Ecobank has the Network Advantage

Customers, Products, Geography.

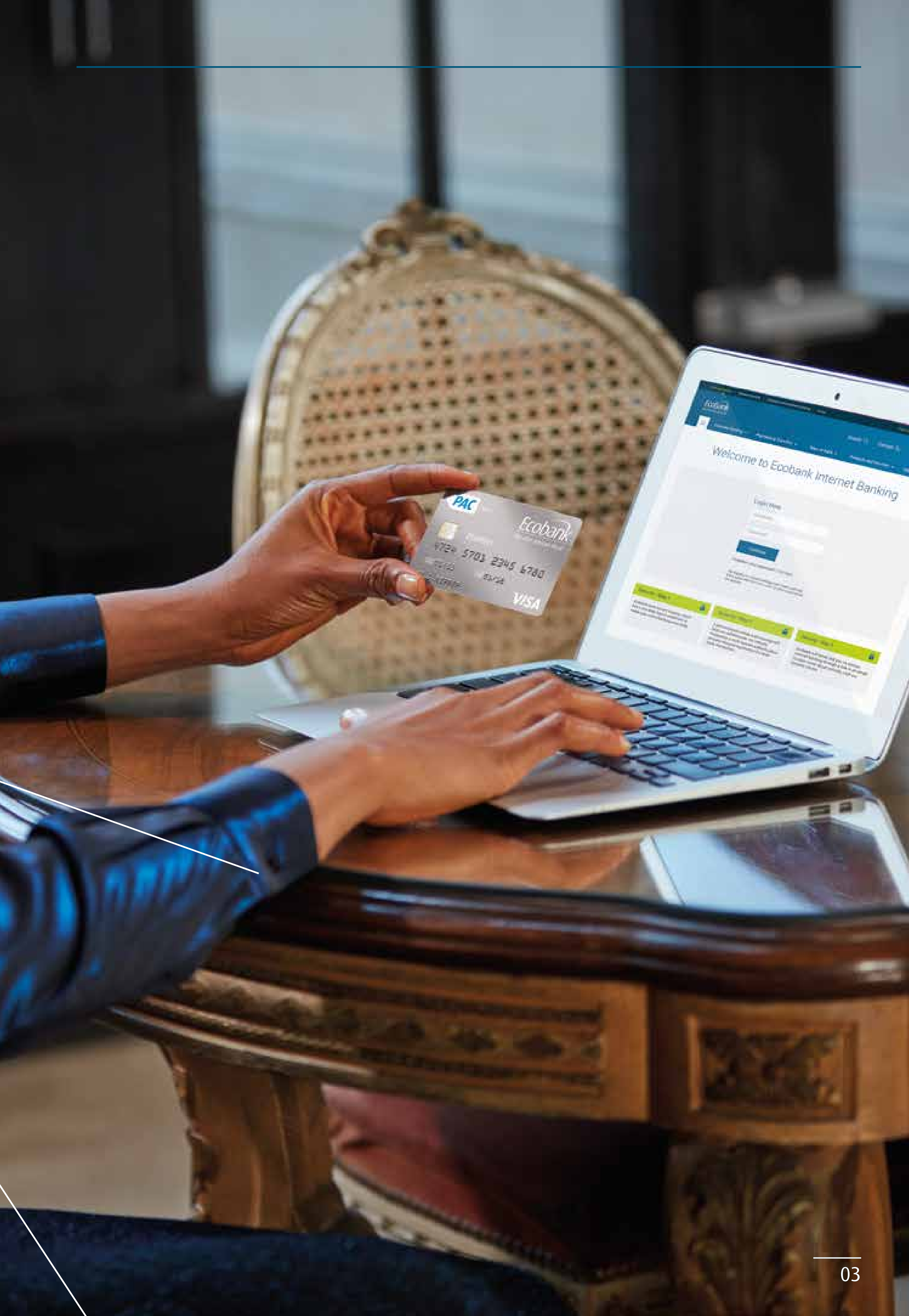
Ecobank Group
Annual Report 2015

Ecobank
The Pan African Bank

Contents

2015 highlights

Our challenge remains to extract the maximum shareholder value from Africa's largest financial services platform. With a clear strategic roadmap to market leadership in Middle Africa and a reinvigorated senior management team to implement it, we are confident of achieving our medium-term objectives.


PAC
Ecobank
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VISA
Welcome to Ecobank Internet Banking

Ecobank is the leading pan-African banking institution in Africa

Founded in 1985 and headquartered in Lomé, Togo, Ecobank provides banking, consumer and commercial finance, investments, and securities and asset management to approximately 11 million customers ranging from individuals, small and medium-sized enterprises, regional and multinational corporations, financial institutions and international organisations through 1,268 branches and offices, 2,773 ATMs, the internet (ecobank.com) and mobile banking.

We are present in 36 African countries, with international offices in Paris, London, Dubai and Beijing to support our customers who conduct business in the global economy.

We use our vision to steer us toward growth and success. Our vision is to build a world-class pan-African bank and contribute to the economic development and financial integration of Africa.

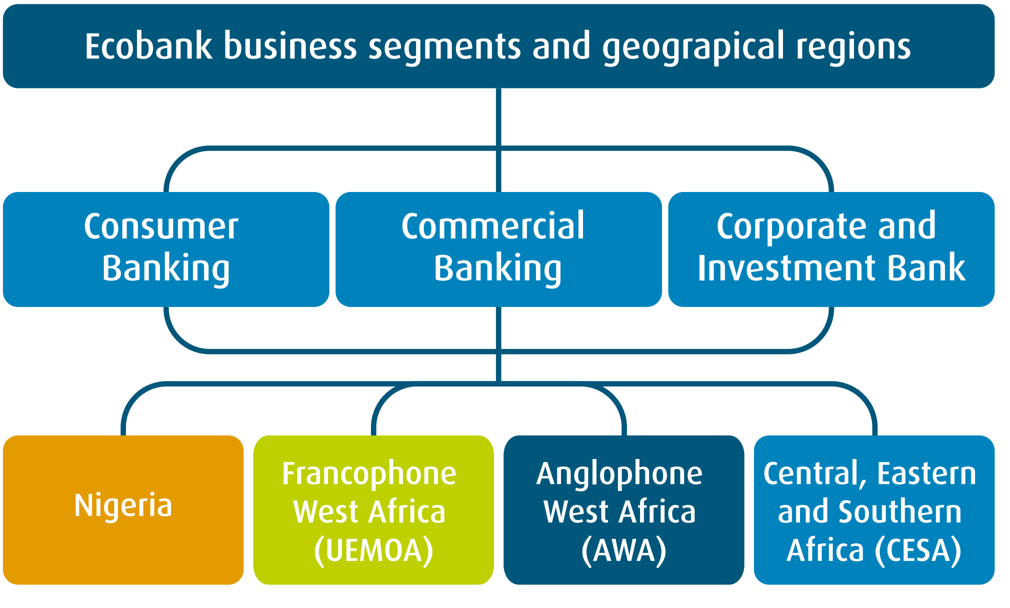
Our mission is to provide all of our customers with convenient and reliable financial products and services.

As of 31 December 2015, Ecobank had $23.6 billion in total assets and $2.5 billion in total equity.

Ecobank Transnational Incorporated (ETI), the parent holding company of the Ecobank Group, is listed on the Nigerian Stock Exchange in Lagos, the Ghana Stock Exchange in Accra and the Bourse Régionale des Valeurs Mobilères SA (BRVM) in Abidjan.

Ecobank is organised,[1] for management reporting purposes, into three business segments and four geographical regions. The business segments – Consumer Banking; Commercial Banking; Corporate and Investment Bank – are defined by customer segment and supported by a range of product suites.

The geographical regions are – Nigeria, Francophone West Africa (UEMOA), Anglophone West Africa (AWA), and Central, Eastern and Southern Africa (CESA).



1 Ecobank's organisation reflects changes made to our business and geographical segments effective 1 January 2016. Prior to this date Ecobank business segments were – Domestic Bank, Corporate and Investment Bank and Treasury. Our geographical clusters (now regions) were – Nigeria, Francophone West Africa (UEMOA), Rest of West Africa (WAMZ), Central Africa (CEMAC), East Africa (EAC), Southern Africa (SADC) and International

Business Model

At Ecobank we serve our customers in each of our geographical regions – Nigeria, Francophone West Africa, Anglophone West Africa, and Central, Eastern, and Southern Africa through our three customer-centric business segments – Consumer Banking, Commercial Banking, and Corporate and Investment Bank – with a product suite that meets the financial needs of our customers.

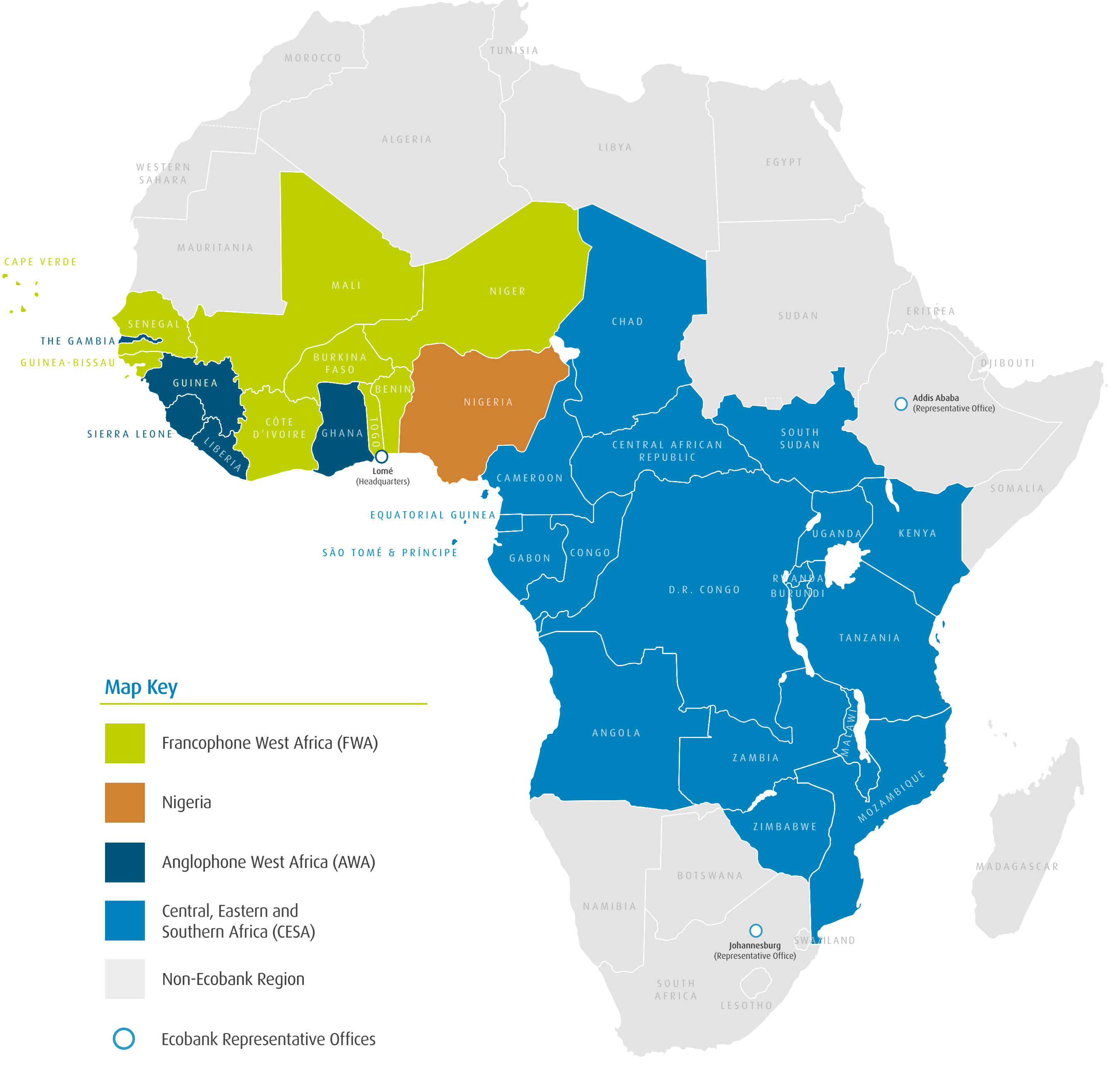
Ecobank
The Pan African Bank

Business segments

Consumer Banking	Commercial Banking	Corporate and Investment Bank
Customers		
– Premier – Advantage – Classic – Direct	– Small and Medium-Sized Enterprises (SMEs) – Medium Local corporations – High Value Local Corporations – Non-government public sector (schools, Faith, non-governmental organisations, professional bodies)	– Governments – Regional and Global corporations – Financial institutions – International organisations
Products		
– Cards – Current and Savings accounts – Mortgages – Remittances – Personal loans and asset management for High Net Worth Individuals (HNWI)	– Fixed income, currencies and commodities (FICC) – Transaction Banking – Loans and Liquidity	– Transaction banking – Investment banking and FICC – Security, wealth and asset management – Loans and Liquidity

Our pan-African footprint

Our geographical footprint is segmented into four regions[1] – Francophone West Africa (UEMOA) Nigeria, Anglophone West Africa (AWA) and Central, Eastern and Southern Africa (CESA).



1 As part of our strategic overhaul, we segmented our geographical regions into four as of 1 January 2016 as noted above. Prior to this, our geographical regions were seven: Francophone West Africa (UEMOA), Nigeria, Rest of West Africa (WAMZ), Central Africa (CEMAC), Eastern Africa (EAC), Southern Africa (SADC), International

(In millions of U.S. Dollars, except countries, branches and offices, and employee, data)

	Nigeria	Francophone West Africa (UEMOA)	Anglophone West Africa (AWA)	Central, Eastern and Southern Africa (CESA)	Others*
Net revenue	$876	$441	$370	$408	$326
Profit after tax	$57	$85	$90	$50	
Loss after tax					($28)
Total assets	$9,189	$7,112	$2,649	$4,250	$4,648
Countries	1	9	5	18	7
	• Nigeria	• Benin • Burkina Faso • Côte d'Ivoire • Cape Verde • Guinea Bissau • Mali • Niger • Senegal • Togo	• Gambia • Ghana • Guinea • Liberia • Sierra Leone	• Cameroon • Chad • Central Africa Republic • Congo Brazzaville • Gabon • Sao Tome and Principe • Equatorial Guinea • Burundi • Kenya • Rwanda • Uganda • South Sudan • Tanzania • DR Congo • Malawi • Mozambique • Zambia • Zimbabwe	
Branches and offices	512	292	150	285	33
Employees	9,182	3,187	2,822	3,691	686

* Others comprise entities of the group which are not classified within the four geographical regions, namely the parent company ETI, EBISA (subsidiary in Paris), eProcess (technology and shared services centre), EDC (Investment Banking and Securities and Asset Management businesses) and other entities. Total amounts for net revenue, profit after tax, and total assets will differ from reported numbers because of consolidation adjustments relating to the elimination of intra-Group transactions and balances.

Performance highlights

Selected income statement data

For the year ended 31 December (in millions of US Dollars, except per share data)	2015	2014
Net revenue	2,106	2,280
Operating expenses	1,368	1,491
Pre-impairment profit	738	789
Impairment losses	532	267
Profit before tax	205	520
Profit for the year from continuing operations	107	395
Profit attributable to owners of the parent (from continuing operations)	68	339
Profit attributable per ordinary share:[1]		
Basic (U.S. Dollar cents)	0.28	1.69
Diluted (U.S. Dollar cents)	0.28	1.60
Cash dividends proposed per ordinary share	0.20	0.00

Selected statement of financial position data

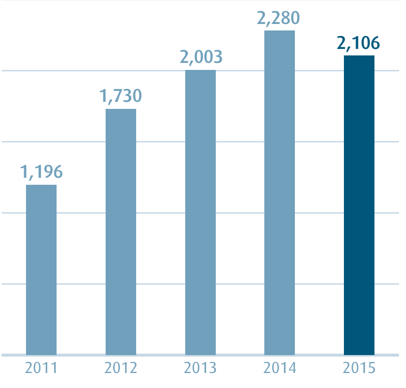
As at 31 December (in millions of US Dollars, except per share data)	2015	2014
Loans and advances to customers, net	11,200	12,312
Total assets	23,554	24,244
Customer deposits	16,428	17,437
ETI's shareholders' equity	2,346	2,451
Total equity	2,523	2,655
Ordinary shares outstanding (in millions of units)	24,100	22,564
Book value per ordinary share (U.S. Dollar cents)	10.47	11.77

Selected ratios

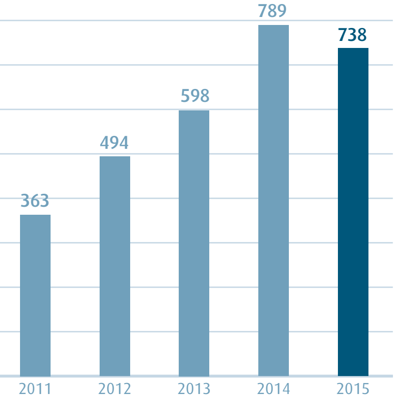
	2015	2014
Return on average total assets (ROA)	0.4%	1.7%
Return on average total equity (ROE)	4.2%	16.5%
Tier 1 capital ratio	20.5%	18.3%
Total capital adequacy ratio	23.9%	20.5%
Net interest margin	7.8%	6.8%
Cost-to-income ratio	64.9%	65.4%
Non-performing loans ratio	8.2%	4.4%
Non-performing loans coverage ratio	67.9%	68.7%

1 Earnings per share for 2014 has been adjusted to reflect the 1-for-15 bonus issue of July 2015 as required by International Accounting Standard 33 – Earnings per share (IAS 33)

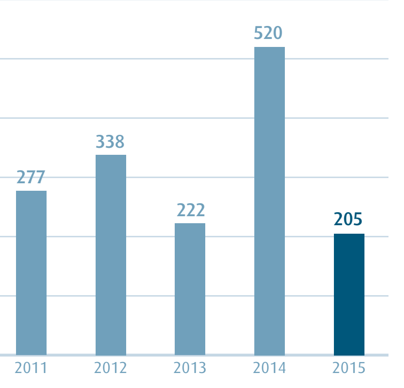
Net revenue
(US$m)



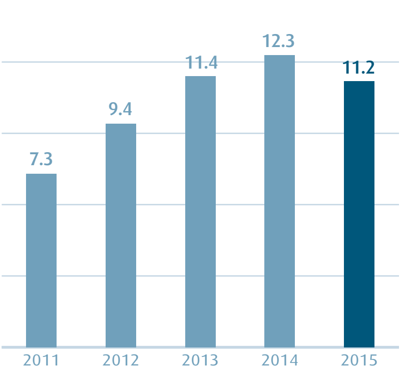
Pre-impairment profit
(US$m)



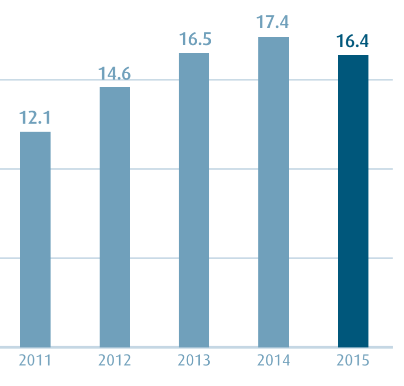
Profit before tax*
(US$m)



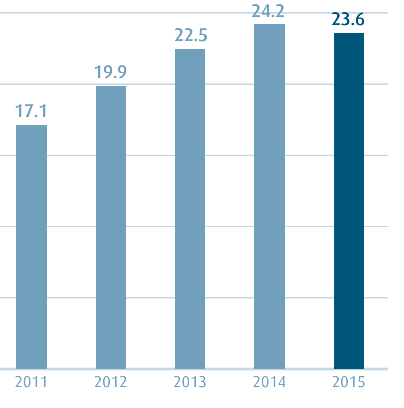
Customer loans
(US$bn)



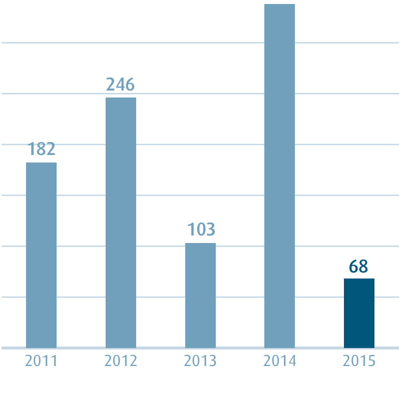
Customer deposits
(US$bn)



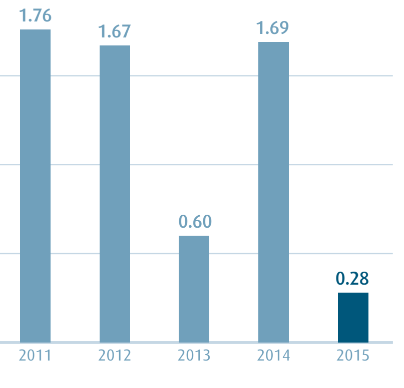
Total assets
(US$bn)



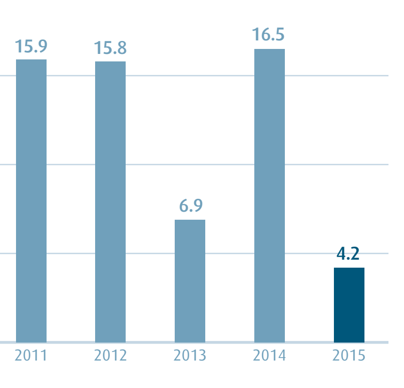
Profit attributable to ETI shareholders from continuing operations* (US$m)



Earnings per share (Basic)*
(US$cents)



Return on average equity
(%)



* For the periods 2012 to 2015 amounts relate to continuing operations
EPS for 2014 has been restated to reflect the 1-for-15 bonus issue in July 2015

Board and Management reports

Ecobank is endowed with a highly talented senior management team, eager to accept new challenges. We are applying their vast commercial experience in Africa to make the strategic decisions necessary to ensure Ecobank's future success.

Board of Directors

1 Emmanuel Ikazoboh
Group Chairman
Non-Executive Director
Nigerian

2 Ade Ayeyemi
Executive Director
Group Chief Executive Officer
Nigerian

3 Dolika E. S. Banda
Non-Executive Director
Independent Consultant
Zambian

4 Dr. Adesegun Akinjuwon Akin-Olugbade
Non-Executive Director
Chief Operating Officer and General Counsel,
Africa Finance Corporation
Nigerian

5 Abdulla M. Al Khalifa
Non-Executive Director
Executive General Manager and Chief Business Officer,
Qatar National Bank
Qatari

6 **Bashir M. Ifo**
Non-Executive Director
President ECOWAS Bank for Investment and Development
Nigerian

7 **Tei Mante**
Non-Executive Director
Economic and Financial Consultant
Ghanaian

8 **Dr. Daniel Matjila**
Non-Executive Director
CEO and Executive Director, Public Investment Corporation
South African

9 **Alain F. Nkontchou**
Non-Executive Director
Managing Partner and Co-Founder, Enko Capital Management LLP
Cameroonian

10 **Mfundo Clement Nkuhlu**
Non-Executive Director
Chief Operating Officer and Executive Director, Nedbank Ltd and Nedbank Group Ltd
South African

11 **Kadita Tshibaka**
Non-Executive Director
Retired Banker
American

Directors' biographies

Emmanuel Ikazoboh (66)

Chairman
Non-Executive Director since 2014
Nigerian

Mr. Ikazoboh has more than 25 years' experience in senior management roles, executing high profile advisory assignments for public and private sector clients in Nigeria, Côte d'Ivoire, Cameroon and South Africa. He spent most of his career with Deloitte and Touche, holding the position of Chairman and CEO of Deloitte West and Central Africa between 2007 and 2009.

From 2010 to 2011, he served as Interim Administrator of the Nigerian Stock Exchange. He was appointed by Nigeria's Securities & Exchange Commission to restructure the stock exchange, equities market, stockbrokerage and corporate governance processes to meet with best practice and put in place a new management team. As Chairman of Nigeria's Central Securities Clearing System, Mr. Ikazoboh led its restructuring and transformation to conform to global standards.

He is currently the Vice Chairman and only African board representative of The International Institute for Sustainable Development (IISD) in Canada and serves as the Chairman of Audit and Risk Committee. He also serves on the boards of a number of Nigerian and South African companies, including Dangote Cement Plc.

Mr. Ikazoboh is a UK Certified Accountant and a Fellow of the Chartered Association of Certified Accountants, the Institute of Chartered Accountants Nigeria and the Nigeria Institute of Taxation. He holds an MBA in Financial Management and Marketing from Manchester University's Business School. He was also one of the top CEOs seconded to the Kellogg Senior Management School, Northwestern University Chicago, USA.

ETI Board Committee:
Finance & Regulatory Requirements Committee.

Ade Ayeyemi (53)

Executive Director since 2015
Group Chief Executive Officer
Nigerian

Ade Ayeyemi became Group CEO of Ecobank on 1 September 2015, following the announcement of his appointment in June that year. Ade is an experienced banker who, prior to joining Ecobank, had a distinguished and successful career with Citigroup, ultimately becoming CEO of Citigroup's Sub-Saharan Africa division, based in Johannesburg.

A Chartered Accountant, Ade holds a Bachelor of Science degree in Accounting (First Class Honours) from the University of Ife (now Obafemi Awolowo University, Ile-Ife) in Nigeria. He also holds a Masters in Financial Management from the University of London and is an alumnus of the Harvard Business School's Advanced Management Programme.

ETI Board Committees:
In attendance in the Finance & Regulatory Requirements Committee; Social, Reputation & Ethics Committee, and Risk Committee.

Adesegun Akinjuwon Akin-Olugbade (53)

Non-Executive Director since 2014
Nigerian

Dr. Akin-Olugbade is the Chief Operating Officer and General Counsel for the Africa Finance Corporation (AFC), where he oversees the Corporate Governance, Legal, Administration, Corporate Communications, ICT and Country membership functions. Between 2009 and 2014 he was AFC's Executive Director (Corporate Services) and General Counsel and their General Counsel and Corporate Secretary in 2008.

With over 30 years' experience as a practicing lawyer and of the financial services sector, Dr. Akin-Olugbade was a Director and General Counsel at the African Development Bank Group (2000-2007) and Chief Legal Officer for the African Export-Import Bank (1994-1997).

He currently chairs the Board of Governors of the African Law Institute and the Dr. Adesegun Akin-Olugbade Foundation. He is on the Advisory Board of International Lawyers for Africa (ILFA) and serves as non-executive director of OBA Transport Limited and Axion Realty and Development Company Limited.

Dr. Akin-Olugbade graduated from King's College London with Bachelors and Masters degrees in International Finance and Corporate Law. He holds a Masters and Doctorate from Harvard Law School. He was called to the Nigerian Bar in 1984. The Nigerian Government conferred him with the National Honour of Officer of the Order of the Niger (OON) in 2012.

ETI Board Committees:
Finance & Regulatory Requirements Committee; Governance Committee

Abdulla M. Al Khalifa (42)

Non-Executive Director since 2015
Qatari

Abdulla Mubarak Al Khalifa is the Executive General Manager and Chief Business Officer of the Qatar National Bank (QNB) Group, the largest bank in Middle East and Africa, with a network spanning 26 countries. He has Group-wide responsibilities for QNB's business functions, including Group Corporate and Institutional Banking, Retail Banking, International Banking Division, Group Treasury, Group Asset and Wealth Management, QNB Capital, and QNB Financial Services.

Abdulla joined QNB Group in 1996, subsequently holding a variety of executive positions and gaining extensive experience of strategic planning, sales & marketing, risk management, business partnerships, mergers and acquisitions and customer relations. Abdulla is also an Executive board member of QNB Capital, Qatar, QNB Al Ahli, Egypt, and Housing Bank Trade & Finance, Jordan.

Abdulla holds a Bachelor's Degree in Business Administration from Eastern Washington University (USA).

ETI Board Committees:
Finance & Regulatory Requirements Committee; Risk Committee

Dolika E. S. Banda (53)

Non-Executive Director since 2014
Zambian

Dolika Banda is an independent consultant, with over 25 years' experience in international banking and financial management who, more recently, has focused on supporting the banking and economic development of sub-Saharan Africa.

She joined the UK's Commonwealth Development Company (CDC) in 2013 where she served as Regional Director for Africa. Prior to this, she was a senior advisor and director of the International Finance Corporation (IFC), working for 16 years in the Financial Markets, Credit, Accounting and Treasury departments. She has also held senior roles in Corporate and Merchant Banking at Barclays Bank, Zambia, -and in Financial Control, Credit and Treasury and International Relationships at Citibank, Zambia.

Mrs. Banda is a non-executive director of Harith General Partners and UK AID's Financial Sector Deepening Africa and Financial Sector Deepening Zambia. She also chairs the Focus Investment Group, a SME financial services provider in Zambia.

She holds a Bachelor's degree in International Business and Marketing from Schiller International University (UK), and a Masters in International Business and Banking from Schiller University (France).

ETI Board Committees:
Social, Reputation & Ethics Committee; Risk Committee

Directors' biographies

Bashir M. Ifo (56)

Non-Executive Director since 2011
Nigerian

Bashir Mamman Ifo is currently the President of the ECOWAS Bank for Investment and Development (EBID) in Togo. He has more than 30 years of experience within the public and private sectors. Between 1995 and 2011, he held several senior management roles at EBID, including Head of the Financial Operations Division, Director of the Treasury Department, Head of the Finance and Administration Department, Acting Managing Director of the former ECOWAS Regional Investment Bank (ERIB) and Vice President for Finance and Corporate Services. From 1982 to 1995, Mr. Ifo worked in both the public and private sectors in Nigeria.

He holds a Bachelor's degree in Business Administration (Banking and Finance) and an MBA in Finance, both from the Ahmadu Bello University, Zaria, Nigeria.

ETI Board Committees:
Nomination & Remuneration Committee; Governance Committee

Tei Mante (66)

Non-Executive Director since 2014
Ghanaian

Tei Mante is an economic and financial consultant with around forty years of experience in financial markets, including Investment Banking, Project Finance, and Private Equity. He worked with the World Bank Group in Washington D.C. from 1975 to 2000, where amongst a variety of assignments, he headed up the Africa and Agribusiness Departments of the International Finance Corporation (IFC).

Mr. Mante has also worked as a consultant for the African Development Bank, the Government of Ghana, the European Commission, UNECA and the Government of Sierra Leone. He served as a special advisor to the Ghanaian Government's Economic Management team between 2001 and 2004. He was Chairman of the Board of Ecobank Ghana Ltd from 2006 to 2010. He is currently an Independent Member of the Investment Committee of the West Africa Emerging Markets Growth Fund.

He graduated with a BSc in Administration from The University of Ghana and holds an MBA from Columbia University, New York. He is also an alumnus of INSEAD (IEP).

ETI Board Committees:
Audit & Compliance Committee; Governance Committee

Dr. Daniel Matjila (53)

Non-Executive Director since 2012
South African

Dr. Daniel Mmushi Matjila is the Chief Executive Officer and Executive Director of the Public Investment Corporation (PIC), one of the largest investment managers in Africa with assets under management in excess of R1.8 trillion (circa $110 billion). He also spearheads the offshore investment and Africa investment strategies for PIC. Prior to this role, he was PIC's Chief Investment Officer.

