity holders of the company			Equity attributable to ordinary shareholders	Other equity instruments	Non-controlling interests	Total Equity
		Share capital & premium	Retained earnings	Other reserves				
At 31 December 2022 / At 1 January 2023		2,113,961	571,032	(1,290,145)	1,394,848	74,088	558,079	2,027,015
Net changes in debt instruments, net of taxes	40	-	-	(53,812)	(53,812)	-	(10,622)	(64,434)
Foreign currency translation differences	40	-	-	(550,255)	(550,255)	-	(22,601)	(572,856)
Net gains on revaluation of property	40	-	-	1,875	1,875	-	882	2,757
Remeasurements of post-employment benefit obligations	40	-	-	684	684	-	(59)	625
Other comprehensive loss for the year		-	-	(601,508)	(601,508)	-	(32,400)	(633,908)
Profit for the year		-	287,824	-	287,824	7,312	111,787	406,923
Total comprehensive loss for the year		-	287,824	(601,508)	(313,684)	7,312	79,387	(226,985)
Additional tier 1 capital	40	-	-	-	-	(7,312)	-	(7,312)
Transfer from revaluation reserve property on disposed property	40	-	5,190	(5,190)	-	-	-	-
Transfer to general banking reserves	40	-	(8,483)	8,483	-	-	-	-
Transfer to statutory reserve	40	-	(83,196)	83,196	-	-	-	-
Share option forfeited		-	1,250	(1,250)	-	-	-	-
Dividend relating to 2022		-	(27,203)	-	(27,203)	-	(31,060)	(58,263)
At 31 December 2023		2,113,961	746,414	(1,806,414)	1,053,961	74,088	606,406	1,734,455
At 1 January 2024		2,113,961	746,414	(1,806,414)	1,053,961	74,088	606,406	1,734,455
Net changes in debt instruments, net of taxes	40	-	-	70,191	70,191	-	(4,097)	66,094
Foreign currency translation differences	40	-	-	(383,065)	(383,065)	-	(56,051)	(439,116)
Remeasurements of post-employment benefit obligations	40	-	-	(389)	(389)	-	389	-
Net gain on revaluation of property		-	-	5,167	5,167	-	(1,613)	3,554
Other comprehensive loss for the year		-	-	(308,096)	(308,096)	-	(61,372)	(369,468)
Profit for the year		-	333,175	-	333,175	7,313	153,142	493,630
Other comprehensive income for the year		-	333,175	(308,096)	25,079	7,313	91,770	124,162
Additional tier 1 capital coupon	40	-	-	-	-	(7,313)	-	(7,313)
Transfer from general reserve	40	-	17,237	(17,237)	-	-	-	-
Transfer to statutory reserve	40	-	(56,332)	56,332	-	-	-	-
Dividend relating to 2023		-	-	-	-	-	(52,797)	(52,797)
Other reserves		-	-	-	-	-	(11,716)	(11,716)
Change of ownership		-	-	-	-	-	8,011	8,011
At 31 December 2024		2,113,961	1,040,494	(2,075,415)	1,079,040	74,088	641,674	1,794,802

The accompanying notes are an integral part of these financial statements

Ecobank Transnational Incorporated
Consolidated financial statements
For the year ended 31 December 2024
Consolidated statement of cash flows
(All amounts in thousands of US dollars unless otherwise stated)

	Notes	31 Dec. 2024	31 Dec. 2023
Cash flows from operating activities			
Profit before tax		657,829	581,362
Adjustments for:			
Foreign exchange income	9	(40,298)	(436,274)
Net gain from investment securities income	10	1,678	(9,560)
Fair value gain on investment properties	11	(95)	(2,419)
Impairment charges on loans and advances	13	193,165	145,054
Impairment charges on other financial assets	13	130,442	184,885
Depreciation of property and equipment	12	56,587	59,980
Amortisation of software and other intangibles	12	22,697	30,165
Profit on sale of property and equipment	11	(2,563)	(3,158)
Share of post-tax results of associates		(74)	(138)
Income taxes paid		(215,740)	(175,115)
Changes in operating assets and liabilities			
- Trading financial assets		(22,027)	79,364
- Derivative financial instruments		(9,481)	28,626
- Treasury bills and other eligible bills		(293,310)	(70,868)
- Loans and advances to banks		(355,044)	(700,732)
- Loans and advances to customers		(787,388)	(1,459,726)
- Pledged assets		50,700	(38,450)
- Other assets		(79,092)	(288,606)
- Mandatory reserve deposits with central banks		(338,913)	(326,993)
- Other deposits from banks		512,791	1,753
- Deposits from customers		2,873,201	3,016,611
- Derivative liabilities		2,864	(19,302)
- Provisions		1,743	1
- Other liabilities		139,139	611,974
Net cashflow from operating activities		2,498,811	1,208,434
Cash flows from investing activities			
Purchase of software	26	(21,457)	(14,821)
Purchase of property and equipment	28	(84,595)	(96,475)
Proceeds from sale of property and equipment		2,192	9,391
Purchase of investment securities	22	(874,751)	(567,231)
Proceeds from sale and redemption of investment securities	22	420,858	714,989
Net cashflow (used in) /from investing activities		(557,753)	45,853
Cash flows from financing activities			
Repayment of borrowed funds	33	(1,388,278)	(321,497)
Proceeds from borrowed funds	33	1,315,796	267,236
Coupon to additional tier 1 capital	40	(7,313)	(7,312)
Dividends paid to Ordinary shareholders	40	-	(27,203)
Dividends paid to non-controlling shareholders		(52,797)	(31,060)
Net cashflow used in financing activities		(132,592)	(119,836)
Net increase in cash and cash equivalents		1,808,466	1,134,451
Cash and cash equivalents at start of the year	41	3,897,836	3,382,968
Effects of exchange differences on cash and cash equivalents		(764,466)	(619,583)
Cash and cash equivalents at end of the year	41	4,941,836	3,897,836

The accompanying notes are an integral part of these financial statements.

Notes

1 General information

Ecobank Transnational Incorporated (ETI) and its subsidiaries (together, 'the Group') provide retail, corporate and investment banking services throughout sub Saharan Africa outside South Africa. The Group had presence in 39 countries and employed over 14,560 people as at 31 December 2024 (31 December 2023: 14,982) .

Ecobank Transnational Incorporated is a limited liability company and is incorporated and domiciled in the Republic of Togo. The address of its registered office is as follows: 2365 Boulevard du Mono, Lomé, Togo. The company has a primary listing on the Ghana Stock Exchange, the Nigerian Stock Exchange and the Bourse Regionale Des Valeurs Mobilières (Abidjan) Cote D'Ivoire.

The consolidated financial statements for the year ended 31 December 2024 have been approved by the Board of Directors on 14 March 2025.

2 Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed elsewhere. These policies have been consistently applied to all the periods presented, unless otherwise stated. The notes also highlight new standards and interpretations issued at the time of preparation of the consolidated financial statements and their potential impact on the Group. The financial statements are for the Group consisting of Ecobank Transnational Incorporated and its subsidiaries.

2.1 Basis of presentation and measurement

The Group's consolidated financial statements for the year ended 31 December 2024 have been prepared in accordance with IFRS® Accounting Standards (IFRS) Interpretations Committee (IFRS IC) guidance. The financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared under the historical cost convention, except for the following:

- financial assets and liabilities at fair value through other comprehensive income or fair value through statement of profit or loss.

- Investment properties at fair value.

- assets held for sale - measured at fair value less cost of disposal

- land and buildings

- the liability for defined benefit obligations recognized at the present value of the defined benefit obligation less the fair value of the plan assets.

The consolidated financial statements are presented in US Dollars, which is the group's functional and presentation currency. The figures shown in the consolidated financial statements are stated in US Dollar thousands.

The consolidated financial statements comprise the consolidated statement of comprehensive income (shown as two statements), the statement of financial position, the statement of changes in equity, the statement of cash flows and the accompanying notes.

The consolidated statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities. Included in cash and cash equivalents are highly liquid investments.

The cash flows from operating activities are determined by using the indirect method. The Group's assignment of the cash flows to operating, investing and financing category depends on the Group's business model.

The preparation of financial statements in conformity with IFRS Accounting standards which requires the use of certain critical accounting estimates. It also requires Directors to exercise judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Group's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

2.2 Going concern

At the time of approving the financial statements, nothing has come to the attention of the Directors to indicate that the group will not remain a going concern for at least twelve months from the date of these financial statements. Thus, the group has applied the going concern basis of accounting in preparing the financial statements.

2.3 New and amended standards adopted by the group

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The amendment clarify:

- What is meant by a right to defer settlement.

- That a right to defer must exist at the end of the reporting period.

- That classification is unaffected by the likelihood that an entity will exercise its deferral right.

- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The Board also added two new paragraphs (Paragraph 76A and 76B) to IAS1 to clarify what is meant by "settlement" of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.

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

"Amendments to IAS 1 -Presentation of Financial Statements-Non-current Liabilities with Covenants "

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date.

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

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

In September 2022, the IASB issued Lease Liability in a Sale and Leaseback. The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

However, the requirements do not prevent the seller-lessee from recognizing any gain or loss arising from the partial or full termination of a lease.

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

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

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7- Supplier Finance Agreements. The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions.

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

2 Summary of material accounting policies (continued)

2.4 New and revised IFRS accounting standards in issue but not yet effective

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2024. At the date of authorisation of these financial statements, the Group has not applied these standards.

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

The amendments specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The amendment is not expected to have any material impact on the Group.

IFRS 18 – Presentation and Disclosure in Financial Statements

Issued 9 April 2024 and effective for annual periods beginning on or after 1 January 2027 (early adoption permitted). This standard replaces IAS 1 and introduces new subtotals (e.g. operating profit) and enhanced disclosure requirements. The directors of the company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods. The Group has elected not to adopt IFRS 18 early.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

Issued in May 2024 and effective for annual periods beginning on or after 1 January 2027 (early adoption permitted). This optional standard reduces disclosure requirements for eligible subsidiaries. These amendments are not expected to have a significant impact on the financial statements in the period of initial application. The Group has not elected early adoption of IFRS 19.

2.5 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in United States dollars, which is the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the official exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Changes in the fair value of monetary securities denominated in foreign currency classified as FVTOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as FVTOCI, are included in other comprehensive income.

c) Group companies

The results and financial position of all group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- ii) Income and expenses for each income statement are translated at average exchange rates; (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) and
- iii) All resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising from the above process are reported in shareholders' equity as 'Foreign currency translation differences'.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2 Summary of material accounting policies (continued)

Foreign currency translation (continued)

d) Classification of hyper-inflationary economies.

IAS 29, 'Financial Reporting in Hyperinflationary Economies,' mandates that entities with a functional currency in a hyperinflationary economy must adjust their financial statements to reflect changes in a suitable general price index. This ensures figures are presented in the current unit of measurement at the reporting period's closing date. Consequently, inflation occurring since the acquisition or revaluation date, as applicable, must be calculated for non-monetary items. Before designating an economy as hyperinflationary, the Group conducts a thorough assessment, considering both qualitative and quantitative factors as stipulated by IAS 29. When both sets of factors are met, the Group appropriately accounts for the affiliate's operations under IAS 29, where considered material.

The operating environment in Zimbabwe evolved rapidly with the introduction of a new currency during the year. Consequently, the increased use of the USD in the market necessitated management to reevaluate the affiliate's functional currency. As a result, the functional currency for Zimbabwe was reassessed and determined to be the United States dollar (USD).

2.6 Sale and repurchase agreements

Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in deposits from banks or deposits from customers, as appropriate. Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to other banks or customers, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are also retained in the financial statements.

2.7 Determination of fair value

Fair value under IFRS 13, Fair Value Measurement ('IFRS 13') is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market condition (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on exchanges (for example, NSE, BVRM, GSE) and quotes from approved bond market makers. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer or broker, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions. For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the consolidated statement of financial position.

The Group uses widely recognised valuation models for determining fair values of non-standardized financial instruments of lower complexity, such as options or interest rate and currency swaps. For these financial instruments, inputs into models are generally market observable.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk. Based on the established fair value model governance policies, and related controls and procedures applied, management believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value in the consolidated statement of financial position. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary – particularly in view of the current market developments.

The fair value of over-the-counter (OTC) derivatives is determined using valuation methods that are commonly accepted in the financial markets, such as present value techniques and option pricing models. The fair value of foreign exchange forwards is generally based on current forward exchange rates. Structured interest rate derivatives are measured using appropriate option pricing models (for example, the Black-Scholes model) or other procedures such as Monte Carlo simulation.

The fair value for loans and advances as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.

2.8 Fee and commission income

The Group applies IFRS 15 to all revenue arising from contracts with clients, unless the contracts are in the scope of the standards on leases, insurance contracts and financial instruments. The Group recognises revenues to depict the transfer of promised service to customers in an amount that reflects the consideration the Group expects to be entitled in exchange for the service.

Portfolio management advisory and service fees	Recognised based on the applicable service contracts, in most instances on a time-apportionment basis.
Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party	Recognised on completion of the underlying transaction.
Asset management fees related to investment funds	Recognised over the period in which the service is provided. The initial fees that exceed the level of recurring fees and relate to the future provision of services are deferred and amortised over the projected period over which services will be provided
Wealth management, financial planning and custody services	Recognised over the period in which the service is provided. The initial fees that exceed the level of recurring fees and relate to the future provision of services are deferred and amortised over the projected period over which services will be provided

2.9 Dividend income

Dividends are recognised in the consolidated income statement in other operating income when the entity's right to receive payment is established which is generally when the shareholders approve the dividend.

2.10 Trading income

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

2.11 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment at each reporting date. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.12 Share-based payments

The Group engages in equity settled share-based payment transactions in respect of services received from certain categories of its employees. The fair value of the services received is measured by reference to the fair value of the shares or share options granted on the date of the grant. The cost of the employee services received in respect of the shares or share options granted is recognised in the consolidated income statement over the period that the services are received, which is the vesting period. The fair value of the options granted is determined using option pricing models, which take into account the exercise price of the option, the current share price, the risk free interest rate, the expected volatility of the share price over the life of the option and other relevant factors. Except for those which include terms related to market conditions, vesting conditions included in the terms of the grant are not taken into account in estimating fair value.

Non-market vesting conditions are taken into account by adjusting the number of shares or share options included in the measurement of the cost of employee services so that ultimately, the amount recognised in the consolidated income statement reflects the number of vested shares or share options.

2 Summary of material accounting policies (continued)

2.13 Cash and cash equivalents

For purposes of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and bank overdrafts.

2.14 Repossessed collateral and properties

Repossessed collateral are equities, landed properties or other investments repossessed from customers and used to settle the outstanding obligations. Such investments and other assets are classified in accordance with the intention of the Group in the asset class which they belong. Repossessed properties acquired in exchange for loans as part of an orderly realisation are reported in 'other assets'. The repossessed properties are recognised when the risks and rewards of the properties have been transferred to the Group. The corresponding loans are derecognised when the Group becomes the holder of the title deed. The properties acquired are initially recorded fair value. They are subsequently measured at the lower of the carrying amount or net realisable value. No depreciation is charged in respect of these properties. Any subsequent write-down of the acquired properties to net realisable value is recognised in the statement of comprehensive income. Any subsequent increase in net realisable value, to the extent that it does not exceed the cumulative write-down, is also recognised in the statement of comprehensive income. Gains or losses on disposal of repossessed properties are reported in 'Other operating income' or 'Operating expenses', as the case may be.

2.15 Leases

The group leases various offices, branches, houses, ATM locations, equipment and cars. Rental contracts are typically made for fixed periods of 1 to 65 years but may have extension options as described in (ii) below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the affiliate's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment, copiers and other small items of office furniture.

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

2.16 Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the Group, are classified as investment properties. Investment properties comprise office buildings and Commercial Bank parks leased out under operating lease agreements.

Some properties may be partially occupied by the Group, with the remainder being held for rental income or capital appreciation. If that part of the property occupied by the Group can be sold separately, the Group accounts for the portions separately. The portion that is owner-occupied is accounted for under IAS 16, and the portion that is held for rental income or capital appreciation or both is treated as investment property under IAS 40. When the portions cannot be sold separately, the whole property is treated as investment property only if an insignificant portion is owner-occupied.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost has been incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the date of the consolidated statement of financial position. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated income statement in the year in which they arise. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated income statement during the financial period in which they are incurred.

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease.

The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value is calculated by discounting the expected net rentals at a rate that reflects the current market conditions as of the valuation date adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure. These valuations are performed annually by external appraisers.

Investment properties are derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as other income in the profit and loss.

2.17 Property and equipment

Items of property and equipment are initially recognised at cost if it is probable that any future economic benefits associated with the items will flow to the group and they have a cost that can be measured reliably. Subsequent expenditure is capitalised to the carrying amount of items of property and equipment if it is measurable and it is probable that it increases the future economic benefits associated with the asset. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

Land and buildings comprise mainly branches and offices and are measured using the revaluation model. All other property and equipment used by the Group is stated at historical cost less depreciation. Subsequent to initial recognition, motor vehicles, furniture and equipment, installations and computer equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are carried at revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. If an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs shall be revalued. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. If an asset's carrying amount is increased as a result of a revaluation, the increase shall be credited directly to other comprehensive income. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be debited directly to equity under the heading of revaluation reserve to the extent of any credit balance existing in the revaluation surplus in respect of that asset. For assets revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Land and buildings are the class of items that are revalued on a regular basis. The other items are evaluated at cost.

An independent valuation of the Group's land and buildings was performed by professionally qualified independent valuers to determine the fair value of the land and buildings as at year end. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in 'revaluation reserve – property and equipment' in shareholders equity (Note 41). Fair value is derived by applying internationally acceptable and appropriately benchmarked valuation techniques such as depreciated replacement cost or market value approach. The depreciated replacement cost approach involves estimating the value of the property in its existing use and the gross replacement cost. For these appropriate deductions are made to allow for age, condition and economic or functional obsolescence, environmental and other factors that might result in the existing property being worth less than a new replacement. The market value approach involves comparing the properties with identical or similar properties, for which evidence of recent transaction is available or alternatively identical or similar properties that are available in the market for sale making adequate adjustments on price information to reflect any differences in terms of actual time of the transaction, including legal, physical and economic characteristics of the properties.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

-Buildings	25-50 year
-Leasehold improvements	25 years or over the period of the lease if less than 25 years
-Furniture, equipment installations	3-5 years
-Motors vehicles	3-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Assets are subject to review for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

2.18 Intangible assets

a) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiaries and associates at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units is represented by each primary reporting segment.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstance indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment is tested by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill. Impairment losses on goodwill are not reversed.

b) Computer software licences

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful lives.

Costs associated with maintaining computer software programs are recognised as an expense incurred. Development costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives (not exceeding three years).

2.19 Income tax

a) Current income tax

Income tax payable (receivable) is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognised as an expense (income) for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity (for example, current tax on debt instruments at FVOCI).

Where the Group has tax losses that can be relieved against a tax liability for a previous year, it recognises those losses as an asset, because the tax relief is recoverable by refund of tax previously paid. This asset is offset against an existing current tax balance. Where tax losses can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises. Those losses carried forward are set off against deferred tax liabilities carried in the consolidated statement of financial position. The Group does not offset income tax liabilities and current income tax assets. International Tax Reform—Pillar Two model rules (amendments to IAS 12)

The Group is a multinational enterprise with a turnover of more than \$2.b. It is subject to the Organization for Economic Cooperation and Development (OECD) Pillar Two model rules, which aim to ensure that the effective tax rate of affected entities is at least 15%. Pillar Two legislation is not yet substantially enacted in Togo, the jurisdiction in which the company is incorporated. The Group has no related current tax exposure.

The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Overall the Group does not anticipate any material impact.

b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2.19 Income tax (Continued)

b) Deferred income tax (continued)

The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and liabilities, provisions for pensions and other post-retirement benefits and carry-forwards; and, in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base, fair value changes on investment securities, tax loss carried forward, revaluation on property and equipment. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to fair value re-measurement of investment securities, which are recognised in other comprehensive income, is also recognised in the other comprehensive income and subsequently in the consolidated income statement together with the deferred gain or loss.

2.20 Provisions

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more probable than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The Group recognises no provisions for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.21 Employee benefits

a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

b) Other post-retirement obligations

The Group also provides gratuity benefits to its retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

d) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

e) Short term benefits

The Group seeks to ensure that the compensation arrangements for its employees are fair and provide adequate protection for current and retiring employees. Employee benefits are determined based on individual level and performance within defined salary bands for each employee grade. Individual position and job responsibilities will also be considered in determining employee benefits. Employees will be provided adequate medical benefits and insurance protection against disability and other unforeseen situations. Employees shall be provided with retirement benefits in accordance with the Separation and Termination policies. Details of employee benefits are available with Group or Country Human Resources.

2.22 Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contracts is discharged, cancelled or expired. The difference between the carrying amount of financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the income statement as other operating income.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.23 Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder. The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry. When the conversion option is not exercised upon maturity, the equity component remains in equity.

2.24 Fiduciary activities

Group companies commonly act as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. An assessment of control has been performed and this does not result in control for the group. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

2.25 Share capital

Financial instruments issued are classified as equity when there is no contractual obligation to transfer cash, other financial assets, or issue available number of own equity instruments. Incremental costs directly attributable to the issue of this new financial instrument are shown in equity as a deduction from the proceeds.

Securities that carry a discretionary coupon and have no fixed maturity or redemption date are classified as other equity instruments. Interest payments on these securities are recognized as distributions from equity in the period in which they are paid.

a) Share issue costs

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

b) Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by Ecobank Transnational Incorporated's shareholders. Dividends for the year that are declared after the reporting date are disclosed in the subsequent events note.

c) Treasury shares

Where the company purchases its equity share capital, the consideration paid is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

2.26 Segment reporting

The Group's segmental reporting is in accordance with IFRS 8, Operating Segments ("IFRS 8"). Operating segments are reported in a manner consistent with the internal reporting provided to the Group Executive Committee, which is responsible for allocating resources and assessing performance of the operating segments and has been identified by the Group as the Chief Operating Decision Maker (CODM).

All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated in head office. Income and expenses directly associated with each segment are included in determining business segment performance.

In accordance with IFRS 8, the Group has the following business segments: Corporate & Investment Banking, Commercial Banking and Consumer Banking.

2.27 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter the assets (or disposal group) are measured at the lower of their carrying amount or fair value less cost to sell. Any impairment loss on a disposal group is first allocated to reduce goodwill and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets, deferred tax assets, investment properties, insurance assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss until finally sold. Property, equipment and intangible assets, once classified as held for sale, are not depreciated or amortised.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interests in its former subsidiary after the sale.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

2.28 Discontinued operations:

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operation, is part of single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with the view to resale. The Group presents discontinued operations in a separate line in the income statement.

Net profit from discontinued operations includes the net total of operating profit and loss before tax from operations, including net gain or loss on sale before tax or measurement to fair value less costs to sell and discontinued operations tax expense. A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group's operations and cash flows. If an entity or a component of an entity is classified as a discontinued operation, the Group restates prior periods in the Income statement.

2.29 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

Where IAS 8, Accounting policies ("IAS 8"), changes in accounting estimates and errors' applies, comparative figures have been adjusted to conform with changes in presentation in the current year.

2.30 Financial assets and liabilities

2.30.1 Financial assets - Classification and Measurement Policies

Financial assets are measured at initial recognition at fair value, and are classified and subsequently measured at fair value through statement of profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) or amortized cost based on our business model for managing the financial instruments and the contractual cash flow characteristics of the instrument. For non-revolving facilities, origination date is the date the facility is disbursed while origination date for revolving facilities is the date the line is availed. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

a) A financial asset is measured at amortized cost if it meets both of the following conditions:

- (i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

b) A debt instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- (i) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset; and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Debt instruments are those instruments that meet the definition of a financial liability from the holder's perspective, such as loans, government and corporate bonds. Movements in the carrying amount of these assets are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in Net investment income. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

c) A debt instrument is measured at FVTPL

- Debt instruments measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that are solely payments of principal and interest. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments are measured at fair value in the Statement of Financial Position, with transaction costs recognized immediately in the Income Statement as part of trading income. Realized and unrealized gains and losses are recognized as part of trading income in the Statement of Profit or Loss.

d) Equity Instruments

Equity instruments are instruments that meet the definition of equity from the holder's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Equity instruments are measured at FVTPL. However, on initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect for strategic or long term investment reasons to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. On adoption of the standard, the Group did designate some of its equity instruments as FVTOCI. Gains and losses on these instruments including when derecognised/sold are recorded in OCI and are not subsequently reclassified to the Statement of Profit or Loss. For equity instruments measured at FVTPL, changes in fair value are recognized in the Statement of Profit or Loss. Dividends received are recorded in other income in the Statement of Profit or Loss. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Statement of Profit or Loss on sale of the security (this only apply for equity instruments measured at FVTOCI).

e) Business model assessment

Business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Group in determining the business model for a Group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL. The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Other factors considered in the determination of the business model include:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

The Group may decide to sell financial instruments held with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions are met:

- (i) When the Group sells financial assets to reduce credit risk or losses because of an increase in the assets' credit risk.
- (ii) Where these sales are infrequent even if significant in value. A sale of financial assets is considered infrequent if the sale is one-off during the financial year.
- (iii) Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than one (1) per cent of the carrying amount (book value) of the total assets within the business model.
- (iv) When these sales are made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets has a tenor to maturity of not more than one (1) year and/or the difference between the remaining contractual cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.

Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the portfolio held with the sole objective of collecting cashflows category that will not constitute a change in business model:

- Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
- Selling the financial asset to manage credit concentration risk (infrequent).
- Selling the financial assets as a result of changes in tax laws or due to a regulatory requirement e.g. comply with liquidity requirements (infrequent).
- Other situations also depends upon the facts and circumstances which need to be judged by the management

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

2.30 Financial assets and liabilities (Continued)

2.30.1 Financial assets - Classification and Measurement Policies (Continued)

f) Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. Principal may change over the life of the instruments due to repayments. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. nonrecourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

2.30.2 Financial liabilities

Derivative liabilities are classified as at FVTPL and are measured at fair value with the gains and losses arising from changes in their fair value included in the consolidated income statement and are reported as 'Trading income'. These financial instruments are recognised in the consolidated statement of financial position as 'Derivative financial instruments'.

Financial liabilities that are not classified as at fair value through profit or loss are measured at amortised cost. Financial liabilities measured at amortised cost are deposits from banks and customers, other deposits, financial liabilities in other liabilities, borrowed funds for which the fair value option is not applied, convertible bonds and subordinated debts.

2.30.3 Expected Credit Loss Impairment Model on financial assets

The Group's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Group adopts a three-stage approach for impairment assessment based on changes in credit quality since initial recognition:

- Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.
- Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance is based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination.

The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime. The Group generally considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

a) Measurement

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

b) Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized. (Refer to note 2.30.6).

The ECL are then measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

c) Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

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

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

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

c) Credit-impaired financial assets

A loan that has been renegotiated due to a deterioration in the borrower's financial condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered impaired.

In making an assessment of whether an investment in debt securities is credit-impaired, the Group considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The issuer's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

d) Presentation of allowance for ECL in the statement of financial position

Loan allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision within Other liabilities;
- Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- Debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve in Consolidated Statement of Comprehensive Income.

e) Write-off

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

f) Definition of default

The Group considers a financial asset to be in default which is fully aligned with the credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

- The borrower is more than 90 days past due on its contractual payments .
- The borrower has an internal obligor risk rating (ORR) of 9 or 10.

Qualitative criteria

The borrower meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's expected loss calculations.

Curing

The Bank considers an instrument previously in default to no longer be in default (i.e. to have cured) when it no longer meets the default criteria. For the purposes of staging however, the facility will observe a probationary period of 90 days before transferring to a higher credit quality stage. For the purpose of determining that a cure has occurred the Bank classifies facilities to be either in a performing state or non-performing state. A facility is said to have cured when it transitions from a non-performing state into a performing state.

Performing state consists of facilities classified internally as I, IA or IIA while non-performing state consists of IIN, III and IV.

Facilities that have moved from a non-performing state into a performing state are required to observe a 90 day probationary period before they are considered to be cured for IFRS 9 staging purposes.

Backward transition

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

The Probationary period to be applied shall be;

- Transfer from Stage 2 to 1:- 90 days
- Transfer from Stage 3 to 2:- 90 days
- Transfer from Stage 3 to Stage 1:- 180 days

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

ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD, and LGD, defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default (2.30.3 f above) and credit-impaired financial assets" (2.30.3 c above)), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. This 12M PD is used to calculate 12-month ECLs. The Lifetime PD is used to calculate lifetime ECLs for stage 2 and 3 exposures.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type:

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

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

(i) For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

(ii) For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Group's recent default data. The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type:

(i) For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

(ii) For unsecured products, LGD's are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies, including contracted debt sales and price.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type.

The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

h) Significant Increase in Credit Risk (SICR)

At each reporting date, the Group assesses whether there has been a significant increase in credit risk (SICR) for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors. The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on factors such as the type of product, industry, borrower, geographical region etc.

The Group adopts a multi factor approach in assessing changes in credit risk. This approach considers: Quantitative, Qualitative and Back stop indicators which are critical in allocating financial assets into stages. The quantitative models considers deterioration in the credit rating of obligor/counterparty based on the Group's internal rating system or external ratings while qualitative factors considers information such as expected forbearance, restructuring, exposure classification by licensed credit bureau etc. A backstop is typically used to ensure that in the (unlikely) event that the quantitative indicators do not change and there is no trigger from the qualitative indicators, an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 or stage 3 as the case may be except where there is a reasonable and supportable evidence available without undue cost to rebut the presumption.

i) Forward-looking information incorporated in the ECL models

The assessment of Expected Credit Losses incorporates the use of forward-looking information. The Group has identified the key economic variables impacting its credit risk and expected credit losses and performed historical analysis to determine the significance and impact of these economic variables on its credit risk and expected credit losses. Significant economic variables and the impact of these variables on credit losses vary by clusters and affiliates within the Group. The key drivers for credit risk for the Group are: gross domestic product, commodity prices, oil prices, foreign exchange rates and inflation rate. The impact of these economic variables on the expected credit losses has been determined by performing multi-variate analysis to understand the impact that changes in these variables have had historically on default rates and on the components of expected credit losses.

The forecasts of these economic variables, constitute three scenarios, the best estimate, the optimistic, and the downturn scenario.

In addition to the base economic scenario, the Group's Economics team also provide other possible scenarios along with scenario weightings. The number scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. The Group concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario represents. The Group measures expected credit losses as a probability weighted expected credit losses. These probability-weighted expected credit losses are determined by running each of the scenarios through the relevant expected credit loss model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

The assessment of SICR is performed using the changes in credit risk rating (as a proxy for lifetime PD) along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Group measures ECL as either a probability weighted 12-month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3).

As with any economic forecasts, the projections and likelihood of occurrence are subject to high degree of inherent uncertainty and therefore the actual outcomes may significantly differ from those projected. The Group considers these forecasts to represent its best estimate of possible outcomes and has analysed the non-linearities and asymmetry within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of scenarios.

The economic scenario forecasts used as at 31 December 2024 are derived as follows:

	Weight	2024 current year actual	2025 Forecast
NIGERIA			
GDP Growth			
Base	60%	3.3%	-3.7%
Upside	10%	3.3%	-0.2%
Downside	30%	3.3%	6.3%
Price of Crude/USD			
Base	60%	86.41	66.83
Upside	10%	86.41	92.31
Downside	30%	86.41	137.86
UEMOA			
Price of Crude/USD			
Base	60%	86.41	66.83
Upside	15%	86.41	92.31
Downside	25%	86.41	137.86
GDP Growth			
Base	60%	6.5%	-2.7%
Upside	15%	6.5%	0.0%
Downside	25%	6.5%	2.6%
AWA			
GDP Growth			
Base	60%	2.8%	-1.6%
Upside	10%	2.8%	-0.2%
Downside	30%	2.8%	4.5%

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

j) Expected Life

For instruments in Stage 2 or Stage 3, loss allowances reflect expected credit losses over the expected remaining lifetime of the instrument. For most instruments, the expected life is limited to the remaining contractual life. An exemption is provided for certain instruments with the following characteristics: (a) the instrument includes both a loan and undrawn commitment component; (b) we have the contractual ability to demand repayment and cancel the undrawn commitment; and (c) our exposure to credit losses is not limited to the contractual notice period. For products in scope of this exemption, the expected life may exceed the remaining contractual life and is the period over which our exposure to credit losses is not mitigated by our normal credit risk management actions. This period varies by product and risk category and is estimated based on our historical experience with similar exposures and consideration of credit risk management actions taken as part of our regular credit review cycle. Products in scope of this exemption include credit cards, overdraft balances and certain revolving lines of credit. Judgment is required in determining the instruments in scope for this exemption and estimating the appropriate remaining life based on our historical experience and credit risk mitigation practices.

2.30.4 Interest income

Interest income and expense for all interest-bearing financial instruments are recognized within 'interest income' and 'interest expense' in the consolidated income statement using the effective interest method. The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired (as set out in Note 2.30.3) and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, financial instruments designated at FVTPL. Interest income on interest bearing financial assets measured at FVTOCI are also recorded by using the EIR method. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a Group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

For purchased or originated credit-impaired financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows to the amortised cost of the assets.

2.30.5 Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

A change in the Group's business model will occur only when the Group either begins or ceases to perform an activity that is significant to its operations such as:

- Significant internal restructuring or business combinations;
- Disposal of a business line i.e. disposal of a business segment
- Any other reason that might warrant a change in the Group's business model as determined by management based on facts and circumstances

The following are not considered to be changes in the business model:

- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets.
- A transfer of financial assets between parts of the Group with different business models.

When reclassification occurs, the Group reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. Gains, losses or interest previously recognised are not restated when reclassification occurs.

There were no changes to any of the Group's business models during the current year.

2.30.6 Modification of financial assets

The Group sometimes renegotiates or otherwise modifies the terms of loans provided to customers. This may be due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

The Group may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

The Group continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific models for modified assets.

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

A modification of a financial asset is substantial and will thus result in derecognition of the original financial asset, where the modified contractual terms are priced to reflect current conditions on the date of modification and are not merely an attempt to recover outstanding amounts. Where the modification does not result in an accounting derecognition the original asset continues to be recognised. In this case, the Group recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

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

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

2.30.7 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

2.30.8 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as 'Pledged Assets', if the transferee has the right to sell or repledge them.

2.31 Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Group are measured as the amount of the loss allowance.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision within "Other liabilities". However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

2.32 Offsetting financial instruments

In accordance with IAS 32, the Group reports financial assets and liabilities on a net basis on the statement of financial position only if there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the company or the counterparty.

Income and expenses are presented on a net basis only when permitted under IFRS Accounting standards, or for gains and losses arising from a group of similar transactions such as in the trading activity.

2.33 Classes of financial instruments

The Group classifies the financial instruments into classes that reflect the nature of information and take into account the characteristics of those financial instruments. The classification made can be seen in the table below:

Financial assets

Category (as defined by IFRS9)	Class (as determined by the Group)	Note
Fair Value Through Statement of Profit or Loss (FVTPL)	Trading financial assets	17
	Derivative financial instruments	18
Amortised Cost	Cash and balances with central banks	16
	Loans and advances to banks	19
	Loans and advances to customers	20
	Other assets, excluding prepayments and repossessed assets	24
Fair Value Through Other Comprehensive Income (FVTOCI)	Treasury bills and other eligible bills	21
	Investment securities	22
	Pledged assets	23

Financial liabilities

Category (as defined by IFRS9)	Class (as determined by the Group)	Note
Financial liabilities at fair value through statement of profit or loss	Derivative financial instruments	18
Financial liabilities at amortised cost	Deposits from banks	31
	Deposits from customers	32
	Borrowed funds	33
	Other liabilities, excluding non-financial liabilities	34

Off balance sheet financial instruments

Category (as defined by IFRS9)	Class (as determined by the Group)	Note
Loan commitments	Loan commitments	38
Guarantees, acceptances and other financial facilities	Guarantees, acceptances and other financial facilities	38

3 Critical accounting estimates, and judgments in applying accounting policies

The preparation of financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

a) Impairment losses on loans and advances

The Group reviews its loan portfolios to assess impairment at least monthly. Where impairment has been identified, an allowance for impairment is recorded. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination in which case loss allowance is measured at an amount equal to lifetime ECL. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

The Group generally considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'. Loss allowances on such low credit risk instrument are recognised at the equivalent of 12-month ECL.

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as the expected life of the instrument, determination of significant increase in credit risk, selection of appropriate macro-economic variables and other forward-looking information etc.

(i) Determining criteria for significant increase in credit risk and choosing appropriate models and assumptions for the measurement of ECL

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. In assessing SICR, the Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has been applied in this process.

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

(ii) Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL

The scenario weightings applied in the incorporation of the forward-looking information into the calculation of ECL are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The forward-looking information used in ECL are based on forecasts. As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

(iii) Establishing groups of similar financial assets for the purposes of measuring ECL

In determining whether an impairment loss should be recorded in the income statement, the Group makes judgements as to movement in the level of credit risk on the instrument since origination. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(iv) Establishing Probability of Default parameters (PD)

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

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

(v) Establishing loss given default parameters (LGD)

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

b) Fair value of financial instruments

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. To the extent practical, models use only observable data; however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments. Fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the consolidated statement of financial position.

c) Goodwill impairment

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.18. These calculations require the use of estimates. The recoverable amount of all CGUs has been determined based on value-in-use calculations. These calculations use post-tax cash flow projections based on financial budgets approved by management covering a five-year period. No goodwill impairment charge for the period.

d) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

e) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of Note 2.30.1). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Notes

4 Financial Risk Management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. The Board of Directors provides written principles for overall financial risk management and written policies covering specific areas, such as credit risk, market risk (including foreign exchange risk, interest rate risk and equity price risk) liquidity risk and use of derivative financial instruments. Such written policies are reviewed annually by the Board of Directors and periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with. Risk management is carried out by the Group Risk team under the policies approved by the Board of Directors.

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

4.1 Credit Risk

Credit risk is the risk of suffering financial loss, should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group. Credit risk arises mainly from interbank, commercial and consumer loans and advances, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as credit derivatives (credit default swaps), financial guarantees, letters of credit, endorsements and acceptances.

The Group is also exposed to other credit risks arising from investments in debt securities and other exposures arising from its trading activities ('trading exposures') including non-equity trading portfolio assets and derivatives as well as settlement balances with market counterparties and reverse repurchase agreements.

Credit risk is the single largest risk for the Group's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in a credit risk management team which reports regularly to the Board of Directors and head of each business unit.

4.1.1 Credit quality analysis

The Group uses internal credit risk gradings that reflect its assessment of the probability of default of individual counterparties. The Group use internal rating models tailored to the various categories of counterparty. Borrower and loan specific information collected at the time of application (such as disposable income, and level of collateral for retail exposures; and turnover and industry type for wholesale exposures) is incorporated into this rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers (where available). In addition, the expected credit models enable expert judgement from the Credit Risk Officer to be incorporated into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model.

Credit risk grading

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between an A and A- rating grade is lower than the difference in the PD between a B and B- rating grade.

The following are additional considerations for each type of portfolio held by the Group:

Retail

After the date of initial recognition, for retail business, the payment behaviour of the borrower is monitored on a periodic basis to develop a behavioural score. Any other known information about the borrower which impacts their creditworthiness — such as unemployment and previous delinquency history — is also incorporated into the behavioural score. This score is mapped to a PD.

Wholesale

For wholesale business, the rating is determined at the borrower level. A relationship manager will incorporate any updated or new information/credit assessments into the credit system on an ongoing basis. In addition, the relationship manager will also update information about the creditworthiness of the borrower every year from sources such as public financial statements. This will determine the updated internal credit rating and PD.

Investment Securities

For debt securities in the Treasury portfolio, external rating agency credit grades are used. These published grades are continuously monitored and updated. The PD's associated with each grade are determined based on realised default rates over the prior 12 months, as published by the rating agency.

The Group's rating method comprises 10 rating levels. The master scale assigns each rating category a specified range of probabilities of default, which is stable over time. The rating methods are subject to an annual validation and recalibration so that they reflect the latest projections in the light of all actually observed defaults.

The Group's internal rating scale and mapping of external ratings are set out below:

Credit rating	1	2	3	4	5	6	7	8	9	10
S&P	AAA	AA	A	BBB	BB	B	CCC	CC	C	D
Description of the grade	Investment Grade			Speculative Grade					Default	
Classification	Performing			Watchlist				Substandard		
Stages	Stage 1					Stage 2			Stage 3	

The ratings of the major rating agency shown in the table above are mapped to the group's rating classes based on the long-term average default rates for each external grade. The Group uses the external ratings where available to benchmark our internal credit risk assessment. Observed defaults per rating category vary year on year, especially over an economic cycle. As per the Group Credit Policy, the Bank does not originate loans rated worse than 7.

The Group's policy requires the review of individual financial assets that are above materiality thresholds at least annually or more regularly when individual circumstances require.

4.1.2 Risk limit control and mitigation policies

The Group manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries and countries. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. The Group's credit risk exposures are presented quarterly to the Board of Directors. The exposure to any one borrower including banks and other non bank financial institutions is further restricted by sub-limits covering on- and off-statement of financial position exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily. Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Some other specific control and mitigation measures are outlined below:

(a) Collateral

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; individual credit facilities are generally unsecured. In addition, in order to minimise the credit loss the Group will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

(b) Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions – are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

Notes

4 Financial Risk Management (continued)

4.1 Credit Risk (continued)

4.1.2 Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- a) A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
- b) If a SICR since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Refer below for a description of how the Group determines when a significant increase in credit risk has occurred.
- c) If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Refer below for a description of how the Group defines credit-impaired and default.
- d) Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Refer below for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- e) A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note 4.1.3 below includes an explanation of how the Group has incorporated this in its ECL models.
- f) POCI financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Further explanation is also provided of how the Group determines appropriate Groupings when ECL is measured on a collective basis.

The following diagram summarises the impairment requirements under IFRS 9 (other than POCI financial assets):

Change in credit quality since initial recognition		
Stage 1	Stage 2	Stage 3
(initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12 month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

4.1.3 Significant increase in credit risk

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met.

The quantitative criteria is based on either absolute or relative changes in credit quality. In both cases, the Group is expected to specify the percentage change, for either 12-month or lifetime PDs in comparison to the corresponding 12-month or lifetime PDs as calculated at origination, respectively, that would indicate a significant increase in credit risk since origination.

a) Forward transitions: Credit Ratings

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower. Notch differences between the current rating grade and initial rating grade can be indicative of significant increase in credit risks.

The Group specifies the number of notch increases that will be viewed as a significant increase in credit risk since origination. This number is specified separately for both low and high risk accounts. The split between low and high risk accounts is also specified by the Group. Assuming the account is currently classified as Stage 1, if the current credit rating increases by more notches than the specified number since origination, the account is classified as Stage 2.

In addition, if the accounts current credit rating is worse than the default credit rating indicator, also specified by the Group, the account is classified as Stage 3.

These credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data.

Wholesale exposures	Retail exposures	All exposures
Information obtained during periodic review of customer files — e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes	Internally collected data on customer behaviour — e.g. utilisation of credit card facilities	Payment record —this includes overdue status as well as a range of variables about payment ratios
Data from credit reference agencies, press articles, changes in external credit ratings	Affordability metrics	Utilisation of the granted limit
Quoted bond and credit default swap (CDS) prices for the borrower where available	External data from credit reference agencies including industry-standard credit scores	Requests for and granting of forbearance
Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities		Existing and forecast changes in business, financial and economic conditions

b) Forward transitions: Days past due

Transition from Stage 1 to Stage 2 considers the 30 days past due presumption in addition to other classification criteria (refer to d below). Transition from Stage 2 to Stage 3 is based on the 90 days past due presumption. The table below summarises the Stage classification based on the days past due.

Stage	Days Past Due
1	0 to 30
2	31 to 90
3	91+

c) Forward transitions: Watchlist & Restructure

The Group classifies accounts that are included on their Watchlist or have been restructured as Stage 2 if the significant driver for the account being watchlisted or restructured is due to a significant increase in credit risk.

d) Forward transitions: Classification

In addition to the days past due, the Group classifies accounts in accordance with the Group's credit policy and procedures manual (GCPPM) as either '1, 1A, II, III, or IV'. This classification is considered together with days past due in determining the Stage classification. The table below summarises the account classification and days past due.

Classification	Days Past Due
1 & 1A.	0 to 90
II.	91 to 180
III.	181 to 365
IV.	365+

The internal rating systems described above focus more on credit-quality mapping from the inception of the lending.

"1" : relate to assets classified as "Investment Grade" (no evident weakness).

"1A": relate to items for which there are evidence of a weakness in the financial or operating condition of the obligor which requires management's close attention.

"II" : there is a well-defined weakness in the financial or operating condition of the obligor which jeopardizes the timely repayment of its obligations.

"III" : there are all of the weakness that are normally seen in a substandard credit with the additional characteristic that these weaknesses make full repayment unlikely.

"IV" : Financial instruments that are considered to be in default.

Notes

4 Financial Risk Management (continued)

4.1 Credit Risk (continued)

4.1.4 Grouping of instruments for losses measured on a collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a Group are homogeneous. In performing this Grouping, there must be sufficient information for the Group to be statistically credible. Where sufficient information is not available internally, the Group has considered benchmarking internal/external supplementary data to use for modelling purposes. The characteristics and any supplementary data used to determine Groupings are outlined below:

Retail – Groupings for collective measurement

- Loan to value ratio band
- Credit Rating band
- Product type (e.g. Residential/Buy to Let mortgage, Overdraft, Credit Card)
- Repayment type (e.g. Repayment/Interest only)

Wholesale – Groupings for collective measurement

- Collateral type
- Credit Rating band

The appropriateness of groupings is monitored and reviewed on a periodic basis by the Credit Risk team.

4.1.5 Maximum exposure to credit risk

4.1.5.1 Maximum exposure to credit risk – Financial instruments subject to ECL impairment

For ECL purposes, the bank's financial asset is segmented into sub-portfolios are listed below:

- Loans and advances to customers
- Loans and advances to banks
- Investment securities - Debt instruments
- Other assets
- Off balance sheet exposures

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

US\$'000

Loans and advances to customers				
31 December 2024				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount	8,229,223	1,575,613	702,508	10,507,344
Loss allowance	(44,372)	(118,786)	(437,367)	(600,525)
Carrying amount	8,184,851	1,456,827	265,141	9,906,819

US\$'000

Loans and advances to customers				
31 December 2023				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount	9,032,369	1,429,255	600,185	11,061,809
Loss allowance	(59,338)	(139,985)	(319,733)	(519,056)
Carrying amount	8,973,031	1,289,270	280,452	10,542,753

US\$'000

Loans and advances to banks				
31 December 2024				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount	2,391,649	3,340	12,441	2,407,430
Loss allowance	(34)	(3,298)	(12,401)	(15,733)
Carrying amount	2,391,615	42	40	2,391,697

US\$'000

Loans and advances to banks				
31 December 2023				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount	2,235,055	3,549	15,776	2,254,380
Loss allowance	-	(1,403)	(11,104)	(12,507)
Carrying amount	2,235,055	2,146	4,672	2,241,873

Notes

4 Financial Risk Management (continued)

4.1 Credit Risk (continued)

4.1.1 Maximum exposure to credit risk – Financial instruments subject to ECL impairment (continued)

US\$'000	Investment securities - debt instruments				
	31 December 2024				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased originated credit impairment	Total
ECL staging					
Gross carrying amount	6,248,492	-	-	752,766	7,001,258
Loss allowance	(103,518)	-	-	-	(103,518)
Carrying amount	6,144,974	-	-	752,766	6,897,740

US\$'000	Investment securities - debt instruments				
	31 December 2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		Total
ECL staging					
Gross carrying amount	5,909,099	-	534,113	446,835	6,890,047
Loss allowance	(826)	-	(267,166)	-	(267,992)
Carrying amount	5,908,273	-	266,947	446,835	6,622,055

US\$'000	Other assets				
	31 December 2024				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		Total
ECL staging					
Gross carrying amount	761,401	9,742	473		771,616
Loss allowance	(73,299)	(585)	(42)		(73,926)
Carrying amount	688,102	9,157	431		697,690

US\$'000	Other assets				
	31 December 2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		Total
ECL staging					
Gross carrying amount*	885,731	1,179	868		887,778
Loss allowance	(6,581)	(1,179)	(645)		(8,405)
Carrying amount	879,150	-	223		879,373

US\$'000	Off Balance sheet				
	31 December 2024				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		Total
ECL staging					
Gross carrying amount	3,339,875	31,891	10,858		3,382,624
Loss allowance	(4,562)	(8,847)	(5,411)		(18,820)
Carrying amount	3,335,313	23,044	5,447		3,363,804

US\$'000	Off Balance sheet				
	31 December 2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		Total
ECL staging					
Gross carrying amount	3,448,273	41,752	12,098		3,502,124
Loss allowance	(2,800)	(8,469)	(5,148)		(16,417)
Carrying amount	3,445,473	33,283	6,950		3,485,707

4.1.5.2 Maximum exposure to credit risk – Financial instruments not subject to ECL impairment

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment (i.e. FVTPL):

US\$'000	31 December 2024	31 December 2023
Trading assets		
• Debt Securities	62,789	41,278
• Derivatives	76,635	78,057
Financial assets designated at fair value		
• Debt securities	-	-
• Loans and advances to customers	-	-

4.1.5.3 Maximum exposure to credit risk before collateral held

Credit risk exposures relating to on-statement of financial position assets are as follows:

Balances with central banks

Treasury bills and other eligible bills

Loans and advances to banks

Loans and advances to customers:

CIB

- Overdrafts

- Term loans

Commercial

- Overdrafts

- Credit cards

- Term loans

Consumer

- Overdrafts

- Credit cards

- Term loans

- Mortgages

Trading financial assets

- Debt securities

Derivative financial instruments

Financial assets designated at fair value:

Investment securities :

- Debt securities

Pledged assets

Other assets excluding prepayments and repossessed assets

Credit risk exposures relating to off-balance sheet items are as follows:

Financial guarantees and other financial facilities

Loan commitments

Maximum exposure	
31 Dec. 2024	31 Dec. 2023
4,277,088	3,273,483
1,656,471	1,595,628
2,391,697	2,241,873
900,313	838,499
6,191,532	6,969,397
222,272	175,820
69	-
1,431,600	1,383,004
7,229	13,647
933	1,005
1,010,400	1,022,826
142,471	138,555
62,789	41,278
76,635	78,057
6,897,740	6,622,055
18,760	113,042
697,690	879,373
2,552,441	2,854,288
811,363	647,836
29,349,493	28,889,666

The above table represents a worse case scenario of credit risk exposure of the Group at 31 December 2024 and 31 December 2023, without taking into account any collateral held or other credit enhancements attached. For on-balance-sheet assets, the exposures set out above are based on net carrying amounts as reported in the statement of financial position.

As shown above, 42% (December 2023: 44%) of the total maximum exposure is derived from loans and advances to banks and customers, 23% (December 2023: 23%) represents investments securities in debt securities.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Group resulting from its loan and advances portfolio, debt securities and other assets based on the following:

- 86% (December 2023: 83%) of the loans and advances portfolio are considered to be neither past due nor in default;
- Investment in debt securities are largely government securities.

Notes

4 Financial Risk Management (continued)

4.1 Credit Risk (continued)

4.1.6 Collateral and other credit enhancements

The Group employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Group has internal policies on the acceptability of specific classes of collateral or credit risk mitigation. The Group prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured. Derivatives are also collateralised.

The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group since the prior year.

A portion of the Group's financial assets originated by the mortgage business has sufficiently low 'loan to value' (LTV) ratios, which results in no loss allowance being recognised in accordance with the Group's expected credit loss model. The carrying amount of such financial assets is USD146 million as at 31 December 2024 (2023 :\$142 million).

The Group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Group will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown in note 4.1.9 (c).

4.1.7 Loss allowance

The loss allowance recognised in the year is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the year, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the year, as well as releases for financial instruments de-recognised in the year;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the year, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the year.

The following tables explain the changes in the loss allowance between the beginning and the end of the reporting period due to these factors:

Loans and advances to customers	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime	Lifetime ECL	
	USD'000	USD'000	USD'000	USD'000
Loss allowance as at 1 January 2024	59,338	139,985	319,733	519,056
Movements with P&L impact				
New financial assets	16,723	12,519	138,143	167,385
Transfer from Stage 1 to Stage 2	(15,346)	15,346	-	-
Transfer from Stage 1 to Stage 3	(24,753)	-	24,753	-
Changes in PDs/LGDs/EADs	13,225	2,519	3,125	18,869
Changes to model assumptions and methodologies	(1,570)	1,936	6,545	6,911
Net change in impairment in P&L	(11,721)	32,320	172,566	193,165
Other movements				
FX and other movements	(3,245)	(36,573)	(11,577)	(51,395)
Transfer from Stage 2 to Stage 3	-	(19,165)	19,165	-
Transfer from Stage 3 to Stage 2	-	2,219	(2,219)	-
Write-offs	-	-	(60,301)	(60,301)
Loss allowance as at 31 December 2024	44,372	118,786	437,367	600,525

Notes

4 Financial Risk Management (continued)

4.1 Credit Risk (continued)

4.1.7 Loss allowance (continued)

Loans and Advances to customers	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime	Lifetime ECL	
	USD'000	USD'000	USD'000	USD'000
Loss allowance as at 1 January 2023	61,525	139,513	317,069	518,107
Movements with P&L impact				
New financial assets originated	20,734	15,454	54,292	90,480
Transfer from Stage 1 to Stage 2	(12,245)	12,245	-	-
Transfer from Stage 1 to Stage 3	(18,329)	-	18,329	-
Changes in PDs/LGDs/EADs	12,594	9,157	23,962	45,713
Changes to model assumptions and methodologies	(1,261)	2,685	7,437	8,861
Net change in impairment in P&L	1,493	39,541	104,020	145,054
Other movements				
FX and other movements	(3,680)	(34,974)	(34,969)	(73,623)
Transfer from Stage 2 to Stage 3	-	(7,194)	7,194	-
Transfer from Stage 3 to Stage 2	-	3,099	(3,099)	-
Write-offs	-	-	(70,482)	(70,482)
Loss allowance as at 31 December 2023	59,338	139,985	319,733	519,056

Significant changes in the gross carrying amount of financial assets that contributed to changes in the loss allowances were as follows

- The write-off of loans with a total gross carrying amount of USD 60 million (2023: \$70 million) resulted in the reduction of the Stage 3 loss allowance by the same amount.
- Impairments relating to new financial assets originated in the year .

Investment securities - Debt instruments	Stage 1	Stage 2	Stage 3	Purchased originated credit impairment	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		
	USD'000	USD'000	USD'000		USD'000
Loss allowance as at 1 January 2024	826	-	267,166	-	267,992
Movements with P&L impact					
Changes in PDs/LGDs/EADs	1,198	-	41,974	-	43,172
Changes to model assumptions and methodologies	-	-	-	-	-
Unwind of discount(a)	-	-	-	-	-
Net change in impairment in P&L	1,198	-	41,974	-	43,172
Other movements					
FX and other movements	101,494	-	(106,082)	-	(4,588)
Transfer from Stage 2 to Stage 3	-	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
Write-offs	-	-	(203,058)	-	(203,058)
Loss allowance as at 31 December 2024	103,518	-	-	-	103,518

Notes

4 Financial Risk Management (continued)

4.1 Credit Risk (continued)

4.1.7 Loss allowance (continued)

Investment securities - Debt instruments	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	USD'000	USD'000	USD'000	
Loss allowance as at 1 January 2023	1,231	-	203,904	205,135
Movements with P&L impact				-
Changes in PDs/LGDs/EADs	-	-	147,146	147,146
Changes to model assumptions and methodologies	-	-	-	-
Unwind of discount(a)	-	-	-	-
Net change in impairment in P&L	-	-	147,146	147,146
Other movements				
FX and other movements	(405)	-	29,656	29,251
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Financial assets derecognised during the year	-	-	-	-
Write-offs	-	-	(113,540)	(113,540)
Loss allowance as at 31 December 2023	826	-	267,166	267,992
Other assets	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	USD'000	USD'000	USD'000	
Loss allowance as at 1 January 2024	6,581	1,179	645	8,405
Movements with P&L impact				
New financial assets originated or purchased	-	-	-	-
Changes in PDs/LGDs/EADs	65,769	-	16,401	82,170
Changes to model assumptions and methodologies	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-
Unwind of discount(a)	-	-	-	-
Net change in impairment in P&L	65,769	-	16,401	82,170
Other movements				
FX and other movements	949	(594)	(172)	183
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Financial assets derecognised during the year	-	-	-	-
Write-offs	-	-	(16,832)	(16,832)
Loss allowance as at 31 December 2024	73,299	585	42	73,926
Other assets	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	USD'000	USD'000	USD'000	
Loss allowance as at 1 January 2023	103,882	-	-	103,882
Movements with P&L impact				
New financial assets originated or purchased	-	-	-	-
Changes in PDs/LGDs/EADs	32,006	1,179	645	33,830
Modification of contractual cash flows of financial assets	-	-	-	-
Unwind of discount(a)	-	-	-	-
Net change in impairment in P&L	32,006	1,179	645	33,830
Other movements				
FX and other movements	6,418	-	-	6,418
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Financial assets derecognised during the year	-	-	-	-
Write-offs	(135,725)	-	-	(135,725)
Loss allowance as at 31 December 2023	6,581	1,179	645	8,405

Notes

4 Transition to IFRS 9: Financial Instruments (continued)

4.1 Credit risk exposure (continued)

4.1.7 Loss allowance (continued)

Loans and advances to Banks	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime	Lifetime ECL	
	USD'000	USD'000	USD'000	
Loss allowance as at 1 January 2024	-	1,403	11,104	12,507
Movements with P&L impact				
New financial assets originated or purchased	-	-	-	-
Changes in PDs/LGDs/EADs	34	1,895	2,442	4,371
Changes to model assumptions and methodologies	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-
Unwind of discount(a)	-	-	-	-
Net change in impairment in P&L	34	1,895	2,442	4,371
Other movements				
FX and other movements	-	-	(1,145)	(1,145)
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Financial assets derecognised during the year	-	-	-	-
Write-offs	-	-	-	-
Loss allowance as at 31 December 2024	34	3,298	12,401	15,733
Loans and advances to Banks	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime	Lifetime ECL	
	USD'000	USD'000	USD'000	
Loss allowance as at 1 January 2023	86	-	8,512	8,598
Movements with P&L impact				
New financial assets originated or purchased	-	-	-	-
Changes in PDs/LGDs/EADs	-	1,403	2,259	3,662
Changes to model assumptions and methodologies	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-
Unwind of discount(a)	-	-	-	-
Net change in impairment in P&L	-	1,403	2,259	3,662
Other movements				
FX and other movements	(86)	-	333	247
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Financial assets derecognised during the year	-	-	-	-
Write-offs	-	-	-	-
Loss allowance as at 31 December 2023	-	1,403	11,104	12,507

Notes

4 Transition to IFRS 9: Financial Instruments (continued)

4.1 Credit risk exposure (continued)

4.1.7 Loss allowance (continued)

Off Balance sheet	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	USD'000	USD'000	USD'000	
Loss allowance as at 1 January 2024	2,800	8,469	5,148	16,417
Movements with P&L impact				-
New financial assets originated or purchased	612	65	52	729
Changes in PDs/LGDs/EADs	-	-	-	-
Changes to model assumptions and methodologies	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-
Unwind of discount(a)	-	-	-	-
Net change in impairment in P&L	612	65	52	729
Other movements				
FX and other movements	1,150	313	211	1,674
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Financial assets derecognised during the year	-	-	-	-
Write-offs	-	-	-	-
Loss allowance as at 31 December 2024	4,562	8,847	5,411	18,820

Off Balance sheet	Stage 2		Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	USD'000	USD'000	USD'000	
Loss allowance as at 1 January 2023	8,379	1,027	1,396	10,802
Movements with P&L impact				-
New financial assets originated or purchased	936	(689)	-	247
Changes in PDs/LGDs/EADs	-	-	-	-
Changes to model assumptions and methodologies	-	-	-	-
Modification of contractual cash flows of financial assets	-	-	-	-
Unwind of discount(a)	-	-	-	-
Net change in impairment in P&L	936	(689)	-	247
Other movements				
FX and other movements	(6,515)	8,131	3,752	5,368
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Financial assets derecognised during the year	-	-	-	-
Write-offs	-	-	-	-
Loss allowance as at 31 December 2023	2,800	8,469	5,148	16,417

4.1.8 Loans and advances exposure by internal rating

4.1.8 (a) Loans and advances to customers by facility risk rating

Credit Rating	31 December 2024			31 December 2023		
	Loans and advances			Loans and advances		
	US\$'000			US\$'000		
1	174,149	2%		245,320	2%	
2	36,970	0%		18,172	0%	
3	43,585	0%		40,942	0%	
4	392,138	4%		613,383	6%	
5	1,103,786	11%		1,397,225	13%	
6	6,477,242	62%		6,717,327	61%	
7	835,657	8%		874,773	8%	
8	740,164	7%		554,482	5%	
9	314,621	3%		378,517	3%	
10	389,032	4%		221,668	2%	
	10,507,344	100%		11,061,809	100%	

4.1.8 (b) Loans and advances to customers by internal rating

Group's rating	31 December 2024				31 December 2023			
	Loans and advances		Impairment provision		Loans and advances		Impairment provision	
	US\$'000		US\$'000		US\$'000		US\$'000	
1 Current	7,317,546	70%	42,130	75%	8,278,856	75%	52,510	75%
1A. Watchlist	911,677	9%	2,242	7%	753,513	7%	6,828	7%
II. Substandard	1,575,613	15%	118,786	13%	1,429,255	13%	139,985	13%
III. Doubtful	555,906	5%	299,803	5%	510,156	5%	223,911	5%
IV. Loss	146,602	1%	137,564	1%	90,029	1%	95,822	1%
	10,507,344	100%	600,525	6%	11,061,809	100%	519,056	5%

4.1.8 (c) Other Financial Instruments by internal rating

	31 December 2024			31 December 2023			31 December 2024			31 December 2023		
	Balances with central banks			Balances with central banks			Treasury bills and other eligible bills			Treasury bills and other eligible bills		
	US\$'000			US\$'000			US\$'000			US\$'000		
1	5,086	0%		3,941	0%		-	0%		-	0%	
2	238,381	6%		160,440	5%		998	0%		-	0%	
3	-	0%		-	0%		-	0%		982	0%	
4	65,704	2%		310,542	9%		-	0%		2,673	0%	
5	1,287,044	30%		617,554	19%		113,537	7%		122,124	8%	
6	1,351,424	32%		1,279,901	39%		1,060,127	64%		1,193,738	75%	
7	1,329,449	31%		901,105	28%		389,600	24%		236,312	15%	
8	-	0%		-	0%		92,209	6%		39,799	2%	
9	-	0%		-	0%		-	0%		-	0%	
10	-	0%		-	0%		-	0%		-	0%	
	4,277,088	100.00%		3,273,483	100%		1,656,471	100%		1,595,628	100%	

4.1.8 Loans and advances exposure by internal rating
4.1.8 (c) Other Financial Instruments by internal rating

31 December 2024					31 December 2023				
Loans and advances to banks					Loans and advances to banks				
	US\$'000		US\$'000			US\$'000		US\$'000	
1	13,015	1%	24	0%		-	0%	-	0%
2	119,568	5%	106,174	5%		-	0%	-	0%
3	218,316	9%	302,926	13%		-	0%	25	0%
4	1,016,933	42%	969,479	43%		5,239	8%	69	0%
5	168,960	7%	112,276	5%		-	0%	3,159	8%
6	815,197	34%	750,685	33%		56,146	89%	30,881	75%
7	47,087	2%	8,331	0%		1,403	2%	6,113	15%
8	6,670	0%	-	0%		1	0%	1,031	2%
9	8	0%	-	0%		-	0%	-	0%
10	1,675	0%	4,485	0%		-	0%	-	0%
	2,407,430	100%	2,254,380	100%		62,789	100%	41,278	100%

31 December 2024					31 December 2023				
Investment securities					Investment securities				
	US\$'000		US\$'000			US\$'000		US\$'000	
1	-	0%	-	0%		-	0%	-	0%
2	-	0%	-	0%		-	0%	-	0%
3	-	0%	4,238	0%		-	0%	70	0%
4	584,223	8%	11,540	0%		1,565	8%	189	0%
5	-	0%	527,342	8%		-	0%	8,652	8%
6	6,260,574	89%	5,154,654	75%		16,775	89%	84,570	75%
7	156,461	2%	1,020,416	15%		419	2%	16,742	15%
8	1	0%	171,857	2%		(1)	0%	2,819	2%
9	-	0%	-	0%		-	0%	-	0%
10	-	0%	-	0%		-	0%	-	0%
	7,001,258	100%	6,890,047	100%		18,760	100%	113,042	100%

31 December 2024					31 December 2023				
Contingent					Contingent				
	US\$'000		US\$'000			US\$'000		US\$'000	
1	187,515	6%	318,328	9%					
2	-	0%	6,775	0%					
3	440,797	13%	177,306	5%					
4	153,716	5%	355,590	10%					
5	473,609	14%	374,845	11%					
6	1,674,320	49%	1,836,464	52%					
7	396,998	12%	309,947	9%					
8	45,704	1%	94,612	3%					
9	795	0%	15,074	0%					
10	9,171	0%	13,183	0%					
	3,382,624	100%	3,502,124	100%					

4.1.9 Loans and advances by status

Loans and advances are summarised as follows:

	31 December 2024		31 December 2023	
	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers
	US\$'000	US\$'000	US\$'000	US\$'000
Neither past due nor in default	2,391,649	8,229,223	2,235,055	9,032,369
Past due but not in default	3,340	1,575,613	3,549	1,429,255
Default	12,441	702,508	15,776	600,185
Gross	2,407,430	10,507,344	2,254,380	11,061,809
Less: allowance for impairment	(15,733)	(600,525)	(12,507)	(519,056)
Net	2,391,697	9,906,819	2,241,873	10,542,753

Other financial assets are neither past due nor in default except for investment securities ,off balance sheet and other assets with impairment provision in note 4.1.7 ,note 34 and note 24 respectively.

Notes

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

4 Financial Risk Management

4.1 Credit Risk

4.1.9 Loans and advances by status (continued)

(a) Loans and advances neither past due nor in default

The credit quality of the portfolio of loans and advances that were neither past due nor in default can be assessed by reference to the internal rating system adopted by the Group in the Group Credit Policy and Procedure Manual (see the Note 4.1.3 Significant increase in credit risk).

31 December 2024

31 December 2024

Grades:	Loans and advances to customers												Total
	CIB			Commercial				Consumer					
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term Loans	Others	Overdrafts	Credit cards	Term Loans	Mortgages		
Current	796,298	4,036,052	-	197,800	69	1,186,914	-	13,855	1,033	950,337	135,188	7,317,546	
Watchlist	60,044	765,683	-	2,054	-	38,701	-	140	-	40,349	4,706	911,677	
Total	856,342	4,801,735	-	199,854	69	1,225,615	-	13,995	1,033	990,686	139,894	8,229,223	

31 December 2023

Grades:	Loans and advances to customers												Total
	CIB			Commercial				Consumer					
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term Loans	Others	Overdrafts	Credit cards	Term Loans	Mortgages		
Current	726,144	5,156,910	-	135,143	-	1,148,197	-	18,260	1,013	960,588	132,601	8,278,856	
Watchlist	93,688	515,593	-	17,987	-	87,148	-	84	86	35,248	3,679	753,513	
Total	819,832	5,672,503	-	153,130	-	1,235,345	-	18,344	1,099	995,836	136,280	9,032,369	

All loans and advances to banks are neither past due nor in default and all fall under the 'current' grade.

(b) Loans and advances past due but not in default

Loans and advances less than 90 days past due are not considered in default, unless other information is available to indicate the contrary. Gross amount of loans and advances by class of customers that were past due but not in default were as follows:

31 December 2024

Past due	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term Loans	Others	Overdrafts	Credit cards	Term Loans	Mortgages	
Past due up to 30 days	-	-	-	-	-	-	-	-	-	-	-	-
Past due 30-60 days	714	125,104	-	220	-	18,495	-	1	-	1,301	-	145,835
Past due 60-90 days	39,592	1,178,762	-	22,434	-	168,682	-	191	6	17,149	2,962	1,429,778
Total	40,306	1,303,866	-	22,654	-	187,177	-	192	6	18,450	2,962	1,575,613
Fair value of collateral	10,831	350,389	-	6,088	-	50,300	-	52	2	4,958	796	423,416
Amount of (over)/ under collateralisation	29,475	953,477	-	16,566	-	136,877	-	140	4	13,492	2,166	1,152,197

31 December 2023

Past due	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term Loans	Mortgages	Overdrafts	Credit cards	Term Loans	Mortgages	
Past due up to 30 days	807	16,841	-	1,197	-	36,742	-	6	-	3,245	148	58,986
Past due 30-60 days	2,259	129,230	-	1,182	-	33,022	-	184	-	12,492	1,447	179,816
Past due 60-90 days	32,888	998,449	-	25,981	-	118,505	-	1,360	11	10,669	2,590	1,190,453
Total	35,954	1,144,520	-	28,360	-	188,269	-	1,550	11	26,406	4,185	1,429,255
Fair value of collateral	11,607	369,499	-	9,156	-	60,781	-	500	4	8,525	1,351	461,423
Amount of (over) / under collateralisation	24,347	775,021	-	19,204	-	127,488	-	1,050	7	17,881	2,834	967,832

Upon initial recognition of loans and advances, the fair value of collateral is based on valuation techniques commonly used for the corresponding assets. In subsequent periods, the fair value is updated by reference to market price.