He was previously Senior Manager, Quantitative Research Analysis for Stanlib, where he introduced the application of quantitative techniques in fund management and managed the Quant Portfolio. He served on the Board of Erin Energy Corporation, a New York-listed company until 8 December 2015. He also served for five years as Senior Manager, Quantitative Research Analysis, at Anglo-American Corporation, a Johannesburg Stock Exchange (JSE)-listed company. He started his career in academia, working as a Senior Mathematics lecturer at the University of the North for over nine years.

Dr. Matjila is currently a non-executive director and board member of Capital Appreciation, a JSE-listed company.

Dr. Matjila holds a Ph.D. (Wits), M.Sc. (Rhodes), and B.Sc. Hons (Fort Hare), a Post-Graduate Diploma in Financial Mathematics (Oxford), AMP (Harvard) and SMP (University of Pretoria.

ETI Board Committees:
Finance & Regulatory Requirements Committee, Risk Committee

Kadita Tshibaka (68)

Non-Executive Director since July 2014
American

Kadita Tshibaka has had an illustrious banking career with over 40 years of experience in corporate and retail banking, risk management, operations, treasury and people development.

Mr. Tshibaka spent 33 years at Citigroup, reaching the position of Head of Corporate Risk Management, responsible for some 77 emerging markets between 2002 and 2004. After his retirement, he moved to the Lloyds TSB Group, where he worked as the Divisional Risk Director, Wholesale and International Banking, (2005-2007) in London and Executive Vice-President and Country Manager USA (2007). He subsequently provided leadership support, including as interim CEO and Board member, to Opportunity International, a global microfinance organisation, between 2008 and 2013.

He currently serves on the Boards of Citibank Kazakhstan, the Tucker Foundation, Dartmouth College, the Eleazar Wheelock Society, Dartmouth College and Africa New Day.

Mr. Tshibaka holds a Bachelor of Economics degree from Dartmouth College (USA) and an MBA from The Amos Tuck School of Business Administration (Dartmouth College).

ETI Board Committees:
Audit & Compliance Committee;
Risk Committee; Social, Reputation & Ethics Committee

Alain F. Nkontchou (52)

Non-Executive Director since 2014
Cameroonian

Mr. Alain Nkontchou is the Managing Partner and co-Founder of Enko Capital Management LLP, an asset management company based in London and Johannesburg that focuses on African investment opportunities.

Mr. Nkontchou was an adviser of Laurent Perrier, the French champagne company, having been a board member there from 1999 to 2009. He previously worked in London between 1995 and 2008 as Managing Director of Credit Suisse's Global Macro Trading Group and also with JP Morgan Chase & Co. Between 1989 and 1994, he worked with Chemical Bank in Paris and New York, where he became Vice-President, Head of Trading and Sales. Alain has a track record of business success, having generated significant dollar revenues for each of these bulge bracket institutions.

Alain has an MSc. in Electrical Engineering from Supelec and P.M. Curie University, Paris, and an MSc in Finance and Accounting from ESCP (Ecole Supérieure de Commerce de Paris).

ETI Board Committees:
Nomination & Remuneration Committee;
Governance Committee

Mfundo Clement Nkuhlu (49)

Non-Executive Director since 2015
South African

Mfundo Nkuhlu is the Chief Operating Officer and Executive Director of Nedbank Limited and Nedbank Group Limited since January 2015. He has worked in senior roles with Nedbank for 12 years, including Managing Executive of Nedbank Corporate (2009-2014), Managing Executive of Corporate Banking (2005-2009) and Managing Executive of Nedbank Africa (2004-2005).

Prior to joining Nedbank, he was the executive responsible for strategy, revenue and economic analysis at the South African Revenue Services (SARS). He also worked for the Department of Trade and Industry as Chief Director for Africa and the New Partnership for Africa's Development (NEPAD) programme.

Mfundo holds a BA Honours degree from the University of the Western Cape, and completed a course on Strategic Management in Banking at INSEAD (France). He is an alumnus of the Advanced Management Programme (AMP) from Harvard Business School, USA.

ETI Board Committees:
Nomination & Remuneration Committee;
Social, Reputation & Ethics Committee

Group Chairman's statement

A pathway to sustainable value creation

"Our 'Roadmap to Leadership' will provide a framework to serve our customers more efficiently, whilst improving cost and risk management and optimising the Group's balance sheet."

This, my second Chairman's statement to you, also marks the second year of the current Board of Directors' stewardship of Ecobank, your bank.

2015 was indeed a challenging year in more ways than expected. The precipitous fall in crude oil prices, a slowing in China's impressive economic growth and economic malaise in Europe combined to create a perfect storm that adversely impacted the economies of Middle Africa and, in turn, household and business incomes. We also had to address some internal issues that negatively affected the financial performance of the Group.

Your Board has worked closely with executive management to tackle these challenges head on. We remain focused on forging ahead with the business of creating value for our shareholders through the ebbs and flows of the business cycle.

2015 performance

Our financial results for 2015 were poor and clearly not representative of the earnings potential of our diversified pan-African business model.

Ecobank generated reported diluted earnings per share (EPS) of 0.28 U.S. Dollar cents, a fall of 83% compared with the 1.69 U.S. Dollar cents reported in 2014. Return on total shareholders' equity (ROE) was 4.2% in 2015 versus 16.5% in the prior year. Profit attributable to shareholders of ETI amounted to $66 million, compared to $338 million in 2014.

Emmanuel Ikazoboh
Group Chairman
Ecobank Group

The major reason behind these less than satisfactory results was the high level of impairments on loans and financial assets made in 2015, totalling $532 million, almost double 2014's level. This was the result of a comprehensive review of our asset portfolio and processes.

The macroeconomic environment affected our financial results in various ways. Our revenue generation capacity was stifled by weak economic activity and the depreciation of Middle African currencies against the U.S. Dollar, our reporting currency. For instance, whilst reported revenues decreased by 8% in 2015, underlying revenues would have increased by 9%, assuming constant exchange rates.

The cost base remained fairly stable, with a cost-to-income ratio (CIR) of 64.9%. We are confident that greater efficiencies remain to be achieved and your management team is working hard to reduce the CIR further. Our balance sheet is healthy, with a Tier 1 ratio of 20.5% and a total capital adequacy ratio (CAR) of 23.9%.

Dividend

I am happy to report that, in light of the improvement in the parent company's profit, which increased from $5.8 million in 2014 to $60.8 million in 2015, the Board has recommended a total cash dividend of $48.2 million, which translates to a dividend of 0.2 U.S. Dollar cents per ordinary share for the 2015 financial year.

The Board recognises the importance of dividends to our shareholders. Our capacity to pay cash dividends in the future hinges largely on two factors; firstly, the implementation of effective strategies to greatly enhance the earnings potential of our subsidiaries relative to their regulatory capital constraints and, secondly, ensuring that the parent company remains lean and efficient in performing its supportive strategic role for the Group as a whole.

Nevertheless, the Board is committed to paying the maximum sustainable dividends to shareholders that ETI's earnings permit. The Board, working closely with the executive management team, is confident that the strategy currently being implemented will underpin the long-term growth of your company.

Developments during the year

2015 witnessed far-reaching changes, aimed at improving both Ecobank's governance and value creation for all our stakeholders. On the governance front, we created two additional Board Committees: the Finance and Regulatory Requirements Committee and the Social, Reputation and Ethics Committee, bringing the total number of Board committees to six. This recognises the need for a wider, in-depth corporate governance framework, which affords the Board of Directors with effective oversight and profound insights into all critical aspects of the Group.

Another key development was the appointment of Ade Ayeyemi as Ecobank's new Group CEO in September 2015. Ade comes to Ecobank with considerable experience with Citibank, where he honed his skills in both African and international banking in a career spanning more than 25 years.

Finding the right person to lead our pioneering institution was seen as a strategic priority, both by the Board and myself. We are confident that, in Ade, we have identified an international banker with the business acumen and strategic insight necessary to take on the critical role of capital stewardship and to drive Ecobank's performance to levels that reflect the true potential of our unique footprint.

Ade has indeed 'hit the ground running'. Working closely with the executive team, he has formulated a revised strategic plan for the Group, dubbed 'Roadmap to Leadership', which the Board has approved. This focuses on the optimisation of our Middle African platform to deliver consistent and sustainable shareholder returns in the long-term. In summary, the 'Roadmap to Leadership' is expected to deliver a framework that will serve our customers more efficiently, with tailored, convenient products, whilst improving cost and risk management and optimising the Group's balance sheet.

Ade has also strengthened the executive management team with rotational changes and new hires. I encourage you to read his first CEO's review on page 20 of this annual report to better understand his strategic thinking and planned change management initiatives within Ecobank. On behalf of the Board and all Ecobank shareholders, I should like to extend a warm welcome to Ade and to assure him of our support of his efforts to drive the institution forward.

Elsewhere, we continued to build on our relationships with Nedbank and Qatar National Bank (QNB), our two major shareholders and both highly respected and successful banking institutions in their own right. Not only are we cooperating at Board level to achieve common strategic goals; our on-the ground customer relationship teams are working closely with their counterparts to identify and commercialise mutually beneficial business opportunities across Middle Africa and the Middle East.

We also witnessed key political events in our countries of operation, paramount of which was the very remarkable, peaceful transfer of power from a ruling political party to an opposition party in Nigeria, the first in the country's history. This represented a watershed moment for Africa's still nascent democracies.

Unfortunately, we also experienced continued civil unrest in various hotspots on the continent, such as the conflicts in the Central African Republic, continued Boko Haram terrorist attacks in North-East Nigeria and political turmoil in Burundi. These unhappy events continued to dampen economic activity and growth in these countries.

Board changes

In addition to Ade's appointment as Group CEO, there were a number of Board changes during 2015. As part of its reorganisation, both Mrs. Eveline Tall-Daouda and Mrs. Laurence do Rego stepped down from the Board after the Annual General Meeting (AGM) of 19 June 2015, whilst remaining members of the Group Executive Committee (GEC). My predecessor, Mr. André Siaka, also retired from the Board after 2015's AGM. Mrs. Sheila Mmbijjewe resigned from the Board on 1 July 2015, following her appointment as the Deputy Governor of the Central Bank of Kenya. Following Mr. Graham Dempster's retirement from Nedbank, Mr. Mfundo Nkuhlu replaced him as Nedbank's Board representative. Mr. Albert Essien, our former Group CEO, left the Board following his retirement from Ecobank. Mr. Abdulla Al-Khalifa joined the Board in December 2015 as a representative of QNB and Mr. Alain Nkontchou was also appointed as a Non-Executive Director at the 2015 AGM.

Please join me in expressing our sincere appreciation to Mr. André Siaka, Mrs. Sheila Mmbijjewe, Mr. Graham Dempster and Mr. Albert Essien for the profound contributions they have made collectively and individually to the growth and progress of Ecobank and we wish them the very best in all their future endeavours.

Please also join me in welcoming Mr. Mfundo Nkhulu, Mr. Abdulla Al-Khalifa and Mr. Alain Nkontchou to the ETI Board; we look forward to working with them to deliver on the mandate and the expectations of you, our esteemed shareholders.

Outlook

As we look out into 2016 and beyond, informed commentators have predicted challenging economic times ahead. This does not worry us; the key is to have the flexibility to adapt to external factors with a strategy that turns challenges into opportunities. This is a mark of a great company and that is what we aspire to become.

As such, despite a gloomy economic outlook for Middle Africa in 2016, we are confident in the strategy being implemented by management. With the Board's continued support and oversight responsibilities, which we take seriously, we believe we stand in good stead to rise above the challenges.

Going forward, our priorities will be:

- Putting our customers first, which has informed our go-to-market structure and simplified operating model
- Generating returns on equity (ROE) consistently in excess of our cost of capital throughout the business cycle
- Careful risk and cost management
- Better stewardship of capital, investing only when the risk/return dynamics add value to our businesses and for our shareholders
- Transparency in corporate governance, senior management compensation and stakeholder communications

For Ecobank, Middle Africa remains the fulcrum and centerpiece of our strategy. Africa is our home and our commitment to the region is unquestionable and unshakeable. Let me continue to reassure you that we are fully committed to working for Africa's growth and development and that we shall continue to surmount any challenges to deliver sustained value for all our stakeholders.

Emmanuel Ikazoboh
Group Chairman

Directors' report

Principal activity

Ecobank Transnational Incorporated (ETI), the parent company of the Ecobank Group, is a bank holding public liability company incorporated in Lomé, Togo, on 3 October 1985 under a private sector initiative led by the Federation of West African Chambers of Commerce and Industry and ECOWAS.

Its principal activity is the provision of banking and financial services through its subsidiaries and affiliates.

Business review

2015 was a challenging year for the Group where business conditions were less favourable due to adverse macroeconomic developments – lower oil prices, depreciating African currencies and slowing GDP growth. These developments coupled with Company-specific issues, including elevated impairment losses on financial assets, adversely impacted business performance.

A revised strategy, dubbed 'Roadmap to Leadership' has been formulated by the Group CEO, Ade Ayeyemi and his executive team and approved by ETI's Board of Directors in December 2015. This sets out a framework that focuses on generating sustainable shareholder returns through the business cycle by serving our customers well with a simplified business model and the right products, as well as improving risk management and being extremely efficient.

A detailed review of the Group's business and financial performance for 2015 is contained in the 'Business and Financial Review' section of the full annual report.

Results

The Group's revenue for the year ended 31 December 2015 was \$2.1 billion while that of the parent company was \$174 million. Profit before tax for the Group was \$205 million and \$61 million for the parent company. The Group's profit after tax stood at \$107 million.

The detailed results for 2015 are set out in the consolidated financial statements. The Board of Directors approved the financial statements of the parent company and the Group for the year ended 31 December 2015 at its meeting held on 1 April 2016.

Messrs. Emmanuel Ikazoboh and Ade Ayeyemi were authorised to sign the accounts on behalf of the Board.

International Financial Reporting Standards

The accounts of both the parent company and the Group are prepared in accordance with International Financial Reporting Standards (IFRS).

Dividend

The Directors recommend the payment of a dividend of 0.2 U.S. Dollar cents per ordinary share, totalling \$48.2 million based on 24,100,028,534 ordinary shares outstanding as at 31 December 2015.

Capital

The authorised share capital of the Company is $1.3 billion, divided into 50 billion ordinary shares of 2.5 U.S. Dollar cents per share and 1.07 billion preference shares of 2.5 U.S. Dollar cents. There were 24.1 billion ordinary shares issued and outstanding as at 31 December 2015.

During the year, there was a change in the number of shares in issue resulting principally from the issuance of One Billion, Five Hundred and Six Million, Two Hundred and Twenty Thousand, One Hundred and Four (1,506,220,104) bonus shares to shareholders from retained earnings on the basis of one (1) ordinary share for every fifteen (15) ordinary shares held on the closure of the Company's share register in accordance with the rules of the stock exchanges on which the Company's shares are listed.

Thirty Five Million, Eighty-Five Thousand, Seven Hundred and Ten (35,085,710) preference shares were converted into Twenty-Six Million Nine Hundred and Eighty-Eight Thousand, Nine Hundred and Eighty (26,988,980) ordinary shares. Under ETI's Articles of Association, the holders of ETI preference shares have the option, at any time between the third and fifth anniversaries of the issue date, to convert at the rate of 0.76923 ordinary shares for each preference share. Preference shareholders have up to 23 October 2016 to exercise their options. Any preference share that is not converted on 24 October 2016 will be redeemed by the Company at a premium of 6% to the issue price per preference share.

Three Million, Three Hundred Thousand (3,300,000) ordinary shares were issued to staff under the staff option scheme.

The ordinary shares of the Company continue to be traded on three West African stock exchanges, namely, the BRVM (Bourse Régionale des Valeurs Mobilières) in Abidjan, the Ghana Stock Exchange in Accra and the Nigerian Stock Exchange in Lagos.

Directors

The names of the Directors of the Company appear on pages 12 and 13 of this annual report.

As of 31 December 2015, the Board was composed of eleven (11) Directors: ten (10) Non-Executives and one (1) Executive Director.

The Board of Directors met six (6) times during the year. The Governance Committee met four times. The Audit and Compliance Committee and the Risk Committee met three times whilst the Finance and Regulatory Requirements Committee and the Social, Reputation and Ethics Committee met two times to deliberate on issues under their respective responsibilities. The Special Nomination Committee met two times to deliberate on the search of the new Group CEO.

During the year, we were deeply saddened by the passing away of Mr. André Bayala on 11 March 2015. Mr. André Siaka, Mrs. Laurence do Rego and Mrs. Eveline Tall Daouda resigned from the Board on 19 June 2015. Following her appointment as Deputy Governor of the Central Bank of Kenya, Mrs Sheila Mbbijjewe resigned from the Board on 1 July 2015. Mr. Graham Dempster, the representative of Nedbank Group Limited resigned from the Board on 31 July 2015 following his retirement from Nedbank.

Mr. Albert Essien, our former Group Chief Executive Officer, retired from the Group on 30 September 2015, after more than twenty-five years of service. He was replaced by Mr. Ade Ayeyemi who was co-opted to the Board on 11 September 2015.

Messrs. Alain Nkontchou and Mr. Abdullah Al Khalifa, representative of Qatar National Bank joined the Board on 19 June 2015 and 4 December 2015 respectively.

Corporate governance and compliance

There has been considerable improvement in the Group's corporate governance practices, more details of which are included in the Corporate Governance Report in the full annual report. The Company continues to maintain corporate policies and standards designed to encourage good and transparent corporate governance, avoid potential conflicts of interest and promote ethical business practices. The Group Corporate Governance Charter was revised and adopted by the Board in May 2015. Highlights of the revised Corporate Governance Charter are provided in the Corporate Governance Report in the full annual report.

The Board and the Group are committed to improving the governance of the institution and are working closely with regulators and other stakeholders to strengthen this area.

Subsidiaries

In 2015, the number of ETI subsidiaries remained unchanged from 2014. The Group's erstwhile geographical expansion across Middle Africa has been replaced with a focus on translating the achieved pan-African scale advantage into sustainable long-term value for stakeholders.

ETI has a majority equity interest in all its subsidiaries and provides them with management, operational, technical, training, business development and advisory services.

Post-balance sheet events

There were no post-balance sheet events that could materially affect either the reported state of affairs of the Company and the Group as at 31 December 2015 or the profit for the year ended on the same date that have not been adequately provided for or disclosed in the notes to the accounts in the full Annual Report.

Responsibilities of Directors

The Board of Directors is responsible for the preparation of the financial statements and other financial information included in this annual report, which give a true and fair view of the state of affairs of the Company at the end of the financial period and of the results for that period.

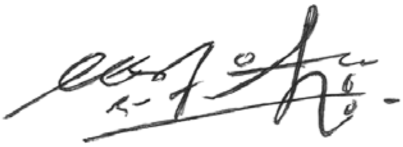
These responsibilities include ensuring that:

- Adequate internal control procedures are instituted to safeguard assets and to prevent and detect fraud and other irregularities
- Proper accounting records are maintained
- Applicable accounting standards are followed
- Suitable accounting policies are used and consistently applied.

Independent External Auditors

The Joint Auditors Akintola Williams Deloitte, Nigeria, and Grant Thornton, Côte d'Ivoire, have indicated their willingness to continue in office.

A resolution will be presented at the 2016 Annual General Meeting to authorise the Directors to fix their remuneration.



Dated in Lomé, 1 April 2016
By Order of the Board

Samuel K. Ayim
Company Secretary

Group Chief Executive's Review

Pursuing our 'Roadmap to Leadership'

Dear Shareholders,

It gives me great pleasure to write my first letter to you since I assumed office last September. I am honoured indeed to have the privilege of leading this great African institution, Ecobank. I take pride in what Ecobank stands for, the vision of its founders and the foundations built by many men and women before me. We have inherited a unique legacy, and I feel an immense sense of obligation to continue to drive the business forward, building on what has already been achieved.

Ade Ayeyemi
Group Chief Executive Officer
Ecobank Group

To better understand the business, I spent my first few months in meetings with the Board, the management teams and, equally importantly, our staff. I was struck by the passion of all Ecobankers and their willingness to discuss the issues they face openly. I also met with our regulators, customers, funding partners and investors which provided me with a robust, 360° view of the Group. From their feedback and our unquestionably disappointing 2015 financial results, it is clear that Ecobank is yet to fully capitalise on its pan-African scale to create sustainable value for our shareholders.

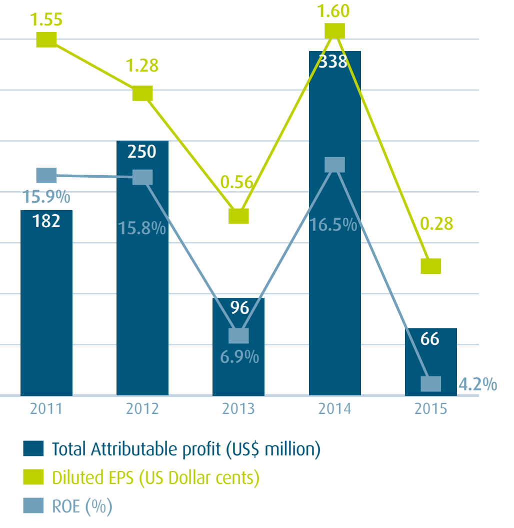
Financial results

In 2015, Ecobank generated a profit before tax of \$205 million on revenues of \$2.1 billion. Attributable profit to shareholders of the parent company was \$66 million, equating to 0.28 U.S. Dollar cents of diluted earnings per share and a return on equity of 4.2%, versus 16.5% in 2014. These disappointing results were due to both internal issues and wider market conditions, upon which I will now elucidate.

As part of a strategic overhaul, we performed a comprehensive review of our processes and asset portfolios. As a result, we made additional provisions for impairment losses of \$357 million in the fourth quarter, bringing the total provisions for 2015 to \$532 million. Of this figure, \$427 million, or 80%, related to historic non-performing loans, with the remainder relating to other assets, including \$80 million from our Securities business. This elevated level of provisioning significantly impinged upon our pre-impairment profit of \$738 million, which better represents our underlying earnings potential.

Total Attributable Profit, Diluted Earnings per share and Return on Total Equity 2011 – 2015

(US$ millions, except per share data in US$ cents and ratio data)



The macroeconomic environment during the year was also challenging as a result of weak oil prices, a scarcity of foreign exchange and depreciating Middle African currencies. These factors conspired to reduce our revenues, which fell by 8% to \$2.1 billion. However on a constant currency basis relative to U.S. Dollar, revenues would have increased by 9% to around \$2.5 billion.

Our cost-to-income ratio, a measure of efficiency, remained stable at 64.9% (2014: 65.4%), benefiting from currency translation and ongoing efficiency gains. At year-end, total deposits amounted to \$16.4 billion, a 6% fall versus 2014 (but a 5% increase on a constant currency basis), whilst total loans decreased by 9% to \$11.2 billion (a 1% increase on a constant currency basis).

Implementing our ‘Roadmap to Leadership’ Strategy

Undoubtedly Ecobank’s unique selling proposition is its unmatched presence across Middle Africa, encompassing 36 countries, and including offices in Paris, London, Dubai and Beijing. Our 11 million-plus customers, be they multinationals, NGOs, governments, regional corporates, SMEs or individuals, chose to do business with Ecobank because of our financial services reach. This is a competitive advantage and represents a deliberate strategic positioning of which we are immensely proud.

To ensure that these strengths ultimately translate into tangible shareholder value, Ecobank’s senior management and I have formulated a five-year strategic plan, dubbed the ‘Roadmap to Leadership’, which our Board has approved. Our clear objective is to generate long-term returns in excess of our cost of capital throughout the business cycle. We are confident that the implementation of this strategy will allow Ecobank to fully exploit the potential of our franchise model.

To bring focus, clarity and accountability to our operations, we are introducing a streamlined business model. We now have three business segments: namely Consumer Banking, Commercial Banking and Corporate and Investment Bank. We have similarly segmented our geographical footprint, reducing the number of regions from seven to four. These are Nigeria (a region in its own right by virtue of size), Francophone West Africa Monetary Zone (UEMOA), Anglophone West Africa (AWA) and Central, Eastern and Southern Africa (CESA). These four regions reflect the major commercial opportunities that we currently see across our footprint.

Our aim is to extract maximum value from this business line/geographical matrix. In Consumer Banking, we see an efficient distribution platform, leveraging mobile and online technology, and tailored relationship management for our mass market and affluent customers as the twin drivers of profitability. Similarly, in Commercial Banking our emphasis will be to unlock the hidden value of servicing the entire value chain of corporate and public sector clients and to support emerging SMEs by carefully managing the associated risks.

Corporate and Investment Bank will focus on servicing multinationals and regional corporations. We aim to be their platform of choice, delivering cash management, trade and financial market solutions in addition to corporate lending. Our Securities and Asset Management teams will focus on building reliable transactional and regional platforms.

We are adopting a two-pronged approach to winning in our regional markets: either by leveraging the scale economies of market leadership or by establishing profitability leadership in niche markets where Ecobank can provide value-added services to its customers.

We currently enjoy market leadership across most of Francophone and Anglophone West Africa and we will continue to commit resources to reinforce and defend these positions.

We are yet to become a leader in Nigeria in terms of assets, market share and return and profitability metrics. It is critical that we achieve this objective especially, since the country accounts for around 40% of Ecobank’s business, so we are implementing a number of actions designed to improve performance. For example, we have strengthened senior management with the appointment of Charles Kie, Ecobank’s former head of Corporate and Investment Bank and a highly experienced international banker, as the Managing Director of Ecobank Nigeria. We have reduced the senior management headcount by 40% and are seeking to achieve further cost efficiencies. For example, we are looking to reduce overall back office unit costs by enabling our processing centre in Nigeria to handle transactions from other Ecobank subsidiaries. We are also seeking to optimise our branch network, either scaling down or closing unprofitable branches. These actions, together with strategic credit management initiatives, are being taken to instil discipline and focus.

In CESA, where our operations are mostly sub-scale, our strategic priority is to develop profitability leadership. The appointment of Samuel Adjei, who has previously led Ecobank Ghana to great success, as the Managing Director of Ecobank Kenya and CESA Regional Executive reflects our desire to make considerable headway in this region.

Inevitably, to optimise our pan-African platform, trade-offs will need to be made. This means having a disciplined portfolio management approach, with a focus on playing to Ecobank’s strengths. For example, we will exit markets, products or businesses if they no longer make strategic sense or if they do not present a clear path to profitability.

New organisational structure

Simplified client business

Consumer Banking

Customers
- Premier, Advantage, Classic and Direct

Products
- Cards
- CASA[1]
- Mortgage
- Remittance
- Personal loans and Asset Management for HNWI[2]

Commercial Banking

Customers
- SMEs, Medium Local Corporates, High Value Local Corporations, NGO, government, public sector (schools, Faith organisations, professional bodies)

Products
- Fixed Income Currencies and Commodities (FICC)
- Transaction Banking
- Loans and liquidity

Corporate and Investment Bank

Customers
- Government, Global and Regional Corporates, Financial Institutions and International Organisations

Products
- Transaction Banking
- Investment Banking and FICC
- Security, Wealth and Asset Management
- Loans and liquidity

Rationalised geographic footprint

Francophone West Africa (UEMOA)

Maximise and defend leadership economics

Anglophone West Africa (AWA)

Maximise leadership economics in Ghana and improve performance in the others

Nigeria

Increase market share and improve profitability and return metrics

Central, Eastern and Southern Africa (CESA)

Have a profitable participation model

1 Current and Savings Account
2 High Net Worth Individual

Improving our risk management

A bank is a risk factory. The services we provide come with a range of risks, such as credit, liquidity and market risks, all of which have to be carefully managed to balance the needs of our customers with protecting the security and reliability of the bank. As such, we have formulated comprehensive actions to strengthen our risk management culture and improve the quality of our risk management personnel. This will enable us to strike an appropriate risk/reward balance when looking to capitalise on emergent market opportunities.

Further, we will reinforce our loan policy with a supportive credit culture, only accepting risks that we fully understand, to maintain a low level of non-performing loans. For example, we will not accept the credit risk of a borrower unless we are fully compensated for that risk through the borrower's other revenue sources. This approach, we believe, gives us a broader insight into our customers' businesses, providing an early warning of any potential deterioration in our loan book.

Additionally, we are revising the incentive framework for our loan officers to reinforce discipline when extending credit, thereby rewarding our staff for 'doing the right thing' by both the customer and Ecobank.

Maximising operational efficiency

To achieve market leadership, we need to be disciplined and more efficient in performing our activities than our peers. Having pan-African scale can be a double-edged sword: being present in 36 African countries can be a costly venture yet, by standardising and centralising appropriate systems and procedures, significant efficiency gains can be realised. This is the reason why we have planned to have regional processing centres in Nigeria and Côte d'Ivoire to maximise this value proposition. Our aim is to achieve market leadership via Group-led product and service innovation, backed up by strong local distribution.

As an early adopter of technology in African banking, Ecobank inevitably has met with certain challenges. We have learnt from these experiences, informing our decisions to consolidate our data centres in Nigeria and Ghana, thereby streamlining our technology backbone whilst enhancing our customer service capabilities.

Servicing our retail customers in particular presents difficult choices. We are cognisant that, for our customers, the branch will always represent a place to engage with us personally. Yet we have to manage the network efficiently, potentially combining branches or closing them down. Mobile and online banking offerings clearly reduce the costs of mass market servicing and, within an African context in particular, offer wider access and convenience. However, this will not preclude strategic branch openings where required.

We also see potential cost savings in the active management of our real estate portfolio by renting out facilities, outright sales or more efficient space utilisation. For example, by moving some of Ecobank Togo's operations to our head office in Lomé, we will reduce costs significantly. We are also planning to rationalise our Nigerian real estate portfolio, many of the assets having been acquired as part of the Oceanic Bank acquisition in 2011.

Strengthening our capital position

Maintaining adequate capital provides an essential buffer to absorb market or macroeconomic shocks. As well as helping to improve credit ratings, it also affords long-term protection for our customers, shareholders and employees, a responsibility that we take extremely seriously.

Ecobank remains focused on proactively and prudently managing our capital, liquidity and risks. At the same time, we are alert to opportunities to expand our capital base to meet changing regulatory requirements and to underpin the long-term growth of the Group.

We will at all times maintain capital levels above regulatory limits and in line with our internal risk appetite. As of 31 December 2015, our Basel 1 Tier 1 capital ratio, a key measure of balance sheet strength, was 20.5%, whilst the total capital adequacy ratio (CAR) was 23.9%. Our loans-to-deposits ratio was 72.2%, slightly below our 75% target, whilst our liquid assets to total assets ratio was in line with our target of 30%. Hence, ensuring adequate and appropriate financial leverage across the platform will remain a key area of focus.

Our guiding principles to become a stronger and profitable bank

1	Commitment to shareholder value creation (ROE above cost of equity)
2	Take action on businesses generating returns below cost of capital
3	Invest only where we have/can have sustainable competitive advantage
4	Improve customer service
5	Achieve distribution leadership: manufacture centrally and distribute locally
6	Strengthen control functions
7	Drive operational efficiency
8	Disciplined expense management

People and performance management

In the final analysis, great teams build great companies, so it is our people who will determine whether we achieve these desired outcomes. Our ultimate goal is to be able to count on great teams made up of talented, motivated individuals with integrity, intelligence and the ability to work collaboratively.

We are implementing numerous initiatives intended to address human capital management and compensation, which are reviewed in greater detail in the 'People' section of our full annual report. In summary, we are committed to improved staff welfare, ensuring that we provide Ecobankers with appropriate learning and developmental tools, that their contributions are fairly evaluated and remunerated and that, above all, Ecobank remains a meritocracy.

I should like to take this opportunity to extend my sincere gratitude to the Board of Directors for their wisdom and counsel as I settled into my new role with Ecobank. To execute our 'Roadmap to Leadership' plan, it has been necessary to make changes to the roles and responsibilities of some of Ecobank's key senior executives and I have been extremely gratified by their enthusiasm and determination in accepting these new challenges.

To integrate the voice of our geographies into our decision-making processes, our four Regional Executives have now joined the Group Executive Committee (GEC), Ecobank's executive leadership team.

Looking ahead

Ecobank is indeed a remarkable institution with a number of inherent strengths. Our diversified business model ensures that the Group continues to progress, almost regardless of the vagaries of the international business cycle and political uncertainties. With our revised strategy and simplified operating model, we aim to be more efficient in running our businesses and serving our customers, thereby generating improving returns for our shareholders. We are blessed with loyal customers and supportive shareholders and I should like to thank them personally for their ongoing support during this transitional period for Ecobank. Equally, none of this would be possible without the drive, enthusiasm and commitment of Ecobank's motivated and professional staff, whose contributions I must applaud and acknowledge.

The year ahead will bring its own challenges but I am sure that by working together, keeping focused on our priorities and by putting Ecobank's customers first, we can all realise our ambitions.

Ade Ayeyemi
Group Chief Executive Officer

Group Chief Operating Officer's review

Eveline Tall-Daouda

2015 proved to be a challenging year, as falling commodity prices, especially oil, and unfavourable exchange rates for sub-Saharan African (SSA) currencies weighed heavily on corporate profits and business investments.

Amidst such sluggish economies and the resultant testing adjustments which had to be made, we are very appreciative of the extraordinary efforts of our teams, who have stepped up to address these significant opportunities and challenges to continue to build Ecobank's business.

Whilst the pace of change in the SSA banking industry is accelerating, Ecobank continues to respond with comprehensive measures to further improve our operational efficiency. Our strategic agenda is set, which will position us to continue to adapt and thrive in an increasingly competitive and evolving industry. Our key differentiators remain our commitment to service excellence and our in-depth understanding of the SSA markets in which our clients do business.

In addition to shifting competitive dynamics, we expect the macroeconomic environment to remain challenging in 2016. So, to maintain our competitive edge, we will accelerate the consolidation of our businesses, stripping out unnecessary costs, whilst continuing to invest for the long-term. Our focus will be on our priority growth markets and the business areas that are the highest revenue contributors. We will also enhance the customer experience through a series of initiatives targeted at areas that matter most to our customers.

Performance management

Our diversified business model proved resilient in the face of these macroeconomic challenges. Our underlying growth performance was encouraging. Reported revenues, despite decreasing by 8% year-on-year, increased by 9% and pre-impairment profit rose 12% on a constant dollar basis, while pre-impairment profit 12% on a constant dollar basis.

The banking industry is undergoing significant structural change and reform, our stakeholders' expectations are increasingly demanding and competition remains intense. In this environment, we will focus relentlessly on improving efficiency, streamlining our processes and procedures and reducing costs, whilst remaining cognisant of our wider obligations within the different markets in which we operate.

Customer service

In 2015 Ecobank implemented a unified service strategy across our Domestic Bank (effective 1 January 2016, Domestic Bank was re-segmented into Consumer Banking and Commercial Banking) and Corporate Bank businesses. This led to an enhanced operating performance, enabling executive supervision of the Client Service Management function within all our subsidiaries, thus spurring on our drive for improved customer experience.

These programmes were aimed at improving the customer experience through whichever distribution channel our customers chose to engage with us. They included our digital products campaign, aimed at creating awareness and growing our customer numbers. Additionally, a Customer Service certification training programme was launched to strengthen the service management capabilities of our staff.

Our efforts improved the customer experience markedly, evidenced in the responses to our Net Promoter Score and Customer Experience surveys, in which over 130,000 customers were polled during the year. We will continue to invest in both our people and innovative technology, enabling us to better serve our customers. We are grateful for the strong relationships that we have built with our customers in 2015 and will continue look to support them to succeed in 2016 and beyond.

Compliance

Ecobank is committed to global standards of compliance, shaped by the highest or most effective benchmarks prevailing in each of the locations where we do business. Such standards are embedded in our values, affecting all aspects of our business, including governance. They serve as signposts, informing our responses to employee issues and setting the tone for our customer interactions. Our compliance function strikes the balance between meeting management's strategic targets and the varying regulatory requirements across our network. We have developed a strong compliance culture that has been institutionalised in our service offerings and processes that is widely recognised amongst our stakeholders.

As the global financial regulatory framework is being remodelled, financial stability risks have become a preoccupation for central bankers and prudential macro policies have entered everyday parlance. As a result, we see the implementation of global standards as a source of competitive advantage, allowing us to toughen our response to the ongoing threat of financial crime, to simplify the enforcement of best practice and to strengthen the policies and processes which govern how and with whom we do business. We remain committed to the continual strengthening of the compliance function at Ecobank to maintain world-class standards in our businesses and processes, both now and in the future.

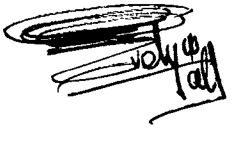
Internal control

In 2015 we intensified our efforts to reinforce our risk and internal control systems. Our continued emphasis on best practice creates a proactive culture of internal control, anchored on a 'three lines of defence' organisation which permits appropriate decentralisation, with accountability for risk and internal controls spread across the Group's management. The Board, executive management and staff are all actively engaged in risk recognition, assessment and mitigation.

We have adopted the Treadway Commission's Internal Control Integrated Framework as our methodology. This encompasses the three key objectives of ensuring the effectiveness and efficiency of our operations, improving the reliability of our financial reporting and strengthening compliance with the laws and regulations applicable within our numerous jurisdictions. Through its founding components, this framework ensures that management is able to identify and resolve internal control issues more successfully. Furthermore, dashboards have been developed for key processes to alert management on a monthly basis to potential anomalies and failures. Technology solutions have been deployed to screen transaction details against predetermined thresholds, including the monitoring of trends and patterns.

Through the implementation of a Risk and Control Self-Assessment (RCSA) programme as part of our continuous operational evaluation and monitoring, internal control responsibilities have been embedded into Ecobank's culture, products, policies and business processes. This also promotes a proactive control culture throughout the entire Group.

Going forward, we are developing stronger, forward-looking risk and control mechanisms to support our vision of proactive risk and control management. These include scenario, correlation and root cause analysis programmes to support the effective management of emerging risks. Our active participation in the operational risk and control research programmes being championed by the Operational Risk eXchange (ORX) Consortium will serve to bolster these efforts.



Eveline Tall-Daouda
Deputy Group CEO and
Chief Operating Officer

Corporate and Investment Bank

Charles Kie

2015 was a testing year for Corporate and Investment Bank (CIB). Global developments, including a slowdown in China's voracious demand for Africa's commodities, depreciating African currencies, a scarcity of foreign exchange in some major African countries and monetary and fiscal policy uncertainty, all contributed to a challenging environment. This led to businesses reducing fixed assets and working capital investment, lower levels of trade and reducing demand for banking advisory services. CIB adapted quickly to these trends, whilst staying true to our commitment to support our clients in these difficult times.

In spite of these challenges, CIB delivered encouraging underlying results. Our profit before tax was $69 million, compared with $264 million in 2014. Revenues increased 13% to $757 million, primarily driven by Corporate Bank. We grew client loans by 16% to $8.0 billion, while deposits decreased 3% to $6.8 billion, driven by non-interest bearing deposits (55% of CIB's funding base).

Corporate Bank (CB) grew loans by 15% year-on-year, thanks largely to loan growth amongst Local, Regional, and Global Corporates.

Omni, our online banking platform, assisted us in providing multi-country cash management solutions to a growing client base. We also leveraged our single uniform technology platform to implement a large number of tailored and more sophisticated host-to-host or SWIFT-based integrations, allowing us to gain significant traction with key customers, as well as recognition and positive market perceptions in a number of our markets. In addition, we successfully implemented a number of tailored collections solutions for key clients across our footprint.

Investment Bank (IB)'s revenues fell sharply by 54% to $4 million, reflecting the impact of U.S. Dollar liquidity constraints in Nigeria and Ghana, where we traditionally book most of our transactions. This, coupled with the need to carefully manage our risks, caused us to abort many significant transactions.

IB has adjusted its business model to reflect the changing environment. Going forward its focus will be on distribution and debt advisory in the financing space. Concurrently, additional resources will be allocated to private equity and debt capital market transactions.

Importantly, in 2015 we launched our B2B marketing campaign, 'The Network Advantage', which highlighted our competitive advantages and showcased our product suite capabilities to our clients and prospects across Africa.

Our growing ability to provide innovative financial solutions has not gone unrecognised. For example, the respected international publications, EMEA Finance and Global Finance, both named Ecobank as the best African bank in Cash Management and Trade Finance in 2015.

CIB's strategic objective is to build a leading franchise, focused on Middle Africa, and to leverage our footprint and product capabilities to provide our clients with bespoke financial solutions. Our commitment to enhanced customer service is relentless, with ongoing technology investment to ensure that our transactional banking business, the keystone of our strategy, delivers sustainable growth. We also plan to capitalise on our strategic relationships with Nedbank and Qatar National Bank (QNB).

In 2016, our focus has shifted to fee generation, deposit mobilisation and structured trade transactions. We will be focusing on providing innovative cash management solutions, migrating and acquiring new accounts and leveraging our trade finance expertise to increase market share in all of our countries.

As I pass on the baton of stewardship of CIB to my successor, Amin Manekia, I would like to extend my gratitude to all our varied stakeholders for their continued support. My thanks also must go to the executive team and staff of CIB for their unstinting contribution to last year's encouraging results. Under Amin's experienced supervision, we will execute our strategy, support our clients and aid Africa's economic growth, notwithstanding the challenging times ahead.

We all look forward to 2016 with eager anticipation.

Charles Kie
Group Executive
Corporate and Investment Bank

Domestic Bank

Patrick Akinwuntan

The past five years witnessed significant expansion of our network, customer base and balance sheet. 2015 saw the commencement of a new phase with emphasis on the maximisation of the business opportunities acquired during the expansion phase. In this regard, we have revised our operating model to position the business for market leadership and sustainable returns in the long term. This included the assessment of our customer segments, products, services and distribution network to determine where we play for market leadership and where we have a niche opportunity to achieve profit leadership. We have also reviewed how we gain competitive advantage in chosen segments and products.

Leveraging our customer insights, we launched 'Premier Banking' in Nigeria, Ghana and Côte d'Ivoire for affluent individuals, whilst 'Advantage Banking' and 'Direct Banking' were introduced for our mass affluent and mass market customers respectively. We also introduced SME Club services for SMEs in major affiliates (Nigeria, Ghana, Côte d'Ivoire, Senegal, Burkina Faso, Benin, Cameroon and DR Congo). To enhance capacity to serve more SMEs we signed a $55 million risk guarantee facility with International Finance Corporation (IFC) in addition to the existing $50 million risk facility with Africa Guarantee Fund (AGF). These facilities will be fully utilised in 2016 to increase volumes in the SME segment.

To better serve our customers, we reinforced our investments in digital banking channels to lower the cost to serve and provide convenient, wherever, whenever banking to all our customers. We now have a comprehensive suite of cards, ATM and POS acquiring services across our entire network, representing a unique capability to deliver convenient banking. We have entered into mobile money partnerships with major telcos in 22 countries to deliver convenient and efficient mobile banking services. We have also commenced the implementation of a pan-African mobile financial services platform and an improved internet banking platform in 2016. These investments are in line with our vision to become the preferred choice for convenient banking across Africa. They will also accrue significant fee income, cost reduction and growth in current and savings accounts (CASA) in the medium term.

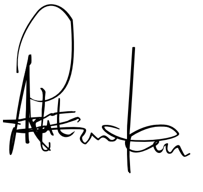
Our diversified business model helped to minimise the impact of adverse foreign exchange movements and regulatory changes on revenue in our key markets. Reported revenues, despite falling 19% to $902 million in 2015, were up 10% in constant dollars, notwithstanding the fact that 2014 results included high value local corporate businesses which were migrated to Corporate Bank in 2015.

Towards the end of 2015 and as part of the overall re-positioning of Ecobank, the former Domestic Bank division has been restructured into Consumer Banking and Commercial Banking to improve effectiveness, promote customer service excellence and extract the latent value of our network advantage, capitalising on growth opportunities in the emergent middle class, digital banking, the Diaspora and remittance flows. In both businesses, the strategic ambition is to achieve market leadership in key focus markets and profitability leadership in selected products and segments in more niche markets.

Whilst growth in Commercial Banking will be powered by key products including Transaction Banking, Loans and Liquidity, progress in Consumer Banking will be driven by Cards and digital solutions, CASA, Mortgages, Remittances, Personal Loans and Asset Management services for high-end customers.

With this refined roadmap and the business reorganisation to improve efficiency, the outlook both for Ecobank's Consumer and Commercial banking businesses in 2016 and beyond is positive.

I thank you.



Patrick Akinwuntan
Group Executive
Domestic Bank

Treasury

Abdul Aziz Dia

Treasury generated total revenues of $510 million in 2015, a decrease of $20 million, or 4%, from the previous year. However, our client-driven trading performance was encouraging, increasing 12% to $144 million. Also we managed our balance sheet efficiently which helped to drive revenue growth and offset the negative impact of currency translation due to the depreciation of African currencies against the U.S. Dollar. Profit before tax was $258 million, down 11% from the prior year.

Not only were treasury sales affected by currency translations but also by regulatory restrictions on remittances which affected our 'Rapidtransfer' remittance business and also reduced the volume of cash notes traded in Foreign Exchange bureaus in Nigeria. This led to 18% reduction in sales revenues to $269 million.

Net interest income increased by 45% year-on-year to $85 million due to efficient balance sheet management, together with the optimisation of liquidity management synergies with our country subsidiaries.

We still aim to lead the way in providing clients with innovative foreign exchange and fixed income solutions, with the ultimate goal of becoming one of the leading providers of treasury solutions in Middle Africa. As a result, we have invested in two new treasury IT systems to improve our efficiency: Calypso for Sales and Trading and SunGard for Balance Sheet Management. The roll-out of Calypso and SunGard across the Group is ongoing, with a target of onboarding all Ecobank subsidiaries by the end of 2016.

We have also invested in training and certification programmes to enhance the performance of our talented treasury staff. Our vision is to set a new standard of certification for Treasury professionals, both in Africa and internationally.

Joint marketing initiatives with both Corporate and Investment and Domestic Banking businesses (which has been spilt into Consumer Banking and Commercial Banking since 1 January 2016), aimed at expanding our client base and growing market share across all of our geographies, continue to perform well. 2015 also saw the launch of a specialised treasury desk for Hedging Products Distribution (HPD). This desk will be run from one of our regional centres and will specialise in providing hedging solutions to our clients via our country subsidiaries.

Under the Group's newly revised strategy, Treasury is no longer a line of business. Instead, it will be a product suite supporting mainly our Corporate and Investment Bank and Commercial Banking customers with fixed income, currencies and commodities products.

I would like to thank all of our 11 million customers for their continued trust. I also want to recognise all Ecobankers for their team spirit in contributing to Treasury's performance, especially the leadership of Corporate and Investment Bank and Domestic Bank and our internal support services teams.

Ecobank's future is bright and our clients can trust in our ongoing commitment to service excellence.

Abdul Aziz Dia
Group Head,
Treasury

Business and Financial Review

Our Roadmap to Leadership adopts a two-pronged approach to winning business: either leveraging the scale economies of market leadership or establishing profitability leadership where Ecobank can provide value-added customer service. Our aim is to achieve market leadership via Group-led product and service innovation, backed up by strong local distribution.

Business and Financial Review

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Overview

Ecobank Transnational Inc.(ETI) and its subsidiaries and affiliates are collectively known as 'Ecobank Group', 'Ecobank' or 'The Group'. Ecobank is the leading pan-African banking institution in Africa, present in 36 African countries, with international offices in Paris, London, Dubai and Beijing. Ecobank serves approximately 11 million customers and has $23.6 billion in assets and $2.5 billion in total equity as of 31 December 2015.

For management purposes, the Group's activities[1] are organized into three major business segments, namely, Consumer Banking, Commercial Banking and Corporate and Investment Bank and four geographical regions, namely, Nigeria, Francophone West Africa (UEMOA), Anglophone West Africa (AWA) and Central, Eastern and Southern Africa (CESA). Ecobank's stock trades on the Nigerian Stock Exchange, Ghana Stock Exchange and the Bourse Régionale des Valeurs Mobilières SA (BRVM) in Abidjan, Côte d'Ivoire.

Ecobank prepares its Consolidated Financial Statements in accordance with IFRS. The following 'Business and Financial Review' provide a comparative discussion of Ecobank's results for the periods ended 31 December 2015 and 31 December 2014. The discussion of the financial results reflect our business and geographical segmentation as of the full year 2015.[2]

Summary Consolidated Income Statement

Year ended 31 December (In thousands of US$)	2015	2014	% Change
Net revenue	2,105,975	2,279,881	(8)
Operating expenses	1,367,518	1,491,133	(8)
Pre-impairment income	738,457	788,748	(6)
Impairment losses on financial assets	532,044	266,960	99
Share of loss of associates	(1,174)	(2,239)	—
Profit before income tax	**205,239**	**519,549**	**(60)**
Taxation	93,505	122,024	(23)
Profit for the year from continuing operations	**111,734**	**397,525**	**(72)**
Loss for the year from discontinued operations	(4,270)	(2,755)	55
Profit for the year	**107,464**	**394,770**	**(73)**
Effective tax rate	45.6%	23.5%	—
Attributable to:			
Owners of the parent (total)	**65,539**	**337,863**	**(81)**
Profit for the year from continuing operations	67,845	339,351	(80)
Profit for the year from discontinued operations	(2,306)	(1,488)	55
Non-controlling interest (total)	**41,925**	**56,907**	**(26)**
Profit for the year from continuing operations	43,889	58,174	(25)
Profit for the year from discontinued operations	(1,964)	(1,267)	55
Profit for the year	**107,464**	**394,770**	**(73)**
Return on average total assets (ROAA)	**0.4%**	**1.7%**	—
Return on average equity (ROAE)	**4.2%**	**16.5%**	—
Basic earnings per share (EPS) [3]	0.28	1.69	—
Diluted earnings per share (EPS)	0.28	1.60	—

(1) Our business and geographical segmentation operating model effective 1 January 2016.

(2) As of 31 December 2015, Ecobank's activities were organised along three business segments – Domestic Bank, Corporate and Investment Bank and Treasury and seven geographical clusters – Francophone West Africa (UEMOA), Nigeria, Rest of West Africa (WAMZ), Central Africa (CEMAC), East Africa (EAC), Southern Africa (SADC) and International.

(3) Basic EPS for 2014 has been adjusted for the 1-for-15 bonus issue of July 2015 as required by International Accounting Standard 33 – Earnings per share (IAS 33).

Income statement analysis

Net revenue

Net revenue, the sum of net interest income and non-interest revenue, was $2.1 billion in 2015, a decrease of $174 million, or 8%, compared with 2014. The decrease in revenue was primarily driven by the significant depreciation of the Naira, CFA franc and Cedi relative to the U.S. Dollar. These three currencies account for about 85% of Group-wide revenue. Adjusting for currency translation movements, underlying net revenue would have increased by 9% to approximately $2.5 billion.

Net interest income

Net interest income increased by $36 million, or 3%, to $1.1 billion. The increase was driven by growth in investment securities and lower average rates on interest-bearing liabilities. On a constant currency basis, net interest income would have increased by 24% to approximately $1.4 billion.

Non-interest revenue

Non-interest revenue of $960 million represented 46% of revenue for 2015, compared with $1.2 billion, or 51% in 2014. The $210 million, or 18%, decline in non-interest revenue was primarily driven by a challenging macro economic environment.

Net fee and commission income

Net fee and commission income decreased by $114 million, or 17%, to $547 million, due to the following factors – a slowdown in loan growth which led to a 14% decline in credit-related fees and commissions to $242 million. A decrease of $45 million, or 16%, to $228 million in cash management and related fees, the largest component of fee and commission income. The decrease in cash management and related fees reflected an overall decline in business activity. Additional contributory factors included foreign exchange (FX) liquidity challenges, regulatory headwinds, reduced commissions on turnover (COT), limits on outbound remittance in Nigeria and a general decline in economic activity in Middle Africa.

Revenue

Year ended 31 December (In thousands of US$)	2015	2014	% Change
Interest income	1,748,306	1,731,628	1
Interest expense	(602,746)	(622,221)	(3)
Net interest income (NII)	**1,145,560**	**1,109,407**	**3**
Credit related fees and commissions	241,521	281,939	(14)
Corporate finance fees	3,987	32,634	(88)
Portfolio and other management fees	5,892	7,579	(22)
Brokerage fees and commissions	3,308	2,854	16
Cash management and related fees	227,549	272,359	(16)
Card management fees	77,990	79,886	(2)
Others	21,757	21,971	(1)
Fee and commission income	582,004	699,222	(17)
Fee and commission expense	(35,477)	(38,502)	(8)
Net fee and commission income	**546,527**	**660,720**	**(17)**
FX income	308,785	382,183	(19)
Securities trading	104,173	80,465	29
Net trading income	**412,958**	**462,647**	**(11)**
Net losses from investment securities	**(951)**	**5,070**	**(119)**
Other operating income	**1,881**	**42,036**	**(96)**
Non-interest revenue (NIR)	**960,415**	**1,170,474**	**(18)**
Net revenue (NII + NIR)	**2,105,975**	**2,279,881**	**(8)**
Net interest margin (NIM)	7.8%	6.8%	—
Contribution of NIR to net revenue	45.6%	51.4%	—

Business and Financial Review

Trading income

Trading income comprises FX income, which is income earned from buying and selling currencies on behalf of our clients to meet their trade finance, payments and cash management requirements, and securities trading income, largely from trading government securities.

Net trading income of $413 million decreased by $50 million, or 11%, relative to 2014. FX income fell by $73 million, or 19%, to $309 million, due to the FX challenges faced by households and businesses. Contrastingly, income from securities trading increased by $24 million, or 29%, to $104 million.

Other income

Other income decreased by $40 million, or 96%, to $1.9 million due to fair value losses on investment properties.

FX translation impact

(In millions of US$)	2015	2014	% Change
Net revenue – Reported	2,106	2,280	(174)
Impact of FX translation [1]	377		377
Net revenue – Contant Dollars	**2,483**	**2,280**	**204**
Operating expenses – Reported	1,368	1,491	(124)
Impact of FX translation [1]	236		236
Operating expenses – Contant Dollars	**1,603**	**1,491**	**112**
Pre-impairment income –Reported	738	789	(50)
Impact of FX translation [1]	142		142
Pre-impairment income – Contant Dollars	**880**	**789**	**92**
Profit after tax – Reported	107	395	(287)
Impact of FX translation [1]	28		28
Profit after tax – Contant Dollars	**136**	**395**	**(259)**

[1] Reflects the impact of FX translation into U.S. Dollars assuming average exchange rates for 2014.

Operating expenses

Operating expenses were $1.4 billion in 2015, a decrease of $124 million, or 8%, compared with 2014 due to the benefits of currency movements as well as ongoing cost reduction initiatives. Staff expenses fell by $58 million, professional fees by $16 million, insurance by $8.4 million and rent and utilities by $7.3 million. In constant dollars, operating expenses would have increased by 8% to approximately $1.6 billion. Our full year cost-to-income ratio remained relatively stable at 64.9%, compared to 65.4% in 2014.

Impairment losses

Impairment losses on loans and advances in 2015 were $427 million, an increase of $198 million, or 86%, relative to 2014. The increase was primarily due to additional impairments of $277 million in the fourth quarter, a consequence of a comprehensive review of our asset portfolios and processes. Impairment losses on other financial assets increased by $67 million, or 179%, primarily due to impairments taken in our Securities business.

Our full year cost-of-risk deteriorated to 3.5% compared with 1.9% in 2014, as a result of the significant increase in impairments. Ecobank's management is implementing actions to further strengthen the Group's risk management.

Taxation

2015's tax charge amounted to $94 million, representing an effective tax rate of 45.6%, compared to 23.5% in 2014. The increase in the effective tax rate was due amongst others to lower profit before tax from Ecobank Development Corporation (EDC), our wholly owned Investment Banking and Securities and Asset Management businesses, a non-tax paying member of the Group and higher non-tax-deductible expenses as well as the reduction of exempt income in Nigeria.

Profits

Profit before tax decreased by $314 million, or 60%, from the prior year, primarily due to the significant increase in impairment losses. Profit after tax of $107 million, decreased by $287 million, or 73%, from the prior year.

Operating expenses

Year ended 31 December (In thousands of US$)	2015	2014	% Change
Staff expenses	591,543	649,094	(9)
Depreciation and amortisation	112,520	126,685	(11)
Communications and technology	126,766	138,336	(8)
Professional fees	90,549	106,544	(15)
Rent and utilities	65,468	72,745	(10)
Repairs and maintenance	51,862	55,717	(7)
Insurance	40,148	48,518	(17)
Others [(1)]	288,662	293,494	(2)
Other operating expenses	663,455	715,354	(7)
Total operating expenses	**1,367,518**	**1,491,133**	**(8)**
Cost-to-income ratio	64.9%	65.4%	—

[(1)] Others include operational losses and fines, advertising and promotion, business travels, supplies and services, fuel, etc.

Impairment losses

Year ended 31 December (In thousands of US$)	2015	2014	% Change
Provision for loan impairment	587,498	388,333	51
Provision no longer required	166,895	172,917	(3)
Specific impairment losses on loans and advances	420,603	215,416	95
Collective impairment losses (net) on loans and losses	6,478	13,896	(53)
Impairment losses on loans and advances	427,081	229,312	86
Impairment losses on other financial assets	104,963	37,648	179
Impairment losses on financial assets	532,044	266,960	99
Cost-of-risk	3.5%	1.9%	—

Business and Financial Review

Balance sheet analysis

Consolidated balance Sheets overview

Total assets decreased by $690 million, or 3%, to $23.6 billion from the prior year. On a constant dollar basis, total assets would have increased by 7% to approximately $26.0 billion. Total liabilities decreased by $558 million, or 3%, to $21.0 billion.

The following is a discussion of the significant changes in specific line items of the Consolidated Balance Sheet as at 31 December 2015 and 31 December 2014.

Consolidated Balance Sheets data

At 31 December (In thousands of US$)	2015	2014	% Change
Earning assets			
Treasury bills and other eligible bills	1,436,405	1,276,120	13
Financial assets for trading	171,334	279,434	(39)
Investment securities: available-for-sale	2,669,692	1,435,580	86
Pleged assets	759,086	1,032,146	(26)
Loans and advances to banks	1,770,036	1,882,501	(6)
Loans and advances to customers	11,200,349	12,311,642	(9)
	18,006,902	**18,217,423**	**(1)**
Non-earnings assets			
Cash and balance with central banks	3,245,363	3,546,543	(8)
Intangible assets	382,451	410,257	(7)
Property and equipment	893,855	920,690	(3)
Derivative financial instruments	144,225	247,664	(42)
Other non-earning assets	881,123	900,985	(2)
	5,547,017	**6,026,139**	**(8)**
Total Assets	**23,553,919**	**24,243,562**	**(3)**
Liabilities			
Deposits from other banks	703,674	912,841	(23)
Deposits from customers	16,427,553	17,436,970	(6)
Other deposits	729,712	573,300	27
Borrowed funds	1,779,277	1,540,264	16
Other liabilities	1,390,458	1,125,103	24
Total Liabilities	**21,030,674**	**21,588,477**	**(3)**
Equity			
Share capital	2,029,698	1,979,523	3
Retained earnings	529,427	550,680	(4)
Reserves	(213,116)	(79,378)	168
Total equity and reserves attributable	**2,346,009**	**2,450,825**	**4**
Non-controlling interest in equity	177,236	204,260	(13)
Total equity	**2,523,245**	**2,655,085**	**(5)**
Total liabilities and shareholders' equity	**23,553,919**	**24,243,562**	**(3)**

Assets

Cash and balances with central banks

As part of our normal course of business, we place cash with central banks for the purposes of meeting cash reserve requirements (CRR) and liquidity management. At the end of 2015, cash and balances held with central banks amounted to $3.2 billion, a reduction of $301 million, or 8%, compared with 2014. Cash in hand, branch vaults and ATMs, together with balances held with central banks above the mandatory reserve requirements, increased by $225 million, or 15%, from prior year levels.

Mandatory reserve deposits with central banks decreased by $527 million, or 26%, to $1.5 billion, partly due to a reduction in the CRR in Nigeria.

Loans and advances to banks

Loans and advances to banks largely constitute deposits held with other banks to facilitate correspondent banking relationships and manage our liquidity and interest rate risks. At 31 December 2015, loans and advances to banks stood at $1.8 billion, a decrease of $112 million, or 6%, compared with 2014, as a result of adverse currency movements.

Investment Securities

We hold trading and investment securities in the normal course of our business. We also hold securities for the purposes of cash, liquidity and asset and liability management.

Treasury bills and other eligible bills

The Group places deposits that are not immediately loaned to clients into Treasury bills and other eligible bills. The value of Treasury bills and other eligible bills held in 2015 increased by $160 million, or 13%, to $1.4 billion, driven in part by underlying deposit growth.

Investment securities

Investment securities, other than Treasury bills, primarily comprise listed and unlisted debt and equity securities. At 31 December 2015, the AFS investment securities portfolio was valued at $2.7 billion, increasing by $1.2 billion, or 86%, compared with 2014 predominantly driven by the conversion of State governments loans into Government bonds in Nigeria.

Trading securities

Securities held for trading purposes, mostly government bonds in Nigeria, decreased by $108 million, or 39%, to $171 million, compared with 2014.

FX translation impact

(In millions of US$)	2015	2014	% Change
Loans (net) – Reported	11,200	12,312	(1,111)
Impact of FX translation [1]	1,284		1,284
Loans (net) – Contant Dollars	**12,485**	**12,312**	**173**
Customer deposits –Reported	16,428	17,437	(1,009)
Impact of FX translation [1]	1,876		1,876
Customer deposits – Contant Dollars	**18,303**	**17,437**	**866**
Total assets Reported	23,554	24,244	**(690)**
Impact of FX translation [1]	2,375		2,375
Total assets – Contant Dollars	**25,928**	**24,244**	**1,685**

[1] Reflects the impact of FX translation into U.S. Dollars assuming end-of-period exchange rates for 2014.

Business and Financial Review

Loans and advances to customers

The Group provides loans to its customers, ranging from multinational and regional corporates to individuals, households and small businesses. Total gross loans decreased by $839 million, or 7%, to $11.9 billion in 2015, compared with 2014. In constant dollars, total loan growth was flat, as a result of a cautious lending strategy reflective of the heightened risk environment.

Domestic Bank's total loans decreased by $2.1 billion, or 36%, to $3.6 billion, largely due to the migration of High Value Local Corporates (HVLC) businesses to Corporate Bank in 2015, whilst Corporate Bank's total loans increased by $1.2 billion, or 17%, to $8.2 billion, benefiting from selective lending in Francophone West Africa and Ghana as well as the HVLC businesses from Domestic Bank. On a regional basis, loan growth in Francophone West Africa, Central Africa and the Rest of West Africa was partially offset by a decrease in loans in Nigeria.