Notes

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

c) Loans and advances individually in default

i) Loans and advances to customers

The breakdown of the gross amount of individually in default loans and advances by class, along with the fair value of related collateral held by the Group as security, are as follows:

31 December 2024	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term Loans	Others	Overdrafts	Credit cards	Term Loans	Mortgages	
Gross	35,453	431,606	-	33,472	-	153,473	-	8,742	14	36,376	3,372	702,508
Impairment allowance	(13,271)	(285,172)	-	(15,024)	-	(82,493)	-	(6,720)	(4)	(33,325)	(1,358)	(437,367)
	22,182	146,434	-	18,448	-	70,980	-	2,022	10	3,051	2,014	265,141
Fair value of collateral	45,258	298,749	-	37,639	-	144,820	-	4,125	-	6,225	4,109	540,925
Amount of (over) / under collateralisation	(23,076)	(152,315)	-	(19,191)	-	(73,840)	-	(2,103)	10	(3,174)	(2,095)	(275,784)
31 December 2023												
Gross	14,631	425,993	-	30,120	-	76,166	-	12,078	19	39,265	1,913	600,185
Impairment allowance	(12,886)	(184,438)	-	(19,122)	-	(58,910)	-	(9,428)	(4)	(33,681)	(1,264)	(319,733)
	1,745	241,555	-	10,998	-	17,256	-	2,650	15	5,584	649	280,452
Fair value of collateral	3,221	445,954	-	20,303	-	31,856	-	4,892	-	10,308	1,198	517,732
Amount of (over) / under collateralisation	(1,476)	(204,399)	-	(9,305)	-	(14,600)	-	(2,242)	15	(4,724)	(549)	(237,280)

(d) Other assets with exposure to credit risks

31 December 2024

Neither past due nor default
Past due but not in default
In Default
Purchased originated credit impairment
Gross
Less: allowance for impairment
Net
Carrying amounts

Balances with central banks	Trading financial assets	Derivative financial instruments	Treasury bills and other eligible bills	Investment securities	Pledged assets	Other assets less prepayments and repossessed assets	Total
4,277,088	62,789	76,635	1,656,471	6,248,492	18,760	761,401	13,101,636
-	-	-	-	-	-	9,742	9,742
-	-	-	-	-	-	473	473
-	-	-	-	752,766	-	-	752,766
4,277,088	62,789	76,635	1,656,471	7,001,258	18,760	771,616	13,864,617
-	-	-	-	(103,518)	-	(73,926)	(177,444)
4,277,088	62,789	76,635	1,656,471	6,897,740	18,760	697,690	13,687,173

31 December 2023

Neither past due nor default
Past due but not in default
Purchased originated credit impairment
In Default
Gross
Less: allowance for impairment
Net
Carrying amounts

Balances with central banks	Financial assets held for trading	Derivative financial instruments	Treasury bills and other eligible bills	Investment debt securities	Pledged assets	Other assets less prepayments and repossessed assets *	Total
3,273,483	41,278	78,057	1,595,628	5,909,099	113,042	887,778	11,898,365
-	-	-	-	-	-	1,179	1,179
-	15,358	-	-	534,113	-	868	550,339
-	-	-	-	446,835	-	-	446,835
3,273,483	56,636	78,057	1,595,628	6,890,047	113,042	889,825	12,896,718
-	-	-	-	(267,992)	-	(8,405)	(276,397)
3,273,483	56,636	78,057	1,595,628	6,622,055	113,042	881,420	12,620,321

Notes

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

4.1.10 Concentration of risks of financial assets with credit risk exposure

a) Geographical sectors

The following table breaks down the Group's main credit exposure at their carrying amounts, as categorised by geographical region as of 31 December 2024 and 31 December 2023. For this table, the Group has allocated exposures to regions based on the country of domicile of our counterparties.

	UEMOA	Nigeria	AWA	CESA	Others	Total
As at 31 December 2024						
Balances with central banks	723,226	734,473	1,158,212	1,428,217	232,960	4,277,088
Trading financial assets	-	24,135	38,169	485	-	62,789
Derivative financial instruments	20,669	2,182	-	1,130	52,654	76,635
Loans and advances to banks	349,971	266,969	766,511	761,675	262,304	2,407,430
Loans and advances to customers:						
CIB						
- Overdrafts	466,224	12,380	210,853	215,111	27,534	932,102
- Term loans	2,870,589	1,515,716	672,330	770,335	708,235	6,537,205
Consumer						
- Overdrafts	6,942	922	9,384	5,680	-	22,928
- Credit cards	-	-	885	169	-	1,054
- Term loans	635,468	24,634	126,612	258,798	-	1,045,512
- Mortgages	80,146	705	41,314	24,064	-	146,229
Commercial						
- Overdrafts	57,162	16,745	88,706	93,366	-	255,979
- Credit cards	-	-	69	-	-	69
- Term loans	571,784	55,104	473,351	466,027	-	1,566,266
Treasury bills and other eligible bills	378,481	214,533	322,752	740,705	-	1,656,471
Investment securities – debt securities	3,898,297	238,755	1,128,005	1,620,443	115,758	7,001,258
Pledged assets	-	18,760	-	-	-	18,760
Other assets excluding prepayments and repossessed assets	165,849	246,568	29,654	169,242	160,303	771,616
Total	10,224,808	3,372,581	5,066,807	6,555,447	1,559,748	26,779,391
Credit commitments	1,339,785	155,786	672,224	1,037,459	177,370	3,382,624
As at 31 December 2023						
Balances with central banks	579,281	991,751	804,726	735,150	162,575	3,273,483
Trading financial assets	-	3,780	29,654	7,844	-	41,278
Derivative financial instruments	22,595	19,137	-	-	36,325	78,057
Loans and advances to banks	493,482	243,625	469,429	742,146	305,698	2,254,380
Loans and advances to customers:						
CIB						
- Overdrafts	440,812	19,013	142,544	242,513	25,536	870,418
- Term loans	3,263,674	1,804,105	704,936	774,504	695,796	7,243,015
Consumer						
- Overdrafts	10,156	-	10,206	11,610	-	31,972
- Credit cards	-	-	976	152	-	1,128
- Term loans	652,286	39,400	145,043	224,780	-	1,061,509
-Mortgages	82,706	1,352	38,019	20,301	-	142,378
Commercial						
- Overdrafts	67,102	187	63,929	80,391	-	211,609
- Term loans	589,036	121,856	341,449	447,439	-	1,499,780
Treasury bills and other eligible bills	70,105	403,267	396,970	725,286	-	1,595,628
Investment securities – debt securities	3,718,044	292,908	1,271,373	1,502,020	105,702	6,890,047
Pledged assets	-	113,042	-	-	-	113,042
Other assets excluding prepayments and repossessed assets	237,053	269,470	92,017	163,906	125,332	887,778
Total	10,226,332	4,322,893	4,511,271	5,678,042	1,456,964	26,195,502
Credit commitments	1,417,233	435,961	657,324	906,437	85,169	3,502,124

4.1.10 Concentration of risks of financial assets with credit risk exposure

(b) Industry sectors

The following table breaks down the Group's main credit exposure at their carrying amounts, as categorised by the industry sectors of our counterparties.

31 December 2024

	Financial institutions	Wholesale & retail trading	Manufacturing	Government	Mining & construction	Services & others	Total
Balances with central banks	4,277,088	-	-	-	-	-	4,277,088
Trading financial assets	30,719	-	-	32,070	-	-	62,789
Derivative financial instruments	55,966	-	-	-	-	20,669	76,635
Loans and advances to banks	2,136,449	-	-	-	-	270,981	2,407,430
Loans and advances to customers:	-	-	-	-	-	-	-
- Overdrafts	9,729	283,318	156,824	175,457	129,966	455,715	1,211,009
- Credit cards	9	74	189	-	42	809	1,123
- Term loans	248,712	1,671,639	782,921	1,634,460	741,926	4,069,325	9,148,983
- Mortgages	1,671	14,876	3,689	1,047	4,196	120,750	146,229
Treasury bills and other eligible bills	523,522	-	-	1,132,949	-	-	1,656,471
Investment securities – debt securities	440,646	-	-	6,114,552	-	446,060	7,001,258
Pledged assets	18,760	-	-	-	-	-	18,760
Other assets excluding prepayments and repossessed assets	83,506	217	2,390	8,229	1,956	675,318	771,616
Total	7,626,777	1,970,124	946,013	9,098,764	878,086	6,059,627	26,779,391
Credit commitments	12,199	28,120	34,179	-	4,351	3,303,775	3,382,624

31 December 2023

	Financial institutions	Wholesale & retail trading	Manufacturing	Government	Mining & construction	Services & others	Total
Balances with central banks	3,273,483	-	-	-	-	-	3,273,483
Trading financial assets	12,569	-	-	28,709	-	-	41,278
Derivative financial instruments	55,462	-	-	22,595	-	-	78,057
Loans and advances to banks	2,013,731	76,087	87,886	63,035	-	13,641	2,254,380
Loans and advances to customers:	-	-	-	-	-	-	-
- Overdrafts	138,591	321,280	122,852	71,451	260,986	198,839	1,113,999
- Credit cards	171	244	195	366	-	152	1,128
- Term loans	671,081	1,751,916	764,102	2,034,446	736,225	3,846,534	9,804,304
- Mortgages	8,147	6,560	3,435	7,018	8,058	106,541	139,759
Treasury bills and other eligible bills	181,362	-	-	1,343,796	70,470	-	1,595,628
Investment securities – debt securities	416,122	-	-	6,472,313	1,612	-	6,890,047
Pledged assets	-	-	-	113,042	-	-	113,042
Other assets excluding prepayments and repossessed assets	322,824	119,290	691	11,447	-	433,526	887,778
Total	7,093,543	2,275,377	979,161	10,168,218	1,077,351	4,599,233	26,192,883
Credit commitments	740,548	858,000	115,259	40,023	529,662	1,218,632	3,502,124

4.2 Market risk

Market risk is the risk that changes in market prices, which include currency exchange rates and interest rates, will affect the fair value or future cash flows of a financial instrument. Market risk arises from open positions in interest rates and foreign currencies, both of which are exposed to general and specific market movements and changes in the level of volatility. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while optimising the return on risk. Overall responsibility for managing market risk rests with the Group Risk Management and the Board's Risk Committee. The Group Risk Management is responsible for the development of detailed risk management policies and procedures (subject to review and approval Board's Risk Committee) and for the day to day implementation of those policies. It will be worth noted that due to significant currency evolution , the year end exposure of foreign exchange and interest rate sensitivity analysis may be unrepresentative of the exposure during the year.

The market risks arising from trading and non-trading activities are concentrated in Group Treasury. Regular reports are submitted to the Board of Directors and heads of each business unit. Trading portfolios include those positions arising from market-making transactions where the Group acts as principal with clients or with the market. Non-trading portfolios primarily arise from the interest rate management of the subsidiary's banking assets and liabilities. Non-trading portfolios also consist mainly of foreign exchange risks arising from the Group's investment securities.

The Group applies a 'value at risk' methodology (VaR) to its trading portfolios, to estimate the market risk of positions held and the maximum losses expected.

Our VaR model is designed to take into account a comprehensive set of risk factors across all asset classes in our trading book. Our (VaR) model is predominantly based on historical simulation which derives plausible future trading losses from the analysis of historic market prices. We use a three-year historical dataset, a one-day holding period and a 99% confidence level. This means that we would expect daily mark-to-market trading losses to exceed the reported (VaR) not more than once in 100 trading days. These assumptions are aligned with international standards for market risk management.

The use of this approach does not prevent losses outside of these limits in the event of more significant market movements. To mitigate some of the (VaR) limitations and estimate losses associated with unusually severe market movements, we use other metrics designed for risk management purposes, including stressed (VaR), position risk and scenario analysis. Backtesting is also used to assess the accuracy of the (VaR) model, by comparing the results produced from the (VaR) model with the actual daily trading revenue.

	31 December 2024			31 December 2023		
	Low	Average	High	Low	Average	High
Foreign exchange risk	45	813	1,402	133	298	502
Interest risk	130	570	1,617	320	850	1,503

4.2.1 Foreign exchange risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. There are sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 December 2024 and 31 December 2023. Included in the table are the Group's financial instruments at carrying amounts, categorised by currency.

As at 31 December 2024

	Dollar	Euro	CFA	Naira	Cedis	Others*	Total
Assets							
Cash and balances with central banks	917,548	398,985	1,460,784	727,928	890,590	700,134	5,095,969
Trading financial assets	4,685	-	-	24,135	33,483	486	62,789
Derivative financial instruments	-	52,655	20,669	2,182	-	1,129	76,635
Loans and advances to banks	1,191,246	616,419	190,597	83,330	43,083	267,022	2,391,697
Loans and advances to customers	2,460,476	400,467	5,318,135	335,463	586,542	805,736	9,906,819
Treasury bills and other eligible bills	3,750	-	717,339	214,533	40,688	680,161	1,656,471
Investment securities	578,068	64,593	5,367,974	139,337	346,607	401,161	6,897,740
Pledged assets	-	-	-	18,760	-	-	18,760
Other assets excluding prepayments and repossessed assets	175,502	91,424	274,120	48,228	29,922	78,494	697,690
Total financial assets	5,331,275	1,624,543	13,349,618	1,593,896	1,970,915	2,934,323	26,804,570
Liabilities							
Deposits from banks	773,239	358,548	505,698	90	222,801	160,260	2,020,636
Deposit from customers	5,007,777	594,009	10,171,819	1,093,355	1,334,753	2,222,023	20,423,736
Derivative financial instruments	-	32,695	-	2,451	-	-	35,146
Other borrowed funds	1,771,647	47,081	183,890	105,673	34,122	17,434	2,159,847
Other liabilities excluding accrued income	225,998	126,965	341,106	166,743	100,072	172,594	1,133,478
Total financial liabilities	7,778,661	1,159,298	11,202,513	1,368,312	1,691,748	2,572,311	25,772,843
Net on-statement of financial position	(2,447,386)	465,245	2,147,105	225,584	279,167	362,012	1,031,727
Credit commitments	926,632	167,092	1,694,941	57,301	103,605	433,053	3,382,624

* Other is comprised of multiple other currencies from the various jurisdictions in which the Group operate across the continent.

Foreign Exchange Risk

Foreign exchange risk is the risk to earnings and capital arising from adverse movements in currency exchange rates that are used for valuation of open foreign currency positions.

Foreign exchange risk is generated not only when the Treasury department buys and sells currency from customers and counterparties, but also from other banking activities, such as remittances and currency transfers for customers, teller transactions, and accrual of interest on foreign currency loans and deposits. Accurate determination of open foreign currency positions can be done only from the books and records of the Bank.

FX risk is measured as the Net Open Position in a currency. E.g. for the Euro, the Euro NOP is the difference between assets and liabilities (including off-balance sheet assets and liabilities,) denominated in Euro. A positive number (Assets exceed Liabilities) represents a "Long" or "Overbought" position in the currency. A negative number (Assets are less than Liabilities) represents a "Short" or "Oversold" position in the currency.

Management of Foreign Exchange risk is done by placing limits against the maximum oversold or overbought individual currency positions and portfolio level at each affiliate. Net Open FX Positions are generally monitored and reported in terms of the U.S. dollar. Net Open FX Positions in the Trading Portfolio are marked-to-market daily at the close of the trading day using market FX rates obtained independently of the Traders. Profit and loss are reported in a daily Profit and Loss Report.

Notes

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

4.2.1 Foreign exchange risk (continued)

As at 31 December 2023

Assets

	Dollar	Euro	CFA	Naira	Cedis	Others	Total
Cash and balances with central banks	537,279	225,406	1,107,887	1,004,315	636,784	419,052	3,930,723
Trading financial assets	7,358	-	-	3,780	29,653	487	41,278
Derivative financial instruments	18	58,899	-	19,140	-	-	78,057
Loans and advances to banks	468,896	627,227	555,323	130,748	182,639	277,040	2,241,873
Loans and advances to customers	2,656,079	550,904	5,762,239	589,290	461,039	523,202	10,542,753
Treasury bills and other eligible bills	63,874	-	395,787	403,267	153,300	579,400	1,595,628
Investment securities - available-for-sale	933,601	71,729	5,063,588	6,605	156,411	390,121	6,622,055
Pledged assets	-	-	-	113,042	-	-	113,042
Other assets excluding prepayments and repossessed assets	235,619	77,792	294,557	144,424	72,826	54,155	879,373
Total financial assets	4,902,724	1,611,957	13,179,381	2,414,611	1,692,652	2,243,457	26,044,782
Liabilities							
Deposits from banks	157,898	482,839	854,914	121	84,930	7,416	1,588,118
Deposit from customers	4,503,519	516,246	10,077,892	1,710,150	1,315,948	1,850,193	19,973,948
Derivative financial instruments	-	15,533	-	28,770	-	-	44,303
Other borrowed funds	1,836,370	13,690	129,938	210,433	18,096	41,056	2,249,583
Other liabilities excluding accrued income	189,712	159,235	566,806	151,308	102,854	91,058	1,260,973
Total financial liabilities	6,687,499	1,187,543	11,629,550	2,100,782	1,521,828	1,989,723	25,116,925
Net on-statement of financial position	(1,784,775)	424,414	1,549,831	313,829	170,824	253,734	927,857
Credit commitments	929,086	523,894	1,454,082	132,556	111,531	350,975	3,502,124

Currency Sensitivity Analysis

ETI periodically performs sensitivity analysis to determine the impact on Group's balance sheet resulting from a potential appreciation of the United States Dollars (USD) relative to the currencies to which the Group has major exposure namely; CFA Franc (FCFA), the Euro (EUR), the Nigerian Naira (NGN) and the Ghana Cedi (GHS). The results using data as of 31 December 2024 and 31 December 2023 are shown in the table below.

Overall Impact

Projected Appreciation of the USD
Estimated Impact on Net Asset Value (\$ Million)

31 December 2024			31 December 2023		
5%	10%	20%	5%	10%	20%
(129)	(259)	(518)	(101)	(202)	(403)

Impact for NGN

Projected Appreciation of the USD
Estimated Impact on Net Asset Value (\$ Million)

5%	10%	20%	5%	10%	20%
(9)	(17)	(35)	(12)	(23)	(47)

Impact for CFA

Projected Appreciation of the USD
Estimated Impact on Net Asset Value (\$ Million)

5%	10%	20%	5%	10%	20%
(81)	(162)	(325)	(58)	(115)	(230)

Impact for EUR

Projected Appreciation of the USD
Estimated Impact on Net Asset Value (\$ Million)

5%	10%	20%	5%	10%	20%
(17)	(35)	(69)	(16)	(32)	(63)

Impact for GHS

Projected Appreciation of the USD
Estimated Impact on Net Asset Value (\$ Million)

5%	10%	20%	5%	10%	20%
(11)	(21)	(43)	(6)	(13)	(25)

4.2.2 Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. Limits are set on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by Group Treasury.

The table below summarises the Group's exposure to interest rate risks. It includes the Group's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The Group's derivatives will be settled on a net basis.

As at 31 December 2024

Assets

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest bearing	Total
Cash and balances with central banks	3,750,578	-	84,674	-	-	1,260,717	5,095,969
Trading financial assets	16,542	22,569	23,678	-	-	-	62,789
Derivative financial instruments	53,908	828	1,130	20,669	-	-	76,635
Loans and advances to banks	1,177,397	562,703	651,597	-	-	-	2,391,697
Loans and advances to customers	881,123	876,900	1,889,938	4,690,998	1,567,860	-	9,906,819
Treasury bills and other eligible bills	107,917	253,608	1,180,026	113,073	1,847	-	1,656,471
Investment securities	18,919	95,902	956,558	4,423,700	1,402,661	-	6,897,740
Pledged assets	-	-	18,760	-	-	-	18,760
Other assets excluding prepayments and repossessed assets	5,331	249,131	293,958	-	-	149,270	697,690
Total financial assets	6,011,715	2,061,741	5,100,319	9,248,440	2,972,368	1,409,987	26,804,570
Deposits from banks	1,317,388	432,723	270,525	-	-	-	2,020,636
Deposit from customers	17,555,960	552,671	1,479,356	675,718	160,031	-	20,423,736
Derivative financial instruments	32,695	2,451	-	-	-	-	35,146
Borrowed funds	155,808	11,700	520,368	1,115,658	356,313	-	2,159,847
Other liabilities excluding accrued income	48,529	279,150	690,068	-	-	115,731	1,133,478
Total financial liabilities	19,110,380	1,278,695	2,960,317	1,791,376	516,344	115,731	25,772,843
Total interest repricing gap	(13,098,665)	783,046	2,140,002	7,457,064	2,456,024	1,294,256	1,031,727

As at 31 December 2023

Assets

Cash and balances with central banks	2,425,132	136,113	34,973	-	-	1,334,505	3,930,723
Trading financial assets	5,286	3,810	14,598	17,584	-	-	41,278
Derivative financial instruments	35,129	5,450	5,450	28,015	4,013	-	78,057
Loans and advances to banks	913,178	535,371	417,251	320,963	55,110	-	2,241,873
Loans and advances to customers	1,735,866	1,607,665	1,918,159	3,387,239	1,893,824	-	10,542,753
Treasury bills and other eligible bills	103,383	305,642	1,007,109	179,494	-	-	1,595,628
Investment securities	776,553	618,599	314,560	3,473,144	1,439,199	-	6,622,055
Pledged assets	-	403	210	55,601	56,828	-	113,042
Other assets excluding prepayments and repossessed assets	97,711	118,457	499,913	-	-	163,292	879,373
Total financial assets	6,092,238	3,331,510	4,212,223	7,462,040	3,448,974	1,497,797	26,044,782
Liabilities							
Deposits from banks	879,861	271,826	321,657	111,743	3,031	-	1,588,118
Deposit from customers	13,766,772	1,290,645	2,342,589	786,096	1,787,846	-	19,973,948
Derivative financial instruments	16,758	7,666	7,666	8,380	3,833	-	44,303
Borrowed funds	101,958	180,049	687,955	900,868	378,753	-	2,249,583
Other liabilities excluding accrued income	291,349	251,384	350,610	235,165	14,109	118,356	1,260,973
Total financial liabilities	15,056,698	2,001,570	3,710,477	2,042,252	2,187,572	118,356	25,116,925
Total interest repricing gap	(8,964,460)	1,329,940	501,746	5,419,788	1,261,402	1,379,441	927,857

Interest Rate Sensitivity Analysis

The Group performs a periodic analysis of the sensitivity of its one-year projected earnings to an increase or decrease in market interest rates assuming a parallel shift in yield curves and a constant balance sheet position and the results using data as of 31 December 2024 and 31 December 2023 are shown below.

31 December 2024
Projected Change in Interest Rates
Estimated Impact on Earnings/ Equity (\$ Million)
31 December 2023
Projected Change in Interest Rates
Estimated Impact on Earnings/ Equity (\$ Million)

25 basis points Increase	50 basis points Increase	100 basis points Increase	25 basis points decrease	50 basis points decrease	100 basis points decrease
11.8	23.7	47.4	(11.8)	(23.7)	(47.4)

25 basis points Increase	50 basis points Increase	100 basis points Increase	25 basis points decrease	50 basis points decrease	100 basis points decrease
8.6	17.3	34.6	(8.6)	(17.3)	(34.6)

4.3 Liquidity risk

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

4.3.1 Liquidity risk management process

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

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

4.3.2 Undiscounted cash flows

The table below presents the cash flows payable by the Group by remaining contractual maturities at the statement of financial position date. The amounts disclosed in the table are the contractual undiscounted cash flows. The Group manages the inherent liquidity risk based on expected undiscounted cash inflows.

As at 31 December 2024

Assets

	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Cash and balances with central banks	3,750,578	-	84,674	-	1,260,717	5,095,969
Trading financial assets	12,015	23,140	32,247	-	-	67,402
Derivative financial instruments	52,656	2,194	1,133	22,471	-	78,454
Loans and advances to banks	1,414,104	550,629	531,252	-	-	2,495,985
Loans and advances to customers	672,247	985,442	2,515,718	4,664,718	1,811,602	10,649,727
Treasury bills and other eligible bills	337,310	283,411	959,916	121,598	19,362	1,721,597
Investment securities	32,876	137,092	1,081,618	4,994,340	1,587,191	7,833,117
Pledged assets	-	-	19,018	-	-	19,018
Other assets excluding prepayments and repossessed assets	5,331	249,131	443,228	-	-	697,690
Total assets (expected maturity dates)	6,277,117	2,231,039	5,668,804	9,803,127	4,678,872	28,658,959

Liabilities

Deposits from banks	1,548,558	310,748	167,573	-	-	2,026,879
Deposit from customers	17,187,769	344,210	2,100,671	706,008	253,844	20,592,502
Other borrowed funds	64,541	9,720	454,549	1,431,871	369,932	2,330,613
Other liabilities excluding accrued income	48,529	279,150	805,799	-	-	1,133,478
Derivative financial instruments	-	-	35,146	-	-	35,146
Total liabilities (contractual maturity dates)	18,849,397	943,828	3,563,738	2,137,879	623,776	26,118,618

Gap analysis

Off-balance sheet items

Loan commitments	-	-	-	811,363	-	811,363
Guarantees, acceptances and other financial facilities	827,909	712,839	454,876	575,637	-	2,571,261
Total	827,909	712,839	454,876	1,387,000	-	3,382,624

As at 31 December 2023

Assets

	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Cash and balances with central banks	2,596,218	-	-	-	1,334,505	3,930,723
Trading financial assets	4,416	11,606	29,663	14	-	45,699
Derivative financial instruments	92	5,450	41,995	33,351	-	80,888
Loans and advances to banks	1,475,181	394,873	324,584	210,935	-	2,405,573
Loans and advances to customers	1,459,476	1,821,251	2,783,003	3,567,334	2,119,356	11,750,420
Treasury bills and other eligible bills	127,845	456,039	889,463	174,312	-	1,647,659
Investment securities	1,135,232	519,661	602,689	3,517,459	1,557,516	7,332,557
Pledged assets	403	210	55,601	59,650	-	115,864
Other assets excluding prepayments and repossessed assets	52,086	220,102	607,185	-	-	879,373
Total assets (expected maturity dates)	6,850,949	3,429,192	5,334,183	7,563,055	5,011,377	28,188,756

Liabilities

Deposits from banks	1,314,070	89,414	65,528	168,838	-	1,637,850
Deposit from customers	16,368,757	762,698	1,825,587	1,609,376	180,772	20,747,190
Borrowed funds	83,840	204,768	780,737	568,082	847,834	2,485,261
Derivative financial instruments	234,547	388,048	395,914	242,198	266	1,260,973
Other liabilities excluding accrued income	16,758	7,666	7,666	13,936	-	46,026
Total liabilities(contractual maturity dates)	18,017,972	1,452,594	3,075,432	2,602,430	1,028,872	26,177,300

Gap analysis

Off-balance sheet items

Loan commitments	-	-	-	647,836	-	647,836
Guarantees, acceptances and other financial facilities	424,267	897,938	935,719	596,364	-	2,854,288
Total	424,267	897,938	935,719	1,244,200	-	3,502,124

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, central bank balances, items in the course of collection and treasury and other eligible bills; loans and advances to banks; loans and advances to customers and other assets. In the normal course of business, a proportion of customer loans and advances contractually repayable within one year will be extended. The Group would also be able to meet unexpected net cash outflows by selling investment securities.

4.4. Offsetting

As at 31 December 2024

	Gross amount	Gross amount set-off on SOFP	Net amount presented on SOFP	Related amount not set-off on SOFP	Net amount
Derivative financial assets					
- forwards	75,707	-	75,707	-	75,707
- swaps	928	-	928	-	928
Derivative financial liabilities					
- forwards	35,146	-	35,146	-	35,146

As at 31 December 2023

	Gross amount	Gross amount set-off on SOFP	Net amount presented on SOFP	Related amount not set-off on SOFP	Net amount
Derivative financial assets					
- forwards	75,978	-	75,978	-	75,978
- swaps	2,079	-	2,079	-	2,079
Derivative financial liabilities					
- forwards	44,303	-	44,303	-	44,303

There are no amounts that have been offsetted as at the year ended 31December 2024 (December 2023 : nil).

4.5 Fair value of financial assets and liabilities

Fair value is a market-based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions. When determining fair value it is presumed that the entity is a going concern and is not an amount that represents a forced transaction, involuntary liquidation or a distressed sale.

(a) Financial instruments not measured at fair value

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

	Carrying value		Fair value	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
Financial assets:				
Cash and balances with central banks	5,095,969	3,930,723	5,095,969	3,930,723
Loans and advances to banks	2,407,430	2,256,886	2,418,098	2,263,152
Loans and advances to customers	10,507,344	11,061,809	10,620,919	11,169,143
Other assets excluding prepayments and repossessed assets	771,616	879,373	771,616	879,373
Financial liabilities:				
Deposits from banks	2,020,636	1,588,118	2,041,933	1,638,093
Deposit from customers	20,423,736	19,973,948	20,504,759	20,065,715
Other liabilities , excluding accrued income	1,133,478	1,260,973	1,133,478	1,260,973
Borrowed funds	2,159,847	2,249,583	2,216,241	2,283,091

Management do not believe any greater disaggregation of the items shown in the table above other than the line items presented in the statement of financial position would provide any more meaningful information nor have an impact on the fair value amounts disclosed.

(i) Cash

The carrying amount of cash and balances with banks is a reasonable approximation of fair value

(ii) Loans and advances to banks

Loans and advances to banks include inter-bank placements and items in the course of collection. The carrying amount of floating rate placements and overnight deposits is a reasonable approximation of fair value. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity.

(iii) Loans and advances to customers

Loans and advances are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(iv) Deposit from banks, due to customers and other deposits

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand.

The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

For those notes where quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining term to maturity.

(v) Other assets

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

(vi) Other liabilities

The carrying amount of financial liabilities in other liabilities is a reasonable approximation of fair value because these are short term in nature with a maturity of less than one year

(vii) Borrowed Funds

The estimated fair value of borrowed funds represents the discounted amount of estimated future cash flows expected to be paid. Expected cash flows are discounted at current market rates to determine the fair value. This will take into account closest similar instruments with similar coupons and maturities where available.

(b) Fair value hierarchy

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

4.5 Fair value of financial assets and liabilities (continued)

(b) Fair value hierarchy (continued)

- i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
iii) Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

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

Treasury and other eligible bills
Trading financial assets
Derivative financial instruments
Pledged assets
Investment securities
Total financial assets
Derivative financial instruments
Total financial liabilities

31 December 2024			31 December 2023		
Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
773,910	882,561	-	780,165	815,463	-
62,789	-	-	40,791	487	-
-	76,635	-	-	78,057	-
-	18,760	-	-	113,042	-
1,515,646	5,267,261	114,833	1,464,625	5,046,552	109,926
2,352,345	6,245,217	114,833	2,285,581	6,053,601	109,926
-	35,146	-	-	44,303	-
-	35,146	-	-	44,303	-

Opening balance
Exchange difference
Gains / losses recognised in other comprehensive income*
Closing balance
Total (losses) / gains for the year

31 Dec. 2024	31 Dec. 2023
Level 3	Level 3
109,926	121,714
5,556	16,111
(649)	(27,899)
114,833	109,926
(1,678)	9,560

There was no transfer between level 1 and level 2 in the current year.

*These gains and losses have been recognised net change in fair value of other financial assets FVOCI on the face of the income statement

Level 3 fair value measurement The table below sets out some information about significant unobservable value inputs used at year end in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

S/N	Type of Financial Instrument	Fair Value as at 31 December 2024	Valuation Technique	Range Values 5%	Range Values -5%
1	FMDQ	1,731	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement. The significant unobservable inputs are transaction multiple (EV/EBITDA), the trading multiple (P/E) derived from comparable entities financial statement. A marketability discount ranging between 10-20% was applied.	1,817	1,644
2	Nigerian Automated Clearing System/NIBSS	4,141	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement. The significant unobservable inputs are transaction multiple (EV/EBITDA), the trading multiple (P/E) derived from comparable entities financial statement. A marketability discount ranging between 10-20% was applied.	4,348	3,934
3	Credit Reference Company	129	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement. The significant unobservable inputs are transaction multiple (EV/EBITDA), the trading multiple (P/E) derived from comparable entities financial statement. A marketability discount ranging between 10-20% was applied.	136	123
4	Unified Payment Services Limited	306	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement. The significant unobservable inputs are transaction multiple (EV/EBITDA), the trading multiple (P/E) derived from comparable entities financial statement. A marketability discount ranging between 10-20% was applied.	321	291
5	African Finance Corporation	102,770	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement. The significant unobservable inputs are transaction multiple (EV/EBITDA), the trading multiple (P/E) derived from comparable entities financial statement. A marketability discount ranging between 10-20% was applied.	107,909	97,632
6	Accion Microfinance Limited	541	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement. The significant unobservable inputs are transaction multiple (EV/EBITDA), the trading multiple (P/E) derived from comparable entities financial statement. A marketability discount ranging between 10-20% was applied.	568	514
7	Afreximbank	5,214	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement. The significant unobservable inputs are transaction multiple (EV/EBITDA), the trading multiple (P/E) derived from comparable entities financial statement. A marketability discount ranging between 10-20% was applied.	5,475	4,954
	Total	114,833		120,574	109,092

Notes

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S/N	Type of Financial instrument	Fair Value as at 31 December 2023	Valuation Technique	Range Values 5%	Range Values -5%
1	FMDQ	2,575	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement.	2,704	2,446
2	Nigerian Automated Clearing System/NIBSS	3,540	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement.	3,717	3,363
3	Credit Reference Company	182	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement.	191	173
4	Unified Payment Services Limited	99	Income approach (DCF) with forecast financials and cashflows.	104	94
5	African Finance Corporation	98,969	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement.	103,917	94,021
6	Accion Microfinance Limited	947	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement.	994	900
7	Afreximbank	3,614	Market approach (Comparable company or transactions) using performance metrics (EBITDA Earnings, etc.) from the latest audited financial statement.	3,795	3,433
	Total	109,926		115,422	104,430

4.5 Fair value of financial assets and liabilities (continued)

31 December 2024

Assets

Cash and balances with central banks
Trading financial assets
Derivative financial instruments
Loans and advances to banks
Loans and advances to customers
Treasury bills and other eligible bills
Investment securities - Equity instruments
Investment securities - Debt instruments
Pledged assets
Other assets excluding prepayments and repossessed assets

Total

Liabilities

Deposits from banks
Deposit from customers
Derivative financial instruments
Borrowed funds
Other liabilities, excluding non-financial liabilities

Total

Amortised cost	FVTPL	FVTOCI - Debt Instruments	Equity Instruments at FVTPL	FVTOCI - Equity instruments	Liabilities at fair value through profit or loss	Liabilities at amortized cost	Total
5,095,969	-	-	-	-	-	-	5,095,969
-	62,789	-	-	-	-	-	62,789
-	76,635	-	-	-	-	-	76,635
2,391,697	-	-	-	-	-	-	2,391,697
9,906,819	-	-	-	-	-	-	9,906,819
232,722	-	1,423,749	-	-	-	-	1,656,471
-	-	-	448,358	114,833	-	-	563,191
1,391,106	-	4,943,443	-	-	-	-	6,334,549
18,760	-	-	-	-	-	-	18,760
697,690	-	-	-	-	-	-	697,690
19,734,763	139,424	6,367,192	448,358	114,833	-	-	26,804,570
-	-	-	-	-	-	2,020,636	2,020,636
-	-	-	-	-	-	20,423,736	20,423,736
-	-	-	-	-	35,146	-	35,146
-	-	-	-	-	-	2,159,847	2,159,847
-	-	-	-	-	-	1,133,478	1,133,478
-	-	-	-	-	35,146	25,737,697	25,772,843

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Assets

Cash and balances with central banks
Trading financial assets
Derivative financial instruments
Loans and advances to banks
Loans and advances to customers
Treasury bills and other eligible bills
Investment securities - Equity instruments
Investment securities - Debt instruments
Pledged assets
Other assets excluding prepayments and repossessed assets

Total

Liabilities

Deposits from banks
Deposit from customers
Derivative financial instruments
Borrowed funds
Other liabilities excluding accrued income

Total

Amortised cost	FVTPL	FVTOCI - Debt Instruments	Equity Instruments at FVTPL	FVTOCI - Equity instruments	Liabilities at fair value through profit or loss	Liabilities at amortized cost	Total
3,930,723	-	-	-	-	-	-	3,930,723
-	41,278	-	-	-	-	-	41,278
-	78,057	-	-	-	-	-	78,057
2,241,873	-	-	-	-	-	-	2,241,873
10,542,753	-	-	-	-	-	-	10,542,753
371,141	-	1,224,487	-	-	-	-	1,595,628
-	-	-	94,333	109,926	-	-	204,259
1,066,839	-	5,350,957	-	-	-	-	6,417,796
113,042	-	-	-	-	-	-	113,042
879,373	-	-	-	-	-	-	879,373
19,145,744	119,335	6,575,444	94,333	109,926	-	-	26,044,782
-	-	-	-	-	-	1,588,118	1,588,118
-	-	-	-	-	-	19,973,948	19,973,948
-	-	-	-	-	44,303	-	44,303
-	-	-	-	-	-	2,249,583	2,249,583
-	-	-	-	-	-	1,260,973	1,260,973
-	-	-	-	-	44,303	25,072,622	25,116,925

5 Financial Capital Management

The Group's capital management objectives are:

- To comply with the capital requirements set by regulators in the markets where the Group's entities operate and safeguard the Group's ability to continue as a going concern;
- To maintain a strong capital base that supports the development of the business; and
- To sustain a sufficient level of returns for the Group's shareholders.