The allowance account for loan losses increased by $272 million, or 71%, to $657 million, as both Corporate and Domestic Bank built their reserves to reflect an increase in non-performing loans. Consequently, the Group-wide ratio of non-performing loans as a percentage of total loans increased from 4.4% in 2014 to 8.2% in 2015. Similarly, the non-performing loans ratios for Corporate Bank and Domestic Bank increased to 6.2% and 12.5% in 2015, versus 1.7% and 7.7%, respectively in 2014. Group-wide non-performing loans coverage ratio was 67.9% in 2015, compared with 68.7% in 2014.

Loans and advances to customers

At 31 December (In thousands of US$)	2015	2014	% Change
Group			
Gross loans	11,857,441	12,696,471	(7)
Less: allowance for impairment	(657,092)	(384,829)	71
Loans and advances to customers (net)	11,200,349	12,311,642	(9)
Non-performing loans	967,129	559,920	73
Loans-to-deposits ratio	72.2%	72.8%	—
Non-performing loan ratio	8.2%	4.4%	—
NPL coverage ratio	67.9%	68.7%	—
Loans and advances by business segments:			
Corporate Bank			
Gross loans	8,234,687	7,009,540	17
Less: allowance for impairment	(305,130)	(154,186)	98
Loans and advances to customers (net)	7,929,557	6,855,354	16
Non-performing loans	514,214	122,243	321
Loans-to-deposits ratio	120.3%	97.7%	—
Non-performing loan ratio	6.2%	1.7%	—
NPL coverage ratio	59.3%	126.1%	—
Domestic Bank			
Gross loans	3,622,754	5,686,931	(36)
Less: allowance for impairment	(351,962)	(230,643)	53
Loans and advances to customers (net)	3,270,792	5,456,288	(40)
Non-performing loans	452,915	437,677	3
Loans-to-deposits ratio	37.8%	55.4%	—
Non-performing loan ratio	12.5%	7.7%	—
NPL coverage ratio	77.7%	52.7%	—

Liabilities and equity

Deposits from banks

We take deposits from other banks to facilitate correspondent banking relationships and manage liquidity, interest rate and currency risks. Deposits from other banks decreased by $209 million, or 23%, to $704 million in 2015.

Customer deposits

Customer deposits, the predominant source of funding for the Group, decreased by $1.0 billion, or 6%, to $16.4 billion in 2015 driven by the adverse effects of currency translation. However, on a constant dollar basis, customer deposits would have increased by 5% to approximately $18.3 billion.

Domestic Bank deposits decreased by $686 million, or 7%, to $9.6 billion. The decrease was partly due to the implementation of the Treasury Single Account (TSA) in Nigeria, the transfer of funds of the Nigerian National Petroleum Corporation (NNPC) held with commercial banks to the Central Bank of Nigeria (CBN), the transfer of HVLC deposits of about $0.5 billion to Corporate Bank and a competitive deposit market overall.

Corporate Bank deposits were $6.8 billion, down $323 million, or 5%, reflecting adverse currency movements.

Borrowed funds

Borrowed funds are an alternative source of relatively long-term funding and a critical component of the Group's liquidity and capital management activities. ETI, the parent company of the Group, oversees capital planning and funding strategy across the Group. As of 31 December 2015, total borrowed funds were $1.8 billion, an increase of $239 million, or 16%, compared with last year. For additional information, refer to Note 33: Borrowed Funds on page 200 of this annual report, in the notes to the consolidated financial statements.

Total equity

Total equity decreased by $132 million, or 5%, to $2.5 billion, predominantly due to the lower net profit for the year and the negative effects of currency translation movements.

Capital levels remained healthy, with Basel I Tier 1 Capital of $3.1 billion. The increase in Tier 1 capital resulted from the conversion of preference shares into ordinary shares and the contribution of current year profits. Our Basel 1 Tier 1 Capital ratio was 20.5% and the Total Capital Adequacy ratio was 23.9%, compared with 18.3% and 20.4%, respectively in December 2014.

Customer Deposits

Year ended 31 December (In thousands of US$)	2015	2014	% Change
Domestic Bank deposits	9,579,692	10,266,078	(7)
Corporate Bank deposits	6,847,861	7,170,892	(5)
Total customer deposits	**16,427,553**	**17,436,970**	**(6)**

Business and Financial Review

The following is a discussion of the financial results of our business segments for the years ended 31 December 2015 and 31 December 2014.

Corporate and Investment Bank

Financial performance

Corporate and Investment Bank (CIB) profit before tax decreased by $195 million, or 74%, to $70 million in 2015, compared to 2014, mainly due to significant impairment losses.

Net revenue increased by $89 million, or 13%, to $757 million. Net interest income was $512 million, up $105 million, or 26%, primarily driven by a 16% increase in interest-earning assets partly due to HVLC businesses from Domestic Bank and lower interest rates paid on funds. Contrastingly, non-interest revenue fell $16 million, or 6%, to $245 million largely due to lower Investment Banking fees, which fell 70%, due to overall economic slowdown, and FX scarcity problems, regulatory pricing caps on COT, and lower fees on loans.

Operating expenses increased by $49 million, or 16%, to $347 million, mainly due to higher investments in IT systems to support CIB's electronic product offerings .

Impairment losses on loans increased by $235 million, or 224%, to $340 million, reflecting the comprehensive review of our asset portfolios and processes in the fourth quarter as part of our strategic overhaul.

Corporate and Investment Bank

Year ended 31 December (In millions of US$)	2015	2014	% Change
Net interest income	511.5	406.1	26
Non-interest revenue	245.1	261.1	(6)
Net revenue	**756.6**	**667.2**	**13**
Operating expenses	(346.5)	(297.8)	16
Pre-impairment profit	**410.1**	**369.4**	**11**
Impairment losses on loans	(340.1)	(105.0)	224
Profit before tax	**69.4**	**264.4**	**(74)**
Loans (net)	7,930	6,855	16
Deposits	6,848	7,171	(5)
Cost-to-income ratio	45.8%	44.6%	—
Non-performing loans ratio	6.2%	1.7%	—
NPL coverage ratio	59.3%	126.1%	—

Domestic Bank

Financial performance

Domestic Bank recorded a pre-tax loss of $21 million in 2015, compared with a pre-tax profit of $93 million in 2014. The pre-tax loss was primarily driven by lower revenues.

Net revenue was $903 million, down $213 million, or 19%, compared with 2014. The primary factors that led to the decline in revenue were – adverse currency movements, which had an estimated impact of $170 million, regulatory changes, migration of HVLC businesses to Corporate Bank with annual revenue of about $140 million, and lower economic activity.

Net interest income fell by $111 million, or 16%, to $584 million, primarily driven by currency translation effects (estimated impact of $115 million) and the migration of HVLC customers to Corporate Bank (CB) (estimated impact of $90 million in net interest income). In constant dollars, net interest income would have increased by 19%.

Non-interest revenue fell $101 million, or 24%, to $319 million, due to a number of factors, namely, regulatory pricing caps on COT and removal of Rapid Transfer (our remittance offering) outbound remittances which led to a loss of fees in excess of $30 million, migration of HVLC to CB, which resulted in about $50 million loss in fees, impact of currency translation of about $55 million, and lower fees and trade finance commissions as a result of the decline in macroeconomic activity.

Operating expenses decreased by $134 million, or 15% to $738 million benefiting from branch rationalisations and currency movements.

Impairment losses on loans were $185 million, up $35 million, or 23%, to $185 million, reflecting the comprehensive review of our asset portfolios and processes in the fourth quarter.

Domestic Bank

Year ended 31 December (In millions of US$)	2015	2014	% Change
Net interest income	583.6	694.8	(16)
Non-interest revenue	318.9	420.2	(24)
Net revenue	**902.5**	**1,115.0**	**(19)**
Operating expenses	(737.8)	(871.7)	(15)
Pre-impairment profit	**164.6**	**243.2**	**(32)**
Impairment losses on loans	(185.1)	(150.0)	23
Profit before tax	**(21.0)**	**93.2**	**n.m**
Loans (net)	3,271	5,456.3	(40)
Deposits	9,580	10,266.1	(7)
Cost-to-income ratio	81.8%	78.2%	—
Non-performing loans ratio	12.5%	7.7%	—
NPL coverage ratio	77.7%	52.7%	—

Treasury

Financial performance

Treasury reported profit before tax for 2015 of $258 million, down $33 million, or 11%, compared with 2014.

Net revenue was $510 million, down $20 million, or 4%, reflecting the effects of currency movements.

Net interest income increased by $27 million, or 45%, to $85 million due to efficient balance sheet management and optimisation of liquidity management synergies with our country subsidiaries. On the contrary, non-interest revenue decreased by $47 million, or 10%, to $425 million, driven by currency translation effects and lower FX sales partly due to the regulatory caps on Rapid Transfer outbound remittances.

Operating expenses were up $18 million, or 8%, to $246 million, reflecting investments in IT systems and processes to improve efficiency and customer delivery. As a result, the cost-to-income ratio deteriorated slightly to 48.2% versus 42.9% in 2014.

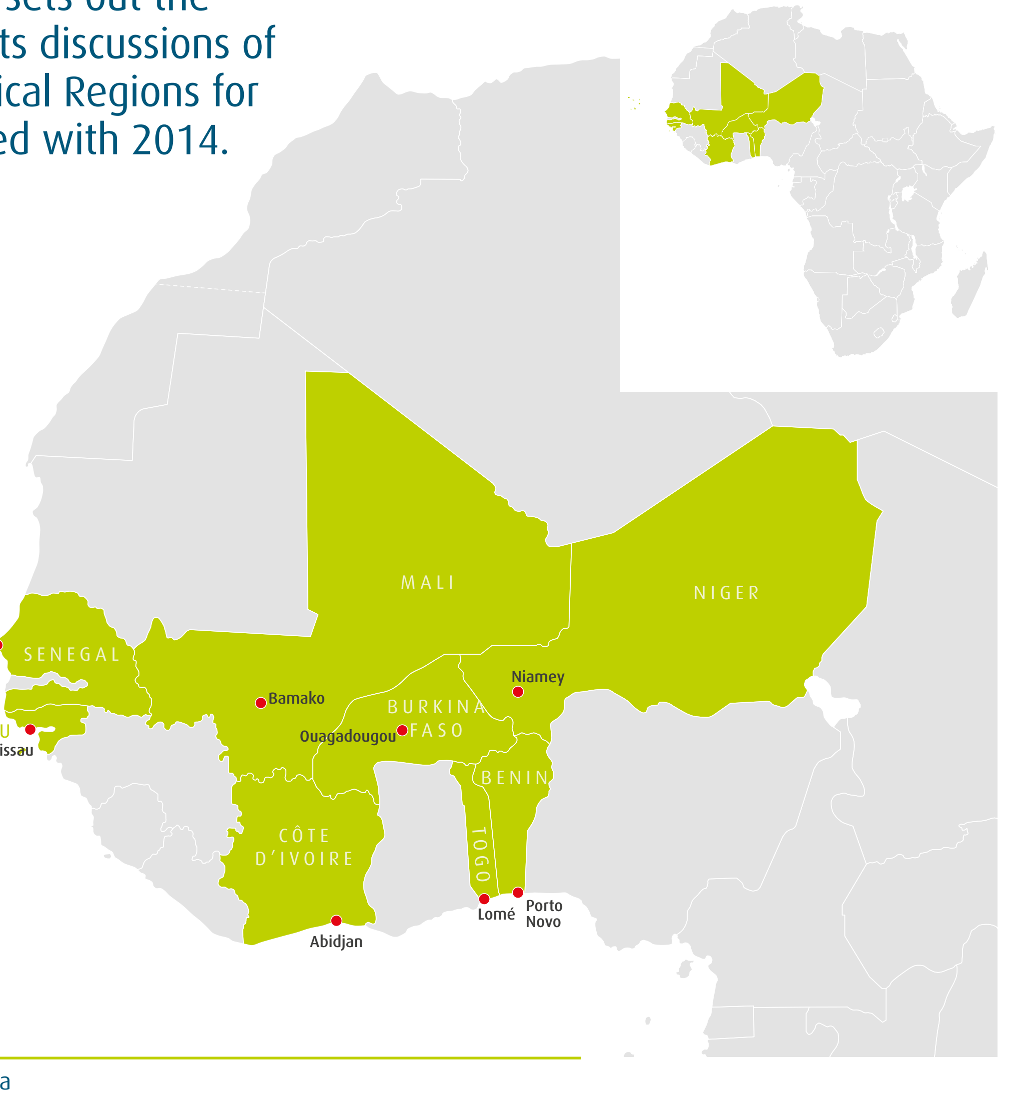
Impairment losses on financial assets fell $5 million, or 44%, to $6.6 million compared with last year.

Treasury

Year ended 31 December (In millions of US$, except ratios)	2015	2014	% Change
Net interest income	85.2	58.7	45
Non-interest revenue	424.6	471.5	(10)
Net revenue	**509.8**	**530.2**	**(4)**
Operating expenses	(245.6)	(227.3)	8
Pre-impairment profits	**264.2**	**302.8**	**(13)**
Impairment losses on financial assets	(6.6)	(11.9)	(44)
Profit before tax	**257.5**	**290.9**	**(11)**
Assets	5,703	4,389	30
Funding	2,065	1,927	7
Cost-to-income ratio	48.2%	42.9%	—

Business and Financial Review
Francophone West Africa

The following sets out the financial results discussions of our Geographical Regions for 2015 compared with 2014.



Francophone West Africa

	Date commenced operations	ETI ownership interest (%)	GDP US$ bn	Real GDP Growth %		Inflation %	
			2015	2015	2016f	2015	2016f
Togo	1988	82	4.2	5.3	5.2	1.8	2.1
Côte d'Ivoire	1989	94	31.2	8.6	8.5	1.2	2.1
Benin	1990	79	8.5	5.2	5.0	0.3	2.0
Burkina Faso	1997	85	11.0	4.0	5.0	0.9	1.6
Mali	1998	93	13.1	6.1	5.0	1.4	1.0
Niger	1999	100	7.2	4.0	4.9	1.0	1.5
Senegal	1999	80	13.7	6.5	6.6	0.1	1.2
Cape Verde	2004	99	1.6	1.8	2.9	0.1	0.8
Guinea Bissau	2007	100	1.1	4.8	4.8	1.5	2.6
Total Francophone West Africa			**91.4**				

Source: IMF and World Bank

Economic environment

Economic activity remained strong in 2015, primarily driven by robust market conditions in Côte d'Ivoire. The region as a whole grew by 5.1% during the year, although this represented a slowdown relative to 2014's growth rate of 6.3%. This reflects the adverse impact of the decline in global commodity prices, heightened investor perception of risk due to the instability in Mali, the Ebola crisis and a deteriorating global economy. Inflation remained low, at less than 3%, for most countries in the region, due to weaker global commodity prices and fiscal stability afforded by the CFA Franc/Euro exchange rate peg. However, the XOF depreciated by 12.4% against the U.S. Dollar during the year due to the Eurozone's deflation challenge and monetary easing by the ECB.

Performance highlights

Francophone West Africa profit after tax was $85 million, down $29 million, or 26%, compared with 2014.

Net revenue was $441 million, down $32 million, or 7%, as a result of U.S. Dollar appreciation relative to the Euro-pegged CFA franc. Nevertheless, in constant dollars, net revenue increased by $54 million, or 11%, to $526 million, reflecting business underlying growth.

Net interest income fell by 7% to $233 million and there was a similar reduction in non-interest revenue of 6% to $208 million, both primarily a result of currency translation effects.

Reported operating expenses decreased by $19 million, or 7%, to $267 million, resulting in a stable cost-to-income ratio of 60.6% (2014: 60.7%). However, in constant dollars, operating expenses increased by $33 million, or 11%, to $319 million.

Impairment losses, increased markedly up 70% to $77 million, due to higher impairments in Senegal, Mali, Benin and Togo. The non-performing loan ratio was 8.2% compared with 5.0% in 2014.

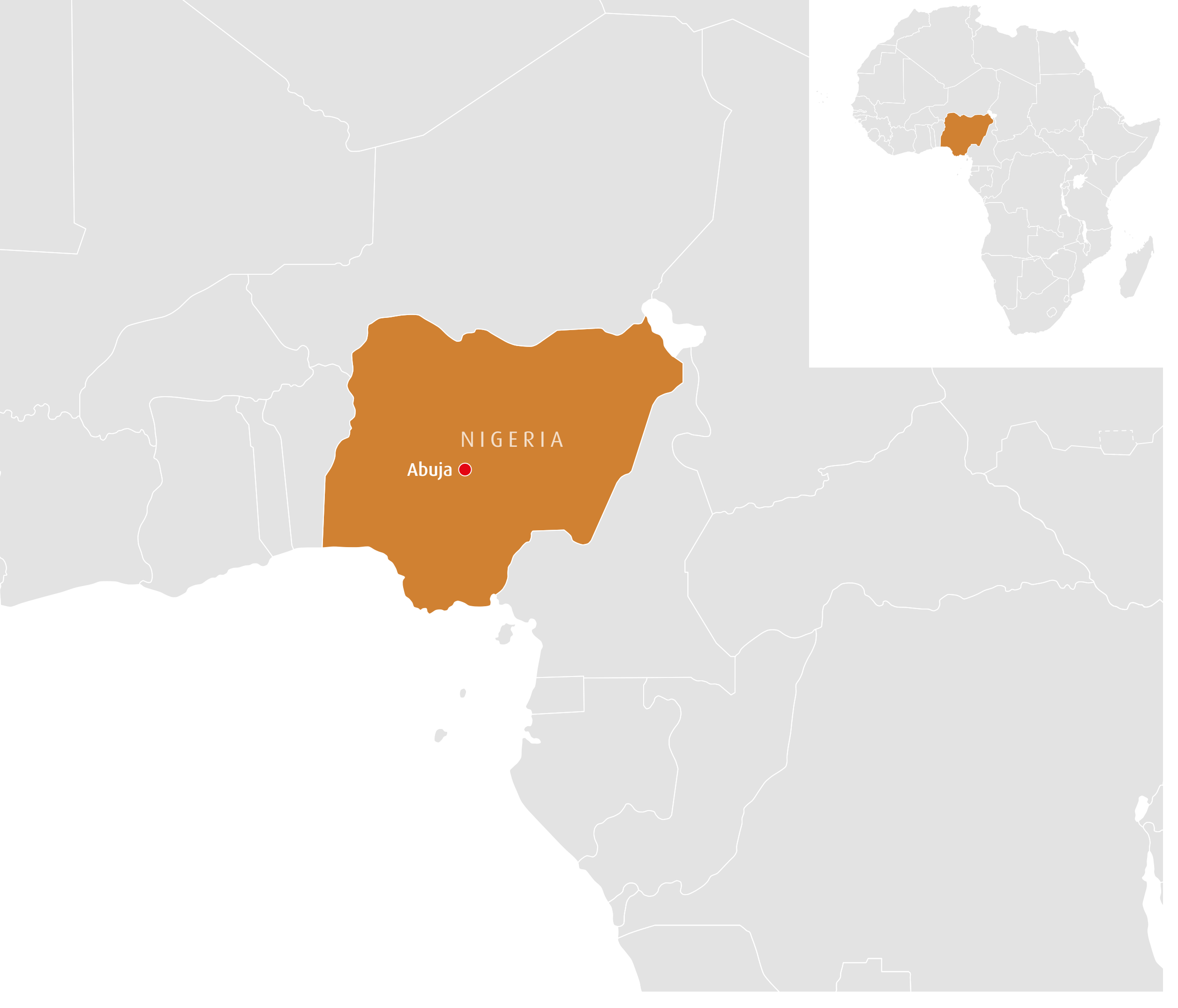
Francophone West Africa (UEMOA)

Year ended 31 December (In millions of US$)	2015	2014	% Change	In constant US$[1] 2015
Net interest income	232.7	250.7	(7)	277.8
Non-interest revenue	207.9	221.8	(6)	248.3
Net revenue	**440.6**	**472.4**	**(7)**	**526.1**
Operating expenses	(267.2)	(286.6)	(7)	(319.1)
Pre-provision income	**173.4**	**185.9**	**(7)**	**207.0**
Impairment losses on financial assets	(76.8)	(45.2)	70	(91.7)
Profit before tax	**96.6**	**140.7**	**(31)**	**115.3**
Taxation	(11.9)	(26.7)	(55)	—
Profit after tax	**84.7**	**114.0**	**(26)**	**101.1**
Loans (net)	3,433	3,593	(4)	3,593
Total assets	7,112	6,763	5	6,763
Deposits	4,833	4,807	1	4,807
Cost-to-income ratio	60.6%	60.7%	—	—
Loans-to-deposit ratio	74.5%	77.1%	—	—
Non-performing loans ratio	8.2%	5.0%	—	—
NPL coverage ratio	56.6%	60.7%	—	—

NB: selected income statement lines only so totals may not add up.

(1) Reflects the impact of FX translation in U.S. Dollars assuming average and end-of-period exchange rates for 2014.

Business and Financial Review
Nigeria



Nigeria

	Date commenced operations	ETI ownership interest (%)	GDP US$ bn	Real GDP Growth %		Inflation %	
			2015	2015	2016f	2015	2016f
Nigeria	1989	100	490.2	2.7	2.3	9.0	10.4

Source: IMF and World Bank.

Economic environment

Real GDP growth slowed sharply in 2015 to around 3.0% (from 6.3% in 2014) due to the effects of falling oil prices throughout the year, declining output from maturing oilfields, divestments by multinational oil companies and production shutdowns caused by theft/bunkering and vandalism.

Performance highlights

Nigeria made a profit after tax of $57 million, down $161 million, or 74%, compared with 2014.

Net revenue was $876 million, down $113 million, or 11%, primarily as a result of currency movements. In constant dollars, net revenue increased $56 million, or 6%, to $1.0 billion.

Net interest income was $526 million, up $30 million, or 6%, reflecting a combination of a growth in investment securities (Treasury bills and bonds) and a positive impact on the cost of funds from reduction in interbank borrowing. Non-interest revenue was $350 million, down $143 million, or 29%, due to the scarcity of foreign exchange, lower fees from COT, reduced credit-related fees due to lower loan balances and caps on outbound remittances.

Operating expenses were $529 million, down $59 million, or 10%. In constant dollars, operating expenses increased by $43 million, or 7%, to $629 million. The cost-to-income ratio increased marginally to 60.4%, compared with 59.5% in 2014.

A comprehensive review of our portfolio and processes during the fourth quarter of 2015 resulted in $271 million of impairment losses on loans, compared with $148 million in the prior year. The non-performing loans ratio deteriorated significantly to 10.2%, compared with 3.2% in 2014.

Nigeria

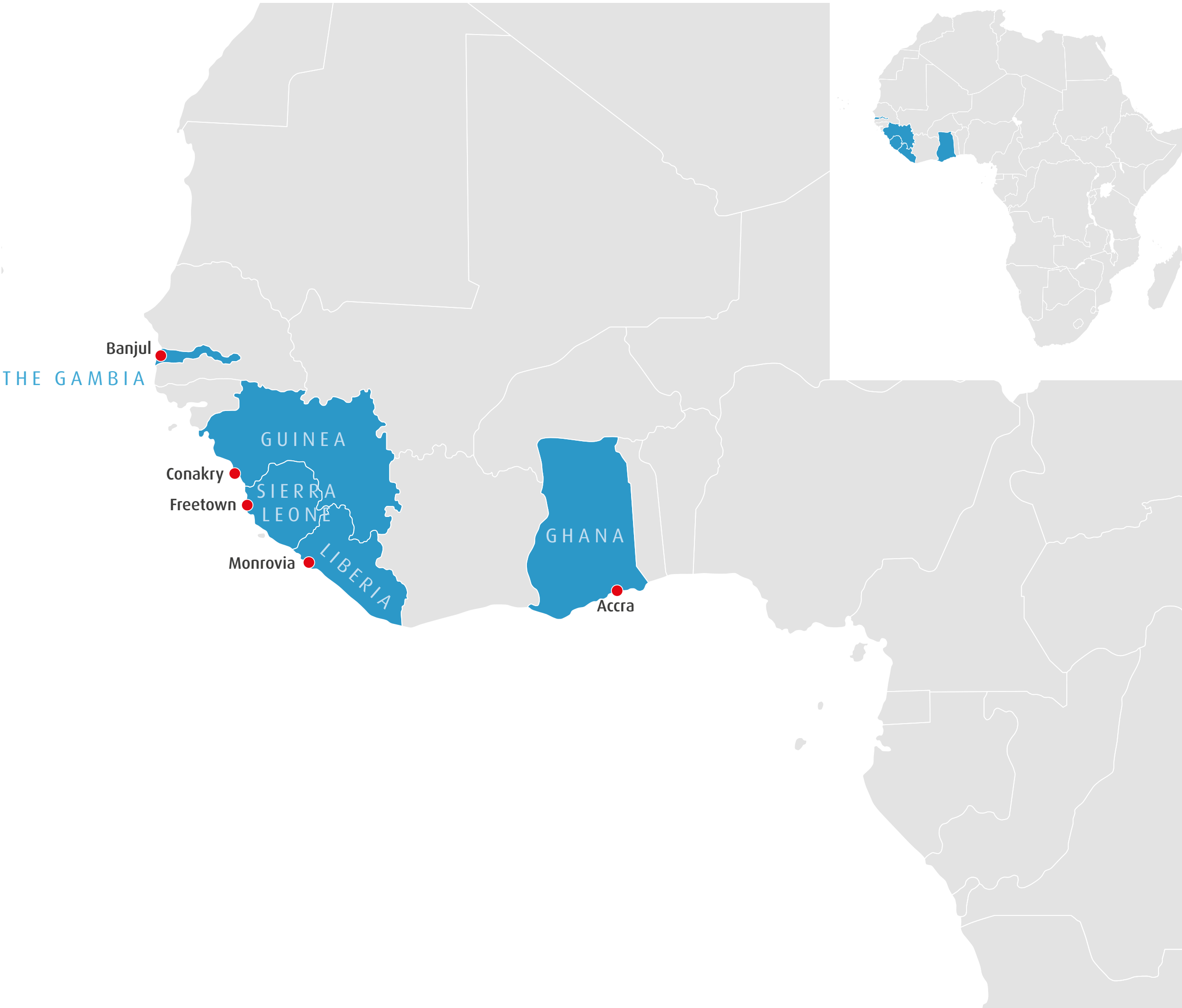
Year ended 31 December (In millions of US$)	2015	2014	% Change	In constant US$[1] 2015
Net interest income	526.0	495.6	6	625.2
Non-interest revenue	350.5	493.5	(29)	416.6
Net revenue	**876.5**	**989.2**	**(11)**	**1,041.8**
Operating expenses	(529.2)	(588.3)	(10)	(629.0)
Pre-provision income	**347.3**	**400.8**	**(13)**	**412.8**
Impairment losses on financial assets	(289.8)	(176.5)	64	(344.4)
Profit before tax	**57.5**	**224.3**	**(74)**	**68.7**
Taxation	(0.4)	(6.0)	(94)	—
Profit after tax	**57.4**	**218.3**	**(74)**	**68.3**
Loans (net)	4,101	4,808	(15)	4,402
Total assets	9,189	9,673	(5)	9,862
Deposits	6,114	6,744	(9)	6,563
Cost-to-income ratio	60.4%	59.5%	—	—
Loans-to-deposit ratio	72.7%	73.2%	—	—
Non-performing loans ratio	10.2%	3.2%	—	—
NPL coverage ratio	75.8%	81.4%	—	—

Note: totals may not sum due to rounding.

(1) Reflects the impact of FX translation into U.S. Dollars assuming average and end-of-period exchange rates for 2014.

Business and Financial Review

Rest of West Africa



Rest of West Africa

	Date commenced operations	ETI ownership interest (%)	GDP US$ bn	Real GDP Growth %		Inflation %	
			2015	2015	2016f	2015	2016f
Ghana	1990	69	36.0	3.5	4.5	17.2	15.7
Guinea	1999	83	6.7	0.1	4.1	8.2	7.9
Liberia	1999	100	2.0	0.0	2.5	7.7	8.2
Sierra Leone	2006	100	4.2	-21.5	5.3	9.0	9.5
The Gambia	2007	97	0.9	4.4	2.3	6.8	8.3
Total Rest of West Africa			**49.8**				

Source: IMF and World Bank.

Economic environment

Real GDP growth in the Rest of West Africa region contracted by 2.7% in 2015, owing to an economic slowdown in most of the countries in the region, namely Ghana, Sierra Leone and Guinea. Ghana experienced major domestic imbalances which, combined with weaker gold and oil prices, undermined the prospects for the local economy.

Performance highlights

The Rest of West Africa region reported a profit after tax of $90 million, a 28% decline in comparison to 2014, primarily due to the significant depreciation of the Ghana Cedi to the U.S. Dollar in 2015.

Net revenue was $370 million, down $13 million, or 3%, compared with last year. Net interest income was $225 million, down $6 million, or 3%, mainly due to adverse currency movements. Non-interest revenue was $145 million, a decrease of $7 million, or 5%, reflecting a reduction in client-driven foreign exchange trading income.

Operating expenses of $199 million increased by 6%, resulting in deterioration in the cost-to-income ratio to 53.9%, compared with 49.3% in 2014.

Impairment losses doubled in comparison to the prior year to $36 million, mainly as a result of impairments on energy-related loans in Ghana. Nevertheless, the non-performing loan ratio remained relatively stable at 3.6%, compared to 4.0% in 2014.

Rest of West Africa (WAMZ)

Year ended 31 December (In millions of US$)	2015	2014	% Change	In constant US$[1] 2015
Net interest income	225.1	230.9	(3)	279.0
Non-interest revenue	144.6	151.5	(5)	173.2
Net revenue	**369.8**	**382.4**	**(3)**	**452.1**
Operating expenses	(199.3)	(188.7)	6	(236.9)
Pre-provision income	**170.5**	**193.7**	**(12)**	**215.2**
Impairment losses on financial assets	(36.5)	(18.4)	98	(43.7)
Profit before tax	**134.3**	**175.6**	**(24)**	**171.8**
Taxation	(44.5)	(51.2)	(13)	—
Profit after tax	**89.8**	**124.3**	**(28)**	**115.3**
Loans (net)	1,157	1,180	(2)	1,340
Total assets	2,649	2,712	(2)	3,031
Deposits	1,968	2,008	(2)	2,258
Cost-to-income ratio	53.9%	49.3%	—	—
Loans-to-deposit ratio	61.7%	60.8%	—	—
Non-performing loans ratio	3.6%	4.0%	—	—
NPL coverage ratio	131.1%	85.3%	—	—

Note: totals may not sum due to rounding.

Reported PBT arrived after accounting for share of profit of associate of US$0.2m and US$0.2m for 2015 and 2014 respectively.

(1) Reflects the impact of FX translation into U.S. Dollars assuming average and end-of-period exchange rates for 2014.

Business and Financial Review
Central Africa

Central Africa

	Date commenced operations	ETI ownership interest (%)	GDP US$ bn	Real GDP Growth %		Inflation %	
			2015	2015	2016f	2015	2016f
Cameroon	2001	80	28.5	5.9	4.9	2.7	2.2
Chad	2006	74	10.9	1.8	-0.4	3.6	3.2
Central African Republic	2007	75	1.6	4.3	5.7	5.4	4.9
Sao Tome & Principe	2007	99	0.3	4.0	5.0	5.3	3.0
Congo – Brazzaville	2008	89	8.9	2.5	4.4	2.0	2.3
Gabon	2009	75	14.4	4.0	3.2	0.1	2.5
Equatorial Guinea	2012	60	9.4	-12.2	-7.4	3.2	2.0
Total Rest of West Africa			**73.9**				

Source: IMF and World Bank.

Economic environment

Real GDP growth in the CEMAC region slowed sharply in 2015 to 1.5% (from nearly 5.0% the year before), reflecting the impact of falling oil prices throughout the year on the region's oil producing countries. The recent conflict in the Central Africa Republic (CAR) and heightened security threats from Boko Haram in Cameroon also undermined business confidence in the region.

Performance highlights

Central Africa profit after tax was $33 million, up $1.2 million, or 4%, compared with 2014.

Net revenue was $192 million, a decrease of $7 million, or 4%, as a result of the depreciation of the CFA franc relative to the U.S. Dollar. In constant dollars, net revenue increased by $30 million, or 15%, to $229 million, primarily driven by Chad. Net interest income increased by 2% to $88 million, due to growth in earning assets and margin expansion. Non-interest revenue fell 8% to $103 million, reflecting an underlying decline in net trading income, which was partially offset by fee and commission income.

Operating expenses fell 7% to $119 million. However, in constant dollars, operating expenses increased by $14 million, or 11%, reflecting increased investment in communication and technology and operational losses, which were partially offset by a decrease in the depreciation and amortisation charge.

Higher impairment provisions in Chad, Gabon and Central Africa Republic led to a $15 million increase in impairment losses to $23 million.

Central Africa (CEMAC)

Year ended 31 December (In millions of US$)	2015	2014	% Change	In constant US$[1] 2015
Net interest income	88.2	86.3	2	105.3
Non-interest revenue	103.5	112.4	(8)	123.6
Net revenue	**191.6**	**198.7**	**(4)**	**228.8**
Operating expenses	(119.0)	(128.0)	(7)	(142.1)
Pre-provision income	**72.6**	**70.7**	**3**	**86.7**
Impairment losses on financial assets	(22.8)	(13.2)	73	27.2
Profit before tax	**48.1**	**57.3**	**(16)**	**57.5**
Taxation	(15.5)	(25.8)	(40)	—
Profit after tax	**32.6**	**31.5**	**4**	**39.0**
Loans (net)	1,277	1,316	(3)	1,425
Total assets	2,230	2,345	(5)	2,487
Deposits	1,898	1,934	(2)	2,117
Cost-to-income ratio	62.1%	64.4%	—	—
Loans-to-deposit ratio	70.0%	70.0%	—	—
Non-performing loans ratio	6.7%	5.6%	—	—
NPL coverage ratio	56.6%	49.8%	—	—

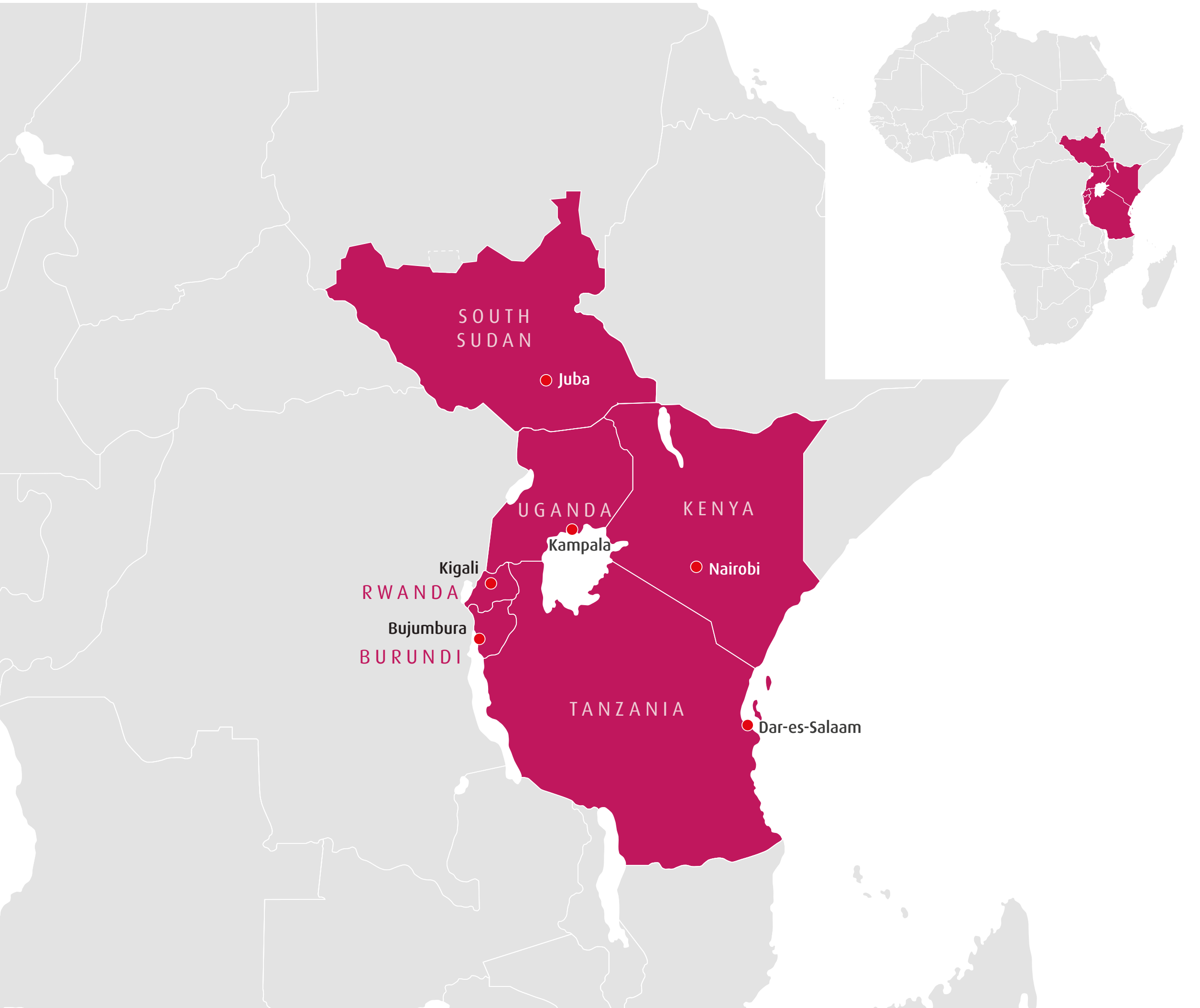
Selected income statement lines only and hence may not add up.

Reported PBT arrived after accounting for share of profit of associate of $(0.2)m for 2014.

(1) Reflects the impact of FX translation into U.S. Dollars assuming average and end-of-period exchange rates for 2014.

Business and Financial Review

East Africa



East Africa

	Date commenced operations	ETI ownership interest (%)	GDP US$ bn	Real GDP Growth %		Inflation %	
			2015	2015	2016f	2015	2016f
Rwanda	2007	94	8.3	6.9	6.3	2.5	4.8
Kenya	2008	100	61.4	5.6	6.0	6.6	6.3
Burundi	2008	75	2.9	-4.1	3.4	5.6	7.6
Uganda	2009	100	24.7	5.2	5.5	5.8	6.7
Tanzania	2010	100	44.9	7.0	6.9	5.6	6.1
South Sudan	2013	100	2.6	-0.2	-7.8	52.8	212.4
Ethiopia	2013	Rep. Office	61.6	10.2	4.5	10.1	10.6
Total Rest of West Africa			**206.5**				

Source: IMF and World Bank.

Economic environment

Growth in the EAC cluster in 2015 was led by Tanzania, which expanded nearly 7% thanks to increasing demand in the transport, electricity generation and services (mainly communications and financial) sectors. Growth in the other economies in the region (with the exceptions of Burundi and South Sudan, which contracted by -4.1% and -0.2%, respectively) ranged between 5-7%, reflecting robust domestic demand from a population of 140 million and strong output from the agriculture, manufacturing and services sectors. However, infrastructure bottlenecks continued to contain growth whilst maintaining inflationary pressures. Annual inflation remained above 10% during the year, despite gains from lower oil price import costs. This was due to the combination of robust domestic demand and currency depreciation in most countries across the region.

Performance highlights

The East Africa region registered a strong growth in profit after tax to $8.1 million, compared with $0.8 million in the prior year.

Net revenue increased by $22 million, or 26%, to $107 million. Net interest income was $51 million, up $8 million, or 18%, primarily reflecting growth in interbank lending. Non-interest revenue of $56 million, increased by $15 million, or 35%, largely from client-driven foreign exchange income in South Sudan.

Operating expenses were $87 million, up $7 million, or 8%, as a result of an increase in, professional fees, and investments in information and communications technology. Nevertheless, the cost-to-income ratio improved to 81.7% versus 95.4% in 2014.

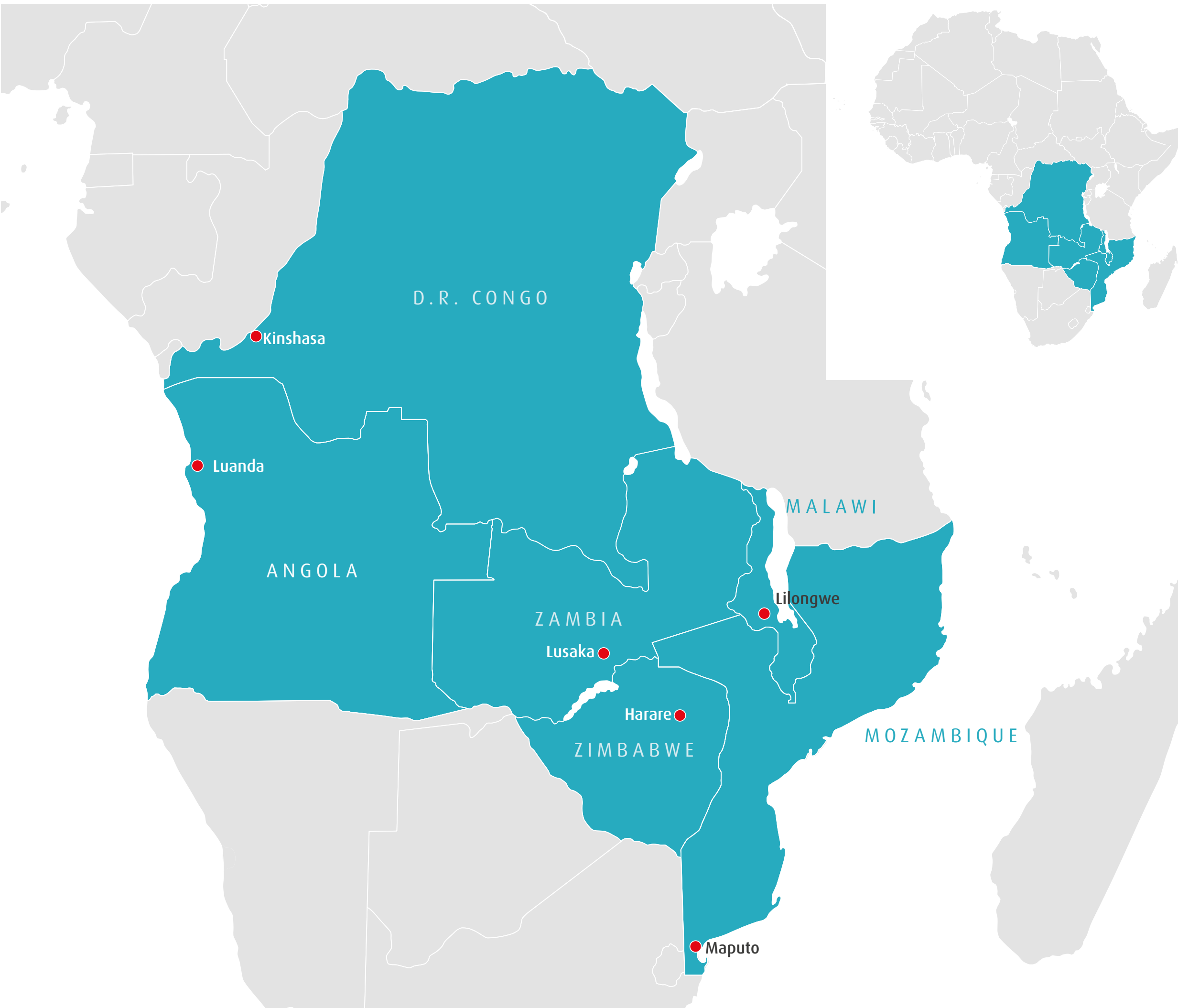
A higher level of impairments in Rwanda and Tanzania led to a doubling of impairment losses to $8.0 million. The non-performing loan ratio deteriorated from 6.9% in 2014 to 9.1%.

East Africa

Year ended 31 December (In millions of US$)	2015	2014	% Change	In constant US$[1] 2015
Net interest income	51.5	43.7	18	58.1
Non-interest revenue	55.6	41.0	35	67.4
Net revenue	**107.0**	**84.8**	**26**	**125.5**
Operating expenses	(87.5)	(80.9)	8	(101.3)
Pre-provision income	**19.6**	**3.9**	**404**	**24.2**
Impairment losses on financial assets	(8.0)	(3.9)	106	(8.8)
Profit before tax	**11.61**	**0.02**	**60,651**	**15.43**
Taxation	(3.5)	0.8	(529)	—
Profit after tax	**8.1**	**0.8**	**872**	**11.0**
Loans (net)	570.0	576.7	(1)	729.6
Total assets	1,138	1,131	1	1,522
Deposits	761.4	813.4	(6)	991.2
Cost-to-income ratio	81.7%	95.4%	—	—
Loans-to-deposit ratio	77.6%	73.1%	—	—
Non-performing loans ratio	9.1%	6.9%	—	—
NPL coverage ratio	38.2%	43.0%	—	—

Note: totals may not sum due to rounding and selected income statement lines only.
(1) Reflects the impact of FX translation into U.S. Dollars assuming average and end-of-period exchange rates for 2014.

Business and Financial Review
Southern Africa



Southern Africa

	Date commenced operations	ETI ownership interest (%)	GDP US$ bn	Real GDP Growth %		Inflation %	
			2015	2015	2016f	2015	2016f
Democratic Republic of the Congo	2008	100	38.9	7.7	4.9	1.0	1.7
Malawi	2008	96	6.4	2.9	3.0	21.9	19.7
Zambia	2009	100	21.9	4.3	4.0	10.1	22.5
Angola	2010		103.0	3.0	2.5	10.3	19.1
Zimbabwe	2011	99	14.3	1.4	2.4	-2.4	-1.2
Mozambique	2014	96	15.0	6.3	6.0	2.4	6.0
Total Rest of West Africa			**199.4**				

Source: IMF and World Bank.

Economic environment

With a population of 114 million in the Southern Africa cluster, strong domestic demand played a key role in sustaining growth at nearly 4% in 2015. Growth was driven by the Democratic Republic of Congo, which benefited from robust mining and agricultural production. Strong economic activity in Mozambique's extractive industries, especially liquefied natural gas (less so coal), agriculture and the services sector (particularly trade, communications and financial services) also contributed to this robust growth. The Zambian economy came under severe stress as lower copper prices and major electricity shortages placed significant strains on economic activity. This, along with decelerating growth in Zimbabwe, depressed the economic performance of the region as a whole.

Performance highlights

The Southern Africa region reported a profit after tax of $8.9 million, down 3% from the prior year.

Net revenue increased by 7% to $109 million. Net interest income improved by 13% to $48 million, largely due to an increase in interest earning assets, which was partially offset by spread compression. Non-interest revenue increased by 3% to $61 million, driven by higher fee and commission income.

Although operating expenses increased by 7% to $83 million, the cost-to-income ratio remained stable at 77%.

Impairment losses increased by 22% to $9.7 million, reflecting higher impairments in Zambia and Zimbabwe. The non-performing loans ratio improved slightly from 6.4% in 2014 to 5.7%.

Southern Africa

Year ended 31 December (In millions of US$)	2015	2014	% Change	In constant US$[1] 2015
Net interest income	47.7	42.4	13	54.4
Non-interest revenue	61.1	59.4	3	66.3
Net revenue	**108.8**	**101.7**	**7**	**120.7**
Operating expenses	(83.4)	(78.1)	7	(93.2)
Pre-provision income	**25.4**	**23.6**	**8**	**27.5**
Impairment losses on financial assets	(9.7)	(7.9)	22	(11.0)
Profit before tax	**15.7**	**15.7**	**1**	**16.5**
Taxation	(6.8)	(6.5)	5	—
Profit after tax	**8.9**	**9.2**	**(3)**	**8.7**
Loans (net)	428.2	346.0	24	500.1
Total assets	882.5	745.0	18	1,053.7
Deposits	574.9	496.5	16	675.2
Cost-to-income ratio	76.6%	76.8%	—	—
Loans-to-deposit ratio	76.9%	73.1%	—	—
Non-performing loans ratio	5.7%	6.4%	—	—
NPL coverage ratio	56.4%	73.1%	—	—

Note: totals may not sum due to rounding and selected income statement lines only.

(1) Reflects the impact of FX translation into U.S. Dollars assuming average and end-of-period exchange rates for 2014.

Business and Financial Review
International

International

The International cluster incorporates our businesses outside of Africa, with a focus in servicing global corporations and international institutions that do business with and in Middle Africa. EBI SA, a non-banking financial institution headquartered in Paris, France, was opened in 2009. Representative offices were subsequently opened in Dubai, UAE (2010,) London, United Kingdom (2011) and Beijing, China (2012).

Performance highlights

The International division reported a more than doubling of its profit after tax in 2015 to $13 million.

Net revenue increased by $19 million, or 69%, to $48 million. Net interest income advanced by 77% to $10 million due to higher average loan balances, which were partially offset by a voluntary reduction of the portfolio due to the economic slowdown and a regulatory change to the single obligor limit. Non-interest revenue was $38 million, up $15 million, or 67%, primarily driven by the provision of FX intermediation for clients, reflecting volatility in FX markets in Africa, and an increase in client acquisitions.

Operating expenses increased by 28% to $24 million, reflecting ongoing investment in upgrading the operational platform and client services, as well as expenses related to new business development and performance-related compensation. Nevertheless, the cost-to-income ratio improved by 16 percentage points to 50%.

Impairment losses of $3.7 million reflect credit degradations for a few borrowers as a result of the weak economic environment in 2015.

International

Year ended 31 December (In millions of US$)	2015	2014	% Change
Net interest income	9.9	5.6	77
Non-interest revenue	37.6	22.5	67
Net revenues	**47.5**	**28.1**	**69**
Operating expenses	(23.7)	(18.5)	28
Profit before tax	**20.1**	**9.6**	**109**
Taxation	(7.3)	(2.2)	235
Profit after tax	**12.7**	**6.1**	**109**
Loans (net)	233	411	(43)
Loans and advances to banks	259	208	25
Deposits from banks	243	315	(23)
Cost-to-income ratio	49.9%	65.9%	—

Note: totals may not sum due to rounding and selected income statement lines only.

Business and Financial Review
EDC Group

EDC Group

EDC Group is the investment banking subsidiary of ETI that also incorporates securities and asset management activities.

Performance highlights

Ecobank Development Corporation (EDC) made an after-tax loss in 2015 of $88 million, compared with a profit after tax of $23 million in 2014.

Net revenue fell $35 million, or 64%, to $20 million. Lower deal flows led to a 75% decline in investment banking revenue to $8.8 million. Securities and asset management activities also suffered from the weak economic environment, seeing revenue fall 45% to $11 million. Nevertheless, assets under management (AUM) increased by $39 million to $347 million as at 31 December 2015.

Operating expenses decreased by 26% and the cost-to-income ratio deteriorated to 104%, reflecting the decline in revenue.

Impairment losses of $85 million, compared with $1.9 million in 2014, reflected higher impairments on loans to microfinance institutions in Ghana.

EDC Group

Year ended 31 December (In millions of US$)	2015	2014	% Change
Revenue	19.8	55.1	(64)
Investment banking	8.8	35.0	(75)
Securities & asset management	11.0	20.1	(45)
Operating expenses	20.7	27.8	(26)
Profit before tax and impairment losses	**(0.8)**	**27.3**	**n.m.**
Impairment losses	84.6	1.9	4,304
Profit before tax	**(85.4)**	**25.4**	**(436)**
Income tax expense	2.7	2.9	(10)
Profit after tax	**(88.1)**	**22.5**	**n.a.**
Assets under management (AUM)	**347**	**308**	**13**

(1) EDC Group is the Investment Banking subsidiary of ETI including Securities and Asset M anagement.
Note: Selected income statement line items only and thus totals may not sum up.

Business and Financial Review

Conclusion and Business Outlook

In summary, our financial results for 2015 were below expectations. Despite delivering satisfactory underlying growth in revenue and pre-impairment income, earnings were depressed by higher than expected impairment losses, resulting from a comprehensive review of our asset portfolios and processes.

The economic backdrop also hampered Ecobank's operational performance. African markets experienced a decline in economic activity primarily due to lower commodity prices, weak local currencies and a reduction in foreign capital inflows.

Despite the fact that Middle Africa economies remain fragile, our newly formulated strategy, 'Roadmap to Leadership', gives us grounds for optimism in 2016 as it positions Ecobank to win in the market place, through customer service excellence, sustainable shareholder returns, proactive risk management and improved efficiency.

As a result of the difficult operating landscape, loan growth in 2016 is expected to be anaemic, whilst deposits should increase marginally by about 2%. Our cost-to-income ratio remains high, so improving operational efficiency remains a strategic priority for management. We continue to invest to improve controls, systems and processes, such that we expect a cost-to-income ratio in the range of 60-65% for 2016, although this remains well above our medium-term target of around 55%. We also expect to generate a return on average assets of around 1.0-1.5%. The prevailing economic challenges suggests that non-performing loans are unlikely to fall much below 2015 levels; we expect a cost-of-risk of about 2.5% and a non-performing loan ratio of about 75%.

Laurence do Rego
Group Executive, Finance

Corporate Governance

Only good governance will deliver sustained business performance and satisfactory returns for our shareholders. Equally, adherence to global standards of compliance, governance and sustainability is a source of competitive advantage.


Africa's most innovative bank

Corporate Governance

Corporate Governance

Corporate Governance is important to Ecobank as it seeks to implement the values of fairness, transparency and accountability to its shareholders and other stakeholders. As an independent pan-African banking group founded on the spirit of regional co-operation and economic integration of African countries, Ecobank recognises the critical nature of its relationships with its regulators across the Group in executing its vision and in safeguarding the deposits of the general public and other lenders, as well as the capital of its shareholders.

This ensures that their needs and interests are taken into account in a balanced and transparent manner. Ecobank believes that only good governance will deliver sustained business performance and ultimately appropriate returns for shareholders. To this end, Ecobank complies with best practice in corporate governance as clearly articulated in its corporate literature.

The Articles of Association of the Company, and those of its subsidiaries, provide a clear delineation and separation of the rights and responsibilities of the Board, Executive Management and the shareholders to ensure the non-interference of the Board in management functions and full disclosure of information to shareholders. Whilst the Board approves policies and general strategy, it is the duty of Executive Management to ensure the day-to-day implementation of policies and strategy adopted by the Board.

The General Meeting is a key forum for sharing information and decision-making, fostering the active participation of shareholders. The shareholders' right to information is an essential principle underpinning the Corporate Governance philosophy of the Group, which necessitates the establishment of meaningful dialogue.

The Group Corporate Governance Charter sets out the structures and processes to be followed to build credibility ensure transparency and accountability across the Group and define appropriate strategies and policies to enable the execution of Ecobank's overall vision, which is to be recognised as 'a world class pan-African banking group'. The Governance Charter is regularly updated to reflect a constantly evolving business environment.

Status of Implementation of the Governance Action plan

Following an extensive independent review of the governance of ETI by KPMG in 2013 and 2014 on behalf of the Securities and Exchange Commission (SEC) of Nigeria, a 51-point action plan to improve the institution's corporate governance was approved at an Extraordinary General Meeting, held on 3 March 2014.

Regular progress reports subsequently have been submitted to the SEC, which, so far, has made no adverse observations regarding its implementation. This has resulted in the introduction of a new Group Corporate Governance Charter, which incorporates the following major changes:

i) Board nomination and appointment process

The process of nomination and appointment of Board of Directors has been clearly defined in the Governance Charter. The Charter provides for a Nomination and Remuneration Committee, which is charged with the selection and appointment processes of Board Directors. Prior to any appointment, this Committee defines the functions and core competencies for each Directorship role. It then develops suitable selection criteria, screens, and interviews potential candidates. The Committee then recommends the short-listed candidates to the Board. Thereafter, successful candidates are presented for the approval of the General Meeting. Directors appointed during the year are co-opted by the Board and they are presented to the following General Meeting for ratification. New Directors are issued with letters of appointment with clear terms and conditions regarding the discharge of their duties.

The following competencies are also taken into account in appointing Directors to the Board.

Demonstrable business acumen

Directors must have considerable business experience together with proven understanding of corporate and business processes thanks to a successful track record and a strong reputation in the business community.

Leadership and Board experience

A recognised ability to add value and display leadership at Board level together with an ability to assert balanced and constructive views at Board level.

Special technical skills or expertise

Experience in best practice international banking, with specific reference to African markets. This encompasses commercial banking, retail banking, investment banking, treasury, capital markets and fund raising, asset management, central banking, rating agencies, IT/digital banking, accounting and auditing, regulation and risk management, succession planning, executive compensation, government relations and political intelligence, international insurance, law and taxation, investor relations, international trade, especially commodities. The Board as a whole is expected to exhibit these competencies, reflecting the cumulative experience of all the Directors.

Integrity

Directors should demonstrate a high level of integrity, professional and personal ethics, as well as values consistent with those of the Ecobank Group.

Character

Directors should have a strength of character and the ability and willingness to challenge and probe; sound business judgement, strong interpersonal skills, with the ability to listen carefully and communicate with clarity and objectivity.

Time commitment

Directors need to dedicate sufficient time to adequately carry out the duties of a Non-Executive Director.

As part of the governance reforms, the tenure of Ecobank directors is now limited to nine (9) years; in the past there was no limit to tenure. This limit is now included in the Articles of Association and the Corporate Governance Charter. Directors are appointed for an initial period of three years and are eligible for re-appointment. However, re-appointment is not automatic. Under the revised Corporate Governance Charter, Directors are required to be evaluated periodically; the outcome of this evaluation and the competency needs of the Board, as well as Directors' contribution and input, are taken into account in assessing whether or not to re-appoint them. New guidelines for the dismissal/retirement of Directors have been introduced in the revised Governance Charter. In addition to statutory provisions, a Director may be dismissed for breach of their fiduciary duties under the terms contained in the letter of appointment or corporate documents of the Company, lack of performance and/or lack of independence (in the case of an independent directorship position).

Furthermore, the Board may recommend the replacement of the nominee or representative of an institutional shareholder where he or she does not possess the requisite competencies required by the Board or where his or her performance is found to be unsatisfactory.

ii) Board composition and structure

The composition of the Board has been redefined. The size of the Board has been limited to fifteen (15) members, comprising a maximum of four (4) nominees of major institutional shareholders (i.e. shareholders holding at least 10 percent of the total issued shares of the Company), one (1) representative of the EBID (as a historical founding institutional shareholder), seven (7) independent Directors, including two (2) representatives of individual minority shareholders and a maximum of three Executive Directors, including the Group CEO. Where there are more than four major institutional shareholders, they may jointly nominate four Directors to the Board.

The final composition of the Board ensures the representation of the regions in which the Group operates, namely Nigeria, the West African Monetary Zone (WAMZ), l'Union Economique et Monétaire Ouest Africaine (UEMOA), the East African Community (EAC), the Southern Africa Development Community (SADC) and the Central African Economic and Monetary Community (CEMAC).

In 2014, there were three Board committees, namely: the Governance Committee, the Audit and Compliance Committee and the Risk Committee. In May 2015, the Board increased the number of committees at the ETI level to six (6), namely:

1. Audit and Compliance Committee
2. Risk Committee
3. Governance Committee
4. Nomination and Remuneration Committee
5. Finance and Regulatory Requirements Committee
6. Social, Reputation & Ethics Committee.

The charters of the various Board Committees have been updated in accordance with best practice. The composition of the Board Committees has been reviewed to exclude the membership of Executive Directors. Also, for the purposes of revitalising the Board Committees, the tenure of members has been restricted to a maximum of two (2) three-year terms, which may be extended if the Board deems it fit.

iii) Independence of Directors

A new independence evaluation policy has been incorporated into the revised Corporate Governance Charter. Guided by best practice, the Board has amended the definition of 'Independent Director' to include the following principles:

i) Is not an officer or employee: Neither the Director, nor an immediate family member of the Director is, or within the last two years has been, an officer or employee of a member of the Group. An immediate family member of an individual is defined as the individual's spouse, parent, child, sibling, mother in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, son-in-law and anyone, other than an employee, who resides in the individual's home. An officer of the Group includes an individual who performs a policy making function on behalf of Ecobank or who makes, or participates in making, decisions that affect all or a substantial part of Ecobank's business, whether or not the individual is an employee and whether or not the individual does so directly or through another organisation.

ii) Is not a substantial shareholder: The Director or an immediate family member is not, nor has not been in the last three years, a substantial shareholder of a member of the Group or affiliated with a substantial shareholder of a member of the Group. A substantial shareholder of ETI is a person who beneficially owns, directly or indirectly, or exercises control or direction over 0.1% or more of the voting interests of the Company, or 1% of the shares of a subsidiary or affiliate of the Company. An individual is affiliated with ETI if the individual is a Director, officer, employee,

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principal, partner or Managing Director of the Group, or occupies a similar position within the Group, or is a substantial shareholder of a member of the Group.

iii) Has no material contractual relationship: The Director does not have any material contractual relationship with a member of the Group other than as a Director. The test of whether a contractual relationship is material will be based on all the circumstances relevant to the Director.

iv) Does not receive consulting or other advisory fees or payments: Neither the Director, nor an immediate family member or related entity of the Director, receives, or within the last three years has received, consulting or other advisory fees or payments from the Group other than compensation for Board services, payments arising from investments in securities of Ecobank or, in the case of an immediate family member who is not an officer of a member of the Group, compensation for services as an employee of a member of the Group. An entity is a related entity of a Director if the Director, or an immediate family member of the Director, is a Director, officer, employee, principal, partner or Managing Director of, or occupies a similar position within, the entity or is a substantial shareholder of the entity.

v) Does not receive incentive compensation: The Director does not participate in any share-based incentive scheme or performance-related pay scheme of the Group.

vi) Is not a professional consultant or advisor: Neither the Director, nor an immediate family member of the Director, is, or within the last three years has been, an auditor, other professional consultant or advisor to a member of the Group or affiliated with an auditor or other professional consultant or advisor to a member of the Group. A professional consultant or advisor includes an entity that provides accounting, actuarial, consulting, legal, investment banking or financial advisory services.

vii) Is not a material supplier or customer: Neither the Director nor an immediate family member of the Director is, or within the last three years has been, a material supplier or customer of the Group or affiliated with a material supplier or customer of the Group. A material supplier or customer of the Group is a person to which the Group made or from which Group received payments (other than payments arising from investments in securities of the Company) in any year that exceeded 5% of the consolidated gross revenues of the person for the year.

viii) Has not served too long: The Director has not served on the Board for a period that in the determination of the Board could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Group.