On a consolidated basis, the Group is required to comply with Basel II/III capital requirements set by the BCEAO for banks headquartered in the UEMOA zone. On a standalone basis, banking subsidiaries are required to maintain minimum capital levels and minimum capital adequacy ratios which are determined by their national or regional regulators.

The Group's capital is divided into two tiers:

- Tier 1 capital: share capital (net of treasury shares), retained earnings, reserves created by appropriations of retained earnings, and non-controlling interests allowed as Tier 1 capital by the regulator. Certain intangibles and goodwill are deducted in calculating Tier 1 capital; and

- Tier 2 capital: subordinated debt and other loss-absorbing instruments, certain revaluation reserves, and noncontrolling interests allowed as Tier 2 capital by the regulator.

Risk-weighted assets are calculated in accordance with regulatory guidelines. Credit risk-weighted assets are measured by applying a hierarchy of risk weights related to the nature of the risks associated with each of the Group's on- and off-balance sheet asset classes. Operational risk weighted assets are calculated by applying a scaling factor to the Group's average gross income over the last three years. Market risk-weighted assets are calculated by applying factors to the Group's trading exposures to foreign currencies, interest rates, and prices.

The Group has remained compliant with the UEMOA minimum regulatory capital adequacy ratios for Regionally systemically important banks (8.5 % CET1 CAR, 9.5% Tier 1 CAR, and 12.5% for Total CAR). The Regulatory capital ratios are submitted to our regulator every six months. The most recently approved Regulatory capital ratios are disclosed in the financial statements. The 31 December 2024 regulatory capital ratio is pending approval as of the date of these financial statements.

	30 Jun 2024	31 Dec 2023
Common Equity Tier 1 capital		
Tier 1 capital		
Share capital	2,113,961	2,113,961
Retained earnings	904,235	746,414
Statutory reserves	676,059	676,059
Other reserves	(2,626,173)	(2,324,013)
Non-controlling interests	244,941	252,418
Less: goodwill and intangibles	(11,364)	(11,845)
Less: other deductions	(29,392)	-
Total CET 1 capital	1,272,268	1,452,994
Additional Tier 1 capital		
Additional Tier 1 instrument	75,000	75,000
Minority interests included in Tier 2 capital	22,153	22,788
Total Additional Tier 1 capital	97,153	97,788
Total qualifying Tier 1 capital	1,369,421	1,550,782
Tier 2 capital		
Subordinated debt and other instruments		
Revaluation reserve	395,282	418,536
Minority interests included in Tier 2 capital	55,536	55,536
	64,242	64,871
Total qualifying Tier 2 capital	515,060	538,943
Total regulatory capital	1,884,480	2,089,725
Risk-weighted assets:		
Credit risk weighted assets	10,066,794	10,688,435
Market risk weighted assets	90,618	87,073
Operational risk weighted assets	3,156,876	3,157,639
Total risk-weighted assets	13,314,288	13,933,147
CET 1 Capital Adequacy Ratio	9.6%	10.4%
Tier 1 Capital Adequacy Ratio	10.3%	11.1%
Total Capital Adequacy Ratio	14.2%	15.0%

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6 Segment Analysis

Operating segments are reported in accordance with the internal reporting provided to the Group Executive Committee (the chief operating decision-maker), which is responsible for allocating resources to the reportable segments and assesses its performance. All operating segments used by the group meet the definition of a reportable segment under IFRS 8.

The group operating segments are described below:

- Corporate & Investment Bank: Focuses on providing one-stop banking services to multinationals, regional companies, government and government agencies, financial institutions and international organizations across the network. This unit provides also Treasury activities.
- Commercial banking : Focuses on serving local corporates, small and medium corporates ,SMEs, Schools, Churches and local NGOs and Public Sector.
- Consumer : Focuses on serving banking customers that are individuals.

All revenues are external revenues. Attributing revenue to geographical areas is based on affiliate geographical position and activities. The reconciling items are intercompany adjustments : mainly elimination of intra group dividend income and other intercompany assets and liabilities.

Segment assets and liabilities comprise operating assets and liabilities, being the majority of the statement of financial position, but exclude items such as taxation and borrowings.

The following table shows the Group's performance by business segments.

At 31 December 2024	CIB	Commercial	Consumer	Others	Total business segment	Consolidation adjustments*	Ecobank Group
Interest income	1,467,902	272,141	133,230	15,952	1,889,225	(38,516)	1,850,709
Interest expense	(358,792)	(58,623)	(124,862)	(172,345)	(714,622)	39,282	(675,340)
Inter-segment (loss) / income	(424,569)	88,308	281,159	55,102	-	-	-
Fee and commission income	221,042	177,077	193,808	13,723	605,650	(15,421)	590,229
Fee and commission expense	(31,271)	(23,819)	(12,694)	(1,228)	(69,012)	3,279	(65,733)
Trading income and foreign exchange gains	197,332	105,211	28,107	30,769	361,419	-	361,419
Other income	8,460	5,505	5,248	398,805	418,018	(390,184)	27,834
Operating income	1,080,104	565,800	503,996	340,778	2,490,678	(401,560)	2,089,118
Impairment charges on financial assets	(174,209)	(37,591)	(9,959)	(101,594)	(323,353)	(254)	(323,607)
Depreciation and amortization	(23,408)	(17,433)	(16,562)	(23,605)	(81,008)	1,724	(79,284)
Operating expenses	(384,080)	(290,417)	(318,654)	(210,925)	(1,204,076)	175,604	(1,028,472)
Operating profit	498,407	220,359	158,821	4,654	882,241	(224,486)	657,755
Share of post-tax results of associates	-	-	-	(11)	(11)	85	74
Profit before tax	498,407	220,359	158,821	4,643	882,230	(224,401)	657,829
Balance Sheet Highlights as at 31 December 2024							
Total assets	15,229,786	2,350,982	1,168,795	4,102,989	22,852,552	5,102,620	27,955,172
Total liabilities	13,826,900	5,590,661	6,595,036	2,037,457	28,050,054	(1,889,684)	26,160,370
At 31 December 2023							
Interest income	1,499,623	262,837	136,424	10,666	1,909,550	(43,465)	1,866,085
Interest expense	(380,575)	(66,273)	(137,040)	(157,892)	(741,780)	44,347	(697,433)
Inter-segment (loss) / income	(466,202)	101,653	299,791	64,758	-	-	-
Fee and commission income	205,095	149,160	185,503	13,334	553,092	(13,516)	539,576
Fee and commission expense	(36,651)	(14,035)	(12,749)	(2,530)	(65,965)	1,947	(64,018)
Trading income and foreign exchange gains /(loss)	197,532	134,112	44,919	(15,323)	361,240	-	361,240
Other income	14,882	5,549	5,724	720,324	746,479	(688,263)	58,216
Operating income	1,033,704	573,003	522,572	633,337	2,762,616	(698,950)	2,063,666
Impairment charges on financial assets	(273,329)	(32,973)	(6,380)	(17,257)	(329,939)	-	(329,939)
Depreciation and amortization*	(24,165)	(20,140)	(18,489)	(28,748)	(91,542)	1,397	(90,145)
Operating expenses	(409,622)	(291,907)	(313,112)	(140,985)	(1,155,626)	133,216	(1,022,410)
Operating profit	326,588	227,983	184,591	446,347	1,185,509	(564,337)	621,172
Share of post-tax results of associates	-	-	-	-	(2)	140	138
Net monetary loss arising from hyperinflationary economies	(17,179)	(15,683)	(7,086)	-	(39,948)	-	(39,948)
Profit before tax	309,409	212,300	177,505	446,347	1,145,559	(564,197)	581,362
Balance Sheet Highlights as at 31 December 2023							
Total assets	15,470,470	2,276,411	1,182,888	4,039,329	22,969,098	4,261,067	27,230,165
Total liabilities	11,994,285	5,071,493	6,501,757	1,929,229	25,496,764	(1,054)	25,495,710

*The reconciling items are intercompany adjustments mainly elimination of intra group dividend income, intercompany assets and liabilities and other adjustments for consolidation.

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6.1 Entity-wide disclosures

The group is also further organised under the following geographical clusters:

- i) Union Economique et Monétaire Ouest Africaine (UEMOA) region comprises all subsidiaries within the UEMOA monetary zone. Countries in this zone share a common currency except Cape Verde. This region currently includes subsidiaries in Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Mali, Niger, Senegal, Togo and Guinea Bissau and any other related entities.
- ii) Nigeria region is made up of Ecobank Nigeria and other related entities domiciled in Nigeria.
- iii) Anglophone West Africa (AWA) region comprises all subsidiaries in West African countries not included in the common monetary zone described as UEMOA. This region currently includes subsidiaries in Ghana, Guinea, Liberia, Sierra Leone and Gambia and any other related entities.
- iv) CESA Central, Eastern and Southern region comprises all subsidiaries within the CEMAC (Central African Economic and Monetary Community) , EAC (East African Community) and SADC (Southern African Development Community) monetary zone. Countries in this zone share a common currency except Sao Tomé. These countries are : Cameroon, Chad, Central Africa, Congo Brazzaville, Gabon, Sao Tome and Equatorial Guinea, Burundi, Kenya, Rwanda, Tanzania, Uganda and South Sudan, Democratic Republic of Congo, Malawi, Zambia, Zimbabwe and Mozambique and any other related entities.

Transactions between the business segments are carried out at arm's length. The revenue from external parties reported to the Group Executive Committee (GEC) is measured in a manner consistent with that in the consolidated income statement. Internal charges and transfer pricing adjustments have been reflected in the performance of each business. Revenue-sharing agreements are used to allocate external customer revenues to a business segment on a reasonable basis. The Group's management reporting is based on a measure of operating profit comprising net interest income, loan impairment charges, net fee and commission income, other income and non-interest expenses. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. As the GEC reviews operating profit, the results of discontinued operations are not included in the measure of operating profit. The information provided about each segment is based on the internal reports about segment profit or loss, assets and other information, which are regularly reviewed by the GEC. Segment assets and liabilities comprise operating assets and liabilities, being the majority of the consolidated statement of financial position, but exclude items such as taxation.

Segment results of operations. The segment information provided to the Group Executive Board for the reportable segments for the year ended 31 December 2024 and December 2023 are as follows:

	UEMOA	NIGERIA	AWA	CESA	Others and conso	Ecobank Group
At 31 December 2024						
Net interest income	426,309	83,968	410,370	379,466	(124,744)	1,175,369
Non interest income	278,853	42,379	233,668	281,294	77,555	913,749
Operating income	705,162	126,347	644,038	660,760	(47,189)	2,089,118
Impairment charges on financial assets	(31,188)	(20,685)	(73,672)	(27,411)	(170,651)	(323,607)
Depreciation and amortization	(21,559)	(4,023)	(11,083)	(19,198)	(23,421)	(79,284)
Operating expenses	(307,331)	(96,303)	(244,242)	(317,534)	(63,062)	(1,028,472)
Operating profit	345,084	5,336	315,041	296,617	(304,323)	657,755
Share of post-tax results of associates	-	-	-	-	74	74
Profit before tax	345,084	5,336	315,041	296,617	(304,249)	657,829
Taxation	(39,421)	(2,215)	(78,623)	(45,238)	1,298	(164,199)
Profit after tax	305,663	3,121	236,418	251,379	(302,951)	493,630
Balance Sheet Highlights as at 31 December 2024						
Total assets	10,955,046	3,453,375	5,995,191	7,441,987	109,573	27,955,172
Total liabilities	9,875,886	3,217,699	5,312,169	6,595,957	1,158,659	26,160,370
At 31 December 2023						
Net interest income	387,996	137,792	426,010	333,777	(116,923)	1,168,652
Non interest income	278,473	96,611	145,602	326,541	47,787	895,014
Operating income	666,469	234,403	571,612	660,318	(69,136)	2,063,666
Impairment charges on financial assets	(34,723)	(32,252)	(97,037)	(28,524)	(137,403)	(329,939)
Depreciation and amortization	(21,806)	(8,142)	(12,167)	(19,611)	(28,419)	(90,145)
Operating expenses	(291,554)	(167,419)	(238,663)	(285,586)	(39,188)	(1,022,410)
Operating profit	318,386	26,590	223,745	326,597	(274,146)	621,172
Share of post-tax results of associates	-	-	-	-	138	138
Net monetary loss arising from hyperinflationary economies	-	-	-	(39,948)	-	(39,948)
Profit before tax	318,386	26,590	223,745	286,649	(274,008)	581,362
Taxation	(45,164)	(3,364)	(75,365)	(61,774)	11,228	(174,439)
Profit after tax	273,222	23,226	148,380	224,875	(262,780)	406,923
Balance Sheet Highlights as at 31 December 2023						
Total assets	10,894,681	4,403,278	5,105,137	6,583,335	243,734	27,230,165
Total liabilities	9,877,409	4,058,687	4,525,474	5,890,079	1,144,061	25,495,710

*Others & Conso adjustments comprise of ETI (the Holdco), eProcess (the Group's technology service company), the International business in Paris, the impact of other affiliates and structured entities of ETI. The impact of consolidation eliminations is also included in ' Others & Conso adjustments.

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7 Net interest income	31 Dec. 2024	31 Dec. 2023
Interest income		
Interest income calculated using the effective interest method		
Loans and advances to banks	131,968	111,606
Loans and advances to customers:		
- Corporate	613,075	693,317
- Commercial	194,369	192,515
- Consumer	130,673	131,419
Treasury bills and other eligible bills	233,120	248,126
Investment securities	536,854	463,270
Others	10,147	24,479
	1,850,206	1,864,732
Other interest income		
Trading financial assets	503	1,353
	1,850,709	1,866,085
Interest expense		
Deposits from banks	85,072	87,141
Due to customers:		
- Corporate	203,522	212,861
- Commercial	47,162	51,166
- Consumer	124,530	133,160
Borrowed funds	205,054	182,016
Interest expense on lease liabilities	3,992	3,146
Others	6,008	27,943
	675,340	697,433

8 Net fee and commission income		
Fee and commission income		
Credit related fee and commission	155,543	135,197
Corporate finance fee	10,039	10,452
Portfolio and other management fee	12,736	10,348
Brokerage fees and commission	8,657	5,144
Cash management fee	292,660	281,111
Card management fee	97,083	84,351
Other fee	13,511	12,973
	590,229	539,576
Fee and commission expense		
Brokerage fees paid	2,360	7,810
Bank charges	22,453	18,189
Other fees paid	40,920	38,019
	65,733	64,018

The Group provides custody, trustee, investment management and advisory services to third parties, which involve the Group making allocation and purchase and sale decisions in relation to a wide range of financial instruments. Those assets that are held in a fiduciary capacity are not included in these financial statements.

Analysis of Net fee and commission income by Region

	UEMOA	NIGERIA	AWA	CESA	Other and consolidation adjustment	Total
31 December 2024						
Fee and commission income						
Credit related fees and commission	51,398	9,133	32,402	54,303	8,307	155,543
Corporate finance fees	5,861	-	3,573	605	-	10,039
Portfolio and other management fee	9,270	158	2,129	1,179	-	12,736
Brokerage fees and commission	427	815	1,300	6,115	-	8,657
Cash management fees	93,547	23,851	61,654	108,571	5,037	292,660
Card management fees	24,860	2,033	26,442	43,748	-	97,083
Other fees	3,087	579	6,005	4,232	(392)	13,511
Total	188,450	36,569	133,505	218,753	12,952	590,229
Fees and commission expense						
Brokerage fees paid	907	1,373	10	70	-	2,360
Bank charges	528	163	3,576	17,546	640	22,453
Other fees paid	8,149	16,872	5,958	9,294	647	40,920
Total	9,584	18,408	9,544	26,910	1,287	65,733
Net Fees and Commission	178,866	18,161	123,961	191,843	11,665	524,496
31 December 2023						
Fees and commission income						
Credit related fees and commission	46,984	13,041	28,479	38,086	8,607	135,197
Corporate finance fees	6,690	-	3,586	176	-	10,452
Portfolio and other management fees	8,686	283	63	1,316	-	10,348
Brokerage fees and commission	808	779	24	3,533	-	5,144
Cash management fees	95,021	25,203	54,299	101,885	4,703	281,111
Card management fees	20,090	4,984	24,700	34,577	-	84,351
Other fee	1,889	1,007	4,577	4,726	774	12,973
Total	180,168	45,297	115,728	184,299	14,084	539,576
Fee and commission expense						
Brokerage fees paid	916	1,346	5,456	75	-	7,793
Bank charges	715	184	1,855	14,297	1,138	18,189
Other fees paid	8,440	13,858	4,478	6,140	5,120	38,036
Total	10,071	15,388	11,789	20,512	6,258	64,018
Net Fees and Commission	170,097	29,909	103,939	163,787	7,826	475,558

8 Net fee and commission income (continued)
Analysis of Net fee and commission income by Business unit

	CIB	COMMERCIAL	CONSUMER	Other and consolidation adjustment	Total
31 December 2024					
Fee and commission income					
Credit related fees and commission	98,434	46,471	10,638	-	155,543
Corporate finance fees	10,024	15	-	-	10,039
Portfolio and other management fee	12,621	-	115	-	12,736
Brokerage fees and commission	4,298	1,690	2,669	-	8,657
Cash management fees	85,672	124,155	82,833	-	292,660
Card management fees	395	1,610	95,078	-	97,083
Other fee	9,879	2,857	2,473	(1,698)	13,511
Total	221,323	176,798	193,806	(1,698)	590,229
Fee and commission expense					
Brokerage fees paid	2,357	-	3	-	2,360
Bank charges	9,580	6,892	5,731	250	22,453
Other fees paid	19,334	16,926	6,960	(2,300)	40,920
Total	31,271	23,818	12,694	(2,050)	65,733
Net fees and commission	190,052	152,980	181,112	352	524,496
31 December 2023					
Fees and commission income					
Credit related fees and commission	89,007	34,928	11,262	-	135,197
Corporate finance fees	10,209	243	-	-	10,452
Portfolio and other management fees	10,348	-	-	-	10,348
Brokerage fees and commission	2,454	641	2,049	-	5,144
Cash management fees	85,619	109,150	86,342	-	281,111
Card management fees	154	974	83,223	-	84,351
Other fees	7,305	3,224	2,627	(183)	12,973
Total	205,096	149,160	185,503	(183)	539,576
Fee and commission expense					
Brokerage fees paid	7,810	-	-	-	7,810
Bank charges	9,815	4,578	3,355	441	18,189
Other fees paid	19,027	9,457	9,394	141	38,019
Total	36,652	14,035	12,749	582	64,018
Net fees and commission	168,444	135,125	172,754	(765)	475,558

9 Trading income and foreign exchange gains

	31 Dec. 2024	31 Dec. 2023
Foreign exchange translation gains	40,298	436,274
Foreign exchange trading gains /(losses)	308,800	(70,959)
Trading income / (losses) on securities	12,321	(4,075)
	361,419	361,240

10 Investment income

Net (losses) /gains from investment securities	(1,678)	9,560
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11 Other operating income

	31 Dec. 2024	31 Dec. 2023
i) Lease income	853	212
ii) Dividend income		
Trading securities	-	158
Other equity securities	3,378	1,837
	3,378	1,995
iii) Others		
Fair value on investment property	95	2,419
Profit on sale of property and equipment	2,563	3,158
Recovery*	3,931	23,157
Rental income	3,351	4,383
Others**	15,341	13,332
	25,281	46,449
Total other operating income	29,512	48,656

*In June 2023, Ecobank Nigeria recovered on loans previously sold to Nigeria's Asset Management Corporation of Nigeria (AMCON).

**Included is other sundry income individually immaterial in nature and not captured under the above captions.

	31 Dec. 2024	31 Dec. 2023
12 Operating expenses		
a) Staff expenses		
Salaries, allowances and other compensation	395,443	398,719
Social security costs	44,644	42,975
Pension costs:		
defined contribution plans	2,750	12,714
Other post retirement benefits	7,592	8,393
	450,429	462,801
b) Depreciation and amortisation		
Depreciation of property and equipment (Note 28)	40,975	42,938
Depreciation of right-of-use assets (Note 29)	15,612	17,042
Amortisation of software and other intangibles (Note 26)	22,697	30,165
	79,284	90,145
c) Other operating expenses		
Directors' emoluments	1,554	1,675
Social responsibility	1,206	1,300
Rent and utilities	29,668	30,465
Insurance	35,869	39,757
Advertising and promotion	26,036	22,261
Professional and legal costs	73,246	75,270
Operational losses and fines	10,092	13,683
Communications and technology	204,683	178,242
Business travels	15,491	14,851
AGM and board activities	3,101	2,554
Training	8,204	8,568
Employee activities	17,401	17,666
Repairs and maintenance	20,616	20,830
Supplies and services	9,900	11,322
Cash transportation	24,304	20,443
Fuel	10,096	9,602
Other taxes	36,516	22,430
Listing fees	1,763	2,563
Banking resolution sinking fund cost (AMCON)	15,310	30,019
Other administrative expenses	32,987	36,108
Total	578,043	559,609
Total operating expenses	1,107,756	1,112,555

13 Impairment charges on financial assets

Impairment charges on loans and advances	325,003	288,333
Recoveries / Release of provisions	(131,838)	(143,279)
Net impairment charges on loans and advances	193,165	145,054
Net impairment charges on Ghana Bonds	41,974	25,850
Impairment charges on investment securities	1,198	121,296
Impairment charges on off balance sheet	729	247
Impairment charges on loans to banks	4,371	3,662
Impairment charges on other financial assets	82,170	33,830
	323,607	329,939

14 Taxation

Current income tax	207,422	210,054
Deferred income tax (Note 36)	(43,223)	(35,615)
	164,199	174,439

The income tax rate applicable to the majority of income of the subsidiaries ranged from 25% to 45%

Further information about deferred income tax is presented in Note 36. The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the group as follows:

Profit before tax	657,829	581,362
Tax calculated at local tax rates applicable to profits in the respective countries	288,099	238,964
Tax impact on income not subject to tax	(147,544)	(120,040)
Tax impact on expenses not deductible for tax purposes:	37,810	74,163
Utilisation of previously unrecognised tax losses	(14,166)	(18,648)
Income tax expense	164,199	174,439

Under the Headquarters Agreement between Ecobank Transnational Incorporated (ETI, "the Company") and the Republic of Togo signed in October 1985, ETI is exempt from tax on all its income arising from operations in Togo.

(All amounts in thousands US dollar unless otherwise stated)

15 Earnings per share

Basic

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

	31 Dec. 2024	31 Dec. 2023
Profit attributable to ordinary shareholders from continuing operations	333,175	287,824
Weighted average number of ordinary shares in issue (in thousands)	24,592,619	24,592,619
Basic earnings per share (expressed in US cents per share)	1.355	1.170
Profit attributable to ordinary shareholders	333,175	287,824
Weighted average number of ordinary shares in issue (in thousands)	24,592,619	24,592,619
Dilutive earnings per share (expressed in US cents per share)	1.355	1.170

16 Cash and balances with central banks

Cash in hand	818,881	657,240
Balances with central banks other than mandatory reserve deposits	3,016,371	1,938,978
Included in cash and cash equivalents (Note 41)	3,835,252	2,596,218
Mandatory reserve deposits with central banks	1,260,717	1,334,505
	5,095,969	3,930,723

Mandatory reserve deposits are not available for use in the group's day-to-day operations. The balances are current and non-current.

17 Trading financial assets

Debt securities:

- Government bonds

Total

62,789	41,278
62,789	41,278

All trading financial assets are current

18 Derivative financial instruments

The Group uses the following derivative instruments for non-hedging purposes.

Currency forwards represents commitments to purchase foreign and domestic currency, including undelivered spot transactions. Foreign currency and interest rate futures are contractual obligations to receive or pay a net amount based on changes in currency rates or interest rates or buy or sell foreign currency or financial institution on a future date at a specified price. The credit risk is negligible, as futures contracts are collateralised by cash or marketable securities, and changes in the futures contract value are settled daily with the exchange.

Currency and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies or interest rate (for example, fixed rate for floating rate). No exchange of principal takes place, except for certain currency swaps. The Group's credit risk represents the potential cost to replace the swap contracts if counterparties fail to perform their obligation. This risk is monitored on an ongoing basis with reference to the current fair value and the liquidity of the market.

Derivatives	31 December 2024			31 December 2023		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Currency forwards	1,044,527	75,707	35,146	1,053,271	75,978	44,303
Cross currency interest rate swaps	962,720	928	-	1,013,949	2,079	-
Total	2,007,247	76,635	35,146	2,067,220	78,057	44,303

The Group has not designated at initial recognition any financial liability as at fair value through profit or loss. All derivative financial instruments are current.

19 Loans and advances to banks

Items in course of collection from other banks

Deposits with other banks (Note 41)

Placements with other banks

31 Dec. 2024	31 Dec. 2023
64,348	51,678
1,173,198	1,229,276
1,154,151	960,919
2,391,697	2,241,873

All loans and advances to banks are current.

20 Loans and advances to customers

a) Analysis by type:

- Overdrafts
- Credit cards
- Term loans
- Mortgage loans
- Gross loans and advances**
- Less: allowance for impairment

At 31 December

b) Analysis by stage:

Gross Loans

- Stage 1
- Stage 2
- Stage 3 (Impaired)

Total

Impairment

- Stage 1
- Stage 2
- Stage 3 (Impaired)

Total

c) Analysis by security:

- Secured against real estate
- Otherwise secured
- Unsecured

- Current
- Non current

	CIB		Commercial		Consumer		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Overdrafts	932,102	870,418	255,979	211,609	22,928	31,972	1,211,009	1,113,999
Credit cards	-	-	69	-	1,054	1,128	1,123	1,128
Term loans	6,537,205	7,243,015	1,566,266	1,499,780	1,045,512	1,061,509	9,148,983	9,804,304
Mortgage loans	-	-	-	-	146,229	142,378	146,229	142,378
Gross loans and advances	7,469,307	8,113,433	1,822,314	1,711,389	1,215,723	1,236,987	10,507,344	11,061,809
Less: allowance for impairment	(377,462)	(305,537)	(168,373)	(152,565)	(54,690)	(60,954)	(600,525)	(519,056)
At 31 December	7,091,845	7,807,896	1,653,941	1,558,824	1,161,033	1,176,033	9,906,819	10,542,753
Stage 1	5,658,077	6,492,334	1,425,538	1,388,474	1,145,608	1,151,561	8,229,223	9,032,369
Stage 2	1,344,171	1,180,475	209,831	216,628	21,611	32,152	1,575,613	1,429,255
Stage 3 (Impaired)	467,059	440,624	186,945	106,287	48,504	53,274	702,508	600,185
Total	7,469,307	8,113,433	1,822,314	1,711,389	1,215,723	1,236,987	10,507,344	11,061,809
Stage 1	(14,899)	(24,116)	(18,848)	(21,944)	(10,625)	(13,278)	(44,372)	(59,338)
Stage 2	(64,120)	(84,097)	(52,008)	(52,589)	(2,658)	(3,299)	(118,786)	(139,985)
Stage 3 (Impaired)	(298,443)	(197,324)	(97,517)	(78,032)	(41,407)	(44,377)	(437,367)	(319,733)
Total	(377,462)	(305,537)	(168,373)	(152,565)	(54,690)	(60,954)	(600,525)	(519,056)
Secured against real estate	2,218,045	2,095,546	734,599	498,373	206,345	303,866	3,158,989	2,897,785
Otherwise secured	3,208,463	3,648,429	933,624	971,288	677,758	544,432	4,819,845	5,164,149
Unsecured	2,042,800	2,369,458	154,091	241,728	331,619	388,689	2,528,510	2,999,875
Total	7,469,308	8,113,433	1,822,314	1,711,389	1,215,722	1,236,987	10,507,344	11,061,809
							5,454,430	5,780,746
							5,052,914	5,281,063
							10,507,344	11,061,809

d) Movements in loans and advances

The movement in loans and advances summarised as follows:

At 31 December 2024

	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January	870,418	7,243,015	-	211,609	-	1,499,780	-	31,972	1,128	1,061,509	142,378	11,061,809
New loans*	312,120	2,276,703	-	265,448	-	1,276,098	-	10,259	277	252,926	36,710	4,430,541
Paid off during the year	(171,836)	(2,200,260)	-	(149,132)	69	(1,104,247)	-	(13,745)	(179)	(91,746)	(25,795)	(3,756,871)
Amounts written off as uncollectible	-	(32,227)	-	-	-	(16,656)	-	(4,762)	-	(6,656)	-	(60,301)
Exchange difference	(78,600)	(750,026)	-	(71,946)	-	(88,709)	-	(796)	(172)	(170,521)	(7,064)	(1,167,834)
At 31 December 2024	932,102	6,537,205	-	255,979	69	1,566,266	-	22,928	1,054	1,045,512	146,229	10,507,344

	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January	723,573	7,811,180	-	281,919	-	1,523,965	-	52,420	1,542	986,654	139,759	11,521,012
New loans*	430,801	3,485,936	-	318,221	-	901,666	-	36,254	165	360,602	70,967	5,604,612
Paid off during the year	(217,480)	(2,540,847)	-	(315,214)	-	(604,002)	-	(40,904)	(155)	(116,182)	(57,323)	(3,892,107)
Amounts written off as uncollectible	(16,740)	(16,467)	-	(8,706)	-	(15,106)	-	(9,322)	-	(4,141)	-	(70,482)
Exchange difference	(49,736)	(1,496,787)	-	(64,611)	-	(306,743)	-	(6,476)	(424)	(165,424)	(11,025)	(2,101,226)
At 31 December 2023	870,418	7,243,015	-	211,609	-	1,499,780	-	31,972	1,128	1,061,509	142,378	11,061,809

*New loans includes modified and restructured facilities.

20 Loans and advances to customers (continued)

e) Allowance for impairment

Movement of impairment losses on loans and advances summarised by class is as follows:

At 31 December 2024 Specific impairment (stage 3)	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January	12,886	184,438	-	19,122	-	58,910	-	9,428	4	33,681	1,264	319,733
Provision for loan impairment	656	182,963	-	779	-	73,143	-	2,628	-	24,259	333	284,761
Recoveries / Release of provisions	(290)	(64,409)	-	(5,175)	-	(43,487)	-	(6,808)	-	(11,178)	(491)	(131,838)
Loans written off during the year	-	(32,227)	-	-	-	(16,656)	-	(4,762)	-	(6,656)	-	(60,301)
Reclassification	393	(5,461)	-	1,111	-	9,996	-	(764)	-	(5,263)	(12)	-
Exchange difference	(374)	19,868	-	(813)	-	587	-	6,998	-	(1,518)	264	25,012
At 31 December 2024	13,271	285,172	-	15,024	-	82,493	-	6,720	4	33,325	1,358	437,367

At 31 December 2024 Collective impairment (stage 1 and 2)	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January	19,033	89,180	-	16,667	-	57,866	-	8,897	119	5,002	2,559	199,323
Provision for loan impairment	22,559	10,362	-	1,084	-	4,802	-	328	-	513	594	40,242
Reclassification	(17,207)	8,909	-	1,535	-	6,442	-	(482)	-	876	(73)	-
Exchange difference	(5,867)	(47,950)	-	(603)	-	(16,937)	-	236	(2)	(4,604)	(680)	(76,407)
At 31 December 2024	18,518	60,501	-	18,683	-	52,173	-	8,979	117	1,787	2,400	163,158
Total allowance for impairment	31,789	345,673	-	33,707	-	134,666	-	15,699	121	35,112	3,758	600,525

At 31 December 2023 Specific impairment (stage 3)	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January	55,659	139,345	-	23,788	-	51,369	-	12,214	1,354	31,566	1,774	317,069
Provision for loan impairment	4,898	146,585	-	26,745	-	52,805	-	14,666	-	12,100	157	257,956
Recoveries / Release of provisions	(28,305)	(40,569)	-	(21,642)	-	(28,812)	-	(7,611)	-	(15,981)	(359)	(143,279)
Loans written off during the year	(16,740)	(16,467)	-	(8,706)	-	(15,106)	-	(9,322)	-	(4,141)	-	(70,482)
Reclassification	-	(11,364)	-	-	-	-	-	1,350	(1,350)	11,364	-	-
Exchange difference	(2,626)	(33,092)	-	(1,063)	-	(1,346)	-	(1,869)	-	(1,227)	(308)	(41,531)
At 31 December 2023	12,886	184,438	-	19,122	-	58,910	-	9,428	4	33,681	1,264	319,733

At 31 December 2023 Collective impairment (stage 1 and 2)	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January	23,935	88,844	-	11,811	-	57,565	-	11,876	115	4,241	2,651	201,038
Provision for loan impairment	10,103	8,015	-	4,086	-	3,613	-	1,033	-	3,028	499	30,377
Reclassification	(14,109)	2,286	-	1,763	-	9,235	-	2,344	4	(988)	(535)	-
Exchange difference	(896)	(9,965)	-	(993)	-	(12,547)	-	(6,356)	-	(1,279)	(56)	(32,092)
At 31 December 2023	19,033	89,180	-	16,667	-	57,866	-	8,897	119	5,002	2,559	199,323
Total allowance for impairment	31,919	273,618	-	35,789	-	116,776	-	18,325	123	38,683	3,823	519,056

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20 Loans and advances to customers (continued)

f) Investment in finance leases

Loans and advances to customers include finance lease receivables analysed below.

Gross investment in finance leases, receivable

No later than 1 year

Later than 1 year and no later than 5 years

Unearned future finance income on finance leases

Net investment in finance leases

Analysis by transport industry on gross loans

The net investment in finance lease may be analysed as follows:

No later than 1 year

Later than 1 year and no later than 5 years

31 Dec. 2024	31 Dec. 2023
4	92
135	-
139	92
46	5
185	97
4	92
181	5
185	97

21 Treasury bills and other eligible bills

Maturing within three months (Note 41)

Maturing after three months

Current

Non current

361,525	409,025
1,294,946	1,186,603
1,656,471	1,595,628
1,541,551	1,416,134
114,920	179,494
1,656,471	1,595,628

Treasury bills and other eligible bills are debt securities issued by the government of various countries in which the Group operates.