A Director may be considered to have served too long on the Board for purposes of the assessment of his/her independence if he/she has been on the Board for more than six years.

ix) Has no other material business relationship: Neither the Director nor an immediate family member or related entity of the Director has, or within the last three years has had, directly or indirectly, any other material business relationship with the Group. The test of whether a business relationship is material will be based on the circumstances relevant to the Director.

x) Has no significant links with other Directors: The Director does not hold cross directorships nor have any significant links with any other Director (e.g., through involvement in other entities) that would materially interfere with the exercise of independent judgment by the Director or the ability of the Director to act in the best interests of the Group.

xi) Is independent in character and judgment: The Director is independent in character and judgment.

xii) Is not affiliated with an organisation to which Ecobank Foundation or any other member of the Group has made significant charitable contributions

xiii) Is free from any relationship with Ecobank, its management or major shareholders that may impair or appear to impair independent judgement: At least one third of the members of the Board are expected to be independent Directors. Generally, a Director will be considered to be independent if he or she satisfies all the criteria set out above.

A Director may, however, still be considered to be independent even though he/she does not satisfy one or more of the criteria, if the Board determines that such criteria will not impair the independence of the Director. The independence of Directors is assessed on an annual basis.

Currently, of the eleven Directors, there are five independent Directors on the Board; namely, Dr. Adesegun Akin-Olugbade, Ms. Dolika Banda, Mr. Emmanuel Ikazoboh, Mr. Tei Mante and Mr. Alain Nkontchou.

Although not all of the Non-Executive Directors need to meet the 'Independent Director' definition above, all Directors should be capable of exercising independent judgment and decision-making.

iv) Board and Directors' performance

To ensure that Directors of ETI discharge their functions with the requisite competence, several steps are required to be taken by the Company. Firstly, prior to appointment, the Nomination and Remuneration Committee is required to carry out a competency assessment of potential candidates to ensure that they meet the requirements of the Company. The Charter provides for minimum competency requirements for each Director that must be met. Secondly, Directors are to be properly inducted and continuously trained to meet the ever-changing dynamics of their role. As part of the self-assessment process, each Director prepares his/her own development plan, and undertakes any required training/development required to achieve these competencies. All Directors are expected to avail themselves of appropriate training courses, where necessary, at the earliest opportunity to fulfil competency requirements.

Evaluation of the Board

The evaluation of the Board of Directors of the Group was outsourced to the external consultancy firm, KPMG, in 2015. The evaluation covered the performance of the Board, its Committees and individual Directors.

The evaluation revealed the key strengths of the company's corporate governance as follows:

- A revised Group Corporate Governance Charter which specifies the Group's governance arrangements;
- A reconstituted Board with appropriate competencies, gender, age and geographical diversity, including Five independent (5) Directors;
- Regular and well attended board meetings;
- The establishment of several sub-committees to assist the Board in performing its duties and responsibilities;
- Monitoring of the implementation of Board decisions;
- Outsourcing the evaluation of the Board;
- Adoption of a performance-driven system to link remuneration to performance of Executive Directors and staff;
- A code of conduct that regulates Directors' fiduciary duties, conflicts of interest, secret profits, contracts, duty of confidentiality, non-interference, insider dealing, attendance and conduct at meetings;
- Adoption of a Sustainability Charter to ensure compliance with the principles of the United Nations Global Compact, adoption of the Equator Principles and IFC Social and Environmental Performance Standards.

The KPMG evaluation identified some areas for improvement, including:

- Revision of the Board composition to include members with public service experience and increasing the number of Executive Directors;
- Reduction of the number of Board committees and a review of composition of Board committees to ensure that they are chaired by independent directors;
- More frequent meetings of committees in accordance with the Governance Charter;
- Irregularity of Group Executive Committee Meetings;
- Review of appointment process for representatives of major institutional shareholders;
- Review of authority framework to clearly define matters that can be delegated to management and those reserved for the ETI Board and subsidiary boards;
- The need for the Board to evolve into a high-performing team rather than a collection of accomplished individuals with diverse but vast experience, background and interests across varied cultures and geo-politics;
- Irregularity of updates on strategy implementation at Board meetings;
- Need to conduct formal and timely induction and develop training plans for Directors;
- Need for greater governance and sustainability disclosure in the Annual Report;
- Lack of direct focus on fraud risk and evidence that fraud risk assessment has been conducted at entity and process levels.

v) Conflict of interest and related party policies

A revised conflict of interest policy and associated procedures, covering staff and Group Directors, have been approved. Every year, all staff members and Directors are required to reaffirm that no conflict of interest exists by completing standard forms. The review of related party credits is conducted on a monthly basis and reported to the Board by the Risk Committee. The Board has approved a new policy on related party lending.

vi) Assurance monitoring

The Board approved revised internal control and internal audit charters. The Board has reviewed and approved the whistle blowing system of the Company. Satisfactory arrangements for an independent investigation of allegations by whistle blowers and for appropriate follow-up actions have been put in place. This will provide a secure means for staff to report complaints or suspicious activities. The Compliance Unit is responsible for the compilation of all reports and subsequent submission to the Board of all whistle blowing cases. The Board appointed EY to carry out an independent review of the Internal Audit function; the results of EY's review are still pending.

Whistle blowing portal

During the year the Board approved a new whistle blowing portal for the Ecobank Group. This is a user-friendly system that generates reports and forwards them directly to the Group Head of Compliance who has the responsibility of organising the necessary investigation. Issues may be reported via the Internet using a designated website by following steps laid out in Ecobank's whistle blowing policy.

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The Ecobank whistle blowing portal fully guarantees the confidentiality of information exchanged via the portal. An independent third party provider that specialises in whistle blowing services operates the portal outside of Ecobank's in-house IT systems.

Members of staff reporting cases are not compelled to provide their names and contact information.

Staff can report without limitation issues such as:

- Theft, fraud, bribery or other form of dishonesty
- Harassment or discrimination
- Accounting or financial irregularities
- On the job drug or alcohol abuse
- Violent or threatening behaviour
- Violation of laws, regulations, policies or procedures

vii) Directors' remuneration

A Remuneration policy has been included in the revised Governance Charter for Executive and Non-Executive Directors. Recognition is given to the new, onerous Corporate Governance regulations that exist in many jurisdictions, which hold Board members individually and collectively responsible for the actions of the Group. Adequate compensation is given to attract and retain professional and experienced individuals to carry out these roles. The remuneration policy for Non-Executive Directors is not intended to reward attendance at meetings via per diem payments; rather, it reflects the responsibility, dedication and challenges inherent to the position. Efforts are being made to ensure that the remuneration of the Directors matches the level in comparable organisations, whilst also taking into consideration Board members' required competencies, effort and the scope of the Board work, including the number of meetings attended. Periodic remuneration surveys are to be undertaken by external consultants. Once these surveys are concluded, the Board takes a decision, which is submitted to the General Meeting of the Company for approval.

Consistent with Ecobank's objective of being an employer of choice in our markets and attracting the best talent, Senior Executives are compensated with a mix of fixed compensation (salary, benefits and pension) and variable compensation (bonuses and share options scheme). The total remuneration paid to all Senior Executives during the 2015 financial year amounted to $7.3million.

Non-Executive Directors receive fixed fees of $100,000 per annum for services on the Board of ETI. The Chairman receives $150,000 per annum. In addition, Directors receive sitting fees for attendance at Board and Board Committee meetings. Non-Executive Directors do not receive any short–term or long–term performance incentives.

Governance structures within the Ecobank Group

The Ecobank Group Corporate Governance Charter clarifies governance structures throughout the Group.

The Charter essentially covers the following areas:

- The role of the parent company;
- Relationships and interface between the parent company and its subsidiaries;
- Standard of conduct and procedures for Directors.

The key principles underlying the Group's governance structures are as follows:

i) The Group, as much as possible, operates a standard organisational structure at ETI and subsidiary levels (One Bank concept).

ii) The organisational structure of the Group may be revised from time to time by the Group Executive Committee (GEC), subject to the approval of the ETI Board, to address the changing needs of the institution and the marketplace.

iii) ETI is responsible for the overall strategy of the Group. As the parent company, ETI acts as the 'Strategic Architect' of the Group, with appropriate input in operational management and decision-making at the subsidiaries' level. It sets the overall strategy and direction of the Group, develops policies and procedures and monitors them through reviews and audits to ensure compliance, not only with Group strategy, policies and procedures, but also with local laws and regulations.

iv) Group decisions and policies are made for the application of all members of the Group and are binding on all subsidiaries. Application of Group decisions and policies by all Ecobank Group member companies is subject to applicable local laws and regulations. Where there is a conflict between Group Policy and local laws and regulations, local laws and regulations prevail.

v) Key senior staff positions at the subsidiary level require the review and approval of the Group Executive Committee and the ETI Board.

vi) The ETI Board holds bi-annual meetings with Chairpersons of subsidiary Boards and ETI's Functional Heads for the purpose of sharing information on the overall direction and major policy decisions of the Group.

vii) Operational decision-making is maintained at an appropriate level, as close as possible to the required actions and outcomes.

viii) Individual accountability and responsibility are institutionalised and embedded through empowerment and the granting of relevant levels of authority.

ix) Coordination at the corporate centre and Group level is achieved through high levels of interaction between the parent company and its subsidiaries, as well as amongst subsidiaries at Board and Executive Management levels.

x) Clear terms of reference and accountability are laid out for committees at Board and Executive levels. There is effective communication and information sharing outside of meetings.

The following are the governance units within the Group:

- The parent company Board of Directors
- Country Board of Directors
- Group Executive Committee
- Group Management Committee
- Business Leaders' Conference
- Country Management Committees

A brief overview of the roles and responsibilities of each of the governance units is provided below.

Parent Company Board of Directors

- The Board of Directors of ETI is elected by, and accountable to the company's shareholders for the appropriate and effective administration of the Ecobank Group. Their primary responsibility is to foster the long-term success of the company, consistent with its fiduciary responsibility to the shareholders.
- The Group's governance charter requires the Board of Directors to be guided by the following principles:
  - Ensure clear delineation and segregation of responsibilities between Executive Management and the Board to ensure non-interference of the Board in the operational management of the Group.
  - The Board approves policies and general strategies whilst Management ensures the day-to-day implementation of policies and strategies adopted by the Board.
  - Exercise objective judgment on corporate affairs, independent of Executive Management.
  - Take actions on a fully informed basis, in good faith, with due diligence and care and in the best interest of the Group and its shareholders.
  - Comply with applicable laws and regulations in line with Group strategy and direction.
  - Operate transparently to avoid conflicts of interest between the Directors and the business of the Ecobank Group.
  - Ensure the full disclosure of accurate, adequate and timely information regarding the personal interests of Directors.

At the end of 2015, there were eleven (11) Board members, comprising one (1) Executive, ten (10) Non-Executive Directors, including five independent Directors (refer to Board of Directors section). The Board of Directors met six (6) times during the year.

The Governance Committee met four (4) times to deliberate issues under its' responsibilities.

The Nomination and Remuneration Committee, the Financial & Regulatory Requirements Committee, the Social, Reputation & Ethics Committee met twice to deliberate issues under their respective responsibilities

The Risk Committee and the Audit & Compliance Committee met three (3) times to deliberate issues under their respective responsibilities.

Board changes

During the year, we were deeply saddened by the news of the passing away of Mr. André Bayala, on March 11, 2015. He was the Non-Executive Director from the UMEOA Region and an outstanding Ecobanker.

Mr. André Siaka, Mrs. Laurence do Rego and Mrs. Eveline Tall Daouda retired from the Board on June 19, 2015. Following her appointment as Deputy Governor of the Central Bank of Kenya, Mrs Sheila Mmbijjewe resigned from the Board on July 1, 2015. Mr. Graham Dempster, the representative of Nedbank Group Limited resigned from the Board on July 31, 2015 following his retirement from Nedbank. He was replaced by Mr. Mfundo Nkuhlu.

Mr. Albert Essien, the former Group Chief Executive Officer, retired from the Board on June 19, 2015 following the expiration of his mandate and left the Group on September 30, 2015 after more than twenty-five years of service. He was replaced by Mr. Ade Ayeyemi who was co-opted to the Board on September 11, 2015.

Messrs. Alain Nkontchou and Abdullah Al-Khalifa joined the Board on June 19, 2015 and December 4, 2015 respectively. Mr. Alain Nkontchou replaced Mr. André Siaka as the director from the CEMAC Region whilst Mr. Abdullah Al-Khalifa was co-opted as the representative of Qatar National Bank (QNB) following the latter's acquisition of a near 20% shareholding in ETI on the market.

Corporate Governance

Board Attendance

S/N	Name	Role	Year appointed to Board	Number of Meetings held	Number of Meetings attended
1	Mr. Emmanuel Ikazoboh	Chairman	2014	6	6
2	Mr. André Siaka[1]	Vice-Chairman	2006	4	3
3	Mr. Albert Essien[2]	CEO from March 2014	2005	4	4
4	Mr. Ade Ayeyemi[3]	CEO till March 2014	2015	2	2
5	Mr. Abdulla Al Khalifa (Qatar National Bank SAQ)[4]	Non-Executive	2015	1	1
6	Dr Adesegun Akin-Olugbade	Non-Executive/Independent	2014	6	6
7	Ms. Dolika Banda	Non-Executive	2014	6	6
8	Mr. André Bayala[5]	Non-Executive/Independent	2014	1	1
9	Mr. Graham Dempster (NEDBANK)6	Non-Executive	2014	4	4
10	Mr. M. Bashir Ifo (EBID)	Non-Executive	2011	6	6
11	Mr. Tei Mante	Non-Executive/Independent	2014	6	5
12	Dr Daniel Matjila (GEPF/PIC)	Non-Executive	2012	6	6
13	Mr. Mfundo Nkuhlu (NEDBANK)[7]	Non-Executive	2015	2	2
14	Mrs. Sheila Mmbijjewe[8]	Non-Executive/Independent	2014	4	4
15	Mr. Alain Nkontchou9	Non-Executive/Independent	2015	2	1
16	Mr. Kadita Tshibaka (IFC)	Non-Executive	2014	6	6
17	Mrs. Eveline Tall[10]	Deputy CEO	2005	4	4
18	Mrs. Laurence do Rego[11]	Executive	2010	4	4

1. Mr. André Siaka retired from the Board on June 30, 2015.
2. Mr. Albert Essien retired from the Board on June 19, 2015 following the expiration of his mandate.
3. Mr. Ade Ayeyemi was co-opted to the Board following his appointment as Group CEO in September 2015.
4. Mr. Abdulla Al Khalifa was co-opted to the Board in December 4, 2015.
5. Mr. André Bayala was deceased on March 11, 2015.
6. Mr Graham Dempster resigned from the Board in July 2015 following his retirement from Nedbank.
7. Mr. Mfundo Nkuhlu was co-opted to the Board in August 2015.
8. Mrs. Sheila Mmbijjewe resigned from the Board on July 1, 2015.
9. Mr Alain Nkontchou was elected on June 19, 2015.
10. Mrs. Tall stepped down from the Board on June 19, 2015.
11. Mrs. do Rego stepped down from the Board on June 19, 2015.

Governance Committee

Composition and attendance

Name	Role	Number of Meetings held	Number of Meetings attended
Mr. André Siaka[1]	Chairman/Member	2	1
Mr. Bashir Ifo[2]	Chairman/Member	4	4
Dr. Adesegun Akin-Olugbade	Member	4	4
Mr. Tei Mante	Member	4	4
Mr. Alain Nkontchou	Member	2	2

1. Mr. Siaka was Chairman of the Committee until June 19, 2015.
2. Mr. Ifo became Chairman of the Committee from June 19, 2015

Responsibilities

- Formulates, reviews and generally ensures implementation of policies applicable to all units of the Group and ensures good governance throughout the Group.
- Manages the relationship between the company and its shareholders and subsidiaries, including relationships with the Boards of subsidiaries.
- Formulates new, and reviews existing, Group-wide policies including organisational structure.
- Handles relationships with regulators and third parties.
- Manages Board affairs in between the meetings of the Board or when the Board is not sitting.
- Recommends the appointment of Executive and Non-Executive Directors.
- Reviews the human resources strategy and policies of the Group.
- Ensures that Annual Board Evaluation is carried out.

Corporate Governance

Audit and Compliance

Name	Role	Number of Meetings held	Number of Meetings attended
Mr. Tei Mante	Member	3	3
Mrs. Sheila Mmbijjewe	Member	1	1
Mr. Kadita Tshibaka (IFC)	Member	3	3

All members have relevant business knowledge, skills and familiarity with accounting practices and concepts.

The Group Head of Audit serves as the Secretary to the Committee.

Responsibilities

- Reviews internal controls, including financial and business controls.
- Reviews internal audit function and audit activities.
- Facilitates dialogue between auditors and Management regarding outcomes of audit reviews.
- Makes proposals with regard to the appointment of external auditors and their remuneration.
- Works with external auditors to review annual financial statements before full Board approval.
- Ensures compliance with all applicable laws, regulations and operating standards.

Risk Committee

Name	Role	Number of Meetings held	Number of Meetings attended
Dr. Daniel Matjila	Chairman	3	2
Mr. Kadita Tshibaka	Member	3	3
Ms. Dolika Banda	Member	2	2

Members have good knowledge of business, finance, banking, general management and credit.

The Group Chief Risk Officer serves as Secretary to the Committee.

Responsibilities

- Initiates the determination and definition of policies and procedures for the approval of credit, operational, market/price and other risks within the Group, defining acceptable risks and risk acceptance criteria.
- Sets and reviews credit approval limits for Management.
- Reviews and ratifies operational and credit policy changes initiated by Management.
- Ensures compliance with the Group's credit policies and statutory requirements prescribed by regulatory or supervisory authorities.
- Reviews periodic credit portfolio reports and assesses portfolio performance.
- Reviews all other risks, including technology, market, insurance, reputation and regulations.

Nomination and Remuneration Committee

Composition and attendance

Name	Role	Number of Meetings held	Number of Meetings attended
Mr. Mfundo Nkuhlu	Chairman	2	2
Mr. Bashir Ifo	Member	2	2
Mr. Alain Nkontchou	Member	2	1

The Group General Counsel and Company Secretary is the Secretary to the Committee.

Responsibilities

- Determines the policy for the remuneration (including benefits, pension arrangements and termination payments) of Non-Executive Directors, the Chairman of the Board, the Chief Executive Officer, the Executive Directors and the Senior Executives of ETI.
- Reviews and determines the terms of any share option scheme operated by or to be established by the Group.
- Developing suitable criteria for the selection and appointment of new Board members and for the selection, appointment and removal of the Group and Country Heads.
- Identifying and recommending individuals who are suitable candidates for appointment to the Board or to any relevant management positions in the parent company and the subsidiaries.
- Developing and implementing a programme to identify, assess and enhance Director competencies.
- Creating succession plans to maintain the appropriate balance of skills, expertise and experience on the Board.
- Regularly review the structure, size and composition of the Board and make recommendations regarding any adjustments that are deemed necessary.
- Preparing descriptions of roles and capabilities required for senior appointments.
- Responsible for identifying and nominating candidates to fill Board vacancies as and when they arise.
- Ensuring that succession planning and processes are in place with regard to both Board and senior appointments.
- Overseeing the procedures for re-election of any director by shareholders.
- Independent and confidential reviews of the position of Chief Executive Officer, in conjunction with all the Non-Executive Directors where appropriate.

Corporate Governance

Finance and Regulatory Requirements Committee

Name	Role	Number of Meetings held	Number of Meetings attended
Mr. Emmanuel Ikazoboh	Chairman	2	2
Dr. Adesegun Akin-Olugbade	Member	2	2
Dr. Daniel Matjila	Member	2	1

The function of the Finance and Regulatory Requirements Committee is to assist the Board of Directors in fulfilling its responsibilities by advising the Board on matters relating to the following:

- Oversight of finance strategies, capital and liquidity management of the Company
- Reviewing the Company and Group's financial performance
- Reviewing compliance with applicable financial regulatory requirements
- Reviewing certain corporate development matters as the Board may direct.

The Group Manager, Reporting, is the Secretary to the Committee.

Social, Reputation and Ethics Committee

Name	Role	Number of Meetings held	Number of Meetings attended
Ms. Dolika Banda	Chairperson	2	2
Mr. Mfundo Nkuhlu	Member	2	2
Mr. Kadita Tshibaka	Member	2	2

The Social, Reputation and Ethics Committee assists the Board on the following:

- Overseeing and reviewing the positioning of the Ecobank brand to ensure that a clear strategy is being delivered to increase the brand value and enhance the Group's standing, reputation and legitimacy in the eyes of all stakeholders.
- Reviewing the processes by which Ecobank identifies and manages reputational risk in an effective and transparent manner, consistent with the Board-approved Group Risk Appetite Statement.
- Overseeing Ecobank's development and delivery in relation to activities/businesses that it will and will not pursue in line with its brand promise.
- Reviewing Ecobank's sustainable business priorities and policies to ensure that the Group is able to respond to developing external trends in a timely manner.

Subsidiary Boards

Subsidiary Boards of Directors operate as separate legal entities in their respective countries. ETI is the majority shareholder in all the subsidiaries, but host country citizens and institutions are typically investors in the local subsidiaries. Each subsidiary has a Board of Directors, the majority of whom are Non-Executive Directors. The Group Governance Charter requires that country Boards be guided by the same governance principles as the parent company. As a rule, but subject to local regulations and the size of the Board, the Boards of Directors of subsidiaries have the same number of committees as the parent company. However this may differ as a result of the country's regulatory requirements, creating the need for additional committees. The Boards of Directors of the subsidiaries are accountable to the subsidiaries' shareholders for the proper and effective administration of the subsidiaries in line with overall Group direction and strategy. These boards also have statutory obligations based on company and banking laws in the respective countries. In the event of any conflict between the Group policies and local laws, the local laws prevail.

Subsidiary Governance Model

The subsidiary governance model of the Group is the dual reporting model. The local board and the parent company board concurrently administer the subsidiary's corporate governance. Legally, the country board has ultimate responsibility for the subsidiary but, as the majority shareholder (in some cases holding 100%), ETI, as the "Strategic Architect", has a duty to ensure that the subsidiary is properly run. As a result, the subsidiary CEO has dual reporting lines to the local board and to ETI's Executive Management. The local board has access to the ETI governance and management structure. The local board is legally constituted and Directors' duties comply with the host country's legal system.

The subsidiaries at all times comply with the Group Corporate Governance Charter subject only to the requirements of local laws.

Candidates for directorship positions in the subsidiaries are shortlisted by Directors of the subsidiaries, ETI Directors or other credible persons. Then the proposed candidates are screened by the Board of the subsidiary and presented to ETI Board for approval. If ETI so requires, Group representatives may interview candidates. Following ETI Board clearance, candidates go through the formal internal subsidiary board processes, including, as appropriate, the Board Committees, regulatory and/or shareholder approvals.

Group Executive Committee

In 2015, the Group Executive Committee (GEC) comprised the following:

i) Group Chief Executive Officer

ii) Deputy GCEO/Chief Operating Officer

iii) Group Executive, Finance

iv) Group Executive, Domestic Banking

v) Group Executive Operations & Technology

vi) Group Executive, Corporate & Investment Bank

vii) Group Company Secretary/General Counsel

viii) Group Head, Internal Audit

ix) Group Chief Risk Officer

x) Group Head, Human Resources.

The Group General Counsel and Company Secretary or his/her designate is the secretary to the GEC. The GEC meets monthly and is responsible for the day-to-day operational management of the Group and its subsidiaries.

The GEC is responsible to the Board and plays an important role in the Group's corporate governance structure. The GEC manages the broad strategic and policy direction of the Group, submits them to the Board for approval, where necessary, and oversees their implementation.

The GEC has decision-making powers in specific areas of Group Management. In particular, the GEC works with, and assists, the Chief Executive Officer to:

- Define and develop Group strategy.
- Ensure alignment of individual subsidiary's plans with overall Group strategy.
- Track and manage strategic and business performance against plan.
- Implement Group policy and decisions.
- Make recommendations regarding HR issues.
- Track and monitor progress and accomplishments on major Group initiatives and projects at subsidiary level.
- Recommend opening or closing of subsidiaries.
- Articulate appropriate response to environmental factors, regulations, government policies, competition and other such issues across the Group.
- Articulate policies for advancing Group objectives.
- Make important decisions in areas where delegation of authority is granted to the GEC.

Corporate Governance

Group Management Committee

The GMC is the wider arm of the GEC. For the purposes of Group-wide succession management, key country and business roles are consulted in decision-making and the execution of Group strategy. It comprises all members of the GEC, Cluster Heads and/or such other Executives as the GCEO may determine. The GCEO is the Chairman of the GMC. The Group Company Secretary or his/her designate is the Secretary to the Committee.

The GMC is charged with the following:

- Reviewing the operational and financial performance of the respective business segments to ensure that actual performance is in line with overall intent, business goals and objectives.
- Reviewing operational performance on an ongoing basis against plan and expectations.
- Assessing progress and achievements of business unit projects and major initiatives.
- Determining appropriate responses to operational and financial performance issues.
- Disseminating strategy and policies across the Group.

Business Leaders Conference

The Business Leaders' Conference (BLC) is a collegiate group to engage all subsidiary CEOs and Group functional heads in strategy and policy formulation. It comprises the GMC, all subsidiary CEOs (i.e. country operations and other subsidiaries). The GCEO is the Chairman of the BLC. The Group Head, Strategy, or his/her designate is the Secretary to the Committee.

The Business Leaders' Conference is the primary coordinating body for Group cohesion and integration and the delivery of Group strategy.

The Conference is a consultative body, not a decision-making body.

The Conference plays a key role in facilitating the harmonisation and integration of Group strategy. Its role includes:

- Sharing and disseminating information, experiences and best practice across the Group.
- Initiating policies that encourage integration and promote the "One Bank" concept.
- Promoting integration and standardisation of Group policies and procedures.
- Promoting and monitoring compliance with Group operational standards.
- Contributing to the formulation of Group policies.

Country Executive Management Committee

The Country Executive Management Committee consists of the Managing Directors and other senior executive members of each subsidiary. In addition to the day-to-day management of the subsidiary's operations, the role of a Subsidiary Executive Management Committee includes the following:

- Managing the strategic objectives of the country's operation in line with Group strategy.
- Defining overall business goals and objectives for the country's operations.
- Ensuring the alignment of operating plans with overall Group strategy.
- Approving business unit direction and strategies.
- Making decisions on operating plans and budgets.
- Reviewing the financial reporting and control framework.
- Monitoring and managing country strategy and business performance against plan.
- Monitoring progress and milestones for major in-country initiatives and projects.
- Articulating appropriate response to environmental factors, regulation, government policies, competition and other local market issues.
- Articulating policies for advancing business objectives in the country.
- Advising the parent company on overall strategy adaptations to the specifics of the local environment.
- Advising on local laws and regulation impacting on Group policies.

Directors' interests in contracts

No Director has any interest either directly or indirectly in contracts with the Company or any subsidiary of the Company.

Director's interests in Ecobank Ordinary Shares

The Directors' interests in the issued ordinary shares of the Company as of the date of the statement of financial position are disclosed in tables below.

		Direct		Indirect[1]		Total	
S/N	Name	2015	2014	2015	2014	2015	2014
1	Mr. Emmanuel Ikazoboh	480,000	450,000	0	0	480,000	450,000
2	Mr. André Siaka	1,262,400.	1,183,500	0	0	1,262,400	1,183,500
3	Mr. Albert Essien	994,773	932,600.	0	0	994,773	932,600
4	Mr. Ade Ayeyemi	0	0	0	0	0	0
5	Mr. Abdulla Al Khalifa (Representing Qatar National Bank SAQ)	0	0	4,333,615,045	3,922,722,130	4,333,615,045	3,922,722,130
6	Dr Adesegun Akin-Olugbade	392,320	367,800	0	0	392,320	367,800
7	Mr. André Boboe Bayala(deceased)	3,570,633	3,347,469	0	0	3,570,633	3,347,469
8	Ms Dolika Banda	0	0	0	0	0	0
9	Mr. Graham Dempster (Representing Nedbank)	0	0	4,988,488,565	4,676,708,030	4,988,488,565	4,676,708,030
10	Mr. Bashir Mamman Ifo (Representing EBID)	5,333	5,000	240,209,077	225,196,010	240,209,077	225,201,010
11	Mr. Tei Mante	106,758	100,086	0	0	106,758	100,086
12	Dr Daniel Matjila (Representing GEPF/PIC)	0	0	3,333,333,333	3,125,000,000	3,333,333,333	3,125,000,000
13	Mr. Alain Nkontchou	0	0	0	0	0	0
14	Mr. Mfundo Nkuhlu (Representing Nedbank)	0	0	4,988,488,565	4,676,708,030	4,988,488,565	4,676,708,030
15	Mrs. Sheila Mmbijjewe	0	0	0	0	0	0
16	Mr. Kadita Tshibaka (Nominee of IFC)	0	0	1,259,792,920	1,181,055,863	1,259,792,920	1,181,055,863
17	Mrs. Eveline Tall	1,091,626	1,023,400	0.0000	0.0000	1,091,626	1,023,400
18	Mrs. Laurence Do Rego	1,698,119	1,591,987	0.0000	0.0000	1,698,119	1,591,987
	Total	**9,601,964**	**9,001,842**	**19,143,927,506**	**17,807,390,063**	**19,153,524,137**	**16,410,135,032**

1. This should also be stated for the preference shareholders.

Director's interests in Ecobank Preference Shares

		Direct		Indirect[1]		Total	
S/N	Name	2015	2014	2015	2014	2015	2014
1	Mr Bashir Maman Ifo	2,140	2,140			2,140	2,140
2	Mr. Abdulla Al Khalifa (Representing Qatar National Bank SAQ)	0	0	732,277,056	732,277,056	732,277,056	732,277,056

1. This should also be stated for the preference shareholders.

Corporate Governance

Executive share options

In 2015, no new ETI staff share options were awarded under the staff options scheme. The Board approved the vesting of 200,540,000 shares under the previous option scheme. However, only one member of staff exercised her option by subscribing to 3,300,000 shares of the Company vested under existing options. As part of his contract, the new GCEO was granted options to acquire 50,000,000 ordinary shares, exercisable over the term of his contract.

Related Party Security Trading policy

The Group has a code of practice for staff dealing in Ecobank securities that requires them to seek the approval of the Group Company Secretary or the Company Secretary of a subsidiary of the Group prior to the purchase of shares of the parent company or those of any member of the Ecobank Group. The policy makes it mandatory for such staff to disclose the nature of the securities, the amount to be invested, the nature of the transaction and interest. Staff undertake to ensure that the transaction is not in connection with the possession of any inside information and further undertake not to proceed with the transaction should they come into possession of any inside information prior to the execution of the transaction. The policy will be updated to include other related parties.

Shareholders Rights

The Board has always placed considerable importance on effective communication with its shareholders. It ensures that the rights of shareholders are protected at all times. Notice of meetings and all statutory notices and information are communicated to shareholders regularly.

The General Meeting is a key forum for information and decision-making, fostering active participation by the shareholders.