22 Investment securities

Debt securities

- At FVTOCI

- At Amortised cost

Total

Equity securities

- At FVTOCI

- At FVTPL

Total

Total investment securities

Current

Non current

4,943,443	5,350,957
1,391,106	1,066,839
6,334,549	6,417,796
448,358	94,333
114,833	109,926
563,191	204,259
6,897,740	6,622,055
1,071,379	1,709,712
5,826,361	4,912,343
6,897,740	6,622,055

The movement in investment securities summarised as follows:

At 1 January

Additions

Disposal (sale and redemption)

Accrued interest on debt securities

Carrying amount of derecognized defaulted bond

Initial value on re-recognition

Impairment on investment securities

Gains /(losses) from changes in fair value

Exchange differences

6,622,055	7,004,434
874,751	567,231
(420,858)	(714,989)
25,066	41,758
(398,729)	(339,913)
356,755	314,063
(1,198)	(62,857)
62,303	(53,812)
(222,405)	(133,860)
6,897,740	6,622,055

Ghana Debt Restructure

Local Bond

On Monday 5th December, 2022, the Government of Ghana (GoG) launched the Ghana Domestic Debt Exchange Programme (DDEP) as part of a broader response to macroeconomic challenges being faced by the country. In February 2023, the GoG settled on the DDEP by offering new bonds for the old eligible local currency bonds. Ecobank Ghana subscribed to the DDEP. Consequently the bond exchange resulted in the Group recording \$25 million additional impairment between December 2022 and the date of settlement.

Euro Bond

During the 2024 financial year, the Government of Ghana undertook a debt restructuring program, which included the exchange of existing Eurobonds for new instruments with revised terms. As part of this exchange, the entity participated and exchanged its holdings of Ghana Eurobonds for new securities issued by the government.

The exchange of the Eurobonds has been accounted for in accordance with IFRS 9 – Financial Instruments. Management assessed whether the exchange resulted in a substantial modification of the original terms. Given the significant changes in contractual cash flows, the transaction was treated as a derecognition of the original bonds and recognition of the new instruments at fair value.

The original Eurobonds were derecognized. The new bonds were recognized at fair value on the exchange date, with subsequent measurement at amortized cost or fair value through other comprehensive income (FVOCI), as based on the subsidiary's business model. The fair valuation of the new bonds received in exchange for the original Eurobonds was determined using a combination of valuation techniques including a market-based approach and the Discounted Cash Flow (DCF) Model.

	Dec-24	Dec-23
Gross amount of existing defaulted bond	559,813	427,603
Existing impairment on date of derecognition	(161,084)	(87,690)
Impairment until date of settlement	(41,974)	(25,850)
Initial value of re-recognition	356,755	314,063

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	31 Dec. 2024	31 Dec. 2023
23 Pledged assets		
Treasury bills	18,760	66,179
Government bonds	-	46,863
	18,760	113,042
Pledged assets have been stated at fair values		
Current	18,760	66,179
Non-current	-	46,863
	18,760	113,042
24 Other assets		
Fees receivable	5,424	3,511
Accounts receivable	377,965	606,317
Prepayments	115,684	121,649
Reposessed assets	185,955	177,078
Sundry receivables	388,227	277,950
	1,073,255	1,186,505
Impairment charges on receivable balances	(73,926)	(8,405)
	999,329	1,178,100
Current	813,374	1,001,022
Non-current	185,955	177,078
	999,329	1,178,100
The movement in impairment allowance on other assets may be summarised as follows:		
1 January	8,405	103,882
Net movement in impairment charges*	65,521	(95,477)
	73,926	8,405
At 31 December	73,926	8,405
*Net movement includes write offs		
25 Investment in associates		
At 1 January	707	1,016
Share of post-tax results of associates	74	138
Fair value losses	(26)	-
Exchange difference	(404)	(447)
At 31 December	351	707
Investment in associates balances are non-current.		

25 Investment in associates (Continued)

	At 31 December 2024	At 31 December 2023
	Accion Microfinance Bank Ltd (Nigeria)	Accion Microfinance Bank Ltd (Nigeria)
Current assets	11,748	14,172
Non- current assets	792	1,441
Total assets	12,540	15,613
Liabilities	7,960	8,519
Total Liabilities	7,960	8,519
Revenues	5.131	8.709
Profit after tax	381	644

The associate is not listed. There are no published price quotations of the associate of the Group. Furthermore, there are no significant restrictions on the ability of associate to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. The associate is a strategic to the Group. The ACCION entity is a microfinance bank .

	At 31 December 2024			At 31 December 2023		
	Principal place of business/ Country of incorporation	Net assets of associates	Share Holding (Direct and Indirect)	Country of incorporation	Net assets of associate	Share Holding (Direct and Indirect)
Accion Microfinance Bank Ltd (Nigeria)	Nigeria	4,580	22.33%	Nigeria	7,095	21.71%

Reconciliation of summarised financial information to the carrying amount of its interests in associates

At 31 December 2024

Opening net assets

Profit for the year
Exchange difference
Closing net assets

Interest in associates

EB-ACCION Nigeria	Total
7,095	7,095
381	381
(2,896)	(2,896)
4,580	4,580
1,023	1,023

At 31 December 2023

Opening net assets

Profit for the year
Exchange difference
Closing net assets

Interest in associates

EB-ACCION Nigeria	Total
14,950	14,950
644	644
(8,499)	(8,499)
7,095	7,095
1,540	1,540

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26 Intangible assets

Goodwill

At 1 January

Goodwill impairment

Exchange differences

At December

Software costs

At 1 January

Purchase

Amortisation (Note 12)

Exchange difference

At December

Total intangible assets

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill acquired through business combinations is allocated to cash-generating units (CGUs). The recoverable amounts of the CGUs have been determined based on the value-in-use calculations; using cash flow projections based on the financial budgets approved by senior management covering a period of five years.

The goodwill is arising on acquisitions of the following subsidiaries:

Ecobank Ghana (The Trust Bank)

Ecobank Rwanda

Ecobank Zimbabwe

Ecobank Chad

Ecobank Central Africa

Ecobank Burundi

Ecobank Malawi

Ecobank Burkina Faso

	31 Dec. 2024	31 Dec. 2023
At 1 January	11,845	13,923
Goodwill impairment	(254)	-
Exchange differences	(1,022)	(2,078)
At December	10,569	11,845
<i>Software costs</i>		
At 1 January	43,474	70,622
Purchase	21,457	14,821
Amortisation (Note 12)	(22,697)	(30,165)
Exchange difference	(13,251)	(11,804)
At December	28,983	43,474
Total intangible assets	39,552	55,319

	31 Dec. 2024	31 Dec. 2023
Ecobank Ghana (The Trust Bank)	2,749	3,471
Ecobank Rwanda	2,745	3,004
Ecobank Zimbabwe	-	1
Ecobank Chad	2,424	2,578
Ecobank Central Africa	1,492	1,587
Ecobank Burundi	643	657
Ecobank Malawi	56	58
Ecobank Burkina Faso	460	489
Total	10,569	11,845

The calculation of value-in-use was based on the following key assumptions:

Summary of key inputs Entities	Dec. 2024		Dec. 2023	
	Discount factor	Long term growth rate	Discount factor	Long term growth rate
Ecobank Ghana (The Trust Bank)	30.00%	5.0%	30.00%	4.4%
Ecobank Rwanda	20.82%	7.3%	20.82%	4.7%
Ecobank Zimbabwe	-	-	30.00%	2.3%
Ecobank Chad	19.17%	2.7%	22.52%	3.4%
Ecobank Central Africa	19.55%	2.6%	19.88%	2.8%
Ecobank Burundi	19.01%	5.0%	19.01%	2.3%
Ecobank Malawi	30.00%	4.6%	19.01%	5.2%
Ecobank Burkina Faso	16.58%	5.0%	17.35%	5.1%

1. The cash flows were projected based on the Group's approved budget. The cash flows were based on past experiences and were adjusted to reflect expected future performances of the company taking into consideration the country's gross domestic product.

2. A range of terminal growth rate of 2.6-7.3 % was applied in determining the terminal cash flows depending on the country the entity is domiciled.

3. Discount rates ranging from 16.58% to 30.0%, representing pre-tax cost of equity of an entity was applied in determining the value in use. The growth rate used to extrapolate terminal cash flows for goodwill impairment testing is consistent with long term average growth rate for industry and countries.

4. The Group expects that through these acquisitions, it would create synergy that enhances its ability to tap into opportunities in the respective countries where the entities are domiciled;

5. The key assumptions described above and summarised above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of either CGU to significant decline below the carrying amount.

27 Investment property

1 January
Fair value gain
Disposal
Exchange difference
31 December

31 Dec. 2024	31 Dec. 2023
11,070	9,922
95	2,419
(997)	-
905	(1,271)
11,073	11,070
1,411	416
(105)	(91)
95	2,419
1,401	2,744

The following amounts have been recognised in the income statement:

Rental income
Direct operating expenses arising from investment properties that generate rental income
Fair value

Investment properties are carried at fair value. The valuation of investment properties has been done using the level 2 technique (inputs other than quoted prices that are observable for the asset or liability). There has been no change in the techniques used in the valuation of the investment properties. The fair value of investment property is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The valuation methodology used is the market approach. The fair value are derived using the sales comparison approach where the main inputs in the determination of the fair value are recent land sales or asking prices for similarly sized plots in the immediate vicinity of the investment property. In certain cases, due to the unavailability of similar large land size traded in the immediate property market, the valuers subdivided the entire land area into smaller plots; allowing for circulation and infrastructure and applying an adjusted sales price per plot to arrive at a gross sales price. In certain circumstances further adjustments are also done on the basis of quality of title and location.

28 Property and equipment

At 1 January 2023

Cost or Valuation
Accumulated depreciation

Net book amount

Year ended 31 December 2023

1 January
Purchase of property, plant and equipment
Right of use assets
Revaluation
Disposals
Disposals - accumulated depreciation
Reclassifications - cost
Reclassifications - accumulated depreciation
Depreciation charge
Depreciation charge (ROU)
Exchange difference

31 December 2023

At 31 December 2023 / 1 January 2024

Cost or Valuation
Accumulated depreciation

Net book amount

Year ended 31 December 2024

1 January
Purchase of property, plant and equipment
Right of use assets
Revaluation
Disposals
Disposals - accumulated depreciation
Reclassifications - accumulated depreciation
Depreciation charge
Depreciation charge (ROU)
Exchange difference

31 December 2024

At 31 December 2024

Cost
Accumulated depreciation

Net book amount

Motor Vehicles	Land & Buildings	Furniture & Equipment	Installations	Construction in progress	Total
41,483	741,047	368,105	146,570	67,727	1,364,932
31,105	161,397	302,779	115,640	-	610,921
10,378	579,650	65,326	30,930	67,727	754,011
10,378	579,650	65,326	30,930	67,727	754,011
5,748	15,674	34,059	17,065	23,929	96,475
585	12,466	283	-	-	13,334
-	4,947	-	-	-	4,947
(5,301)	(36,928)	(45,595)	(21,273)	-	(109,097)
5,066	31,738	45,022	21,038	-	102,864
66	(6,260)	572	459	5,163	-
(66)	6,260	(572)	(459)	(5,163)	-
(4,506)	(13,370)	(17,778)	(7,284)	-	(42,938)
(181)	(16,517)	(344)	-	-	(17,042)
(1,135)	(155,393)	(18,822)	(14,795)	(24,061)	(214,206)
10,654	422,267	62,151	25,681	67,595	588,348
-	-	-	-	-	-
37,372	573,162	318,686	139,439	67,595	1,136,254
26,718	150,895	256,535	113,758	-	547,906
10,654	422,267	62,151	25,681	67,595	588,348
10,654	422,267	62,151	25,681	67,595	588,348
6,602	22,124	23,572	7,569	24,728	84,595
434	10,971	708	-	-	12,113
-	5,781	-	-	-	5,781
(1,706)	(3,449)	(4,144)	(738)	-	(10,037)
2,650	1,693	4,676	647	-	9,666
(146)	(2,825)	2,946	25	-	-
(5,063)	(10,916)	(17,337)	(7,659)	-	(40,975)
(177)	(15,019)	(416)	-	-	(15,612)
(1,184)	(65,613)	(11,222)	252	(8,985)	(86,752)
13,511	407,111	58,523	24,404	59,260	562,809
38,814	546,721	301,353	139,459	59,260	1,085,607
25,303	139,610	242,830	115,055	-	522,798
13,511	407,111	58,523	24,404	59,260	562,809

28 Property and equipment (Continued)

Land and buildings are measured using the revaluation model. The valuation of land and buildings has been done using the level 2 technique (inputs other than quoted prices that are observable for the asset). There has been no change in the valuation techniques used in the valuation of the land and buildings. The valuation of the Group's land and buildings was performed by independent valuers to determine the fair value of the land and buildings as at 31 December 2024. The fair values are derived by applying internationally acceptable and appropriately benchmarked valuation techniques such as depreciated replacement cost or market value approach. The depreciated replacement cost approach involves estimating the value of the property in its existing use and the gross replacement cost. For this, appropriate deductions are made to allow for age, condition and economic or functional obsolescence, environmental and other factors that might result in the existing property being worth less than a new replacement. The valuation methodology used is the market approach. The market value approach key inputs involves comparing the properties with identical or similar properties, for which evidence of recent transaction is available or alternatively identical or similar properties that are available in the market for sale making adequate adjustments on price information to reflect any differences in terms of actual time of the transaction, including legal, physical and economic characteristics of the properties.

The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in 'revaluation reserve – property and equipment' in shareholders equity (Note 40).

If land and buildings were stated at historical costs, the amounts would be as follows:

	31 Dec. 2024	31 Dec. 2023
Cost	411,494	400,779
Accumulated depreciation	139,968	109,864
Net book amount	271,526	290,915

29 Right-of-use assets

Property, plant and equipment comprise leased assets that do not meet the definition of investment property. They are right-of-use assets, included in the Property, plant and equipment line items, over the following :

	31 Dec. 2024	31 Dec. 2023
Motor Vehicles	1,223	1,027
Land & Buildings	56,069	51,430
Furniture & Equipment	3,455	3,245
	60,747	55,702

Additional information on the right-of-use assets by class of assets is as follows:

	Motor Vehicles	Land & Buildings	Furniture & Equipment	Total
At 1 January	1,027	51,430	3,245	55,702
Additions	434	10,971	708	12,113
Depreciations	(177)	(15,019)	(416)	(15,612)
Exchange difference	(61)	8,687	(82)	8,544
At 31 December 2024	1,223	56,069	3,455	60,747
	Motor Vehicles	Land & Buildings	Furniture & Equipment	Total
At 1 January	572	58,106	2,538	61,216
Additions	585	12,466	283	13,334
Depreciations	(181)	(16,517)	(344)	(17,042)
Exchange difference	51	(2,625)	768	(1,806)
At 31 December 2023	1,027	51,430	3,245	55,702

30 Assets held for sale

Assets held for sale	31 Dec. 2024	31 Dec. 2023
ETI Property	2,727	4,439
Ecobank Nigeria Property	-	1,037
	<u>2,727</u>	<u>5,476</u>

30.1 ETI : Property in Ogombo, Lagos, Nigeria

Assets held for sale	31 Dec. 2024	31 Dec. 2023
ETI Landed Property	4,439	9,162
Foreign exchange translation loss on investment property	(1,712)	(4,723)
	<u>2,727</u>	<u>4,439</u>

ETI owns a property in Ogombo, Lagos, Nigeria. As of 31 December 2024, the disposal process has taken longer than initially anticipated. However, management and the purchaser remain committed to completing the sale and is actively engaging with the potential buyer to finalise the sale.

30.2 Ecobank Nigeria : Property in Victoria Island, Lagos , Nigeria

Assets held for sale	31 Dec. 2024	31 Dec. 2023
Land	-	-
Freehold buildings	-	1,037
	<u>-</u>	<u>1,037</u>

In December 2022, Ecobank Nigeria publicly announced the decision of its Board of Directors to sell its former head office building located at 21 Ahmadu Bello Way, Victoria Island, Lagos and some other Bank's properties. During the year a portion of land and freehold buildings was sold. At 31 December 2024, freehold buildings valued at \$1.0 million was sold.

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	31 Dec. 2024	31 Dec. 2023
31 Deposits from other banks		
Operating accounts with banks	428,139	336,683
Other deposits from banks	1,592,497	1,251,435
	2,020,636	1,588,118
All deposits from banks are current and have variable interest rates.		

32 Deposit from customers
CIB

- Current accounts
- Term deposits

6,697,677	6,423,332
1,719,893	2,197,707
8,417,570	8,621,039

Commercial

- Current accounts
- Term deposits
- Savings deposits

4,747,764	4,166,911
530,242	570,200
135,220	116,240
5,413,226	4,853,351

Consumer

- Current accounts
- Term deposits
- Savings deposits

2,753,185	2,676,209
521,362	543,773
3,318,393	3,279,576
6,592,940	6,499,558

Total

20,423,736	19,973,948
19,587,987	17,400,006
835,749	2,573,942
20,423,736	19,973,948

Customer deposits carry variable interest rates.

At 31 December 2024

	CIB		Commercial			Consumer			Total
	Current account	Term deposits	Current account	Term deposits	Savings	Current account	Term deposits	Savings	
At 1 January	6,423,332	2,197,707	4,166,911	570,200	116,240	2,676,209	543,773	3,279,576	19,973,948
Additions	2,456,337	398,875	1,232,192	111,598	45,112	812,248	72,912	507,529	5,636,803
Withdrawals	(1,623,099)	(480,914)	(151,408)	(76,724)	(4,618)	(375,708)	(21,485)	(54,136)	(2,788,092)
Exchange difference	(558,893)	(395,775)	(499,931)	(74,832)	(21,514)	(359,564)	(73,838)	(414,576)	(2,398,923)
At 31 December 2024	6,697,677	1,719,893	4,747,764	530,242	135,220	2,753,185	521,362	3,318,393	20,423,736

At 31 December 2023

	CIB		Commercial			Consumer			Total
	Current account	Term deposits	Current account	Term deposits	Savings	Current account	Term deposits	Savings	
At 1 January	6,604,770	2,343,070	4,440,591	803,839	124,181	2,539,286	562,792	3,394,784	20,813,313
Additions	2,325,109	912,808	1,093,724	100,842	33,945	729,879	132,628	551,754	5,880,689
Withdrawals	(1,593,233)	(289,325)	(472,222)	(96,044)	(2,039)	(223,435)	(25,765)	(112,985)	(2,815,048)
Exchange difference	(913,314)	(768,846)	(895,182)	(238,437)	(39,847)	(369,521)	(125,882)	(553,977)	(3,905,006)
At 31 December 2023	6,423,332	2,197,707	4,166,911	570,200	116,240	2,676,209	543,773	3,279,576	19,973,948

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	31 Dec. 2024	31 Dec. 2023
33 Borrowed funds		
a Eurobond	-	508,904
b Eurobond II*	345,438	344,340
c Eurobond Nigeria	306,570	306,683
d Development Bank of Nigeria	32,203	52,720
e Bank of Industry of Nigeria (BOI)	1,002	2,666
f Propaco II	-	41,240
g Nigeria Sovereign Investment Authority (NSIA)	31,942	62,590
h Central Bank of Nigeria	72,182	135,636
i Findev Canada*	10,291	17,176
j Credit Europe Bank*	115,657	102,828
k Africa Finance Corporation facility*	215,454	291,071
l European Investment Bank	88,767	90,842
m Sanad Fund for MSME Debt Sub-Fund	15,663	15,066
n Eco-Business Fund (see note n)	16,176	17,879
o Creative Industry Financial Initiative Funds	67,630	69,998
p Proparco Syndicated loan *	198,329	-
q Eurobond III*	395,650	-
r Development Bank Ghana	26,758	-
s Lease liability	57,295	53,557
Other loans	162,840	136,387
	2,159,847	2,249,583
Current	687,876	969,962
Non current	1,471,971	1,279,621
	2,159,847	2,249,583

- a) ETI issued a USD 500 million Senior Unsecured 5-year Eurobond (Reg S / 144A) with a maturity date of 18 April 2024. An initial issuance of USD 450 million in April 2019 was followed by a tap issuance of USD 50 million in July 2019. The bonds bear a coupon rate of 9.5%. This was paid down in April 2024.
- b) Ecobank Transnational Incorporated - ETI raised US\$350 million Tier 2 Sustainability Notes in June 2021. This represents the first ever Tier 2 Sustainability Notes by a financial institution in Sub-Saharan Africa. This Tier 2 issuance is the first to have Basel III-compliant 10NC5 structure outside of South Africa in 144A/RegS format and is listed on the main market of the London Stock Exchange. The bond matures in June 2031 and has a call option in June 2026. The bond was issued with interest payable semi-annually, on June 17 and December 17 each year.
- c) On 16 February 2021, the Ecobank Nigeria issued a \$300 million eurobond at 7.125% coupon rate. The Bond is a 5-year tenor with maturity date of 16 February 2026.
- d) Ecobank Nigeria secured a 50 billion Naira (\$121 million) loan from Development Bank of Nigeria (DBN) in December 2020. The facility has a tenor of 10 years, maturity date of November 29, 2030 with an interest rate of 6.5%, fixed for the first 5 years and subject to repricing afterwards.
- e) The Bank of Industry (BOI) loan to Ecobank Nigeria represents the Central Bank of Nigeria's intervention funds on-lent to some of the Bank's customers in the manufacturing sector through BOI. The fund is administered at an all-in interest rate of 7% per annum payable on a quarterly basis. The maximum tenor of the facility is 15 years.
- f) A Proparco-led syndicate granted a \$60 million 3-year facility to ETI in October 2021. The loan is amortising with a final repayment date in September 2024. The loan was paid off on the due date
- g) NSIA granted facilities to Ecobank Nigeria through ETI. These amounted to USD 31,9 million and maturing in June 2025.
- h) Central Bank of Nigeria loan represents 7-year intervention funds for on-lending to customers of the Bank in the agricultural sector with maturity date of 28 May 2027. The Fund is administered at an interest rate of 9% per annum.
- i) In December 2021, ETI signed a Senior Term Facility agreement with Development Finance Institute Canada (DFIC) Inc. ("FinDev Canada"). The funds were disbursed on March 31, 2022. The proceeds of the Facility shall be used to support the ETI's general corporate purposes, at least thirty percent (30%) of the proceeds of the Facility to be used for on-lending to WSMs and not less than fifty per cent (50%) of the proceeds of the Facility to be used for on-lending to Sub-Borrower. Interest will be payable semi-annually, in arrears, at the end of the respective interest period. The tenure of facility is 4 years from the date of the disbursement.
- j) In August 2022, ETI raised a 2 -year \$100 million senior loan from Credit Europe Bank. The loan was repaid in August 2024. A new one year facility for \$115 million was then drawn in October 2024 from the same institution.
- k) In October 2022, a syndicate led by the Africa Finance Corporation, Bank of Africa and Rand Merchant Bank disbursed a total of \$325 million in two tranches of \$113 million for two years with maturity in 2024 and \$212 million (Facility A 6.17% Facility B 5.20%) for three years with maturity in 2025.
- l) European Investment Bank loan is a senior-term facility for between 4 and 7 years in separate tranches. A dollar equivalent of a total of EUR 100 million has been disbursed in a combination of floating and fixed-rate tranches starting in 2023.
- m) In December 2023, eco.business Fund, a biodiversity conservation-focused investment fund joined forces with SANAD, a leading financial intermediary in the Middle East and Africa region to provide a total of \$32.8 million to ETI as financial support for the agricultural sector. The loan which has a two year moratorium on principal payments, has semi-annual repayments till maturity in December 2029.
- n) In December 2023, eco.business Fund, a biodiversity conservation-focused investment fund joined forces with SANAD, a leading financial intermediary in the Middle East and Africa region to provide a total of \$32.8 million to ETI as financial support for the agricultural sector. The loan which has a two year moratorium on principal payments, has semi-annual repayments till maturity in December 2029.
- o) Ecobank Nigeria has a facility with Creative Industry Financial Initiative Funds at interest rate of 9% for 7 years maturing on the 28th of May 2027.
- p) In 2024, ETI finalized a \$200 million, six-year syndicated sustainability-linked loan with a consortium of European Development Finance Institutions, with Proparco serving as the lead arranger. A sustainability report is published on an annual basis detailing associated commitment and covenant with the bond. As of December 31, 2024, ETI has maintained full compliance with all loan covenants.
- q) In October 2024, ETI issued a USD 500 million Senior Unsecured 5-year Eurobond (Reg S / 144A) with a maturity date of 18 October 2029. The bonds bear a coupon rate of 10.125%.
- r) In 2023 the Bank drew down on a facility from Development Bank of Ghana Ltd which to be applied exclusively towards financing MSMEs and small corporates in the form of capital investment loans and working capital loans with a fixed interest rates and with different expiry date 2024, 2029 and 2030 y.

*These borrowings are subject to covenants. As of 31 December 2024, there have been no breaches of these covenants.

Lease liabilities

Maturity analysis - contractual undiscounted cash flows

	31 Dec. 2024	31 Dec. 2023
Less than one year	1,620	2,093
One to five years	27,195	28,636
More than five years	28,480	22,828
Total undiscounted lease liabilities	57,295	53,557
Lease liabilities included in borrowings		
Current	1,620	2,093
Non-current	55,675	51,464
	57,295	53,557

The movement of borrowings summarised as follows:

	2,249,583	2,278,392
At 1 January		
Accrued interest	8,463	5,615
Additions Borrowings	1,315,796	267,236
Additions Lease liabilities	12,113	13,334
Repayments	(1,388,278)	(321,497)
Exchange difference	(37,830)	6,503
At 31 December	2,159,847	2,249,583

	31 Dec. 2024	31 Dec. 2023
34 Other liabilities		
Accrued income	149,273	101,271
Unclaimed dividend	11,726	10,968
Accruals*	254,748	232,962
Obligations under customers' letters of credit	43,943	67,287
Bankers draft	4,370	4,263
Accounts payable	265,332	271,496
Allowance for off balance sheet receivables	18,820	16,417
Others **	534,539	657,580
	1,282,751	1,362,244

Other liabilities are expected to be settled within no more than 12 months after the reporting date.

*Accruals represent expense accrued for expenses like audit fees , bonus , directors fees , travel , training and other expenses which have not been paid at year end.

**Others is comprised of settlement accounts, customer foreign exchange purchase accounts, POS and VISA settlement accounts.

35 Provisions		
At 1 January	62,275	63,255
Additional provisions charged to income statement	17,228	26,229
Provision no longer required	42	(6,726)
Utilised during the period	(15,254)	(9,645)
Exchange differences	(4,486)	(10,838)
At 31 December	59,805	62,275

Provisions represent amounts provided for in respect of various litigations pending in court. Based on professional advice, the amounts for pending litigations have been set aside to cover the expected losses to the Group on the determination of these litigations.

36 Deferred income taxes

Deferred income taxes are calculated using substantively enacted tax rate of each subsidiary.

The movement on the deferred income tax account is as follows:

At 1 January	(154,124)	(129,486)
Income statement charge	(43,223)	(11,970)
Investment securities directly in OCI:		
- fair value remeasurement	(20,271)	7,020
Revaluation of property and equipment (directly in OCI)	(10,599)	(16,965)
Exchange differences	43,377	(2,723)
At 31 December	(184,840)	(154,124)

Deferred income tax assets and liabilities are attributable to the following items:

Deferred income tax liabilities

Accelerated tax depreciation	1,643	2,101
Investment securities	4,009	4,949
Revaluation of property and equipment	35,794	46,393
Other temporary differences	6,165	18,169
	47,611	71,612

Deferred income tax assets

Pension and other post retirement benefits	249	313
Impairment charges on financial assets	77,285	5,725
Other provisions	18,143	67,206
Tax loss carried forward	32,337	18,220
Other temporary differences	79,348	88,062
On unutilised capital allowances	577	487
Investment securities	24,512	45,723
	232,451	225,736

Deferred tax liabilities

- To be recovered within 12 months	40,797	65,453
- To be recovered after more than 12 months	6,814	6,159
	47,611	71,612

Deferred tax assets

- To be recovered within 12 months	147,478	95,673
- To be recovered after more than 12 months	16,075	130,063
	232,451	225,736

The deferred tax charge in the income statement comprises the following temporary differences:

Accelerated tax depreciation	(468)	567
Pensions and other post retirement benefits	64	(259)
Impairment charges on financial assets	(21,921)	248
Other provisions	(636)	(4,973)
Tax losses carry forward	(10,519)	3,354
Other temporary differences	(9,739)	(744)
Exchange differences	(4)	(33,808)
	(43,223)	(35,615)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes related to the same fiscal authority.

Income tax effects relating to components of other comprehensive income:

	31 Dec. 2024	31 Dec. 2023
	Net	Net
Fair value gain /(loss) on investment securities	70,191	(53,812)
Revaluation gain on property and equipment	5,167	1,875
	75,358	(51,937)

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37 Retirement benefit obligations

Other post-retirement benefits

Apart from the pension schemes, the Group operates a post employment gratuity payment scheme.

The method of accounting and the frequency of valuations are as described in Note 2.21.

The Group operates a post employment gratuity payment scheme. The amounts recognised in the statement of financial position are as follows:

Present value of funded obligations

Fair value of plan assets

Present value of unfunded obligations

Liability in the statement of financial position

31 Dec. 2024 **31 Dec. 2023**

	39,803	44,110
	(23,719)	(22,906)
	16,084	21,204
	10,255	9,788
	26,339	30,992

In 2024, the movement in the defined benefit obligation over the period is as follows :

	31 December 2024			31 December 2023		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
At 1 January	53,801	(22,906)	30,895	39,009	(19,748)	19,261
Current service cost	669	-	669	3,904	-	3,904
Interest expense and income	554	(916)	(362)	5,208	(790)	4,418
	1,223	(916)	307	9,112	(790)	8,322
Remeasurements						
Return on plan assets	-	(603)	(603)	-	(731)	(731)
Actuarial (gain)/loss due to Experience Adjustment	652	-	652	684	-	684
	652	(603)	49	684	(731)	(47)
Exchange difference	(4,755)	1,341	(3,414)	2,896	217	3,113
Contributions	502	252	754	538	115	653
Reversal of provision	-	-	-	1,562	-	1,562
Retirement benefit payments	(1,365)	(887)	(2,252)		(1,969)	(1,969)
At 31 December	50,058	(23,719)	26,339	53,801	(22,906)	30,895

The defined benefit obligation and plan assets are composed by regions/countries as follows :

	31 December 2024				31 December 2023			
	ETI	UEMOA/CEMAC	Others	Total	ETI	UEMOA/CEMAC	Others	Total
Present value obligation	10,255	14,140	25,663	50,058	9,788	16,755	27,258	53,801
Fair value of plan assets	-	(23,719)	-	(23,719)	-	(22,006)	-	(22,006)
Total liability	10,255	(9,579)	25,663	26,339	9,788	(6,151)	27,258	31,795

Income tax effects relating to components of other comprehensive income

The amounts recognised in the income statement are as follows:

Current service cost

Net interest cost

Total included in staff costs

Other Comprehensive Income

Actuarial loss on obligations

Actuarial loss on plan assets

31 Dec. 2024 **31 Dec. 2023**

	669	3,904
	554	5,208
	1,223	9,112
	(389)	684
	-	-
	(389)	684

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37 Retirement benefit obligations (Continued)

As the plan assets include significant investments in government bonds, the Group is also exposed to interest rate risks and impact of changes monetary policies on bond yields. The defined benefit plan does not have any significant impact on the group's cash flows.

The net actuarial gain on the fair value of plan assets arose as a result of the actual returns on the assets being greater than the calculated expected return on assets.

Plan assets are comprised as follows:

	31 December 2024				31 December 2023			
	%	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total
Cash	8%	1,898	-	1,898	8%	1,832	-	1,832
Equity instruments	0%	2	-	2	0%	2	-	2
Debt instruments (Bonds)	92%	17,455	4,364	21,819	92%	16,858	4,214	21,072
	100%	17,458	4,364	23,719	100%	16,860	4,214	22,906

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy.

The principal assumptions used for ETI and the subsidiaries operating in UEMOA region were as follows:

	ETI		UEMOA	
	2024	2023	2024	2023
Discount rate	6.00%	5.50%	5.5%	5.50%
Exit rate	3.09%	4.45%	4.45%	4.45%
Salary Increase rate	1.00%	1.80%	1.8%	1.80%

In thousands of US\$

Sensitivity analysis on actuarial assumptions for ETI

In thousands of US\$

Discount rate

Exit rate

Salary Increase rate

Increase in assumption by 1%	Liability changes to	Decrease in assumption by 1%	Liability changes to
Decrease in the liability by 2.09%	3,284,868	Increase in the liability by 2,27%	3,608,165
Decrease in the liability by 2.35%	3,265,233	Increase in the liability by 2,52%	3,627,322
Increase in the liability by 2.36%	3,615,050	Decrease in the liability by 2,21%	3,275,950

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The Group also operates a defined contribution plan. For the defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. There were no outstanding contributions due at the end of the year.

38 Contingent liabilities and commitments*a) Legal proceedings*

The Group is a party to various legal actions arising out of its normal business operations. The Directors believe that, based on currently available information and advice of counsel, none of the outcomes that result from such proceedings will have a material adverse effect on the financial position of the Group, either individually or in the aggregate. The amounts that the directors believe will materialize are disclosed in Note 35.

b) Capital commitments

At 31 December 2024, the Group had capital commitments of \$106 million (December 2023: \$ 10 million) in respect of buildings and equipment purchases. The Group's management is confident that future net revenues and funding will be sufficient to cover this commitment.

c) Loan commitments, guarantee and other financial facilities

At 31 December 2024 the Group had contractual amounts of the off-balance sheet that commit it to extend credit to customers guarantees and other facilities are as follows:

	31 Dec. 2024	31 Dec. 2023
Guaranteed commercial papers and banker acceptances	113,362	81,677
Documentary and commercial letters of credit	761,674	1,131,338
Performance bond, guarantees and indemnities	1,696,225	1,641,273
Loan commitments	811,363	647,836
	3,382,624	3,502,124

An ECL amount of \$ 19 million (December 2023 : \$ 16 million) has been recognized on the off balance sheet items shown above. This is reported in "other liabilities" (see note 34).

d) Tax exposures

The Group is exposed to ongoing tax reviews in some subsidiary entities. The Group considers the impact of tax exposures, including whether additional taxes may be due. This assessment relies on estimates and assumptions and may involve series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the period in which such a determination is made. The total amount of tax exposure as at 31 December 2024 \$317 million (December 2023 : \$ 228 million). Based on Group's assessment, the probable liability is not likely to exceed \$19 million (December 2023 : \$ 15 million) which provisions have been made in the books in Note 35.

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39 Share capital	No of shares ('000)	Ordinary shares	Share premium	Treasury shares	Total
At 1 January 2023	24,592,619	618,259	1,499,145	(3,443)	2,113,961
At 31 December 2023 / 1 January 2024	24,592,619	618,259	1,499,145	(3,443)	2,113,961
Treasury shares	-	-	-	-	-
At 31 December 2024	24,592,619	618,259	1,499,145	(3,443)	2,113,961

The total authorised number of ordinary shares at period end was 50 billion (31 December 2023: 50 billion) with a par value of US\$0.025 per share (December 2023: US\$0.025 per share). Total issued shares as of 31 December 2024 were 24.730 billion shares. The adjustment for treasury shares on consolidation resulted in the share count of 24.592 billion shares.

Treasury shares were ETI shares held by subsidiaries and related entities within the Group as at year end. The treasury shares count as at 31 December 2024 is 137.7 million shares.

The adjustment of ordinary shares is to align with the ordinary shares Shareholders register.

Share options

The Company offers share option to certain employees with more than three years' service. Options are conditional on the employee completing three years' service. The options are exercisable starting three years from the grant date. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Movement in the number of share options outstanding are as	31 Dec. 2024	31 Dec. 2023
At 1 January	-	50,000
Forfeited	-	(50,000)
At 31 December	-	-

40 Retained earnings, other reserves and other equity instruments	31 Dec. 2024	31 Dec. 2023
Retained earnings	1,040,494	746,414
Other reserves	(2,075,415)	(1,637,943)
	(1,034,921)	(891,529)
a) Retained earnings		
Movements in retained earnings were as follows:		
At 1 January	746,414	571,032
Profit for year	333,175	287,824
Transfer (from)/ to general banking reserve	17,237	(8,483)
Transfer to statutory reserve	(56,332)	(83,196)
Dividends paid to Ordinary shareholders	-	(27,203)
Share option forfeited	-	1,250
Transfer from revaluation reserve property on disposed property	-	5,190
At 31 December	1,040,494	746,414
b) Other Reserves	31 Dec. 2024	31 Dec. 2023
General banking reserve	133,271	153,265
Statutory reserve	600,610	676,059
Revaluation reserve - Investment securities	(29,655)	(104,671)
Revaluation reserve - property and equipment	101,924	135,510
Remeasurements of post-employment benefit obligations	298	692
Translation reserve	(2,881,863)	(2,498,798)
	(2,075,415)	(1,637,943)
Movements in the other reserves were as follows:		
i) General banking reserve		
At 1 January	153,265	144,782
Effect of currency translation	(2,757)	-
Transfer to retained earnings	(17,237)	8,483
At 31 December	133,271	153,265
The general banking reserve represents transfers from retained earnings for unforeseeable risks and future losses. General banking reserves can only be distributed following approval by the shareholders in general meeting.		
ii) Statutory reserve		
At 1 January	676,059	592,863
Effect of currency translation	(131,781)	-
Transfer from retained earnings	56,332	83,196
At 31 December	600,610	676,059
Statutory reserves represents accumulated transfers from retained earnings in accordance with relevant local banking legislation. These reserves are not distributable.		
iii) Share option reserve		
At 1 January	-	1,250
Transfer to retained earnings	-	(1,250)
At 31 December	-	-
iv) Remeasurements of post-employment benefit obligations		
At 1 January	692	8
Effect of currency translation	(5)	-
Actuarial gains on retirement benefit	(389)	684
At 31 December	298	692

40 Retained earnings and other reserves (Continued)	31 Dec. 2024	31 Dec. 2023
v) Revaluation reserves - Investment securities		
At 1 January	(104,671)	(50,859)
Effect of currency translation	4,825	-
Net gain from changes in fair value debt securities	70,191	(53,812)
At 31 December	(29,655)	(104,671)

The revaluation reserve shows the effects from the fair value measurement of investment securities after deduction of deferred taxes. The net gain from changes in fair value in this note \$70.2 million represents the owner's part while the amount in the amount in Statement of OCI represent the Group amount \$66.1 million (December 2023 was net loss \$53.8 million and group amount \$64.4 million).

The equity component of the convertible bond is computed as a residual amount after determining the loan amount using the market rate of an equivalent loan.

vii) Revaluation Reserve - property and equipment

At 1 January	135,510	138,825
Transfer to retained earnings fair value on disposed property	-	(5,190)
Effect of currency translation	(38,753)	-
Net gain from change in fair value	5,167	1,875
At 31 December	101,924	135,510

viii) Translation reserve

At 1 January	(2,498,798)	(1,948,237)
Currency translation difference arising during the year	(383,065)	(550,561)
At 31 December	(2,881,863)	(2,498,798)

c) Other equity instruments

At 1 January	74,088	74,088
Attributable to other equity instrument holder	7,313	7,312
Additional tier 1 capital coupon	(7,313)	(7,312)
At 31 December	74,088	74,088

As at 31 December 2021, perpetual subordinated notes (Additional Tier 1 – AT1) issued by the Group and recognized under “other equity instruments” totaled \$74.1 million (2020: nil). This is the net proceeds after deducting the issuance costs. The parent company raised this instrument with a nominal value of \$75 million in September 2021 at a fixed coupon rate of 9.75%, with coupon payment dates of 3 March and 3 September and a first reset date of 3 September 2026. The AT1 instrument was raised for general business purposes and to increase the regulatory capital base of the Group.

41 Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents comprise the following balances with less than three months maturity.

	31 Dec. 2024	31 Dec. 2023
Cash and balances with central banks (Note 16)	3,835,252	2,596,218
Treasury Bills and other eligible bills (Note 21)	361,525	409,025
Deposits with other banks (Note 19)	1,173,198	1,229,276
Deposits from other banks (Note 31)	(428,139)	(336,683)
	4,941,836	3,897,836

42 Group entities

a) Significant subsidiaries

	Country of incorporation	Ownership interests	
		2024	2023
Ecobank Nigeria Limited	Nigeria	100%	100%
Ecobank Ghana Limited	Ghana	69%	69%
Ecobank Cote d'Ivoire	Cote d'Ivoire	75%	75%
Ecobank Burkina	Burkina Faso	78%	78%
Ecobank Senegal	Senegal	78%	78%
Ecobank Benin	Benin	79%	79%
Ecobank Cameroon	Cameroon	80%	80%
Ecobank Mali	Mali	93%	93%
Ecobank Togo	Togo	82%	82%

b) Non-controlling interests in subsidiaries that are material to the Group

The following table summarises the information relating to the Group's subsidiary that has material non-controlling interests (NCI), before any intra-group eliminations as at 31 December 2024 and 31 December 2023.

Entity	Ecobank Ghana		Ecobank Côte d'Ivoire		Ecobank Burkina	
NCI percentage	31%	31%	25%	25%	22%	21.8%
Period	2024	2023	2024	2023	2024	2023
Loans and advances to customers	714,744	831,423	1,532,796	1,760,084	710,186	820,713
Investment securities	681,960	746,869	1,146,554	1,026,406	585,760	534,429
Other assets	61,577	81,512	87,378	121,484	38,513	59,865
Deposits from customers	2,342,888	2,382,790	2,218,379	2,417,279	1,395,905	1,344,543
Other liabilities	114,432	86,289	99,434	153,936	39,324	34,266
Net assets	366,307	322,658	318,321	318,319	173,376	147,857
Carrying amount of NCI	113,802	100,241	79,597	79,597	37,838	32,269
At 31 December						
Operating income	381,041	349,259	197,434	177,388	106,195	99,841
Profit before tax	166,265	111,918	99,041	82,931	57,784	49,334
Profit after tax	119,515	66,751	88,876	74,475	49,903	41,528
Profit allocated to NCI	37,133	30,005	22,161	11,982	10,889	7,745

c) Significant restrictions

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which banking subsidiaries operate. The supervisory frameworks require banking subsidiaries to keep certain levels of regulatory capital and liquid assets, limit their exposure to other parts of the Group and comply with other ratios.

d) Involvement with unconsolidated structured entities

The table below describes the structured entities in which the Group does not hold an interest but is a sponsor. The Group considers itself a sponsor of a structured entity when it facilitates the establishment of the structured entity. These entities were not consolidated in December 2024.

Name	Type of structured entity	Nature and purpose	Investment held by the Group
FCP UEMOA DIVERSIFIE (Incorporated in Ivory Coast in 2007)	Asset-backed structured entity	a) Provide investors with an exposure to a referenced asset such as debt instrument	None
FCP UEMOA RENDEMENT (Incorporated in Ivory Coast in 2007)	Asset-backed structured entity	b) Generate fees for agent activities and funding for the Group's lending activities	None

The table below sets out information as at 31 December 2024 in respect of structured entities that the Group sponsors, but which the Group does not have an interest.

Asset-backed structured entities	FCP UEMOA DIVERSIFIE	FCP UEMOA RENDEMENT
Fee income earned from asset-backed structured entities	705	55
*Carrying amount of assets transferred by third parties to conduit vehicle		
Carrying amount of the financing received from unrelated third parties	11,093	739
The carrying value is stated at book value (costs less impairment)		

The Group does not have any exposure to any loss arising from these structured entities.

43 Related party transactions

The related party is the key management personnel, their related companies and close family relations. The key management personnel included directors (executive and non-executive), and other members of the Group Executive Committee.

A number of banking transactions are entered into with related parties in the normal course of business and at commercial terms. These transactions include loans, deposits, and foreign currency transactions. The volumes of related party transactions, outstanding balances at the end of the period, and relating expense and income for the period as follows:

Loans and advances to related parties

	Directors and key management personnel		Related companies	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
Loans outstanding at beginning of the year	1,742	2,076	55,295	43,590
Loans outstanding at end of the year	1,600	1,742	93,530	55,295
Interest income earned	107	116	866	848

No provisions have been recognised in respect of loans given to related parties (2023: nil).

The loans issued to executive directors during the year and related companies controlled by directors were given on commercial terms and market rates.

Directors' remuneration

Total directors fees and allowances

31 Dec. 2024	31 Dec. 2023
1,554	1,675

Related party credits

During the year the Group through its subsidiaries granted various credit facilities to directors and companies whose directors are also directors of ETI at rates and terms comparable to other facilities in the Group's portfolio. An aggregate of US\$ 93.5 million was outstanding on these facilities at the end of the reporting period. The status of performance of each facility is as shown below:

Name of company/individual	Relationship	Type	Status	Amount
ECOWAS	Director related	Bonds	Non-impaired	13,462
NEDBANK	Director related	Guarantees	Non-impaired	44,069
QATAR NATIONAL BANK	Director related	Guarantees	Non-impaired	35,999
				93,530

Parent

The parent company, which is also the ultimate parent company, is Ecobank Transnational Incorporated

44 Banking subsidiaries

% of interests

Ecobank Cameroon	80%
Ecobank Chad	74%
Ecobank Sao Tomé	100%
Ecobank Central Africa	75%
Ecobank Congo Brazzaville	86%
Ecobank Gabon	75%
Ecobank Guinea Equatoriale	60%
Ecobank Benin	79%
Ecobank Burkina Faso	78%
Ecobank Côte d'Ivoire	75%
Ecobank Mali	93%
Ecobank Niger	81%
Ecobank Sénégal	78%
Ecobank Togo	82%
Ecobank Guinea Bissau	96%
Ecobank Cape Verde	99%
Ecobank Ghana	69%
Ecobank Guinea	83%
Ecobank Liberia	100%
Ecobank Sierra Leone	100%
Ecobank Gambia	97%
Ecobank Rwanda	97%
Ecobank Tanzania	100%
Ecobank Kenya	100%
Ecobank Burundi	75%
Ecobank Uganda	100%
Ecobank South Sudan	94%
Ecobank Nigeria	100%
Ecobank Malawi	96%
Ecobank Congo RDC	100%
Ecobank Zambia	100%
Ecobank Zimbabwe	100%
Ecobank Mozambique	99%
SOFIPE Burkina	78%
Ecobank Micro Finance Sierra Leone	100%
Pan-African Savings and Loans Ghana	70%
Pan-African Savings and Loans Cameroon	82%
EBI SA (France)	100%
Non Banking subsidiaries	
EDC	98%
EDCN	85%
EDCFM	98%
EDCNIB	98%
OCCL	98%
EIC	98%
EAM	98%
EDCGE	98%
EDCGI	98%
EDCGS	98%
EDCA	98%
EDCC	98%
EDCK	98%
TBPIC*	100%
FCP	39%
EPI Lome	100%
EPI Nigeria	100%
EPI Ghana	100%
ARTSA	100%
ESF	100%

(*) TBPIC is an entity for which ETI has control and so it is included in the consolidation scope as per IFRS 10.

OTHER DISCLOSURES

STATEMENT OF VALUE ADDED

	Year ended 31 December 2024				Year ended 31 December 2023			
	US\$'000	%	NGN'000	%	US\$'000	%	NGN'000	%
Gross income	2,830,265		1,832,884,537		2,825,255		1,829,640,052	
Interest expenses paid	(675,340)		(437,351,359)		(697,433)		(451,658,824)	
Fee and commission expenses	(65,733)		(42,568,805)		(64,018)		(41,458,168)	
	2,089,192		1,352,964,373		2,063,804		1,336,523,060	
Impairment charges on financial assets	(323,607)		(209,568,456)		(329,939)		(213,669,070)	
	1,765,585		1,143,395,917		1,733,865		1,122,853,990	
Bought in material & services	(578,043)		(374,341,652)		(599,557)		(388,274,155)	
Value Added	1,187,542	100%	769,054,265	100%	1,134,308	100%	734,579,835	100%
Distributions								
Employees								
Staff salaries and benefits	450,429	38%	291,698,604	38%	462,801	41%	299,710,733	41%
Government								
Income tax	164,199	14%	106,335,558	14%	174,439	15%	112,967,000	15%
Retained in the group								
Asset replacement (depreciation and amortisation)	79,284	7%	51,344,456	7%	90,145	8%	58,378,059	8%
Expansion (transfer to reserves and non-controlling interest)	493,630	42%	319,675,647	42%	406,923	36%	263,524,043	36%
	1,187,542	100%	769,054,265	100%	1,134,308	100%	734,579,835	100%

FIVE-YEAR SUMMARY FINANCIALS

	2024	2023	2022	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At the year end					
Total assets	27,955,172	27,230,165	29,004,169	27,561,793	25,939,473
Loans and advances to customers	9,906,819	10,542,753	11,002,905	9,575,865	9,239,948
Deposits from customers	20,423,736	19,973,948	20,813,313	19,713,349	18,296,952
Total equity	1,794,802	1,734,455	2,027,015	2,164,306	2,027,713
For the year					
Revenue	2,089,118	2,063,666	1,861,797	1,756,714	1,679,765
Profit before tax	657,829	581,362	540,029	477,992	174,318
Profit after tax *	493,630	406,923	366,691	357,366	88,319
Profit attributable to ordinary shareholders	333,175	287,824	286,430	262,234	4,202
Earnings per share-basic (cents)	1.355	1.170	1.165	1.063	0.010
Earnings per share-diluted (cents)	1.355	1.170	1.165	1.063	0.010
Dividend (US cents)	-	-	0.11	0.16	-
Cost to income ratio	53.0%	55.0%	56.4%	58.9%	62.7%
NPL Ratio	6.7%	5.4%	5.2%	6.2%	7.6%
NPL Cover	85.5%	86.5%	86.5%	102.1%	74.5%
Return on Average Assets	1.8%	1.4%	1.3%	1.3%	0.4%
Return on Tangible Equity (ROTE) **	32.7%	24.9%	21.1%	19.0%	0.3%
Cost of Risk	1.8%	1.3%	0.1%	1.7%	1.8%
Loans/Deposits	51.4%	55.4%	55.4%	51.9%	53.6%

* The profit results for 2020 includes the effects of goodwill impairment charge of \$164m.

**Return on equity is calculated as profit attributable to ETI shareholders divided by the average end-of-periods shareholders equity.



ECOBANK TRANSNATIONAL INCORPORATED

**Condensed Consolidated Unaudited Financial Statements
For the period ended 31 March 2025**

Ecobank Transnational Incorporated
Condensed consolidated unaudited financial Statements
For the period ended 31 March 2025



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Press Release

Ecobank Group reports performance for the 2025 first quarter

- Gross earnings up 2% to \$690.0 million (up 17% to NGN 1,054.1 billion)
- Revenue up 4% to \$516.3 million (up 19% to NGN 788.7 billion)
- Operating income before impairment charges up 9% to \$249.8 million (up 24% to NGN 381.6 billion)
- Profit before tax up 17% to \$175.0 million (up 33% to NGN 267.3 billion)
- Profit after tax up 17% to \$122.5 million (up 33% to NGN 187.1 billion)
- Total assets up 3% to \$28.9 billion (up 3% to NGN 44,539.6 billion)
- Loans and advances to customers stable at \$9.9 billion (stable at NGN 15,310.8 billion)
- Deposits from customers up 5% to \$21.5 billion (up 5% to NGN 33,208.3 billion)
- Total equity up 8% to \$1.9 billion (up 8% to NGN 3,000.0 billion)

Financial Highlights	Period ended 31 March 2025		Period ended 31 March 2024		% Change	
	US\$'000	NGN'000	US\$'000	NGN'000	US\$	NGN
Income Statement:						
Gross Earnings	690,036	1,054,137,442	673,867	904,151,763	2%	17%
Revenue	516,264	788,673,653	495,949	665,432,738	4%	19%
Operating profit before impairment charges	249,808	381,620,621	229,151	307,460,197	9%	24%
Profit before tax	174,977	267,304,616	150,148	201,459,010	17%	33%
Profit after tax	122,484	187,113,382	105,013	140,899,746	17%	33%
Earnings per share attributable to ordinary shareholders during the period (expressed in United States cents / kobo per share):						
Basic (cents and kobo)	0.341	520.404	0.279	374.740	22%	39%
Diluted (cents and kobo)	0.341	520.404	0.279	374.740	22%	39%

Financial Highlights	As at 31 March 2025		As at 31 December 2024		% Change	
	US\$'000	NGN'000	US\$'000	NGN'000	US\$	NGN
Statement of Financial Position:						
Total assets	28,890,474	44,539,577,050	27,955,172	43,302,561,428	3%	3%
Loans and advances to customers	9,931,305	15,310,794,979	9,906,819	15,345,662,631	0.2%	-0.2%
Deposits from customers	21,540,493	33,208,331,843	20,423,736	31,636,367,064	5%	5%
Total equity	1,945,933	2,999,986,525	1,794,802	2,780,148,298	8%	8%

The unaudited financial statements were approved for issue by the board of directors on 25 April 2025.

The Group Chief Executive Officer is a signatory to the financial statements was granted a waiver by the Financial Reporting Council of Nigeria (FRCN) allowing him to sign the financial statements (without indicating their FRC registration number).



Prof. Enase Okonedo
Non-Executive Director
FRC/2014/ICAN/00000005959



Jeremy Awori
Group Chief Executive Officer



Ayo Adepoju, Ph.D
Group Chief Financial Officer
FRC/2017/ICAN/00000017517

Consolidated unaudited statement of comprehensive Income - USD

	3 month period ended 31 March 2025	3 month period ended 31 March 2024	% Change
	US\$'000	US\$'000	
Interest income	454,631	453,384	0.3%
Interest income calculated using the effective interest method	452,700	452,341	0.1%
Other interest income	1,931	1,043	85%
Interest expense	(159,192)	(163,941)	-3%
Net Interest income	295,439	289,443	2%
Fee and commission income	144,500	136,351	6%
Fee and commission expense	(14,580)	(13,977)	4%
Trading income and foreign exchange gains	82,657	79,856	4%
Net investment income	143	(821)	117%
Other operating income	8,105	5,097	59%
Non-interest revenue	220,825	206,506	7%
Operating income	516,264	495,949	4%
Staff expenses	(115,242)	(113,651)	1%
Depreciation and amortisation	(17,527)	(18,533)	-5%
Other operating expenses	(133,687)	(134,614)	-1%
Operating expenses	(266,456)	(266,798)	0%
Operating profit before impairment charges and taxation	249,808	229,151	9%
Impairment charges on financial assets	(74,831)	(79,003)	-5%
Profit before tax	174,977	150,148	17%
Taxation	(52,493)	(45,135)	16%
Profit after tax	122,484	105,013	17%
Attributable to:			
Ordinary shareholders	83,776	68,686	22%
Other equity instrument holder	3,656	3,656	0%
Non-controlling interests	35,052	32,671	7%
	122,484	105,013	17%
Earnings per share attributable to ordinary shareholders during the period (expressed in United States cents per share):			
Basic (cents)	0.341	0.279	22%
Diluted (cents)	0.341	0.279	22%
Consolidated unaudited statement of other comprehensive income			
Profit after tax	122,484	105,013	17%
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange difference on translation of foreign operations	57,461	(231,460)	125%
Fair value loss on debt instruments at FVOCI	(4,074)	(1,546)	164%
Items that will not be reclassified to profit or loss:			
Net change in fair value on property and equipment	(1,174)	4,237	-128%
Other comprehensive income / (loss) for the period, net of taxation	52,213	(228,769)	123%
Total comprehensive income / (loss) for the period	174,697	(123,756)	241%
Total comprehensive income / (loss) attributable to:			
Ordinary shareholders	119,569	(138,062)	187%
Other equity instrument holder	3,656	3,656	0%
Non-controlling interests	51,472	10,650	383%
	174,697	(123,756)	241%

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

"n/m" : not meaningful

Consolidated unaudited statement of comprehensive Income - NGN

	3 month period ended 31 March 2025	3 month period ended 31 March 2024	% Change
	NGN'000	NGN'000	
Interest Income	694,519,647	608,321,736	14%
Interest income calculated using the effective interest method	691,569,744	606,922,305	14%
Other interest income	2,949,903	1,399,431	111%
Interest expense	(243,190,569)	(219,965,578)	11%
Net Interest Income	451,329,078	388,356,158	16%
Fee and commission income	220,746,251	182,947,076	21%
Fee and commission expense	(22,273,220)	(18,753,447)	19%
Trading income and foreign exchange gains	126,271,439	107,145,688	18%
Net investment income	218,455	(1,101,565)	-120%
Other operating income	12,381,650	6,838,828	81%
Non-interest revenue	337,344,575	277,076,580	22%
Operating income	788,673,653	665,432,738	19%
Staff expenses	(176,050,100)	(152,489,664)	15%
Depreciation and amortisation	(26,775,222)	(24,866,397)	8%
Other operating expenses	(204,227,710)	(180,616,480)	13%
Operating expenses	(407,053,032)	(357,972,541)	14%
Operating profit before impairment charges and taxation	381,620,621	307,460,197	24%
Impairment charges on financial assets	(114,316,005)	(106,001,187)	-8%
Operating profit after impairment charges and modification loss	267,304,616	201,459,010	33%
Profit before tax	267,304,616	201,459,010	33%
Taxation	(80,191,234)	(60,559,264)	32%
Profit after tax	187,113,382	140,899,746	33%
Attributable to:			
Ordinary shareholders	127,980,885	92,158,494	39%
Other equity instrument holder	5,585,109	4,905,388	14%
Non-controlling interests	53,547,388	43,835,864	22%
	187,113,382	140,899,746	33%
Earnings per share attributable to ordinary shareholders during the period (expressed in Naira kobo per share):			
Basic (kobo)	520.404	374.740	39%
Diluted (kobo)	520.404	374.740	39%
Consolidated unaudited statement of other comprehensive income			
Profit after tax	187,113,382	140,899,746	33%
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange difference on translation of foreign operations	76,742,717	304,205,030	-75%
Fair value loss on debt instruments at FVOCI	(6,223,669)	(2,074,324)	200%
Items that will not be reclassified to profit or loss:			
Net change in fair value on property and equipment	(1,793,468)	5,684,936	-132%
Other comprehensive income for the period, net of taxation	68,725,580	307,815,642	78%
Total comprehensive income for the period	255,838,962	448,715,388	43%
Total comprehensive income attributable to:			
Ordinary shareholders	175,883,509	216,614,003	-19%
Other equity instrument holder	5,585,109	4,905,388	14%
Non-controlling interests	74,370,344	227,195,997	-67%
	255,838,962	448,715,388	43%

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

"n/m" : not meaningful

Consolidated unaudited statement of financial position - USD

	As at 31 March 2025	As at 31 December 2024
ASSETS	US\$'000	US\$'000
Cash and balances with central banks	5,061,506	5,095,969
Trading financial assets	104,896	62,789
Derivative financial instruments	69,459	76,635
Loans and advances to banks	2,763,636	2,391,697
Loans and advances to customers	9,931,305	9,906,819
Treasury bills and other eligible bills	1,843,968	1,656,471
Investment securities	7,141,163	6,897,740
Pledged assets	30,906	18,760
Other assets	1,071,057	999,329
Investment in associates	272	351
Intangible assets	42,985	39,552
Investment properties	11,211	11,073
Property and equipment	586,138	562,809
Deferred income tax assets	229,245	232,451
	28,887,747	27,952,445
Assets held for sale	2,727	2,727
Total assets	28,890,474	27,955,172
LIABILITIES		
Deposits from banks	1,507,464	2,020,636
Deposits from customers	21,540,493	20,423,736
Derivative financial instruments	44,351	35,146
Borrowed funds	2,167,190	2,159,847
Other liabilities	1,484,892	1,282,751
Provisions	68,771	59,987
Current income tax liabilities	69,485	104,317
Deferred income tax liabilities	32,846	47,611
Retirement benefit obligations	29,049	26,339
Total liabilities	26,944,541	26,160,370
EQUITY		
Share capital and premium	2,113,961	2,113,961
Retained earnings and reserves	(915,352)	(1,034,921)
Equity attributable to ordinary shareholders	1,198,609	1,079,040
Other equity instrument holder	74,088	74,088
Non-controlling interests	673,236	641,674
Total equity	1,945,933	1,794,802
Total liabilities and equity	28,890,474	27,955,172

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

Consolidated unaudited statement of financial position - NGN

	As at 31 March 2025	As at 31 December 2024
ASSETS	NGN'000	NGN'000
Cash and balances with central banks	7,803,171,955	7,893,655,981
Trading financial assets	161,715,016	97,260,161
Derivative financial instruments	107,082,857	118,707,615
Loans and advances to banks	4,260,614,712	3,704,738,653
Loans and advances to customers	15,310,794,979	15,345,662,631
Treasury bills and other eligible bills	2,842,790,147	2,565,873,579
Investment securities	11,009,316,762	10,684,599,260
Pledged assets	47,646,853	29,059,240
Other assets	1,651,216,445	1,547,960,621
Investment in associates	419,334	543,699
Intangible assets	66,268,685	61,266,048
Investment properties	17,283,662	17,152,077
Property and equipment	903,631,370	871,791,141
Deferred income tax assets	353,420,139	360,066,599
	44,535,372,916	43,298,337,305
Assets held for sale	4,204,134	4,224,123
Total assets	44,539,577,050	43,302,561,428
LIABILITIES		
Deposits from banks	2,324,012,025	3,129,965,164
Deposits from customers	33,208,331,843	31,636,367,064
Derivative financial instruments	68,374,606	54,441,154
Borrowed funds	3,341,091,807	3,345,603,003
Other liabilities	2,289,213,451	1,986,981,299
Provisions	106,022,188	92,919,863
Current income tax liabilities	107,122,940	161,587,033
Deferred income tax liabilities	50,637,693	73,749,439
Retirement benefit obligations	44,783,972	40,799,111
Total liabilities	41,539,590,525	40,522,413,130
EQUITY		
Share capital and premium	353,513,236	353,513,236
Retained earnings and reserves	1,577,144,083	1,401,260,574
Equity attributable to ordinary shareholders	1,930,657,319	1,754,773,810
Other equity instrument holder	31,421,462	31,421,462
Non-controlling interests	1,037,907,744	993,953,026
Total equity	2,999,986,525	2,780,148,298
Total liabilities and equity	44,539,577,050	43,302,561,428

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

Consolidated unaudited statement of changes in equity - USD

Amounts in US\$'000

	Share Capital	Retained Earnings	Other Reserves	Total equity and reserves attributable	Other equity instrument	Non-Controlling Interest	Total Equity
At 1 January 2024	2,113,961	746,414	(1,806,414)	1,053,961	74,088	606,406	1,734,455
Foreign currency translation differences	-	-	(210,620)	(210,620)	-	(20,840)	(231,460)
Net loss in debt instruments, net of taxes	-	-	(365)	(365)	-	(1,181)	(1,546)
Net gain on revaluation of property	-	-	4,237	4,237	-	-	4,237
Profit for the period	-	68,686	-	68,686	3,656	32,671	105,013
Total comprehensive loss for the period	-	68,686	(206,748)	(138,062)	3,656	10,650	(123,756)
Coupon paid to other equity instrument holder	-	-	-	-	(3,656)	-	(3,656)
Dividend relating to 2023	-	-	-	-	-	(3,634)	(3,634)
At 31 March 2024	2,113,961	815,100	(2,013,162)	915,899	74,088	613,422	1,603,409
At 1 January 2024	2,113,961	746,414	(1,806,414)	1,053,961	74,088	606,406	1,734,455
Foreign currency translation differences	-	-	(383,065)	(383,065)	-	(56,051)	(439,116)
Net changes in debt instruments, net of taxes	-	-	70,191	70,191	-	(4,097)	66,094
Net gain on revaluation of property	-	-	5,167	5,167	-	(1,613)	3,554
Remeasurements of post-employment benefit obligations	-	-	(389)	(389)	-	389	-
Profit for the year	-	333,175	-	333,175	7,313	153,142	493,630
Total comprehensive income for the year	-	333,175	(308,096)	25,079	7,313	91,770	124,162
Coupon paid to other equity instrument holder	-	-	-	-	(7,313)	-	(7,313)
Transfer from general reserve	-	17,237	(17,237)	-	-	-	-
Transfer to statutory reserve	-	(56,332)	56,332	-	-	-	-
Dividend relating to 2023	-	-	-	-	-	(52,797)	(52,797)
Other reserves	-	-	-	-	-	(11,716)	(11,716)
Change of ownership	-	-	-	-	-	8,011	8,011
At 31 December 2024 /January 2025	2,113,961	1,040,494	(2,075,415)	1,079,040	74,088	641,674	1,794,802
Foreign currency translation differences	-	-	42,958	42,958	-	14,503	57,461
Net changes in debt instruments, net of taxes	-	-	(5,991)	(5,991)	-	1,917	(4,074)
Net gain on revaluation of property	-	-	(1,174)	(1,174)	-	-	(1,174)
Profit for the period	-	83,776	-	83,776	3,656	35,052	122,484
Total comprehensive income for the period	-	83,776	35,793	119,569	3,656	51,472	174,697
Coupon paid to other equity instrument holder	-	-	-	-	(3,656)	-	(3,656)
Dividend relating to 2024	-	-	-	-	-	(15,628)	(15,628)
Other reserves	-	-	-	-	-	(4,282)	(4,282)
At 31 March 2025	2,113,961	1,124,270	(2,039,622)	1,198,609	74,088	673,236	1,945,933

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

Consolidated unaudited statement of changes in equity - NGN

Amounts in NGN '000

	Share Capital	Retained Earnings	Other Reserves	Total equity and reserves attributable	Other equity instrument	Non-Controlling Interest	Total Equity
At 1 January 2024	353,513,236	259,950,818	428,780,241	1,042,244,295	31,421,462	577,171,167	1,650,836,924
Foreign currency translation differences	-	-	119,260,307	119,260,307	-	184,944,723	304,205,030
Net loss in debt instruments, net of taxes	-	-	(489,734)	(489,734)	-	(1,584,590)	(2,074,324)
Net gain on revaluation of property	-	-	5,684,936	5,684,936	-	-	5,684,936
Profit for the period	-	92,158,494	-	92,158,494	4,905,388	43,835,864	140,899,746
Total comprehensive income for the period	-	92,158,494	124,455,509	216,614,003	4,905,388	227,195,997	448,715,388
Coupon paid to other equity instrument holder	-	-	-	-	(4,905,388)	-	(4,905,388)
Dividend relating to 2023	-	-	-	-	-	(4,875,869)	(4,875,869)
At 31 March 2024	353,513,236	352,109,312	553,235,750	1,258,858,298	31,421,462	799,491,295	2,089,771,055
At 1 January 2024	353,513,236	259,950,818	428,780,241	1,042,244,295	31,421,462	577,171,167	1,650,836,924
Foreign currency translation differences	-	-	104,073,517	104,073,517	-	280,644,631	384,718,148
Net gain in debt instruments, net of taxes	-	-	104,639,870	104,639,870	-	(6,107,757)	98,532,113
Net gain on revaluation of property	-	-	7,702,899	7,702,899	-	(2,404,640)	5,298,259
Remeasurements of post-employment benefit obligations	-	-	(579,916)	(579,916)	-	579,916	-
Profit for the year	-	496,693,145	-	496,693,145	10,902,129	228,302,188	735,897,462
Total comprehensive income for the year	-	496,693,145	215,836,370	712,529,515	10,902,129	501,014,338	1,224,445,982
Coupon paid to other equity instrument holder	-	-	-	-	(10,902,129)	-	(10,902,129)
Transfer from general reserve	-	25,696,705	(25,696,705)	-	-	-	-
Transfer to statutory reserve	-	(83,979,045)	83,979,045	-	-	-	-
Dividend relating to 2023	-	-	-	-	-	(78,709,111)	(78,709,111)
Other reserves	-	-	-	-	-	(17,466,067)	(17,466,067)
Change of ownership	-	-	-	-	-	11,942,699	11,942,699
At 31 December 2024 / January 2025	353,513,236	698,361,623	702,898,951	1,754,773,810	31,421,462	993,953,026	2,780,148,298
Foreign currency translation differences	-	-	58,848,277	58,848,277	-	17,894,440	76,742,717
Net loss in debt instruments, net of taxes	-	-	(9,152,185)	(9,152,185)	-	2,928,516	(6,223,669)
Net gain on revaluation of property	-	-	(1,793,468)	(1,793,468)	-	-	(1,793,468)
Profit for the period	-	127,980,885	-	127,980,885	5,585,109	53,547,388	187,113,382
Total comprehensive income for the period	-	127,980,885	47,902,624	175,883,509	5,585,109	74,370,344	255,838,962
Coupon paid to other equity instrument holder	-	-	-	-	(5,585,109)	-	(5,585,109)
Dividend relating to 2024	-	-	-	-	-	(23,874,204)	(23,874,204)
Other reserves	-	-	-	-	-	(6,541,422)	(6,541,422)
At 31 March 2025	353,513,236	826,342,508	750,801,575	1,930,657,319	31,421,462	1,037,907,744	2,999,986,525

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

Consolidated unaudited statement of cash flows - USD

	3 Month period ended 31 March 2025	3 Month period ended 31 March 2024
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before tax	174,977	150,148
Adjusted for:		
Foreign exchange (loss) / income	15,170	(96,528)
Net investment securities gain / (loss)	(143)	821
Impairment charges on loans and advances	46,963	70,022
Impairment charges on other financial assets	27,868	8,981
Depreciation of property and equipment	13,268	13,520
Amortisation of software and other intangibles	4,259	5,013
Profit on sale of property and equipment	(446)	(149)
Income taxes paid	(100,162)	(94,050)
Changes in operating assets and liabilities		
Trading financial assets	(44,033)	(20,564)
Derivative financial instruments	10,193	(13,711)
Treasury bills and other eligible bills	(115,952)	39,883
Loans and advances to banks	(439,852)	(423,010)
Loans and advances to customers	146,747	(146,439)
Pledged assets	(12,057)	76,853
Other assets	(56,327)	(281,280)
Mandatory reserve deposits with central banks	14,518	(122,877)
Deposits from customers	878,658	783,157
Other deposits from banks	(542,865)	(219,357)
Derivative liabilities	7,853	1,286
Other liabilities	184,217	3,517
Provisions	7,550	365,885
Net cashflow from operating activities	220,404	101,121
Cash flows from investing activities		
Purchase of software	(113)	(281)
Purchase of property and equipment	(8,892)	(13,249)
Proceeds from sale of property and equipment	75	574
Purchase of investment securities	(306,940)	(274,611)
Proceeds from sale and redemption of investment securities	89,399	643,129
Net cashflow (used in) / from investing activities	(226,471)	355,562
Cash flows from financing activities		
Repayment of borrowed funds	(45,228)	(40,616)
Proceeds from borrowed funds	16,480	203,387
Coupon paid to other equity instrument holder	(3,656)	(3,656)
Dividends paid to non-controlling shareholders	(15,628)	(3,634)
Net cashflow (used in) / from financing activities	(48,032)	155,481
Net (decrease) / increase in cash and cash equivalents	(54,099)	612,164
Cash and cash equivalents at beginning of period	4,941,836	3,897,836
Effects of exchange differences on cash and cash equivalents	(24,561)	(479,026)
Cash and cash equivalents at end of the period	4,863,176	4,030,974

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

Consolidated unaudited statement of cash flows - NGN

	3 Month period ended 31 March 2025	3 Month period ended 31 March 2024
	NGN'000	NGN'000
Cash flows from operating activities		
Profit before tax	267,304,616	201,459,010
Adjusted for:		
Foreign exchange (loss) / income	23,174,537	(129,515,114)
Net investment securities gain / (loss)	(218,455)	1,101,565
Impairment losses on loans and advances	71,743,295	93,951,054
Impairment losses on other financial assets	42,572,710	12,050,133
Depreciation of property and equipment	20,268,936	18,140,274
Amortisation of software and other intangibles	6,506,286	6,726,124
Profit on sale of property and equipment	(681,334)	(199,919)
Income taxes paid	(153,013,052)	(126,190,292)
Changes in operating assets and liabilities		
Trading financial assets	(67,267,264)	(27,591,464)
Derivative financial instruments	15,571,395	(18,396,545)
Treasury bills and other eligible bills	(177,134,736)	53,512,466
Loans and advances to banks	(671,942,423)	(567,567,840)
Loans and advances to customers	224,178,894	(196,482,511)
Pledged assets	(18,418,945)	103,116,454
Other assets	(86,048,264)	(377,403,565)
Mandatory reserve deposits with central banks	22,178,506	(164,868,522)
Deposits from customers	1,342,286,918	1,050,790,116
Other deposits from banks	(829,310,821)	(294,319,233)
Derivative liabilities	11,996,680	1,725,473
Other liabilities	281,420,153	4,718,886
Provisions	11,533,801	490,921,158
Net cashflow from operating activities	336,701,433	135,677,708
Cash flows from investing activities		
Purchase of software	(172,625)	(377,028)
Purchase of property and equipment	(13,583,915)	(17,776,706)
Proceeds from sale of property and equipment	114,574	770,157
Purchase of investment securities	(468,898,646)	(368,455,526)
Proceeds from sale and redemption of investment securities	136,570,894	862,909,476
Net cashflow (used in) / from investing activities	(345,969,718)	477,070,373
Cash flows from financing activities		
Repayment of borrowed funds	(69,092,813)	(54,495,958)
Proceeds from borrowed funds	25,175,766	272,891,705
Coupon paid to other equity instrument holder	(5,585,109)	(4,905,388)
Dividends paid to non-controlling shareholders	(23,874,204)	(4,875,869)
Net cashflow (used in) / from financing activities	(73,376,360)	208,614,490
Net (decrease) / increase in cash and cash equivalents	(82,644,645)	821,362,571
Cash and cash equivalents at beginning of period	1,690,633,468	1,690,633,468
Effects of exchange differences on cash and cash equivalents	5,889,423,721	2,741,693,304
Cash and cash equivalents at end of the period	7,497,412,544	5,253,689,343

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

Notes

1 General information

Ecobank Transnational Incorporated (ETI) and its subsidiaries (together, 'the Group') provide retail, corporate and investment banking services throughout sub Saharan Africa outside South Africa. The Group had presence in 39 countries and employed over 14,337 people as at 31 March 2025 (31 December 2024:14,560) .