The Shareholders' right to information is an essential principle underlying the philosophy of Corporate Governance and is responsible for the establishment of a successful dialogue.

The Board is responsible for submitting complete and comprehensive financial and management information to the General Meeting in order to facilitate a balanced and fair exchange of views within the Company.

The Board must ensure that there is dialogue with shareholders and that information furnished to the General Meeting is accurate and reliable.

Shareholders are encouraged to communicate their opinions and recommendations whenever they feel the need to do so, to either the Investor Relations Unit and/or the Company Secretary, whose contact details are available via Ecobank's website.

Sustainability report

Banking tomorrow

"Sustainability in banking has never been more important than it is today. It's not just about improving the bank's products and operations, it's also about how we integrate the economic, social and environmental factors in our decision-making; and at the same time help our clients to conduct their business in an environmentally friendly and socially responsible manner, while improving lives by leveraging sustainability as a core innovative opportunity"

Emmanuel Ikazoboh, Group Chairman, Ecobank Transnational Incorporated (ETI)

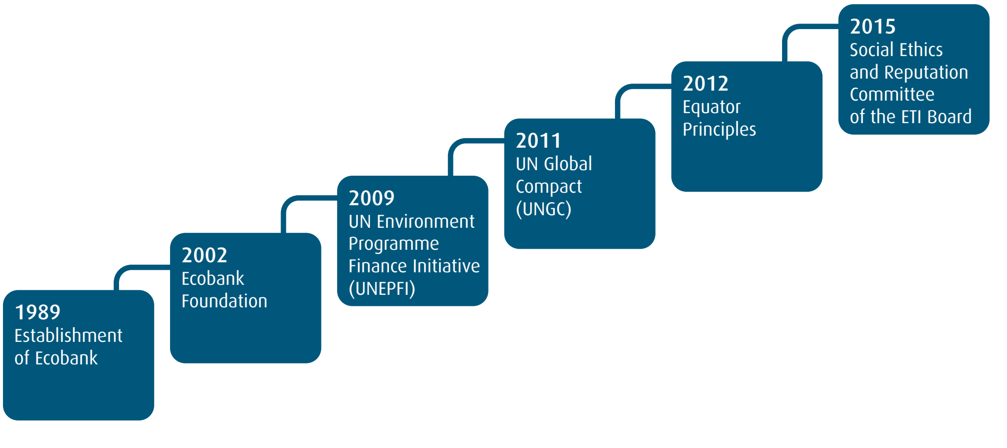
1. Sustainability in Ecobank

At Ecobank, sustainability is about meeting the needs of the present without compromising the ability of future generations to meet their needs. It is about pre-serving the natural resources that have an impact on climate change for future generations. It is also about guaranteeing human rights and a life full of dignity for all, free from want and poverty. Sustainability in Ecobank is therefore essentially about contributing to making this happen, by incorporating sustainability in the Bank's financial products, marketing and operational platform.

Over the years, Ecobank's sustainability journey has been dynamic and marked by an ever-evolving set of challenges and opportunities.

As we progress on our sustainability journey in 2015, we see and embraced new opportunities.

Ecobank's Sustainability journey



Sustainability report

1.1 New Sustainability opportunities in 2015

Ecobank has embraced innovative opportunities to deliver sustainability initiatives, which have resulted in operational cost reductions, advocacy and market positioning, as well as new business activities. The three standout Sustainability opportunities for Ecobank in 2015 were:

a. The Complementarity of Sustainability and business growth

In 2015, Ecobank introduced the Electronic Records and Document Management System (ERDMS), and it has dramatically helped to reduce paper usage through the Ecobank electronic record library. The electronic record library was piloted in Ecobank Ghana in 2015 and, as of December 2015, the library has stored a total of 2.5 million (2,559,173) bank teller records, which equates to approximately 5 million pages of A4 paper in Ecobank Ghana alone.

b. Thought leadership

We are recognised as a thought leader with informed opinion in the field of sustainable banking by government regulators, development financial institutions, UN agencies and Central banks. For example, Ecobank offered guidance on sustainable business approaches to clients whose operations have significant environmental and social risk issues. Amongst other guidance, we advised them on how to conduct their businesses in an environmentally friendly and socially acceptable manner while, at the same time, assisting the Bank in forward charting its corporate sustainability stewardship.

c. Climate change as a game changer

We recognised the growing demand for capital from governments and the private sector for green economy infrastructures. This is to meet the internationally agreed target of reducing greenhouse gases emissions and keeping the global average temperature rise below 2°C. Leveraging our 'eco-friendly' position, we have increased our lending activities in the low carbon energy, renewable energy and energy efficiency sectors in Nigeria, Senegal and Ghana to meet this latent demand.

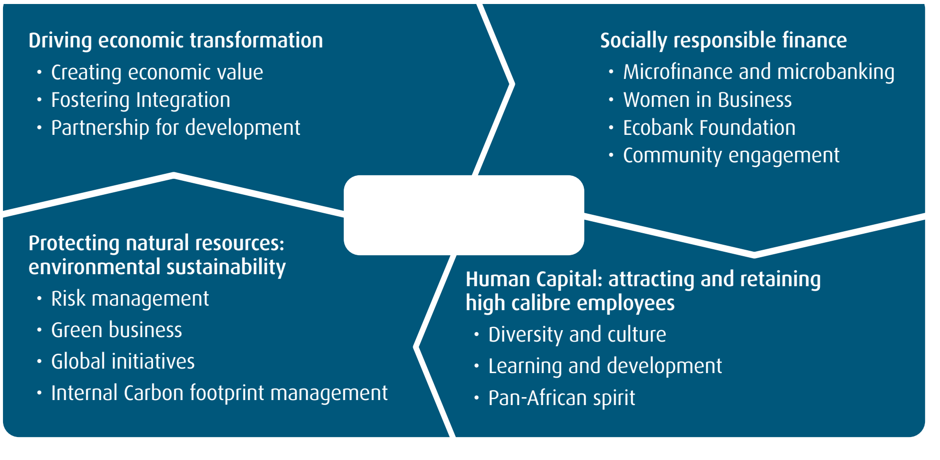
2. Sustainability Framework

Our Sustainability framework is underpinned by the 'triple bottom-line' concept,[1] which goes beyond the traditional measures of profit, return on investment and shareholder value to include environmental and social dimensions.

We therefore reaffirm our Sustainability Framework, focusing on:

- Our stakeholder approach to sustainable development
- Our need to balance profitability with the fight against poverty and the protection of our planet
- Taking seriously the welfare and development of the communities in which we operate
- Consistently factoring social and environmental concerns into our business operations.

Ecobank Sustainability Framework

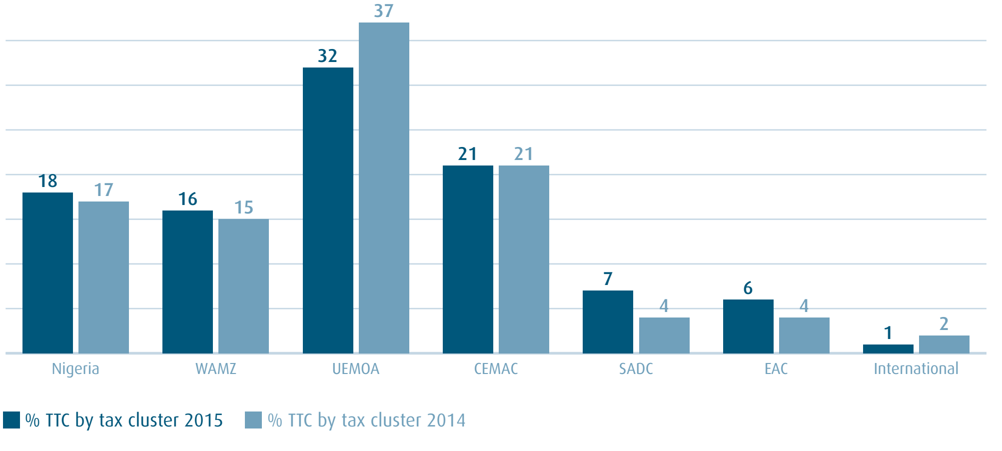


3. Driving Economic Transformation

Ecobank adopted several platforms to create and deliver socio-economic values, including direct and indirect employment opportunities through banking the public sector.

3.1 Banking the public sector: The public sector in African countries is quite large in size, as measured by key parameters such as employment, government expenditure, public investment, tax income and share of GDP. To ensure sustainable socio-economic development, the public sector, at all levels of government, continues to play a critical role in meeting the service delivery needs of the people in education, health, water and sanitation. Ecobank is moving positively in this direction; in 2015, the public sector accounted for $1.21 billion of the Group's total assets. We have achieved this by providing customised services for the public sector, including deposits, collections, payments, cash management, payroll administration, project accounts, advanced payment guarantees, supplier payments and credits.

Total tax contribution per cluster – 2015 ($ 000)



Sustainability report

3.2 Creating economic value through tax – Ecobank total tax contribution

As of 31 December 2015, the Total Tax Contribution ('TTC') to public finances in Ecobank host countries was $340 million, including all paid levies, contributions, duties and withholding taxes. Compared to the year 2014, the Total Tax Contribution dropped by 11% to $381 million, reflecting Ecobank's lower earnings in 2015.

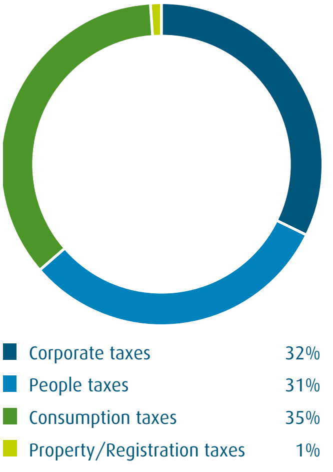
Analysis by tax base

In the fiscal year 2015, 35% of the total tax contribution was for consumption tax, while 32% was for corporate tax. Furthermore, people and registration taxes constituted 31% and 1%, respectively, as illustrated in the chart on the right.

3.3. Value added creation

Value added is a measure of the economic value contributed by an economic entity. In 2015, Ecobank contributed a total of $1.7 billion, compared to $1.9 billion in 2014, representing a year-on-year decrease of 9%. The Bank's investment in employees was the most significant value addition, as detailed in the table below.

% Total Tax Contribution by Tax base 2015



Value added

Activity	Base	Value Added (US$'000)	% Value Added	Value Added (US$'000) 2014	% Value Added 2014	% Increase/ (Decrease) 2014 – 2015
Suppliers of Fund	Financing Interest	602,746	34.0%	622,221	32.0%	-3%
Shareholders/ Reinvestment	Profit After Tax	107,464	6.0%	397,525	21.0%	-73%
Employees	Wages and Salaries less Employment Taxes	702,283	40.0%	534,562	28.0%	31%
Government	Tax Borne	129,484	7.0%	154,867	8.0%	-16%
Government	Tax Collected	212,880	12.0%	225,986	12.0%	-6%
		1,754,857	**100%**	**1,935,161**	**100%**	**-9%**

3.4. Partnership for Development

"At Ecobank, we are proud to believe and live the value of an institution that delivers returns to shareholders and sustainable business operations in an integrated package"

Dolika Banda
ETI Non-Executive Director and Chairperson, Social, Ethics and Reputation Committee

We are the preferred banking partner in Africa and global policy circles. Our international development partners recognise the importance of our unique brand, scale and presence in Middle Africa. We often serve as a point of reference for an African banking and private sector perspective, as well as thought leadership on financial, economic and sustainable development.

In 2015, the International Organisations business unit within Ecobank continued to work with a portfolio of international Donors, Development Finance Institutions, Multilateral agencies, the United Nations and its agencies and all of the most globally significant NGO entities. Funds mobilised during the year from this global portfolio amounted to over $2.8 billion, whilst foreign exchange volumes amounted to $1.3 billion.

4. Socially Responsible Finance

In 2015, we further strengthened our position as a socially responsible financial institution through our sustainable banking solutions, comprising Ecobank microfinance, mobile banking and the Ecobank Foundation.

Sustainability report

4.1 Ecobank Microfinance:
empowering Africa's low-income individuals and entreprises to grow

Ecobank Microfinance is a unique platform for promoting financial inclusion and extending financial services to the unbanked and under-banked. Adopting a retail approach, the Bank is delivering simple, accessible and innovative products to people on low incomes and microbusinesses. Our Microfinance subsidiaries and associated companies in 5 countries, together with their establishment dates, are listed below:

1. Nigeria – Accion Microfinance Bank Ltd. 2006
2. Ghana – EB-Accion Microfinance Ltd. 2008
3. Cameroon – EB-Accion Microfinance Ltd. 2010
4. Sierra Leone – Ecobank Microfinance Ltd. 2010
5. Burkina Faso – SOFIPE Limited 2010

Today, we serve over 1.7 million low-income customers directly and several more millions indirectly through other microfinance institutions.

Awards and recognition

- African Banker awards, 2011
- Technology in Sustainable Finance (FT/ IFC, 2013)
- Admitted into the prestigious Ghana Club 100 (GC100) in 2014 in recognition of its corporate excellence in financial inclusion

4.2 Mobile Banking

Ecobank's mobile banking platform was originally conceived as a 'bottom of the pyramid' initiative. Its aim was to allow customers, especially poor people, to have access to the banking system. It was created via a collaborative partnership between Ecobank and selected mobile telecommunication service providers, including Airtel and Orange. The platform offers a range of services to customers, including local funds transfers, transfers from bank account to mobile money wallet, bill payments, airtime top-ups, mini-statements and balance enquiries.

In 2015, Ecobank's mobile money services in Ghana, Niger, Sierra Leone, Kenya, Nigeria, Rwanda, Cameroon, Côte d'Ivoire, Guinea Conakry and Mali attracted 215,938 users, with total transactions amounting to $48,115,000.

Customer Case Study: Joyce Kwoa – Ghana

Joyce has been selling cereals at the Agbogboshie market for 25 years. She buys her supply of groundnut, beans, sorghum and soya beans from the Northern part of Ghana.

The business started without the funds for a shop and Joyce says, "I had some customers who wanted me to supply goods in large quantities, but I could not do so because of limited capital.''

Joyce received approval for her first loan of GHs 3,000 in 2009. Since then, Joyce's business has grown from strength to strength. She now buys stock in large quantities, has a large store and a mill, and employs two people.

Ecobank Microfinance's financials by country

	Nigeria	Ghana	Cameroon	Burkina Faso	Sierra Leone	Group Total
Revenue ($'000)	14,229	6,091	3,441	1,039	2,685	27,485
PBT ($'000)	2,787	612	242	174	299	4,114
Deposit ($'000)	164,532	10,947	8,735	2,812	9,317	196,343
Loans ($'000)	2,064	9,575	5,888	4,723	4,435	26,685
No of Customers	1,537,781	78,172	49,099	30,961	56,684	1,752,697

4.3 Ecobank Foundation

"At Ecobank our commitment to 'Sustainability' is clear – Sustainability sits at the very core of everything we do. Our human capital strategy, our work with the communities through our Foundation, together with our overall approach to delivering the business platform, continues to holds us accountable to our responsibility towards the global Sustainable Development Agenda"

Julie Essiam, Group Executive HR, Corporate Affairs & CEO of Ecobank Foundation

The Ecobank Foundation ('the Foundation') was founded in 2002 in response to the desire of the Group to place economic development and social responsibility at the forefront of its strategy. In 2015, the Foundation continued to strive for the well being and improved economic prospects of the communities in which the Group operates, focusing on innovative projects that promote creativity, excellence and regional integration in the following areas:

- Health
- Education
- Financial inclusion.

The Foundation continues to advance its mandate of 'Powering Ecobank's Vision in Africa' by implementing strategic projects, introducing new initiatives designed to strengthen the Foundation's work and partnering with institutions that have a similar vision for the development of Africa.

The Foundation has successfully supported key projects, added new team members and introduced new ideas to strengthen and accelerate its mandate. This report provides an update on the four key projects being implemented by the Foundation.

OFH, Ecobank Rwanda

Programme participants in Ibadan

Sustainability report

4.3.1 The Global Fund

The Global Fund

The Global Fund to fight AIDs, Tuberculosis and Malaria, an international NGO, mobilises and invests almost $4 billion a year to support programmes aimed at combatting these three epidemics. The Global Fund has made around $30 billion of grant commitments in 140 countries since 2002, with approximately 65% flowing into Sub-Saharan Africa.

In December 2013, the Ecobank Group and the Foundation announced a three-year partnership with the Global Fund to help strengthen financial management capabilities amongst grant recipients and also to leverage Ecobank's network and innovative capabilities to engage other private sector entities in supporting the Global Fund. The Ecobank Group and the Foundation pledged to contribute $3 million over 3 years, 50% in cash and 50% via services in kind.

In 2015 the Partnership continued its financial management training programme in Nigeria, Senegal and South Sudan. The Group once again engaged Accounting for International Development ('AfID'), a UK social enterprise, to provide 9 qualified accountants, which resulted in 100 weeks of voluntary support work, concentrated on training in treasury and cash management, risk assessment, financial management and controls, budgeting, accounting, IT and software, as well as HR matters.

4.4 Community engagement

"Indeed, the Social, Reputation and Ethics Committee of the ETI Board should be viewed as the conscience of Ecobank"

Kadita Tshibaka,
ETI Non-Executive Director and Member,
Social, Ethics and Reputation Committee

Ecobank Day – Creating a better future for African children

Ecobank's flagship CSR event, 'Ecobank Day', is celebrated at the end of October. In 2015, staff across Middle Africa devoted their time and resources to projects related to the theme: 'Every African child deserves a better future'. This proved to be another great success; here are a few examples of Ecobank's staff engagement activities.

4.4.1 Scholarships in Ghana

Some of the good work undertaken in Ghana included the digging of eight high-quality boreholes and the donation of 30 computers to various schools. The bank also awarded a full scholarship to 25 Ghanaian students, enabling them to pursue their studies at senior high school level.

4.4.2 Building a brighter future in Togo

In Togo, Group CEO Ade Ayeyemi celebrated his first Ecobank Day by traveling to Tchidemé, a village 45 kilometres north of Lomé. Together with his wife, Ecobank colleagues, students, parents and villagers, he cleared the site where a new classroom block for the village's secondary school is now being built. Wielding pickaxes, hoes, rakes and shovels, Ecobankers showed their commitment to the future of Africa's children.

4.4.3 Supporting child education in Kenya

In Kenya, activities centred on the County Girls High School in Nairobi, where Managing Director, Kassi Ehouman, led head office employees in marking Ecobank Day. Branch Managers in 16 other locations across Kenya led their teams in local community projects. In all, Ecobank Kenya donated 16,000 exercise books to over 10,000 children in underprivileged schools. The employees also engaged in mentorship programmes for the students to demonstrate to the young people that there are people who care about them and their future.

4.4.4 Democratic Republic of Congo

For its Ecobank Day celebrations, Ecobank DRC chose to renovate part of the Main Hospital in Maluku, 78km from Kinshasa, by refreshing the exterior and interior paintwork of the Paediatric, and Maternity Units, including the delivery room. Ecobank staff also refurbished hospital rooms, ceilings and roofing, and replaced all lighting with energy-saving bulbs. Additionally, a donation of medicines and surgical and laboratory equipment was made. A one-year academic scholarship was also provided to 10 young Congolese in Kinshasa and the provinces.

Borehole fitted with Hand Pump in Ghana

Clean-up exercise in a Hospital in Togo

Donation to school in Kenya

Democratic Republic of Congo

Sustainability report

4.4.5 Water for new mums in Malawi

Ecobank Malawi donated a 10,000-litre water tank, worth $850, to the maternity ward of the Limbe health centre. The new tank ensures that expectant mothers will no longer be required to bring their own water to the health centre and will help the facility to manage water supplies in times of drought.

4.4.6 Books and rice for orphans in Liberia

In Liberia, Ecobank donated large quantities of assorted food and non-food items to two schools and three orphanages for the benefit of nearly 100 children. The recipients included the JCN Howard Elementary Public School and the Slipway Community School in Monrovia, as well as the Apostle Doctrine International and the Good Samaritan Orphanage Homes in Grand Bassa County.

4.4.7 Ecobank Day in Nigeria

In Nigeria, the focus was on the educational needs of children, distributing educational materials and renovating schools, including ICT rooms in secondary schools, and providing potable water by drilling boreholes in Maiduguri and Osun States. The aim was to promote education, provide proper sanitation in schools and to support indigenous students across the country.

Donation of Borehole and water tanks in Malawi

Donation of Books and stationeries in Liberia

5. Protecting Natural Resources:

At Ecobank, protection of natural resources is an integral part of our environmental and social risk management that impacts all our businesses and operations. In 2015, our scorecard for the protection of natural resources highlights our contribution to green business development, the implementation of international Environment, Social and Governance (ESG) initiatives and Ecobank's internal carbon footprint measures.

The figure below highlights Ecobank's key accomplishments in environmental protection in 2015.

5.1 Environmental and Social Risk Management (ESRM)

ESRM is a framework for managing the Bank's material indirect impact on the environment and society through the finance provided to its customers. The 2015 report of the management of the credit portfolio for environmental and social risks is summarised below.

A total of 2,379 transactions were screened and managed for the E&S risks in 2015. 60.2% of the screened transactions were in the Medium B[2] and (Medium A[3]) E&S risk categories. By way of comparison, in 2014, 2,721 transactions were screened and managed for risks, of which 62% were in the Medium A and Medium B categories.

Reflecting a more cautious business environment, 38.6% of the screened transactions in 2015 were in the E&S Low risk[4] category, compared to 36% in 2014. The percentage of transactions screened for E&S risk in the High[5] risk category remained fairly stable year-on-year at 1.2%.

The concentration of the E&S eligible transactions in the Medium A and Medium B risk categories signifies that Ecobank's exposure to potentially E&S sensitive activities is well within operational containment limits and, hence, largely manageable.

The graph below presents the number of transactions screened and managed for potential E&S risks by each Ecobank cluster in 2014 and 2015.

Key environment and sustainability accomplishment in 2015

Transactions

2,379 transactions screened and managed for potential environmental and social risks

Training

Over 700 staff from 15 countries trained on enhanced Environmental and Social Management Systems (ESMS)

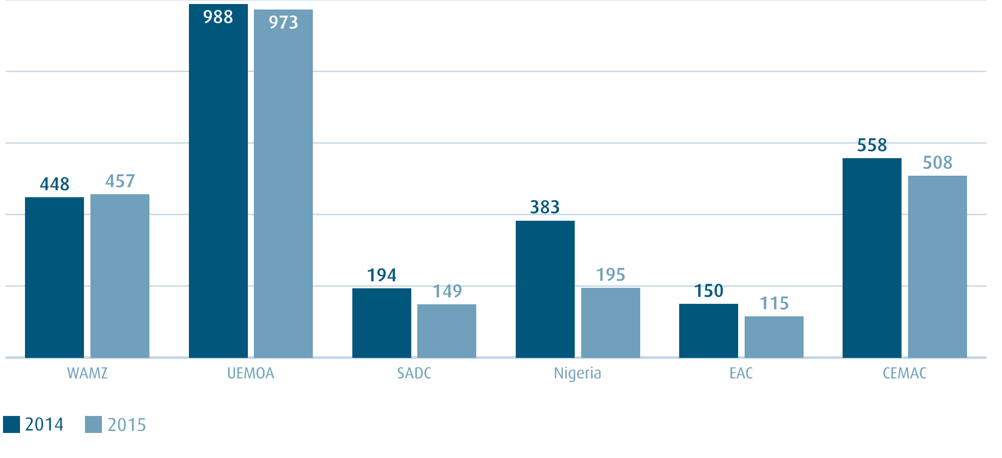
Thought Leadership

Financing renewable energy and energy efficiency technologies for the tecommunication industry

Financing Green economy

Financing renewable energy and energy efficiency technologies for the tecommunication industry

Comparative number of Transactions Screened for E&S risks by Ecobank Clusters, Jan-Dec, 2014 & 2015



Sustainability report

From the above chart, the Ecobank Cluster portfolio sensitivity to the E&S risks in order of severity of impacts is as follows:

- Nigeria 41.7%
- CEMAC 38.7%
- UEMOA 36.2%
- WAMZ 28.3%
- EAC 38.5%
- SADC 38.9%.

5.2 Environmental and Social Risk Management ('ESRM') Procedures

Ecobank's ESRM processes are summarised in the graphic below.

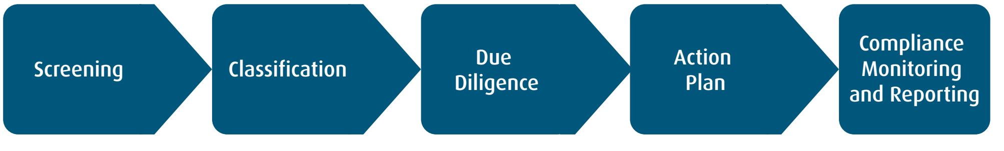
5.3 Training and capacity building

"Capacity building development is essential for the implementation of sustainability concept in Ecobank. It will help gain a better insight into the concept, so as to ensure that the Bank continues to make sustainability informed decisions."

Mfundo Nkuhlu,
ETI Non-Executive Director & member,
Social, Ethics and Reputation Committee

Under the leadership of Group Risk Management, Ecobank continues to invest in human capital development to facilitate the Group-wide implementation of the Environmental and Social Management System (ESMS). Specifically, in the year under review, the Bank developed in-house training material and delivered ESMS refresher workshops for 700 staff in 15 countries. Also, Ecobank's cluster E&S risk management coordinators and Group Office representatives were sponsored to attend international training programmes.

Environmental and Social Risk Management ('ESRM') Procedures



5.4 Thought Leadership

Ecobank is recognised as a thought leader, with informed opinion in the field of sustainable banking, by government regulators, development financial institutions, UN agencies and Central banks. In 2015, Ecobank Ghana was appointed to serve on the Bank of Ghana's Sustainable Banking Committee and has been appointed as the Chair of the Committee. Also in Kenya, Ecobank subscribed to and adopted the Kenya Sustainable Finance Initiatives ('SFIs') in March 2015.

5.5 Financing the green economy (Telecoms infrastructure)

Ecobank recognises the rising global demand for energy, as well as growing commercial and domestic electricity consumption across Africa. As a result, the Bank is looking to finance renewable energy, energy efficiency and cleaner energy technologies to develop viable and complementary alternative sources of power. For example, to promote the use of renewable energy in the telecommunication sector, Ecobank provided $327 million of finance to a major telecommunication infrastructure service provider to procure and install solar devices to power its telecommunication tower base stations at over 1,000 sites across Nigeria.

5.6 Environmental sustainability outreach

Ecobank is committed to engaging with different stakeholders to promote a better understanding, of the Bank's approach to managing environmental and social issues. In 2015, we devoted resources and energy to connecting with stakeholders, serving as resource for the development of national position papers on climate change for the CoP 21 in Paris. Details of our foremost outreaches are outlined below.

5.6.1 World Environment Day 2015

Ecobank joined with the Government and other environmental development stakeholders in Togo to commemorate World Environment Day on the 5 June 2015. The global theme for 2015 was 'Seven Billion Dreams, One Planet. Consume with Care'. As part of the activities to mark the day, Togo's environmental protection agency (Agence Nationale Gestion Pour l'Environment – ANGE) organised a tree planting ceremony in Lomé, which was attended by an array of dignitaries, including the Minister for Basic Development, the Director General of the Ministry of Environment and Forest Resources and a former managing director of Ecobank Togo.

A former managing director of Ecobank Togo planting a tree

Sustainability report

5.7 Global Initiatives

Ecobank continues to ensure that its commitment to sustainability goes beyond compliance with legal requirements, representing an effective tool for sharing competitive knowledge and strengthening networking opportunities. The aim of our participation in global sustainability initiatives is to leverage best practices to improve our in-house sustainability programme and its implementation.

5.8 Internal carbon footprint management

Low carbon footprint practices, which include reduced electricity consumption, a reduction in emissions and waste from air travel, waste paper reduction and the introduction of diesel-powered generators, are being encouraged across the Ecobank Group. Ecobank remains steadfast in pursuing a low carbon banking operation and this has informed the design and implementation of a carbon footprint total score card for collation and measurement of monthly data on energy, travel and paper usage for determining savings in its carbon footprint.

Ecobank adopted/signatory ESG Frameworks

Initiative		Date Adopted/ Signatory/Membership
UNEP Finance Initiative	United Nations Environment Programme Finance Initiative (UNEPFI)	2009
The Global Compact	United Nations Global Compact (UNGC)	2011
IFC	IFC Performance Standards for Sustainability	2011
Equator Principles	Equator Principles	2012
	Nigeria Sustainable Banking Principles	2012
Kenya Bankers Association	Kenya Sustainable Finance Initiative	2015

[1] Elkington, J. (1997), Cannibals with Forks: the Triple Bottom Line of 21st Century Business, Capstone Publishing

[2] Transactions with potentially limited adverse social and/or environmental impact that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures

[3] Transactions with potential adverse social and/or environmental impact that are generally beyond the site boundaries, largely reversible and readily addressed through relevant mitigation measures

[4] Low: Transactions that carry minimal or no environmental or social impact

[5] Transactions with potential significant adverse social and/or environmental impact that are diverse, irreversible or unprecedented.

People report

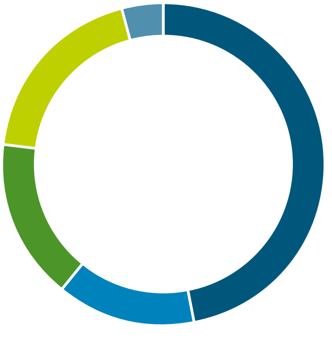
Maximising Our Human Capital Potential for Sustainable Shareholder Returns

Employee data
(As at 31 December 2015)

	2015
Number of employees	19,568
Female Representation	43%
Nationalities	40
Attrition Rate	9.9%

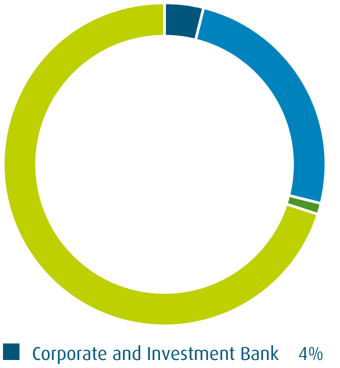
Julie Essiam

Employees by geographic segment/regions
(% as at 31 December 2015)



Nigeria	47%
AWA	14%
UEMOA	16%
CESA	19%
Others (including international)	4%

Employees by Business/Functions
(% as at 31 December 2015)



Corporate and Investment Bank	4%
Domestic Bank	14%
Treasury	1%
Support units/functions	70%

2015 Highlights

Specifically focused on building on what has already been achieved, to further embed a sustainable human capital strategy that:

- Positons Ecobank as an employer of choice
- Maximizes the potential of our workforce
- Positons Ecobank for sustainable long term success

This has been achieved by:

- Leveraging our current performance management platform to redefine a roadmap to a sustainable performance driven organization
- Executing business impact development and training programs to ensure strong capability and talent bench-strength across all business
- Embarking on a strategic people efficiency initiative focused on optimal staff cost management, enhanced staff productivity, and efficient staffing levels
- Commencing a gender diversity initiative to increase women in leadership positions.

Overview of 2015

With 19,568 employees representing 40 nationalities from across the world, the diversity of Ecobank's workforce is a core strength and a significant contributor to our distinctive culture.