Ecobank Transnational Incorporated is a limited liability company and is incorporated and domiciled in the Republic of Togo. The address of its registered office is as follows: 2365 Boulevard du Mono, Lomé, Togo. The company has a primary listing on the Ghana Stock Exchange, the Nigerian Stock Exchange and the Bourse Regionale Des Valeurs Mobilières (Abidjan) Cote D'Ivoire.

The consolidated financial statements for the period ended 31 March 2025 have been approved by the Board of Directors on 25 April 2025.

2 Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed elsewhere. These policies have been consistently applied to all the periods presented, unless otherwise stated. The notes also highlight new standards and interpretations issued at the time of preparation of the consolidated financial statements and their potential impact on the Group. The financial statements are for the Group consisting of Ecobank Transnational Incorporated and its subsidiaries.

2.1 Basis of presentation and measurement

The Group's condensed consolidated financial statements for the period ended 31 March 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting. The financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). These Condensed Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the audited 31 December 2024 Annual Consolidated Financial Statements and the accompanying notes included of our 2024 Annual Report. The Condensed Financial Statements have been prepared on a going concern basis.

The condensed consolidated financial statements have been prepared under the historical cost convention, except for the following:

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

The condensed consolidated financial statements are presented in US Dollars, which is the group's functional and presentation currency. The figures shown in the consolidated financial statements are stated in US Dollar thousands.

The condensed consolidated financial statements comprise the consolidated statement of comprehensive income (shown as two statements), the statement of financial position, the statement of changes in equity, the statement of cash flows and the accompanying notes.

The consolidated statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing. The cash flows from operating activities are determined by using the indirect method. The Group's assignment of the cash flows to operating, investing and financing category depends on the Group's business model.

The preparation of financial statements in conformity with IFRS Accounting standards which requires the use of certain critical accounting estimates. It also requires Directors to exercise judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Group's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

2.2 Going concern

At the time of approving the financial statements, nothing has come to the attention of the Directors to indicate that the group will not remain a going concern for at least twelve months from the date of these financial statements. Thus, the group has applied the going concern basis of accounting in preparing the financial statements.

2.3 New standards, interpretations and amended adopted by the group

a) The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

i) Lack of exchangeability - Amendments to IAS 21 The amendments to IAS 21

The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information. The amendments did not have a material impact on the Group's financial statements.

2 Summary of material accounting policies (continued)

2.4 New and revised IFRS accounting standards in issue but not yet effective

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2024. At the date of authorisation of these financial statements, the Group has not applied these standards.

IFRS 18 – Presentation and Disclosure in Financial Statements

Issued 9 April 2024 and effective for annual periods beginning on or after 1 January 2027 (early adoption permitted). This standard replaces IAS 1 and introduces new subtotals (e.g. operating profit) and enhanced disclosure requirements. The directors of the company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods. The Group has elected not to adopt IFRS 18 early.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

Issued in May 2024 and effective for annual periods beginning on or after 1 January 2027 (early adoption permitted). This optional standard reduces disclosure requirements for eligible subsidiaries. These amendments are not expected to have a significant impact on the financial statements in the period of initial application. The Group has not elected early adoption of IFRS 19.

2.5 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in United States dollars, which is the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the official exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Changes in the fair value of monetary securities denominated in foreign currency classified as FVTOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as FVTOCI, are included in other comprehensive income.

c) Group companies

The results and financial position of all group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- ii) Income and expenses for each income statement are translated at average exchange rates; (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) and
- iii) All resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising from the above process are reported in shareholders' equity as 'Foreign currency translation differences'.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2 Summary of material accounting policies (continued)

Foreign currency translation (continued)

d) Classification of hyper-inflationary economies.

IAS 29, 'Financial Reporting in Hyperinflationary Economies,' mandates that entities with a functional currency in a hyperinflationary economy must adjust their financial statements to reflect changes in a suitable general price index. This ensures figures are presented in the current unit of measurement at the reporting period's closing date. Consequently, inflation occurring since the acquisition or revaluation date, as applicable, must be calculated for non-monetary items. Before designating an economy as hyperinflationary, the Group conducts a thorough assessment, considering both qualitative and quantitative factors as stipulated by IAS 29. When both sets of factors are met, the Group appropriately accounts for the affiliate's operations under IAS 29, where considered material.

The operating environment in Zimbabwe evolved rapidly with the introduction of a new currency during the year. Consequently, the increased use of the USD in the market necessitated management to reevaluate the affiliate's functional currency. As a result, the functional currency for Zimbabwe was reassessed and determined to be the United States dollar (USD).

2.6 Sale and repurchase agreements

Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in deposits from banks or deposits from customers, as appropriate. Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to other banks or customers, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are also retained in the financial statements.

2.7 Determination of fair value

Fair value under IFRS 13, Fair Value Measurement ('IFRS 13') is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market condition (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on exchanges (for example, NSE, BVRM, GSE) and quotes from approved bond market makers. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer or broker, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the consolidated statement of financial position.

The Group uses widely recognised valuation models for determining fair values of non-standardized financial instruments of lower complexity, such as options or interest rate and currency swaps. For these financial instruments, inputs into models are generally market observable.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk. Based on the established fair value model governance policies, and related controls and procedures applied, management believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value in the consolidated statement of financial position. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary – particularly in view of the current market developments.

The fair value of over-the-counter (OTC) derivatives is determined using valuation methods that are commonly accepted in the financial markets, such as present value techniques and option pricing models. The fair value of foreign exchange forwards is generally based on current forward exchange rates. Structured interest rate derivatives are measured using appropriate option pricing models (for example, the Black-Scholes model) or other procedures such as Monte Carlo simulation.

The fair value for loans and advances as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.

2.8 Fee and commission income

The Group applies IFRS 15 to all revenue arising from contracts with clients, unless the contracts are in the scope of the standards on leases, insurance contracts and financial instruments. The Group recognises revenues to depict the transfer of promised service to customers in an amount that reflects the consideration the Group expects to be entitled in exchange for the service.

Portfolio management advisory and service fees	Recognised based on the applicable service contracts, in most instances on a time-apportionment basis.
Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party	Recognised on completion of the underlying transaction.
Asset management fees related to investment funds	Recognised over the period in which the service is provided. The initial fees that exceed the level of recurring fees and relate to the future provision of services are deferred and amortised over the projected period over which services will be provided
Wealth management, financial planning and custody services	Recognised over the period in which the service is provided. The initial fees that exceed the level of recurring fees and relate to the future provision of services are deferred and amortised over the projected period over which services will be provided

2.9 Dividend income

Dividends are recognised in the consolidated income statement in other operating income when the entity's right to receive payment is established which is generally when the shareholders approve the dividend.

2.10 Trading income

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

2.11 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment at each reporting date. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.12 Share-based payments

The Group engages in equity settled share-based payment transactions in respect of services received from certain categories of its employees. The fair value of the services received is measured by reference to the fair value of the shares or share options granted on the date of the grant. The cost of the employee services received in respect of the shares or share options granted is recognised in the consolidated income statement over the period that the services are received, which is the vesting period.

The fair value of the options granted is determined using option pricing models, which take into account the exercise price of the option, the current share price, the risk free interest rate, the expected volatility of the share price over the life of the option and other relevant factors. Except for those which include terms related to market conditions, vesting conditions included in the terms of the grant are not taken into account in estimating fair value.

Non-market vesting conditions are taken into account by adjusting the number of shares or share options included in the measurement of the cost of employee services so that ultimately, the amount recognised in the consolidated income statement reflects the number of vested shares or share options.

2 Summary of material accounting policies (continued)

2.13 Cash and cash equivalents

For purposes of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and bank overdrafts.

2.14 Repossessed collateral and properties

Reposessed collateral are equities, landed properties or other investments reposessed from customers and used to settle the outstanding obligations. Such investments and other assets are classified in accordance with the intention of the Group in the asset class which they belong. Repossessed properties acquired in exchange for loans as part of an orderly realisation are reported in 'other assets'. The reposessed properties are recognised when the risks and rewards of the properties have been transferred to the Group. The corresponding loans are derecognised when the Group becomes the holder of the title deed. The properties acquired are initially recorded fair value. They are subsequently measured at the lower of the carrying amount or net realisable value. No depreciation is charged in respect of these properties. Any subsequent write-down of the acquired properties to net realisable value is recognised in the statement of comprehensive income. Any subsequent increase in net realisable value, to the extent that it does not exceed the cumulative write-down, is also recognised in the statement of comprehensive income. Gains or losses on disposal of reposessed properties are reported in 'Other operating income' or 'Operating expenses', as the case may be.

2.15 Leases

The group leases various offices, branches, houses, ATM locations, equipment and cars. Rental contracts are typically made for fixed periods of 1 to 65 years but may have extension options as described in (ii) below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the affiliate's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment, copiers and other small items of office furniture.

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

2.16 Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the Group, are classified as investment properties. Investment properties comprise office buildings and Commercial Bank parks leased out under operating lease agreements.

Some properties may be partially occupied by the Group, with the remainder being held for rental income or capital appreciation. If that part of the property occupied by the Group can be sold separately, the Group accounts for the portions separately. The portion that is owner-occupied is accounted for under IAS 16, and the portion that is held for rental income or capital appreciation or both is treated as investment property under IAS 40. When the portions cannot be sold separately, the whole property is treated as investment property only if an insignificant portion is owner-occupied.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost has been incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the date of the consolidated statement of financial position. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated income statement in the year in which they arise. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated income statement during the financial period in which they are incurred.

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease.

The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value is calculated by discounting the expected net rentals at a rate that reflects the current market conditions as of the valuation date adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure. These valuations are performed annually by external appraisers.

Investment properties are derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as other income in the profit and loss.

2.17 Property and equipment

Items of property and equipment are initially recognised at cost if it is probable that any future economic benefits associated with the items will flow to the group and they have a cost that can be measured reliably. Subsequent expenditure is capitalised to the carrying amount of items of property and equipment if it is measurable and it is probable that it increases the future economic benefits associated with the asset. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

Land and buildings comprise mainly branches and offices and are measured using the revaluation model. All other property and equipment used by the Group is stated at historical cost less depreciation. Subsequent to initial recognition, motor vehicles, furniture and equipment, installations and computer equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are carried at revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. If an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs shall be revalued. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. If an asset's carrying amount is increased as a result of a revaluation, the increase shall be credited directly to other comprehensive income. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be debited directly to equity under the heading of revaluation reserve to the extent of any credit balance existing in the revaluation surplus in respect of that asset. For assets revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Land and buildings are the class of items that are revalued on a regular basis. The other items are evaluated at cost.

An independent valuation of the Group's land and buildings was performed by professionally qualified independent valuers to determine the fair value of the land and buildings as at period end. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in 'revaluation reserve – property and equipment' in shareholders equity. Fair value is derived by applying internationally acceptable and appropriately benchmarked valuation techniques such as depreciated replacement cost or market value approach. The depreciated replacement cost approach involves estimating the value of the property in its existing use and the gross replacement cost. For these appropriate deductions are made to allow for age, condition and economic or functional obsolescence, environmental and other factors that might result in the existing property being worth less than a new replacement. The market value approach involves comparing the properties with identical or similar properties, for which evidence of recent transaction is available or alternatively identical or similar properties that are available in the market for sale making adequate adjustments on price information to reflect any differences in terms of actual time of the transaction, including legal, physical and economic characteristics of the properties.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

-Buildings	25-50 year
-Leasehold improvements	25 years or over the period of the lease if less than 25 years
-Furniture,equipment installations	3-5 years
-Motors vehicles	3-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Assets are subject to review for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

2.18 Intangible assets

a) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiaries and associates at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units is represented by each primary reporting segment.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstance indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment is tested by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill. Impairment losses on goodwill are not reversed.

b) Computer software licences

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful lives.

Costs associated with maintaining computer software programs are recognised as an expense incurred. Development costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives (not exceeding three years).

2.19 Income tax

a) Current income tax

Income tax payable (receivable) is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognised as an expense (income) for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity (for example, current tax on debt instruments at FVOCI).

Where the Group has tax losses that can be relieved against a tax liability for a previous year, it recognises those losses as an asset, because the tax relief is recoverable by refund of tax previously paid. This asset is offset against an existing current tax balance. Where tax losses can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises. Those losses carried forward are set off against deferred tax liabilities carried in the consolidated statement of financial position. The Group does not offset income tax liabilities and current income tax assets. International Tax Reform—Pillar Two model rules (amendments to IAS 12)

The Group is a multinational enterprise with a turnover of more than \$2.b. It is subject to the Organization for Economic Cooperation and Development (OECD) Pillar Two model rules, which aim to ensure that the effective tax rate of affected entities is at least 15%. Pillar Two legislation is not yet substantially enacted in Togo, the jurisdiction in which the company is incorporated. The Group has no related current tax exposure.

The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Overall the Group does not anticipate any material impact.

b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2.19 Income tax (Continued)

b) Deferred income tax (continued)

The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and liabilities, provisions for pensions and other post-retirement benefits and carry-forwards; and, in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base, fair value changes on investment securities, tax loss carried forward, revaluation on property and equipment. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to fair value re-measurement of investment securities, which are recognised in other comprehensive income, is also recognised in the other comprehensive income and subsequently in the consolidated income statement together with the deferred gain or loss.

2.20 Provisions

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more probable than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The Group recognises no provisions for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.21 Employee benefits

a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

b) Other post-retirement obligations

The Group also provides gratuity benefits to its retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

d) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

e) Short term benefits

The Group seeks to ensure that the compensation arrangements for its employees are fair and provide adequate protection for current and retiring employees. Employee benefits are determined based on individual level and performance within defined salary bands for each employee grade. Individual position and job responsibilities will also be considered in determining employee benefits. Employees will be provided adequate medical benefits and insurance protection against disability and other unforeseen situations. Employees shall be provided with retirement benefits in accordance with the Separation and Termination policies. Details of employee benefits are available with Group or Country Human Resources.

2.22 Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contracts is discharged, cancelled or expired. The difference between the carrying amount of financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the income statement as other operating income.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.23 Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder. The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry. When the conversion option is not exercised upon maturity, the equity component remains in equity.

2.24 Fiduciary activities

Group companies commonly act as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. An assessment of control has been performed and this does not result in control for the group. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

2.25 Share capital

Financial instruments issued are classified as equity when there is no contractual obligation to transfer cash, other financial assets, or issue available number of own equity instruments. Incremental costs directly attributable to the issue of this new financial instrument are shown in equity as a deduction from the proceeds.

Securities that carry a discretionary coupon and have no fixed maturity or redemption date are classified as other equity instruments. Interest payments on these securities are recognized as distributions from equity in the period in which they are paid.

a) Share issue costs

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

b) Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by Ecobank Transnational Incorporated's shareholders. Dividends for the year that are declared after the reporting date are disclosed in the subsequent events note.

c) Treasury shares

Where the company purchases its equity share capital, the consideration paid is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

2.26 Segment reporting

The Group's segmental reporting is in accordance with IFRS 8, Operating Segments ("IFRS 8"). Operating segments are reported in a manner consistent with the internal reporting provided to the Group Executive Committee, which is responsible for allocating resources and assessing performance of the operating segments and has been identified by the Group as the Chief Operating Decision Maker (CODM).

All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated in head office. Income and expenses directly associated with each segment are included in determining business segment performance.

In accordance with IFRS 8, the Group has the following business segments: Corporate & Investment Banking, Commercial Banking and Consumer Banking.

2.27 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter the assets (or disposal group) are measured at the lower of their carrying amount or fair value less cost to sell. Any impairment loss on a disposal group is first allocated to reduce goodwill and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets, deferred tax assets, investment properties, insurance assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss until finally sold. Property, equipment and intangible assets, once classified as held for sale, are not depreciated or amortised.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interests in its former subsidiary after the sale.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

2.28 Discontinued operations:

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operation, is part of single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with the view to resale. The Group presents discontinued operations in a separate line in the income statement.

Net profit from discontinued operations includes the net total of operating profit and loss before tax from operations, including net gain or loss on sale before tax or measurement to fair value less costs to sell and discontinued operations tax expense. A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group's operations and cash flows. If an entity or a component of an entity is classified as a discontinued operation, the Group restates prior periods in the Income statement.

2.29 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

Where IAS 8, Accounting policies ("IAS 8"), changes in accounting estimates and errors' applies, comparative figures have been adjusted to conform with changes in presentation in the current year.

2.30 Financial assets and liabilities

2.30.1 Financial assets - Classification and Measurement Policies

Financial assets are measured at initial recognition at fair value, and are classified and subsequently measured at fair value through statement of profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) or amortized cost based on our business model for managing the financial instruments and the contractual cash flow characteristics of the instrument. For non-revolving facilities, origination date is the date the facility is disbursed while origination date for revolving facilities is the date the line is availed. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

a) A financial asset is measured at amortized cost if it meets both of the following conditions:

- (i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

b) A debt instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- (i) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset; and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Debt instruments are those instruments that meet the definition of a financial liability from the holder's perspective, such as loans, government and corporate bonds. Movements in the carrying amount of these assets are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in Net investment income. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

c) A debt instrument is measured at FVTPL

- Debt instruments measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that are solely payments of principal and interest. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments are measured at fair value in the Statement of Financial Position, with transaction costs recognized immediately in the Income Statement as part of trading income. Realized and unrealized gains and losses are recognized as part of trading income in the Statement of Profit or Loss.

d) Equity Instruments

Equity instruments are instruments that meet the definition of equity from the holder's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Equity instruments are measured at FVTPL. However, on initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect for strategic or long term investment reasons to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. On adoption of the standard, the Group did designate some of its equity instruments as FVTOCI. Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to the Statement of Profit or Loss. For equity instruments measured at FVTPL, changes in fair value are recognized in the Statement of Profit or Loss. Dividends received are recorded in other income in the Statement of Profit or Loss. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Statement of Profit or Loss on sale of the security (this only apply for equity instruments measured at FVTOCI).

e) Business model assessment

Business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Group in determining the business model for a Group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL. The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Other factors considered in the determination of the business model include:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

The Group may decide to sell financial instruments held with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions are met:

- (i) When the Group sells financial assets to reduce credit risk or losses because of an increase in the assets' credit risk.
- (ii) Where these sales are infrequent even if significant in value. A sale of financial assets is considered infrequent if the sale is one-off during the financial year.
- (iii) Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than one (1) per cent of the carrying amount (book value) of the total assets within the business model.
- (iv) When these sales are made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets has a tenor to maturity of not more than one (1) year and/or the difference between the remaining contractual cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.

Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the portfolio held with the sole objective of collecting cashflows category that will not constitute a change in business model:

- Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
- Selling the financial asset to manage credit concentration risk (infrequent).
- Selling the financial assets as a result of changes in tax laws or due to a regulatory requirement e.g. comply with liquidity requirements (infrequent).
- Other situations also depends upon the facts and circumstances which need to be judged by the management

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

2.30 Financial assets and liabilities (Continued)

2.30.1 Financial assets - Classification and Measurement Policies (Continued)

f) Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. Principal may change over the life of the instruments due to repayments. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. nonrecourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

2.30.2 Financial liabilities

Derivative liabilities are classified as at FVTPL and are measured at fair value with the gains and losses arising from changes in their fair value included in the consolidated income statement and are reported as 'Trading income'. These financial instruments are recognised in the consolidated statement of financial position as 'Derivative financial instruments'.

Financial liabilities that are not classified as at fair value through profit or loss are measured at amortised cost. Financial liabilities measured at amortised cost are deposits from banks and customers, other deposits, financial liabilities in other liabilities, borrowed funds for which the fair value option is not applied, convertible bonds and subordinated debts.

2.30.3 Expected Credit Loss Impairment Model on financial assets

The Group's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Group adopts a three-stage approach for impairment assessment based on changes in credit quality since initial recognition:

- Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.
- Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance is based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination.

The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime. The Group generally considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

a) Measurement

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

b) Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized.

The ECL are then measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

c) Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

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

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

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

c) Credit-impaired financial assets

A loan that has been renegotiated due to a deterioration in the borrower's financial condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered impaired.

In making an assessment of whether an investment in debt securities is credit-impaired, the Group considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The issuer's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

d) Presentation of allowance for ECL in the statement of financial position

Loan allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision within Other liabilities;
- Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- Debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve in Consolidated Statement of Comprehensive Income.

e) Write-off

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

f) Definition of default

The Group considers a financial asset to be in default which is fully aligned with the credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

- The borrower is more than 90 days past due on its contractual payments.
- The borrower has an internal obligor risk rating (ORR) of 9 or 10.

Qualitative criteria

The borrower meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's expected loss calculations.

Curing

The Bank considers an instrument previously in default to no longer be in default (i.e. to have cured) when it no longer meets the default criteria. For the purposes of staging however, the facility will observe a probationary period of 90 days before transferring to a higher credit quality stage. For the purpose of determining that a cure has occurred the Bank classifies facilities to be either in a performing state or non-performing state. A facility is said to have cured when it transitions from a non-performing state into a performing state.

Performing state consists of facilities classified internally as I, IA or IIA while non-performing state consists of IIN, III and IV.

Facilities that have moved from a non-performing state into a performing state are required to observe a 90 day probationary period before they are considered to be cured for IFRS 9 staging purposes.

Backward transition

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

The Probationary period to be applied shall be;

- Transfer from Stage 2 to 1:- 90 days
- Transfer from Stage 3 to 2:- 90 days
- Transfer from Stage 3 to Stage 1:- 180 days

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

ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD, and LGD, defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default (2.30.3 f above) and credit-impaired financial assets" (2.30.3 c above)), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. This 12M PD is used to calculate 12-month ECLs. The Lifetime PD is used to calculate lifetime ECLs for stage 2 and 3 exposures.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type:

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

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

- (i) For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.
- (ii) For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Group's recent default data. The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type:

- (i) For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- (ii) For unsecured products, LGD's are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies, including contracted debt sales and price.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type.

The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a semi-annual basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

h) Significant Increase in Credit Risk (SICR)

At each reporting date, the Group assesses whether there has been a significant increase in credit risk (SICR) for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors. The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on factors such as the type of product, industry, borrower, geographical region etc.

The Group adopts a multi factor approach in assessing changes in credit risk. This approach considers: Quantitative, Qualitative and Back stop indicators which are critical in allocating financial assets into stages. The quantitative models consider deterioration in the credit rating of obligor/counterparty based on the Group's internal rating system or external ratings while qualitative factors consider information such as expected forbearance, restructuring, exposure classification by licensed credit bureau etc. A backstop is typically used to ensure that in the (unlikely) event that the quantitative indicators do not change and there is no trigger from the qualitative indicators, an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 or stage 3 as the case may be except where there is a reasonable and supportable evidence available without undue cost to rebut the presumption.

i) Forward-looking information incorporated in the ECL models

The assessment of Expected Credit Losses incorporates the use of forward-looking information. The Group has identified the key economic variables impacting its credit risk and expected credit losses and performed historical analysis to determine the significance and impact of these economic variables on its credit risk and expected credit losses. Significant economic variables and the impact of these variables on credit losses vary by clusters and affiliates within the Group. The key drivers for credit risk for the Group are: gross domestic product, commodity prices, oil prices, foreign exchange rates and inflation rate. The impact of these economic variables on the expected credit losses has been determined by performing multi-variate analysis to understand the impact that changes in these variables have had historically on default rates and on the components of expected credit losses.

The forecasts of these economic variables, constitute three scenarios, the best estimate, the optimistic, and the downturn scenario.

In addition to the base economic scenario, the Group's Economics team also provide other possible scenarios along with scenario weightings. The number of scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. The Group concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario represents. The Group measures expected credit losses as a probability weighted expected credit losses. These probability-weighted expected credit losses are determined by running each of the scenarios through the relevant expected credit loss model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

The assessment of SICR is performed using the changes in credit risk rating (as a proxy for lifetime PD) along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Group measures ECL as either a probability weighted 12-month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3).

As with any economic forecasts, the projections and likelihood of occurrence are subject to high degree of inherent uncertainty and therefore the actual outcomes may significantly differ from those projected. The Group considers these forecasts to represent its best estimate of possible outcomes and has analysed the non-linearities and asymmetry within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of scenarios.

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

j) Expected Life

For instruments in Stage 2 or Stage 3, loss allowances reflect expected credit losses over the expected remaining lifetime of the instrument. For most instruments, the expected life is limited to the remaining contractual life. An exemption is provided for certain instruments with the following characteristics: (a) the instrument includes both a loan and undrawn commitment component; (b) we have the contractual ability to demand repayment and cancel the undrawn commitment; and (c) our exposure to credit losses is not limited to the contractual notice period. For products in scope of this exemption, the expected life may exceed the remaining contractual life and is the period over which our exposure to credit losses is not mitigated by our normal credit risk management actions. This period varies by product and risk category and is estimated based on our historical experience with similar exposures and consideration of credit risk management actions taken as part of our regular credit review cycle. Products in scope of this exemption include credit cards, overdraft balances and certain revolving lines of credit. Judgment is required in determining the instruments in scope for this exemption and estimating the appropriate remaining life based on our historical experience and credit risk mitigation practices.

2.30.4 Interest income

Interest income and expense for all interest-bearing financial instruments are recognized within 'interest income' and 'interest expense' in the consolidated income statement using the effective interest method. The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired (as set out in Note 2.30.3) and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, financial instruments designated at FVTPL. Interest income on interest bearing financial assets measured at FVTOCI are also recorded by using the EIR method. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a Group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

For purchased or originated credit-impaired financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows to the amortised cost of the assets.

2.30.5 Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

A change in the Group's business model will occur only when the Group either begins or ceases to perform an activity that is significant to its operations such as:

- Significant internal restructuring or business combinations;
- Disposal of a business line i.e. disposal of a business segment
- Any other reason that might warrant a change in the Group's business model as determined by management based on facts and circumstances

The following are not considered to be changes in the business model:

- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets.
- A transfer of financial assets between parts of the Group with different business models.

When reclassification occurs, the Group reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. Gains, losses or interest previously recognised are not be restated when reclassification occurs.

There were no changes to any of the Group's business models during the current year.

2.30.6 Modification of financial assets

The Group sometimes renegotiates or otherwise modifies the terms of loans provided to customers. This may be due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

The Group may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

The Group continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific models for modified assets.

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

A modification of a financial asset is substantial and will thus result in derecognition of the original financial asset, where the modified contractual terms are priced to reflect current conditions on the date of modification and are not merely an attempt to recover outstanding amounts. Where the modification does not result in an accounting derecognition the original asset continues to be recognised. In this case, the Group recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

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

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

2.30.7 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

2.30.8 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as 'Pledged Assets', if the transferee has the right to sell or repledge them.

2.31 Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Group are measured as the amount of the loss allowance.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision within "Other liabilities". However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

2.32 Offsetting financial instruments

In accordance with IAS 32, the Group reports financial assets and liabilities on a net basis on the statement of financial position only if there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the company or the counterparty.

Income and expenses are presented on a net basis only when permitted under IFRS Accounting standards, or for gains and losses arising from a group of similar transactions such as in the trading activity.

2.33 Classes of financial instruments

The Group classifies the financial instruments into classes that reflect the nature of information and take into account the characteristics of those financial instruments. The classification made can be seen in the table below:

Financial assets

Category (as defined by IFRS9)

Fair Value Through Statement of Profit or Loss (FVTPL)

Class (as determined by the Group)

Trading financial assets
Derivative financial instruments

Amortised Cost

Cash and balances with central banks
Loans and advances to banks
Loans and advances to customers
Other assets, excluding prepayments and repossessed assets

Fair Value Through Other Comprehensive Income (FVTOCI)

Treasury bills and other eligible bills
Investment securities
Pledged assets

Financial liabilities

Category (as defined by IFRS9)

Financial liabilities at fair value through statement of profit or loss

Financial liabilities at amortised cost

Class (as determined by the Group)

Derivative financial instruments
Deposits from banks
Deposits from customers
Borrowed funds
Other liabilities, excluding non-financial liabilities

Off balance sheet financial instruments

Category (as defined by IFRS9)

Loan commitments

Guarantees, acceptances and other financial facilities

Class (as determined by the Group)

Loan commitments
Guarantees, acceptances and other financial facilities

3 Critical accounting estimates, and judgments in applying accounting policies

The preparation of financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

a) Impairment losses on loans and advances

The Group reviews its loan portfolios to assess impairment at least monthly. Where impairment has been identified, an allowance for impairment is recorded. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination in which case loss allowance is measured at an amount equal to lifetime ECL. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

The Group generally considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'. Loss allowances on such low credit risk instrument are recognised at the equivalent of 12-month ECL.

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as the expected life of the instrument, determination of significant increase in credit risk, selection of appropriate macro-economic variables and other forward-looking information etc.

(i) Determining criteria for significant increase in credit risk and choosing appropriate models and assumptions for the measurement of ECL

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. In assessing SICR, the Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has been applied in this process.

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

(ii) Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL

The scenario weightings applied in the incorporation of the forward-looking information into the calculation of ECL are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The forward-looking information used in ECL are based on forecasts. As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

(iii) Establishing groups of similar financial assets for the purposes of measuring ECL

In determining whether an impairment loss should be recorded in the income statement, the Group makes judgements as to movement in the level of credit risk on the instrument since origination. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(iv) Establishing Probability of Default parameters (PD)

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

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

(v) Establishing loss given default parameters (LGD)

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

b) Fair value of financial instruments

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. To the extent practical, models use only observable data; however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments. Fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the consolidated statement of financial position.

c) Goodwill impairment

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.18. These calculations require the use of estimates. The recoverable amount of all CGUs has been determined based on value-in-use calculations. These calculations use post-tax cash flow projections based on financial budgets approved by management covering a five-year period. No goodwill impairment charge for the period.

d) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

e) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of Note 2.30.1). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4 Liquidity risk management

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

4.1 Liquidity risk management process

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

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

4.2 Undiscounted cash flows

The table below presents the cash flows payable by the Group by remaining contractual maturities at the statement of financial position date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Group manages the inherent liquidity risk based on expected undiscounted cash inflows.

As at 31 March 2025

Assets

Cash and balances with central banks	3,742,094	-	76,213	-	1,243,199	5,061,506
Trading financial assets	1,139	52,784	52,492	-	-	106,415
Derivative financial instruments	25,475	21,872	2,956	21,028	-	71,331
Loans and advances to banks	1,665,281	566,365	537,847	-	-	2,769,493
Loans and advances to customers	689,592	936,098	2,660,871	4,392,782	1,796,202	10,475,545
Treasury bills and other eligible bills	109,214	707,707	966,581	129,767	21,372	1,934,641
Investment securities	47,385	173,215	932,628	4,484,192	1,812,405	7,449,825
Pledged assets	-	-	32,527	-	-	32,527
Other assets excluding prepayments and repossessed assets	7,173	374,935	394,988	-	-	777,096

Total assets (expected maturity dates)

Liabilities

Deposits from banks	1,040,632	315,287	161,586	-	-	1,517,505
Deposit from customers	17,338,823	382,854	2,914,114	712,485	269,235	21,617,511
Other borrowed funds	81,672	10,469	468,223	1,488,350	372,631	2,421,345
Other liabilities excluding accrued income	39,537	227,632	1,071,238	-	-	1,338,407
Derivative financial instruments	1,615	-	44,351	-	-	45,966

Total liabilities (contractual maturity dates)

Gap analysis

	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Assets						
Cash and balances with central banks	3,742,094	-	76,213	-	1,243,199	5,061,506
Trading financial assets	1,139	52,784	52,492	-	-	106,415
Derivative financial instruments	25,475	21,872	2,956	21,028	-	71,331
Loans and advances to banks	1,665,281	566,365	537,847	-	-	2,769,493
Loans and advances to customers	689,592	936,098	2,660,871	4,392,782	1,796,202	10,475,545
Treasury bills and other eligible bills	109,214	707,707	966,581	129,767	21,372	1,934,641
Investment securities	47,385	173,215	932,628	4,484,192	1,812,405	7,449,825
Pledged assets	-	-	32,527	-	-	32,527
Other assets excluding prepayments and repossessed assets	7,173	374,935	394,988	-	-	777,096
Total assets (expected maturity dates)	6,287,353	2,832,976	5,657,103	9,027,769	4,873,178	28,678,379
Liabilities						
Deposits from banks	1,040,632	315,287	161,586	-	-	1,517,505
Deposit from customers	17,338,823	382,854	2,914,114	712,485	269,235	21,617,511
Other borrowed funds	81,672	10,469	468,223	1,488,350	372,631	2,421,345
Other liabilities excluding accrued income	39,537	227,632	1,071,238	-	-	1,338,407
Derivative financial instruments	1,615	-	44,351	-	-	45,966
Total liabilities (contractual maturity dates)	18,502,279	936,242	4,659,512	2,200,835	641,866	26,940,734
Gap analysis	(12,214,926)	1,896,734	997,591	6,826,934	4,231,312	1,737,645

As at 31 December 2024

Assets

Cash and balances with central banks	3,750,578	-	84,674	-	1,260,717	5,095,969
Financial Asset held for trading	12,015	23,140	32,247	-	-	67,402
Derivative financial instruments	52,656	2,194	1,133	22,471	-	78,454
Loans and advances to banks	1,414,104	550,629	531,252	-	-	2,495,985
Loans and advances to customers	672,247	985,442	2,515,718	4,664,718	1,811,602	10,649,727
Treasury bills and other eligible bills	337,310	283,411	959,916	121,598	19,362	1,721,597
Investment securities	32,876	137,092	1,081,618	4,994,340	1,587,191	7,833,117
Pledged assets	-	-	19,018	-	-	19,018
Other assets excluding prepayments and repossessed assets	5,331	249,131	443,228	-	-	697,690

Total assets (expected maturity dates)

Liabilities

Deposits from banks	1,548,558	310,748	167,573	-	-	2,026,879
Deposit from customers	17,187,769	344,210	2,100,671	706,008	253,844	20,592,502
Borrowed funds	64,541	9,720	454,549	1,431,871	369,932	2,330,613
Derivative financial instruments	-	-	35,146	-	-	35,146
Other liabilities excluding accrued income	48,529	279,150	805,799	-	-	1,133,478

Total liabilities(contractual maturity dates)

Gap analysis

	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Assets						
Cash and balances with central banks	3,750,578	-	84,674	-	1,260,717	5,095,969
Financial Asset held for trading	12,015	23,140	32,247	-	-	67,402
Derivative financial instruments	52,656	2,194	1,133	22,471	-	78,454
Loans and advances to banks	1,414,104	550,629	531,252	-	-	2,495,985
Loans and advances to customers	672,247	985,442	2,515,718	4,664,718	1,811,602	10,649,727
Treasury bills and other eligible bills	337,310	283,411	959,916	121,598	19,362	1,721,597
Investment securities	32,876	137,092	1,081,618	4,994,340	1,587,191	7,833,117
Pledged assets	-	-	19,018	-	-	19,018
Other assets excluding prepayments and repossessed assets	5,331	249,131	443,228	-	-	697,690
Total assets (expected maturity dates)	6,277,117	2,231,039	5,668,804	9,803,127	4,678,872	28,658,959
Liabilities						
Deposits from banks	1,548,558	310,748	167,573	-	-	2,026,879
Deposit from customers	17,187,769	344,210	2,100,671	706,008	253,844	20,592,502
Borrowed funds	64,541	9,720	454,549	1,431,871	369,932	2,330,613
Derivative financial instruments	-	-	35,146	-	-	35,146
Other liabilities excluding accrued income	48,529	279,150	805,799	-	-	1,133,478
Total liabilities(contractual maturity dates)	18,849,397	943,828	3,563,738	2,137,879	623,776	26,118,618
Gap analysis	(12,572,280)	1,287,211	2,105,066	7,665,248	4,055,096	2,540,341

5 Fair value of financial assets and liabilities

(a) Financial instruments not measured at fair value

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

	Carrying value		Fair value	
	31 Mar 2025	31 Dec 2024	31 Mar 2025	31 Dec 2024
Financial assets:				
Cash and balances with central banks	5,061,506	5,095,969	5,061,506	5,095,969
Loans and advances to banks	2,780,049	2,407,430	2,806,430	2,418,098
Loans and advances to customers	10,549,434	10,507,344	10,675,897	10,620,919
Other assets excluding prepayments and repossessed assets	777,096	771,616	777,096	771,616
Financial liabilities:				
Deposits from banks	1,507,464	2,020,636	1,527,244	2,041,933
Deposit from customers	21,540,493	20,423,736	21,623,234	20,504,759
Other liabilities excluding accrued income	1,338,407	1,133,478	1,338,407	1,133,478
Borrowed funds	2,167,190	2,159,847	2,217,804	2,216,241

(i) Cash and balances with central banks

The carrying amount of cash and balances with banks is a reasonable approximation of fair value

(ii) Loans and advances to banks

Loans and advances to banks include inter-bank placements and items in the course of collection. The carrying amount of floating rate placements and overnight deposits is a reasonable approximation of fair value. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity.

(iii) Loans and advances to customers

Loans and advances are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(iv) Deposit from banks, due to customers and other deposits

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand.

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

(v) Other assets

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

(vi) Other liabilities

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

(b) Fair value hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

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

	31 March 2025			31 December 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Treasury and other eligible bills	781,992	1,061,976	-	773,910	882,561	-
Trading Financial Assets	3,739	101,157	-	62,789	-	-
Derivative financial instruments	-	69,459	-	-	76,635	-
Pledged assets	-	30,906	-	-	18,760	-
Investment securities	1,586,592	5,459,994	94,577	1,515,646	5,267,261	114,833
Total financial assets	2,372,323	6,723,492	94,577	2,352,345	6,245,217	114,833
Derivative financial instruments	-	44,351	-	-	35,146	-
Total financial liabilities	-	44,351	-	-	35,146	-

There are no movements between Level 1 and Level 2. The following table presents the changes in Level 3 instruments for the available for sale securities:

5 Fair value of financial assets and liabilities (continued)

(c) Financial instrument classification

At 31 March 2025

Assets

Cash and balances with central banks
Trading financial assets
Derivative financial instruments
Loans and advances to banks
Loans and advances to customers
Treasury bills and other eligible bills
Equity instruments
Investment securities - Debt instruments
Pledged assets
Other assets excluding prepayments and repossessed assets

Total

Liabilities

Deposits from banks
Deposit from customers
Derivative financial instruments
Borrowed funds
Other liabilities excluding accrued income

Total

Amortised cost	FVTPL	FVTOCI - Debt Instruments	Equity Instruments at FVTPL	FVTOCI - Equity instruments	Liabilities at fair value through profit or loss	Liabilities at amortised cost	Total
5,061,506	-	-	-	-	-	-	5,061,506
-	104,896	-	-	-	-	-	104,896
-	69,459	-	-	-	-	-	69,459
2,763,636	-	-	-	-	-	-	2,763,636
9,931,305	-	-	-	-	-	-	9,931,305
186,125	-	1,657,843	-	-	-	-	1,843,968
-	-	-	94,577	360,853	-	-	455,430
1,169,393	-	5,516,340	-	-	-	-	6,685,733
30,906	-	-	-	-	-	-	30,906
777,096	-	-	-	-	-	-	777,096
19,919,967	174,355	7,174,183	94,577	360,853	-	-	27,723,935
-	-	-	-	-	-	1,507,464	1,507,464
-	-	-	-	-	-	21,540,493	21,540,493
-	-	-	-	-	44,351	-	44,351
-	-	-	-	-	-	2,167,190	2,167,190
-	-	-	-	-	-	1,338,407	1,338,407
-	-	-	-	-	44,351	26,553,554	26,597,905

31 December 2024

Assets

Cash and balances with central banks
Trading financial assets
Derivative financial instruments
Loans and advances to banks
Loans and advances to customers
Treasury bills and other eligible bills
Equity instruments
Investment securities - Debt instruments
Pledged assets
Other assets excluding prepayments and repossessed assets

Total

Liabilities

Deposits from banks
Deposit from customers
Derivative financial instruments
Borrowed funds
Other liabilities excluding accrued income

Total

Amortised cost	FVTPL	FVTOCI - Debt Instruments	Equity Instruments at FVTPL	FVTOCI - Equity instruments	Liabilities at fair value through profit or loss	Liabilities at amortised cost	Total
5,095,969	-	-	-	-	-	-	5,095,969
-	62,789	-	-	-	-	-	62,789
-	76,635	-	-	-	-	-	76,635
2,391,697	-	-	-	-	-	-	2,391,697
9,906,819	-	-	-	-	-	-	9,906,819
232,722	-	1,423,749	-	-	-	-	1,656,471
-	-	-	448,358	114,833	-	-	563,191
1,391,106	-	4,943,443	-	-	-	-	6,334,549
18,760	-	-	-	-	-	-	18,760
697,690	-	-	-	-	-	-	697,690
19,734,763	139,424	6,367,192	448,358	114,833	-	-	26,804,570
-	-	-	-	-	-	2,020,636	2,020,636
-	-	-	-	-	-	20,423,736	20,423,736
-	-	-	-	-	35,146	-	35,146
-	-	-	-	-	-	2,159,847	2,159,847
-	-	-	-	-	-	1,133,478	1,133,478
-	-	-	-	-	35,146	25,737,697	25,772,843

6 Financial Capital Management

The Group's capital management objectives are:

- To comply with the capital requirements set by regulators in the markets where the Group's entities operate and safeguard the Group's ability to continue as a going concern;
- To maintain a strong capital base that supports the development of the business; and
- To sustain a sufficient level of returns for the Group's shareholders.

On a consolidated basis, the Group is required to comply with Basel II/III capital requirements set by the BCEAO for banks headquartered in the UEMOA zone. On a standalone basis, banking subsidiaries are required to maintain minimum capital levels and minimum capital adequacy ratios which are determined by their national or regional regulators.

The Group's capital is divided into two tiers:

- Tier 1 capital: share capital (net of treasury shares), retained earnings, reserves created by appropriations of retained earnings, and non-controlling interests allowed as Tier 1 capital by the regulator. Certain intangibles and goodwill are deducted in calculating Tier 1 capital; and

- Tier 2 capital: subordinated debt and other loss-absorbing instruments, certain revaluation reserves, and noncontrolling interests allowed as Tier 2 capital by the regulator.

Risk-weighted assets are calculated in accordance with regulatory guidelines. Credit risk-weighted assets are measured by applying a hierarchy of risk weights related to the nature of the risks associated with each of the Group's on- and off-balance sheet asset classes. Operational risk weighted assets are calculated by applying a scaling factor to the Group's average gross income over the last three years. Market risk-weighted assets are calculated by applying factors to the Group's trading exposures to foreign currencies, interest rates, and prices.

The Group has remained compliant with the UEMOA minimum regulatory capital adequacy ratios for Regionally systemically important banks (8.5 % CET1 CAR, 9.5% Tier 1 CAR, and 12.5% for Total CAR). The Regulatory capital ratios are submitted to our regulator every six months.

	31 Dec 2024	31 Dec 2023
Common Equity Tier 1 capital		
Tier 1 capital		
Share capital	2,113,961	2,113,961
Retained earnings	1,040,494	746,414
Statutory reserves	600,610	676,059
Other reserves	(2,442,429)	(2,324,013)
Non-controlling interests	243,515	252,418
Less: goodwill and intangibles	(10,569)	(11,845)
Total CET 1 capital	1,545,582	1,452,994
Additional Tier 1 capital		
Additional Tier 1 instrument	75,000	75,000
Minority interests included in Tier 2 capital	22,177	22,788
Total Additional Tier 1 capital	97,177	97,788
Total qualifying Tier 1 capital	1,642,759	1,550,782
Tier 2 capital		
Subordinated debt and other instruments		
Revaluation reserve	393,112	418,536
Minority interests included in Tier 2 capital	41,652	55,536
	64,564	64,871
Total qualifying Tier 2 capital	499,328	538,943
Total regulatory capital	2,142,087	2,089,725
Risk-weighted assets:		
Credit risk weighted assets	10,151,624	10,688,435
Market risk weighted assets	88,955	87,073
Operational risk weighted assets	3,319,440	3,157,639
Total risk-weighted assets	13,560,019	13,933,147
CET 1 Capital Adequacy Ratio	11.4%	10.4%
Tier 1 Capital Adequacy Ratio	12.1%	11.1%
Total Capital Adequacy Ratio	15.8%	15.0%

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

	3 Month period ended 31 March 2025		3 Month period ended 31 March 2024	
	US\$'000	NGN'000	US\$'000	NGN'000
7 Net interest income				
Interest income				
Interest income calculated using the effective interest method				
Loans and advances to banks	25,634	39,159,927	33,377	44,783,130
Loans and advances to customers	233,209	356,263,063	243,514	326,731,554
Treasury bills and other eligible bills	73,953	112,974,723	55,033	73,839,770
Investment securities	117,882	180,083,111	118,793	159,388,871
Others	2,022	3,088,920	1,624	2,178,980
	452,700	691,569,744	452,341	606,922,305
Other interest income				
Trading financial assets	1,931	2,949,903	1,043	1,399,431
	454,631	694,519,647	453,384	608,321,736
Interest expense				
Deposits from banks	15,845	24,205,705	20,203	27,107,097
Due to customer	95,839	146,408,996	90,306	121,166,831
Other borrowed funds	45,940	70,180,504	51,829	69,540,847
Interest expense for lease liabilities	903	1,379,473	649	870,787
Others	665	1,015,891	954	1,280,016
	159,192	243,190,569	163,941	219,965,578
8 Net fee and commission income				
Fee and commission income:				
Credit related fees and commissions	40,403	61,721,874	35,726	47,934,868
Portfolio and other management fees	2,096	3,201,966	1,523	2,043,464
Corporate finance fees	1,956	2,988,095	2,590	3,475,097
Cash management and related fees	71,288	108,903,521	67,909	91,115,966
Card management fees	23,617	36,078,645	23,083	30,971,297
Brokerage fees and commissions	2,253	3,441,808	1,775	2,381,582
Other fees	2,887	4,410,342	3,745	5,024,802
	144,500	220,746,251	136,351	182,947,076
Fee and commission expense				
Brokerage fees paid	597	912,010	556	746,005
Bank charges	4,333	6,619,332	5,059	6,787,844
Other fees paid	9,650	14,741,878	8,362	11,219,598
	14,580	22,273,220	13,977	18,753,447
9 Trading income and foreign exchange gains				
Foreign exchange translation (losses) / gains	(15,170)	(23,174,537)	96,528	129,515,115
Foreign exchange trading gains / (losses)	82,321	125,758,146	(25,133)	(33,721,857)
Trading income on securities	15,506	23,687,830	8,461	11,352,430
	82,657	126,271,439	79,856	107,145,688
10 Net investment income				
Net gains/(losses) from investment securities	143	218,455	(821)	(1,101,565)
11 Other operating income				
Lease income	454	693,556	193	258,955
Dividend income	285	435,382	322	432,039
Other	7,366	11,252,712	4,582	6,147,834
	8,105	12,381,650	5,097	6,838,828
12 Impairment charges on financial assets				
Impairment charges on loans and advances	63,243	96,613,531	105,310	141,298,242
Recoveries / Release of provisions	(16,280)	(24,870,236)	(35,288)	(47,347,188)
Impairment charge on other financial assets	27,868	42,572,710	8,981	12,050,133
	74,831	114,316,005	79,003	106,001,187
13 Operating expenses				
Staff expenses	115,242	176,050,100	113,651	152,489,664
Depreciation and amortisation	17,527	26,775,222	18,533	24,866,397
Other operating expenses	133,687	204,227,710	134,614	180,616,480
	266,456	407,053,032	266,798	357,972,541
14 Taxation				
Current income tax	65,330	99,801,748	65,904	88,425,784
Deferred income tax	(12,837)	(19,610,514)	(20,769)	(27,866,520)
	52,493	80,191,234	45,135	60,559,264

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15 Earnings per share

Basic

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

	31 Mar. 2025	31 Mar. 2024
Profit attributable to ordinary shareholders	83,776	68,686
Weighted average number of ordinary shares in issue (in thousands)	24,592,619	24,592,619
Basic earnings per share (expressed in US cents per share)	0.341	0.279

	31 Mar 2025	31 Mar 2024
Profit attributable to ordinary shareholders	83,776	68,686
Weighted average number of ordinary shares in issue (in thousands)	24,592,619	24,592,619
Dilutive earnings per share (expressed in US cents per share)	0.341	0.279

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		As at 31 March 2025		As at 31 December 2024	
		US\$'000	NGN'000	US\$'000	NGN'000
16	Cash and balances with central banks				
	Cash in hand	830,864	1,280,918,103	818,881	1,268,446,669
	Balances with central banks other than mandatory reserve deposits	2,987,443	4,605,651,250	3,016,371	4,672,358,679
	Included in cash and cash equivalents	3,818,307	5,886,569,353	3,835,252	5,940,805,348
	Mandatory reserve deposits with central banks	1,243,199	1,916,602,602	1,260,717	1,952,850,633
		5,061,506	7,803,171,955	5,095,969	7,893,655,981
17	Trading financial assets				
	Debt securities measured at FVTPL				
	- Government bonds	104,896	161,715,016	62,789	97,260,161
		104,896	161,715,016	62,789	97,260,161
18	Loans and advances to banks				
	Items in course of collection from other banks	31,138	48,004,520	64,348	99,675,052
	Deposits with other banks	1,118,888	1,724,956,063	1,173,198	1,817,283,702
	Placements with other banks	1,613,610	2,487,654,129	1,154,151	1,787,779,899
		2,763,636	4,260,614,712	2,391,697	3,704,738,653
19	Loans and advances to customers				
	Analysis by type:				
	Overdrafts	1,277,375	1,969,290,716	1,211,009	1,875,852,941
	Credit cards	1,052	1,621,837	1,123	1,739,527
	Term loans	9,115,479	14,053,060,509	9,148,983	14,171,774,667
	Mortgage loans	155,528	239,772,852	146,229	226,508,721
	Gross loans and advances	10,549,434	16,263,745,914	10,507,344	16,275,875,856
	Less: allowance for impairment charges	(618,129)	(952,950,935)	(600,525)	(930,213,225)
		9,931,305	15,310,794,979	9,906,819	15,345,662,631
	Analysis by stage:				
	Gross Loans				
	Stage 1	8,240,540	12,704,193,301	8,229,223	12,747,066,427
	Stage 2	1,615,890	2,491,169,136	1,575,613	2,440,624,537
	Stage 3	693,004	1,068,383,477	702,508	1,088,184,892
	Total	10,549,434	16,263,745,914	10,507,344	16,275,875,856
20	Treasury bills and other eligible bills				
	Maturing within three months	406,492	626,676,522	361,525	560,002,225
	Maturing after three months	1,437,476	2,216,113,625	1,294,946	2,005,871,354
		1,843,968	2,842,790,147	1,656,471	2,565,873,579
21	Investment securities				
	Debt securities				
	- At FVTOCI	5,516,340	8,504,376,209	4,943,443	7,657,393,207
	- At Amortised cost	1,169,393	1,802,818,106	1,391,106	2,154,823,194
	Total	6,685,733	10,307,194,315	6,334,549	9,812,216,401
	Equity securities				
	- At FVTOCI	360,853	556,316,245	448,358	694,506,542
	- At FVTPL	94,577	145,806,202	114,833	177,876,317
		455,430	702,122,447	563,191	872,382,859
	Total investment securities	7,141,163	11,009,316,762	6,897,740	10,684,599,260

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		As at 31 March 2025		As at 31 December 2024	
		US\$'000	NGN'000	US\$'000	NGN'000
22	Other assets				
	Fees receivable	10,711	16,512,827	5,424	8,401,776
	Accounts receivable	473,716	730,313,746	377,965	585,467,785
	Repossessed assets from customers	178,995	275,951,222	115,684	179,194,516
	Prepayments	114,966	177,239,633	185,955	288,044,295
	Sundry receivables	378,867	584,087,888	388,227	601,363,623
		1,157,255	1,784,105,316	1,073,255	1,662,471,995
	Impairment charges on other assets	(86,198)	(132,888,871)	(73,926)	(114,511,374)
		1,071,057	1,651,216,445	999,329	1,547,960,621
23	Deposits from banks				
	Operating accounts with banks	480,511	740,789,393	428,139	663,187,311
	Other deposits from banks	1,026,953	1,583,222,632	1,592,497	2,466,777,853
		1,507,464	2,324,012,025	2,020,636	3,129,965,164
24	Deposit from customers				
	Current accounts	14,828,309	22,860,359,136	14,198,626	21,993,671,674
	Term deposits	3,097,796	4,775,779,159	2,771,497	4,293,048,853
	Savings deposits	3,614,388	5,572,193,548	3,453,613	5,349,646,537
		21,540,493	33,208,331,843	20,423,736	31,636,367,064
25	Other liabilities				
	Accrued income	146,485	225,831,530	149,273	231,223,877
	Unclaimed dividend	9,653	14,881,741	11,726	18,163,574
	Accruals and collections accounts	359,051	553,538,156	254,748	394,604,652
	Obligations under customers' letters of credit	23,496	36,223,078	43,943	68,067,707
	Bankers draft	12,369	19,068,916	4,370	6,769,130
	Accounts payable	252,049	388,576,382	265,332	410,999,268
	Allowance for off balance sheet receivables	19,173	29,558,439	18,820	29,152,180
	Other liabilities	662,616	1,021,535,209	534,539	828,000,911
		1,484,892	2,289,213,451	1,282,751	1,986,981,299

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Note 26: Geographical region financial performance - USD

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

In 000 of \$	UEMOA	NIGERIA	AWA	CESA	OTHERS AND CONSO ADJUSTMENT(1)	ECOBANK GROUP
Income Statement Highlights for the period ended 31 March 2025						
Net interest income	106,722	24,223	96,693	97,675	(29,874)	295,439
Non interest income	59,428	10,314	52,045	83,433	15,605	220,825
Operating income	166,150	34,537	148,738	181,108	(14,269)	516,264
Impairment charges on financial assets	(8,453)	(4,618)	(10,355)	(7,737)	(43,668)	(74,831)
Depreciation and amortization	(5,009)	(1,034)	(2,330)	(4,497)	(4,657)	(17,527)
Operating expenses	(75,707)	(24,727)	(60,963)	(75,926)	(11,606)	(248,929)
Profit before tax	76,981	4,158	75,090	92,948	(74,200)	174,977
Balance Sheet Highlights as at 31 March 2025						
Total assets	11,231,510	3,543,029	5,984,920	7,706,307	424,708	28,890,474
Total Liabilities	10,078,530	3,312,339	5,317,700	6,752,550	1,483,422	26,944,541

In 000 of \$	UEMOA	NIGERIA	AWA	CESA	OTHERS AND CONSO ADJUSTMENT(1)	ECOBANK GROUP
Income Statement Highlights for the period ended 31 March 2024						
Net interest income	99,671	22,888	109,776	87,960	(30,852)	289,443
Non interest income	68,042	13,384	41,856	72,554	10,670	206,506
Operating income	167,713	36,272	151,632	160,514	(20,182)	495,949
Impairment charges on financial assets	(10,500)	(5,624)	(16,082)	(589)	(46,208)	(79,003)
Depreciation and amortization	(4,916)	(1,005)	(2,283)	(4,924)	(5,405)	(18,533)
Operating expenses	(77,940)	(25,927)	(60,753)	(73,970)	(9,675)	(248,265)
Profit before tax	74,357	3,716	72,514	81,031	(81,470)	150,148
Balance Sheet Highlights as at 31 December 2024						
Total assets	10,955,046	3,453,375	5,995,191	7,441,987	109,573	27,955,172
Total Liabilities	9,875,886	3,217,699	5,312,169	6,595,957	1,158,659	26,160,370

(1) Others & Consolidation adjustments comprise of ETI, the Holdco, eProcess (the Group's technology service company), the International business in Paris, the impact of other affiliates and structured entities of ETI. The impact of consolidation eliminations is also included in 'Others & Consolidation adjustments'

Ecobank Transnational Incorporated

Consolidated financial statements

For the period ended 31 March 2025

Notes

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

**Note 27: Business financial performance - USD**

The group operating segments are described below:

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

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

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

In 000 of \$						
	CIB	Commercial	Consumer	Others	Consolidation Adjustments	ECOBANK GROUP
Income Statement Highlights for the period ended 31 March 2025						
Net interest income	166,791	75,087	72,549	(19,140)	152	295,439
Non interest income	95,565	68,127	53,857	102,590	(99,314)	220,825
Operating income	262,356	143,214	126,406	83,450	(99,162)	516,264
Impairment charges on financial assets	(19,353)	(15,284)	(4,767)	(35,427)	-	(74,831)
Depreciation and amortization	(5,457)	(3,731)	(4,050)	(4,643)	354	(17,527)
Operating expenses	(94,969)	(70,929)	(79,292)	(43,598)	39,859	(248,929)
Profit before tax	142,577	53,270	38,297	(218)	(209,097)	174,977
Balance Sheet Highlights as at 31 March 2025						
Total assets	15,579,309	2,294,823	1,250,089	3,637,196	6,129,057	28,890,474
Total Liabilities	14,043,623	5,709,154	6,656,491	2,093,870	(1,558,597)	26,944,541
In 000 of \$						
	CIB	Commercial	Consumer	Others	Consolidation Adjustments	ECOBANK GROUP
Income Statement Highlights for the period ended 31 March 2024						
Net interest income	163,432	78,790	76,676	(29,603)	148	289,443
Other income	93,394	62,172	50,451	59,745	(59,256)	206,506
Operating income	256,826	140,962	127,127	30,142	(59,108)	495,949
Impairment charges on financial assets	(53,461)	(2,425)	(2,449)	(20,668)	-	(79,003)
Depreciation and amortization	(5,179)	(4,357)	(3,891)	(5,390)	284	(18,533)
Operating expenses	(97,366)	(72,348)	(75,707)	(48,050)	45,206	(248,265)
Profit before tax	100,820	61,832	45,080	(43,966)	(13,618)	150,148
Balance Sheet Highlights as at 31 December 2024						
Total assets	15,470,470	2,276,411	1,182,888	4,039,329	4,986,074	27,955,172
Total Liabilities	11,994,285	5,071,493	6,501,757	1,929,229	663,606	26,160,370



Note 28:Geographical region financial performance - NGN

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

In 000,000 of NGN						
	UEMOA	NIGERIA	AWA	CESA	OTHERS AND CONSO ADJUSTMENT(1)	ECOBANK GROUP
Income Statement Highlights for the period ended 31 March 2025						
Net interest income	163,034	37,004	147,714	149,214	(45,637)	451,329
Non interest income	90,786	15,756	79,507	127,457	23,839	337,345
Operating income	253,820	52,760	227,221	276,671	(21,798)	788,674
Impairment charges on financial assets	(12,913)	(7,055)	(15,819)	(11,819)	(66,710)	(114,316)
Depreciation and amortization	(7,652)	(1,580)	(3,559)	(6,870)	(7,114)	(26,775)
Operating expenses	(115,654)	(37,774)	(93,130)	(115,989)	(17,731)	(380,278)
Profit before tax	117,601	6,351	114,713	141,993	(113,353)	267,305
Balance Sheet Highlights as at 31 March 2025						
Total assets	17,315,282	5,462,182	9,226,772	11,880,582	654,759	44,539,577
Total Liabilities	15,537,767	5,106,534	8,198,139	10,410,204	2,286,947	41,539,591

In 000,000 of NGN						
	UEMOA	NIGERIA	AWA	CESA	OTHERS AND CONSO ADJUSTMENT(1)	ECOBANK GROUP
Income Statement Highlights for the period ended 31 March 2024						
Net interest income	133,732	30,710	147,290	118,019	(41,395)	388,356
Non interest income	91,294	17,958	56,160	97,348	14,317	277,077
Operating income	225,026	48,668	203,450	215,367	(27,078)	665,433
Impairment charges on financial assets	(14,088)	(7,546)	(21,578)	(790)	(61,999)	(106,001)
Depreciation and amortization	(6,596)	(1,348)	(3,063)	(6,607)	(7,252)	(24,866)
Operating expenses	(104,575)	(34,787)	(81,515)	(99,248)	(12,981)	(333,106)
Profit before tax	99,767	4,987	97,294	108,722	(109,310)	201,460
Balance Sheet Highlights as at 31 December 2024						
Total assets	16,969,366	5,349,278	9,286,551	11,527,638	169,728	43,302,561
Total Liabilities	15,297,747	4,984,216	8,228,550	10,217,137	1,794,763	40,522,413

(1) Others & Consolidation adjustments comprise of ETI, the Holdco, eProcess (the Group's technology service company), the International business in Paris, the impact of other affiliates and structured entities of ETI. The impact of consolidation eliminations is also included in ' Others & Consolidation adjustments'



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

Note 29: Business financial performance - NGN

The group operating segments are described below:

- a) **Corporate & Investment Bank:** Focuses on providing one-stop banking services to multinationals, regional companies, government and government agencies, financial institutions and international organizations across the network. This unit provides also Treasury activities.
- b) **Commercial banking:** Focuses on serving local corporates, small and medium corporates ,SMEs, Schools, Churches and local NGOs and Public Sector.
- c) **Consumer:** Focuses on serving banking customers that are individuals

In 000,000 of NGN						
	CIB	Commercial	Consumer	Others	Consolidation Adjustments	ECOBANK GROUP
Income Statement Highlights for the period ended 31 March 2025						
Net interest income	254,799	114,707	110,830	(29,239)	232	451,329
Net fees and commission income	145,990	104,075	82,275	156,722	(151,717)	337,345
Operating income	400,789	218,782	193,105	127,483	(151,485)	788,674
Impairment charges on financial assets	(29,565)	(23,349)	(7,282)	(54,119)	(1)	(114,316)
Depreciation and amortization	(8,336)	(5,700)	(6,187)	(7,093)	541	(26,775)
Total operating expenses	(145,080)	(108,355)	(121,131)	(66,603)	60,891	(380,278)
Profit before tax	217,808	81,378	58,505	(332)	(90,054)	267,305
Balance Sheet Highlights as at 31 March 2025						
Total assets	24,018,153	3,537,860	1,927,225	5,607,356	9,448,983	44,539,577
Total Liabilities	21,650,632	8,801,631	10,262,112	3,228,057	(2,402,841)	41,539,591
In 000,000 of NGN						
	CIB	Commercial	Consumer	Others	Consolidation Adjustments	ECOBANK GROUP
Income Statement Highlights for the period ended 31 March 2024						
Net interest income	219,283	105,715	102,879	(39,719)	198	388,356
Other income	125,310	83,418	67,692	80,162	(79,505)	277,077
Operating income	344,593	189,133	170,571	40,443	(79,307)	665,433
Impairment charges on financial assets	(71,731)	(3,254)	(3,286)	(27,731)	1	(106,001)
Depreciation and amortization	(6,949)	(5,846)	(5,221)	(7,232)	382	(24,866)
Operating expenses	(130,639)	(97,072)	(101,579)	(64,470)	60,654	(333,106)
Profit before tax	135,274	82,961	60,485	(58,990)	(18,270)	201,460
Balance Sheet Highlights as at 31 December 2024						
Total assets	23,963,758	3,526,161	1,832,294	6,256,921	7,723,427	43,302,561
Total Liabilities	18,579,147	7,855,743	10,071,222	2,988,376	1,027,925	40,522,413



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

30 Contingent liabilities and commitments

a) Legal proceedings

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

b) Loan commitments, guarantee and other financial facilities

At 31 March 2025 the Group had contractual amounts of the off-statement of financial position financial instruments that commit it to extend credit to customers guarantees and other facilities are as follows:

	31 Mar 2025	31 Dec 2024
Guaranteed commercial papers and bank acceptances	129,805	113,362
Documentary and commercial letters of credit	676,684	761,674
Performance bond, guarantees and indemnities	1,771,507	1,696,225
Loan commitments	987,074	811,363
	3,565,070	3,382,624

d) Tax exposures

The Group is exposed to ongoing tax reviews in some subsidiary entities. The Group considers the impact of tax exposures, including whether additional taxes may be due. This assessment relies on estimates and assumptions and may involve series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the period in which such a determination is made. The total amount of tax exposure as at 31 March 2025 \$294 million (December 2024 : \$317 million). Based on Group's assessment, the probable liability is not likely to exceed \$15 million (December 2024 : \$ 19 million) which provisions have been made in the books in Note 25.

31 Insider trading and market abuse prohibition

The Ecobank Group has in place a dealing policy of financial instruments which is applicable to all Ecobank employees (ETI and its affiliates), Directors, contractors (Staff) and in-house staff of outsourced service providers. The policy sets standard terms and conditions similar to the standards set out by the Nigeria Stock Exchange, the Ghana Stock Exchange and the BRVM (UEMOA Regional Stock Exchange) on Insider Trading. The Group ensures that all Directors and Staff are kept informed about the policy as it is periodically circulated to serve as a reminder of their obligations under it.

Staff Members, Directors, Executive management and their Connected Persons, must not deal in Ecobank Securities at any time during a "Close Period" the period from the end of the relevant financial year or period up to and including the time of announcement and released to the public or any other period as defined by the Group.

The Ecobank Group commits itself to making necessary disclosures in compliance with the Securities and Exchange Commission ("SEC") Rules and Regulations which stipulates that Directors and top Management employees and other insiders of public companies shall notify the SEC of any sale or purchase of shares in the company, not later than forty-eight (48) hours after such activity.

STATEMENT OF VALUE ADDED

	Period ended 31 March 2025				Period ended 31 March 2024			
	US\$'000	%	NGN'000	%	US\$'000	%	NGN'000	%
Gross income	690,036		1,054,137,442		673,867		904,151,763	
Interest expenses paid	(159,192)		(243,190,569)		(163,941)		(219,965,578)	
Fee and commission expenses	(14,580)		(22,273,220)		(13,977)		(18,753,447)	
	516,264		788,673,653		495,949		665,432,738	
Impairment charges on financial assets	(74,831)		(114,316,005)		(79,003)		(106,001,187)	
	441,433		674,357,648		416,946		559,431,551	
Bought in material & services	(133,687)		(204,227,710)		(134,614)		(180,616,480)	
Value Added	307,746	100%	470,129,938	100%	282,332	100%	378,815,071	100%
Distributions								
Employees								
Staff salaries and benefits	115,242	37%	176,050,100	37%	113,651	40%	152,489,664	40%
Government								
Income tax	52,493	17%	80,191,234	17%	45,135	16%	60,559,264	16%
Retained in the group								
Asset replacement (depreciation and amortisation)	17,527	6%	26,775,222	6%	18,533	7%	24,866,397	7%
Expansion(transfer to reserves and non-controlling interest)	122,484	40%	187,113,382	40%	105,013	37%	140,899,746	37%
	307,746	100%	470,129,938	100%	282,332	100%	378,815,071	100%



About Ecobank:

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

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

The Group is owned by more than 600,000 local and international institutional and individual shareholders. It employs 14,337 people in 39 different countries in 660 branches and offices. Ecobank is a full-service bank, providing wholesale, retail, investment and transaction banking services and products to governments, financial institutions, multinationals, international organisations, medium, small and micro businesses and individuals. Additional information may be found on the Group's corporate website at: www.ecobank.com.

Investor Relations :

Ecobank is committed to continuous improvement in its investor communications. For further information, including any suggestions as to how we can communicate more effectively, please contact Ecobank Investor Relations via ir@ecobank.com. Full contact details below:

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