We realise that in order to execute our strategy successfully, we must position human capital at the centre of our business. Our human resource strategy provides clear direction of overall talent acquisition, development and retention. It emphasises the importance of an appropriate mix of competencies to meet business demands. Our reward and recognition programmes are designed to create a supportive environment for our customers, staff and the business as a whole.

In 2015, the Human Resources department implemented a number of critical initiatives, processes and systems to drive the execution of our human capital value proposition and to support the Group's strategic goals to maximise shareholder returns. The focus was to build on recent progress and to ensure successful implementation of initiatives in the following core areas:

- Learning and Development
- Performance Management
- Compensation and Benefits
- Strategic Workforce Planning and People Efficiency
- Organisational Development and Talent Management
- Promoting Diversity and Inclusion
- Improving Employee Welfare

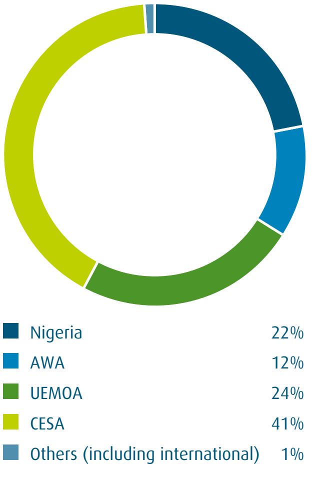
Learning And Development

As in previous years, the Ecobank Group Learning and Development function and the Ecobank Academy continue to partner with the Business Leaders across the Group to develop, deliver and drive the implementation of business impact training programmes covering every aspect of Ecobank's operations. The fundamental aim has been to ensure the delivery of the Group's strategic and business goals by using a competency-based approach to the development of training programmes which address skill gaps Key programmes delivered on this basis in 2015 included:

- **Professional Development programmes** that address the development of competencies aligned with specific roles across all career levels.
- **Leadership and Management Development programmes** designed around Ecobank's leadership competencies for senior, middle level, and front-line managers.
- **Business enabler programmes** that address specific employee development needs such as negotiating, influencing and communication skills.

Over the course of the year, 2,900 programmes were delivered (both instructor-led and e-learning programmes) to over 17,607 participants, of whom 17% were at a managerial level and 83% at officer level. Additional business flagship programmes successfully delivered across the Group included the Managing Directors' Programme, Leadership and Management Development Programmes, the Treasury Certification Programme, the SME Certification Programme, the Advanced Trade Finance Programme, the Branch Manager Certification Programme, the Customer Service Certification Programme, Core Credit programmes and the Operations and Technology Middle Management Development Programme.

Figure 1: A breakdown of number of participants by region

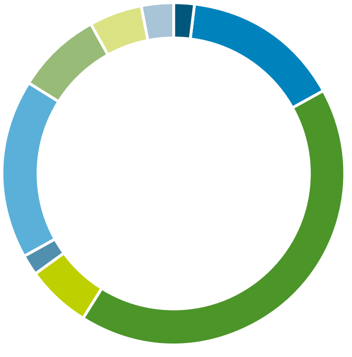


WAMZ – West African Monetary Union; UEMOA – West African Economic and Monetary Union; CEMAC – Economic Community of Central African States; SADC – Southern Africa Development Community

The delivery of these programmes contributed to a significant enhancement of staff capabilities, as evidenced by the increases in productivity that are emerging across the Group. The programmes implemented so far are highly rated by staff as the skills and tools acquired assist in the implementation of Ecobank's strategic objectives. In 2016, we will expand our training impact reporting, showcasing the Return on Investment (RoI) for each programme.

People report

Figure 2: A breakdown of training programmes delivered in 2015 by number of participants



Advanced Core Credit Programme	2%
Branch Manager Certification Programme	15%
Customer Service Certification Programme	42%
Ecobank Leadership and Management Development Programme	6%
Operations and Technology Middle Management Development Programme	2%
Sales Effectiveness Programme	17%
SME Certification Programme	8%
Trade Finance Programme (Basic and Advanced)	5%
Treasury Certification Programme	3%

The Ecobank Academy

Since becoming operational less than two years ago, the Ecobank Academy, or Group Learning Centre, has assumed a pivotal role in ensuring sustainable and effective delivery of developed curricula.

In 2015 the Academy made significant progress with one of its key efficiency initiatives, namely the establishment of regional satellite training hubs across Ecobank's network. All of these satellite campuses will be operational in 2016. The Academy will coordinate their operations to ensure consistency in the quality and delivery of programmes. The creation of these hubs is a solution as well as a response to the need for training for all levels of staff, at the same reducing the substantial travel costs previously incurred by employees attending courses at our Lomé headquarters. In 2015, programmes were delivered in Lagos, Abuja, Harare, Nairobi, Johannesburg and Douala.

Performance Management

In 2015 the Ecobank Performance Management (EPM) initiative focused resources in three areas:

- Working with an external vendor to design a 360° feedback process that encompasses the behavioural component of the Ecobank Performance Management System. This feedback process was piloted with the Group Management Committee (GMC) and will be incorporated in the latter's 2015 year-end review process. The behavioural framework is based on Ecobank leadership competencies, focusing on three aspects:
  - Leading Business
  - Leading Others
  - Leading Self.
- Working with Ecobank's subsidiaries to resolve emerging implementation challenges, including necessary revisions to the performance management framework itself, to ensure continued adherence to Group strategy.
- The transition to a Group-wide online performance management system. To achieve this resources are being committed to develop a robust and stable technology platform that will support the migration of the paper-based performance management system to an online platform.

Compensation And Benefits

One of the key developments in 2015 was the implementation of a revised incentive compensation ('bonus') model to promote a performance-driven culture within the Group. Having completed the design and execution of this new model, and as part of the 2015 compensation cycle, Ecobank is leveraging its successes and learnings to begin preliminary work on developing a holistic remuneration and reward framework, clearly aligned with Group strategy and shaping behaviours.

Strategic Workforce Planning And People Efficiency

This initiative is focused on right-sizing the organisation to achieve optimal staffing levels, in the process increasing staff productivity. Group-wide staff optimisation targets have been established. A hiring freeze across the Group has also enabled prudent management of headcount and staffing costs. Continuous efforts are being made to identify and implement mechanisms to increase staff productivity further.

Organisational Development And Talent Management

During the final quarter of 2015, we made good progress towards institutionalising our approach to organisational development and the introduction of a more robust talent management strategy. Both of these initiatives were developed and revised in line with business priorities and Ecobank's new 5-year strategic plan, the 'Roadmap to Leadership'. For example, we commenced a programme of business reorganisation to create a more agile, efficient and effective institution, leveraging on our scale and technology to drive speed to market and a more customer-centric approach. Additionally, structures and processes are being put in place to ensure that Ecobank attracts, develops and retains the right talent.

Promoting Diversity And Inclusion

As an increasingly global organisation, Ecobank has a highly diverse workforce, reflecting varying national, cultural and gender characteristics. The Group has prioritised the nurturing of a corporate culture where employees want to work and choose to stay. The fact that our workforce is made up of more than 40 nationalities enhances our overall customer insight, as well as our ability to meet their needs and those of our other stakeholders.

We are continuing to make significant progress towards greater gender diversity within all levels of the organisation. For example, females now make up 43% of the overall headcount, whilst 35% of the management team is now female.

As part of the 2015 International Women's Day celebrations, Ecobank's female staff reached out to their communities, donating gifts purchased with their own contributions to a number of poorly equipped maternity units in deprived neighbourhoods.

In October 2015, all Ecobank staff united in a day of community service. The so-called 'Ecobank Day' is now an established event in the Group's annual calendar. Its objective is to give back to the communities in which the bank does business. Ecobank employees altruistically dedicate their own time and energy to work on local community initiatives. The theme for 2015 was 'Every African child deserves a better future.' In Tchideme, a small village 45 kilometers north of the Togolese capital, Lomé, Group CEO Ade Ayeyemi led ETI staff in digging the foundations and laying the first corner stone of a new secondary school building. Ecobank also supports various Africa-wide healthcare initiatives, such as HIV/AIDS programmes and the fight against Malaria and other infectious diseases.

Ecobank continues to foster a culture where employees' contributions are listened to and valued. 'Voice of the Employee' surveys were conducted in various countries during the year, with transformational taskforces formed to address the issues identified.

Improving Employee Welfare

Ecobank's employee welfare policies have remained consistent. We continue to promote the well being of our employees and their families by providing various benefits, such as full medical cover (including medical examinations and repatriation in the event of critical illness). Other benefits include retirement schemes based on local regulations and practices and home leave air tickets. Reflecting the institution's commitment to family values, Ecobank sponsors annual activities such as end of year parties and gifts for staff children. Staff can also avail themselves of various loans at preferential rates, irrespective of their rank, enabling every employee to buy a home and other valuable assets.

There are also programmes and other workplace activities, such as sports, social and clubhouse activities, to encourage staff to be more physically active. In most countries, employees have access to an infirmary, where nurses are on call during normal working hours and doctors attend twice a week. Where there is no infirmary, staff healthcare arrangements are made with local medical centres.

The Group has also adopted best practice policies with respect to health and safety, stress management, violence, bullying and harassment in the work place.

Conclusion

The Human Resources platform made a considerable impact in 2015. HR priorities were closely aligned to business requirements and this clear partnership with the business helped to accelerate the devising and rollout of key initiatives that have seen immediate and positive results.

2016 will be an important year as the Human Resources function positions itself as a key enabler for the successful execution of Group strategy. Ecobank's 2020 People Strategy is based on three key principles, namely: the identification of drivers of shareholder value; developing a portfolio of human resources solutions to increase shareholder value; and the delivery of a comprehensive set of human resources services to enhance shareholder value. These principles will guide the execution of a three-pillar People Strategy:

- Attract, develop and retain the right talent;
- Deliver a performance- driven culture and environment; and:
- Leverage people and resources productively and efficiently.

Strategic HR Priorities for 2016

Directly aligned with the Group Business Strategy, HR will focus on executing strategic imperative initiatives that will enhance overall shareholder return. We will achieve this by focusing on the following:

- Attracting, Developing, and Retaining the Right Talent across all businesses and the platform to deliver the business strategy
- Delivering a Performance Driven Culture that will drive behavior and a sustainable performance culture
- Leveraging our People and Resources in a productive and efficient manner to further increase employee efficiency and effectiveness.

Julie Essiam
Human Resources and Chief Executive Officer,
Ecobank Foundation

Risk Management

The services we provide come with a range of risks, which have to be carefully managed, balancing the needs of our customers with the protection of Ecobank's financial stability. We have developed robust, forward-looking procedures to support proactive risk management, striking an appropriate risk/reward balance as we seek to capitalise on business opportunities.

Risk Management

Dayo Orimoloye

1. Risk Management Framework

Risk is an inherent part of the business activities of the Ecobank Group. Accordingly, Ecobank has designed a risk management framework and governance structure to achieve an appropriate balance between risk and reward.

The risk management framework consists of a comprehensive set of policies, standards, procedures and processes designed to identify, measure, monitor, mitigate and report significant risk exposures in a consistent and effective manner across the Group.

1.1 Risk identification

The Group identifies risk by evaluating the potential impact of internal and external factors on business transactions and positions. Risk managers then develop strategies for mitigation of identified risks. Such strategies include setting of appropriate risk limits (by customer, product and business) and obtaining sufficient collateral coverage.

1.2 Risk measurement

The Group uses a variety of methodologies to measure risk. These include calculating probable loss (both expected and unexpected), assessing risk rating, conducting stress tests and benchmarking.

1.3 Risk monitoring and control

The Group reviews risk management policies and systems regularly to reflect changes in markets, products and emerging best practices. Risk monitoring is based on the following central risk areas: credit risk (including counterparty risk), market risk, liquidity risk and operational risk. Risk professionals and internal auditors monitor risk exposures and adherence to approved risk limits by means of reliable and up-to-date information systems on a daily, weekly and monthly basis.

1.4 Risk Reporting

The Group allocates considerable resources to ensuring ongoing compliance with the approved risk limits. It has set guidelines for reporting to relevant management bodies, including the Board of Directors and the Group Executive Committee. Significant changes in the credit portfolio, non-performing loans and other risk measures are reported on a daily, weekly and monthly basis.

2. Major Risk Types

The Group is exposed to the following major risk types:

Credit risk is the probability of financial loss arising from the default or the credit risk migration of a customer or counterparty. It can arise either because the borrower or the counterparty is unwilling to perform or because their ability to perform has been impaired. Credit risk is said to be direct credit risk when it arises in connection with credit facilities such as loans and advances and indirect or contingent credit risk when the Group has guaranteed contractual obligations of a client by issuing letters of credit and guarantees. Credit risk also exists when the Group and its client have mutual obligations to exchange (deliver) financial instruments at a future date. The risk of default before settlement, also called pre-settlement risk, arises when the counterparty defaults before the contract matures and the Group suffers a financial loss in the process of replacing the unexecuted contract. The settlement risk becomes direct credit risk at the time of default.

Market risk is the risk of loss arising from adverse changes in market conditions during the period required by the Group to close out its on- and off-balance sheet positions. Losses may arise from changes in interest rates, exchange rates, equity prices, commodity prices, etc. Positions that expose the Group to market risk can be trading or non-trading related. Trading risk comprises positions that the Group holds as part of its trading or market-making activities, whereas non-trading risk includes discretionary positions that the Group undertakes for liquidity or capital hedging purposes. Sources of market risk include:

- **Interest rate risk** is the exposure of current and future earnings and capital to adverse changes in the level of interest rates. Exposure to interest rate risk can result from a variety of factors:
  - **Repricing risk** arises from timing differences in the maturity or repricing of assets, liabilities and off-balance sheet instruments.
  - **Yield curve risk** is the risk that changes in market interest rates may have different effects on prices of similar instruments with different maturities.
  - **Basis risk** is the risk that changes in market interest rates may have different effects on rates received or paid on instruments with similar repricing characteristics (e.g. funding an adjustable rate loan that is indexed to the 3-month Treasury bill with deposits that are indexed to the 3-month LIBOR). Interest rates for various assets and liabilities change at the same time, but not necessarily by the same amount.

- **Options risk** is inherent in embedded options in assets and liabilities. An example is provisions in agreements that give borrowers the right (and not the obligation) to prepay their loans, or give depositors the right (and not the obligation) to withdraw funds at any time, often with little or no penalty. These options, if exercised, can affect net interest income and underlying economic value.

- **Liquidity risk** arises from the general funding needs of the Group and in the management of its assets and liabilities. The Group is exposed to the risk that depositors' demands for withdrawals outstrip its ability to realise longer-term assets in cash. The Group, therefore, strikes a balance between its liquidity requirements and funding costs by capturing stable, reliable and low-cost sources of funding in all of its markets. There are two types of liquidity risk:
  - **Funding liquidity risk** is the risk that funds will not be available when needed to meet our financial commitments.
  - **Trading liquidity risk** is the risk that assets cannot be liquidated quickly enough at reasonable market prices. This can happen when the liquidity of a market disappears making it difficult, or costly, to close or modify positions without incurring unacceptably high losses.
- **Interest rate risk** and liquidity risk are interconnected, given that management of either side of the balance sheet has an impact on interest rate risk exposure.
- **Foreign exchange risk** is the risk to earnings and capital arising from sudden changes in the relative prices of different currencies. It can arise directly through trading in foreign currencies, making loans in a currency other than the local currency of the obligor, buying foreign-issued securities or issuing foreign currency-denominated debt as a source of funds. It can also arise when assets and liabilities are denominated in foreign (as well as domestic) currencies. The Group is also exposed to foreign exchange risk arising from adverse changes in currency exchange rates used to translate carrying values and income streams in foreign currencies to the US Dollar, Ecobank's reporting currency.
- **Equity price risk** is the risk of loss from adverse changes in the value of equity portfolios due to changes in equity prices.
- **Commodity price risk** is the risk of loss from adverse changes in the value of commodity portfolios due to changes in commodity prices.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. It is inherent in every product and service that Ecobank provides. It manifests itself in a variety of ways, including internal fraud, external fraud, transaction processing errors, business interruptions and disputes with employees, clients and vendors. Operational risk also includes legal risk, the risk of loss resulting from the failure to comply with laws, prudent ethical standards and contractual obligations. These events can potentially result in reputational harm to the Group (reputational risk).

Reputational risk is defined as the current or prospective risk to earnings and capital arising from an adverse perception of the Ecobank brand on the part of existing and potential transactional stakeholders, such as clients, trading counterparties, employees, suppliers, regulators, governmental bodies and investors. Stakeholders such as the media, Non-Governmental Organizations (NGOs), trade unions, competitors and the general public can influence the bank's ability to maintain existing or establish new business relationships and continued access to sources of funding.

Sovereign risk includes political, convertibility and cross-border risks. Such risks can arise from actions of a sovereign state or from unforeseen circumstances, such as wars and uprisings. They affect the ability of residents to meet their obligations to a lender who is domiciled in another country. In as much as the West African Economic and Monetary Union ('UEMOA') and the Central African Economic and Monetary Union ('CEMAC') share a "common" currency with the support of the Banque de France, risk exposures taken by Group subsidiaries registered within either economic union on residents of any country within either economic union are not considered as cross-border risks.

Strategic and franchise risks arise whenever the Group launches a new product or a new service, or when it implements a new strategy. The risk is that the strategy may fail, causing damage to the Group's image, which may impair the Group's ability to generate or retain business. However, the Group always carefully assesses both the impact of external factors on its strategic decisions (strategic risk) and the feedback from clients, shareholders and regulators on its results and capital (franchise risk).

Compliance risk is related to violations of rules and regulations in force in countries where the Group operates. The compliance risk also arises when the rules or regulations applicable to the products and activities of subsidiary banks are ambiguous. Such a risk could result in sanctions, penalties, damages and even the voiding of existing contracts. Legal and regulatory risks are part of compliance risk.

Disclosure risk is the risk of loss due to the presentation of incomplete or false information to the general public, shareholders or regulatory bodies. Non-compliance with accounting rules and requirements for rendition of reports to regulatory and supervisory or fiscal authorities could also give rise to strategic and franchise risks.

Risk Management

3. Governance Structure

The Group's Board of Directors exercises its oversight of risk management through the **Risk Committee** and the **Audit and Compliance Committee** of the Board. The Board articulates the amount of risk that Ecobank is willing to accept in the normal course of business (risk appetite) and sets the overall risk profile for the Group. The Risk Committee proposes risk policies and the overall approach to risk management, and monitors the adequacy of controls, compliance with risk policies and the Group's risk profile. The Audit and Compliance Committee ensures that the financial activities of the business are subject to independent review and external audit.

The **Group Chief Risk Officer** is the most senior risk management officer in the organisation, responsible for all risk activities, and reports functionally to the Board Risk Committee and administratively to the Group Chief Executive Officer. The Group Chief Risk Officer develops the risk management strategy, principles, framework and policies, and implements appropriate risk management processes, methodologies and tools for managing risk.

The **Group Chief Risk Officer** advises and coaches management and business units on risk management, monitors the application and effectiveness of risk management processes and co-ordinates appropriate and timely delivery of risk management information to the Group Chief Executive Officer, the Group Executive Committee (GEC), the Risk Committee and the Board. The **Group Chief Risk Officer** provides overall supervision of a Corporate Credit Centre, a Domestic Credit Centre, an Early Warning, Remedial & Recovery (EWRR) Centre, an Enterprise Risk Management (ERM) group, a Group Credit Administration unit and a Group Insurance unit. ERM is comprised of five departments in charge of Portfolio and Capital Management, Operational Risk Management, Market Risk Management, Risk Analytics and Environmental and Sustainability.

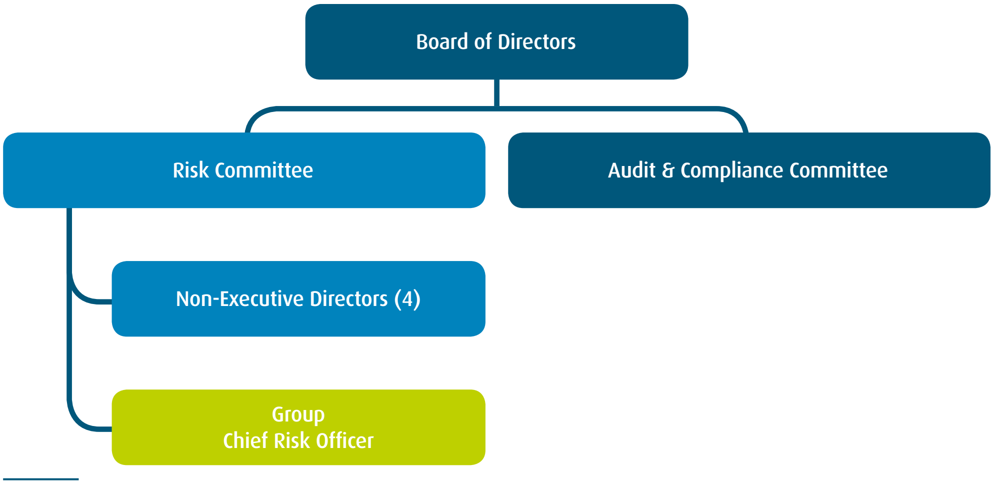
In each subsidiary bank, Group Risk Management is represented by a Risk Management department, which is completely independent from all the operating and risk-taking units. A Country Risk Manager, who reports functionally to the Group Chief Risk Officer, manages the Risk Management department.

In each geographical cluster, a Cluster Risk Manager, who reports administratively to a Cluster Business Head and functionally to the Group Chief Risk Officer, represents Group Risk Management.

The risk management approval process is centralised and fully independent of the businesses. Accordingly, all credit approval requests require the no objection of Group Risk Management before submission to the relevant board of directors for approval.

- **Credits to Governments, Financial Institutions and Corporate businesses**
  - Subsidiary banks initiate and approve credits within their approved limits.
  - Group Risk Management through its Corporate Credit Centre (CCC) reviews all credits initiated by the subsidiaries for consistency with Group policies and procedures and provides its **no objection**.
  - Upon receipt of the no objection from CCC and other required approvers, depending on the facility limits and nature of the transaction, the initiating subsidiary submits the request to the local board for approval for transactions above their approved limits

Risk Management Governance Structure

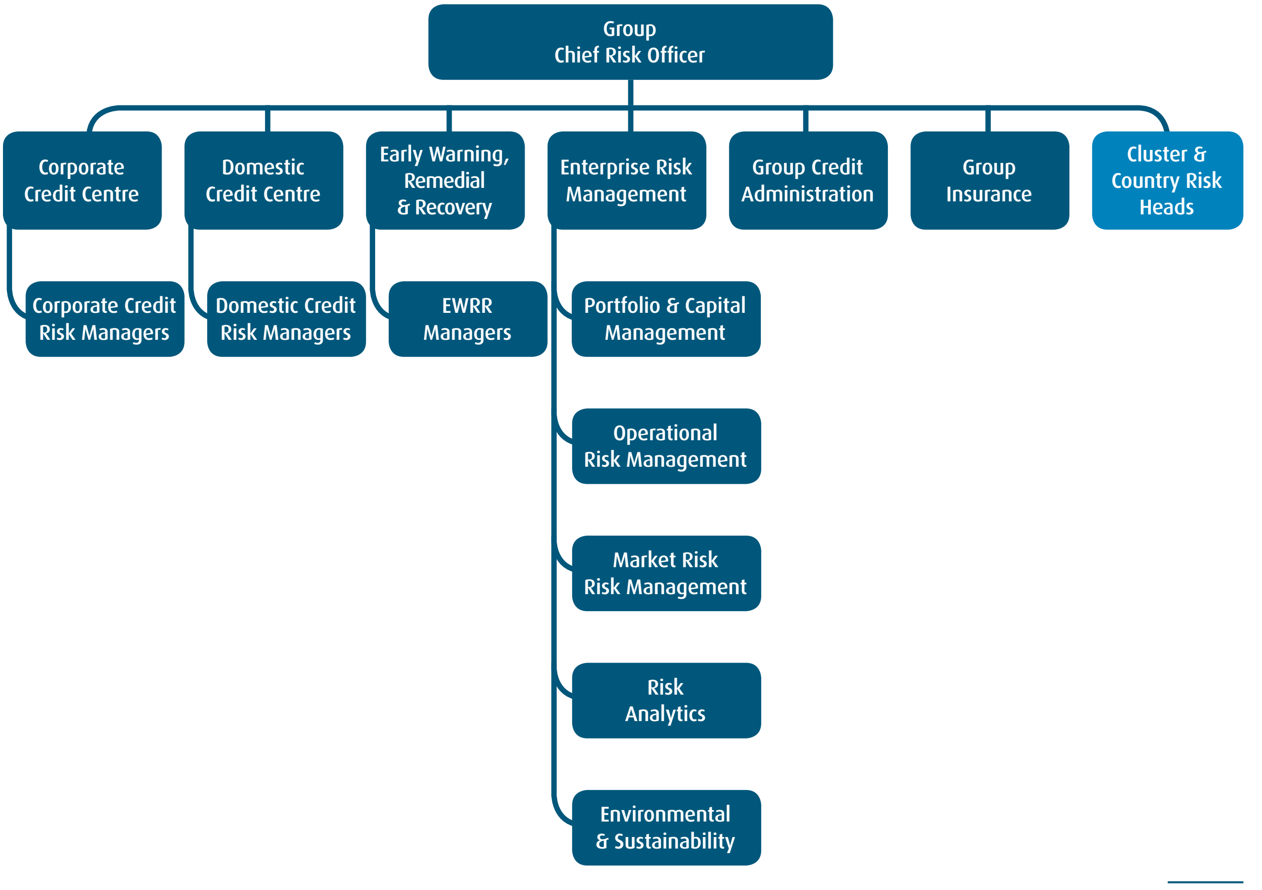


- **Credit to Individuals, SMEs and Local Corporates**
  - Credit transactions are approved under the terms and conditions of credit programmes previously approved by Group Risk Management through its Domestic Credit Centre (DCC).
  - DCC reviews credits above local limits for consistency with Group policies and procedures and provides its **no objection**.
  - Upon receipt of no objection from DCC, the initiating subsidiary submits credits above local limits to the local board for approval.

The **Group Asset and Liability Committee** (GALCO), a sub-committee of the Group Executive Committee (GEC), is responsible for the supervision and management of market risk (mainly interest rate and liquidity risks). Its members are the Group Chief Executive Officer, Deputy GCEO and Group Chief Operating Officer, Group Executive Director Finance, Group Head Domestic Bank, Group Head Corporate and Investment Bank, Group Head Operations and Technology, Group Chief Risk Officer, Group Head Internal Audit, Group Market Risk Manager, Group Head Strategy Management, Group General Counsel, Group Head Compliance and Group Treasurer. The committee meets quarterly to review the structure and pricing of Group assets and liabilities, to agree on the optimum maturity profile and mix of incremental assets and liabilities, to evaluate inherent market risks in new products and to articulate the Group's view regarding interest rates.

At the subsidiary bank level, the responsibility of asset and liability management lies with the Treasury Department. Specifically, the Asset and Liability Management (ALM) desk of the Treasury Department manages the balance sheet. The results of balance sheet analysis along with appropriate recommendations are reviewed in monthly ALCO meetings where important decisions are made to minimise risk and maximise returns. Local ALCO membership includes the Country Managing Director, the Country Treasurer, the Country Risk Manager, the head of Internal Audit, the head of Finance and the head of Legal.

Organogram of Group Risk Management



Risk Management

4. Risk Management Approach

4.1 Credit risk

4.1.1 Organisation

The Group manages credit risk by means of a governance structure with clearly defined responsibilities and credit approval authority.

The Board of Directors of ETI is the highest credit approval authority at Ecobank. It sets credit policies and ensures that all officers involved in the extension of credit across the Group strictly adhere to these policies.

From time to time, the Board delegates its credit approval authority to individual **credit officers** based on their credit skills, experience and independence of judgment. While credit approval limits are delegated to individual credit officers, no credit officer approves credits alone. All extensions of credit are approved by at least three credit officers, one of whom must have an individual credit limit equal to or greater than the amount of credit extension under consideration. Also, because of the separation of duties between origination and risk management, at least one of the three credit officers must come from the Risk Management department. Furthermore, all credits require the no objection of Group Credit Risk Managers at the Group level (as described in section 3 above).

The Board reviews and approves all credits in excess of the policy limit, defined as the maximum credit exposure to any borrower or group of related borrowers, currently set at 7.5% of the Group's consolidated shareholders' funds. It has, however, delegated this function through its **Risk Committee** to a Senior Credit Committee (SCC) consisting of five (5) Senior Executives, two of whom must be the Group Chief Executive Officer and the Group Chief Risk Officer, which has the authority to approve all such credits when the Board is not sitting. The Risk Committee comprises four non-executive directors. The Group Chief Risk Officer participates in Risk Committee meetings in a consultative and record keeping capacity.

The primary responsibility for managing credit risk, however, lies with the Group Chief Risk Officer. He ensures that Ecobank has resources, expertise and controls in place for efficient and effective management of credit risk across the Group. The Group Chief Risk Officer is expected to review all unusual risks as well as extensions of credit that exceed the credit authority granted to the Corporate Credit Centre and the Domestic Credit Centre and issue a no objection, where applicable. At the subsidiary bank level, a specially designated country risk manager fulfils the above functions.

Ecobank's subsidiaries receive delegations of credit approval authority from their respective boards of directors in line with the general framework set up by the Group Chief Executive Officer and the Group Chief Risk Officer

4.1.2 Risk identification

The Group's business activities can be divided into four segments: Domestic Bank, Corporate and Investment Bank, Treasury and support units designed to improve operating efficiencies. Each of these activities entails various risks that fall into the main categories of the Group risk management framework; these are credit, market, operational and liquidity risks.

Ecobank is exposed to credit risk through direct lending, issuance of financial and performance guarantees and capital market activities. Credit risk analysts work in partnership with the sales function in identifying risk exposures within each subsidiary bank.

Credit decisions are based on an in-depth review of obligor creditworthiness. The Group utilises an internal risk rating system that is based on a scale of 1 to 10 to rate commercial and industrial obligors, financial institutions, sovereign governments and small-to-medium scale enterprises ('SMEs'). A rating of '1' identifies obligors of the highest quality, comparable to AAA on the scale of Standard and Poor's. A risk rating of '10' is assigned to obligors of lowest quality or highest risk, identical to D on the scale of Standard and Poor's. Obligors risk rated 1 to 6 are considered as **'normal borrowers'**; those risk rated 7 are considered as **'borrowers requiring caution'**, while those risk rated 8 and 9 are **'substandard borrowers'**, and those risk rated 10 as **'borrowers at risk of permanent default'**.

Risk ratings provide an objective means to compare obligors and facilities within a given portfolio and to measure and manage credit risk using the same standards across different geographies, industry segments, business segments and other relevant risk factors. Accordingly, the level of credit authority required to approve any credit transaction is also based on the risk rating of obligors and facilities involved.

Risk ratings are assigned to obligors based on the probability that the obligor will default and to facilities based on the loss that is expected in the event of such a default. An obligor risk rating is defined as the risk of default on long-term unsecured debt in local currency over a twelve-month period. It is assigned and approved when a credit facility is first extended and is reviewed annually and upon the occurrence of a significant adverse event. The risk of default is derived from an analysis of the obligor's historical and projected financial statements and such qualitative criteria as industry issues, the obligor's position in the market, the quality of the board and management and access to financing. The process for determining the obligor risk rating is carried out through automated decision-making tools.

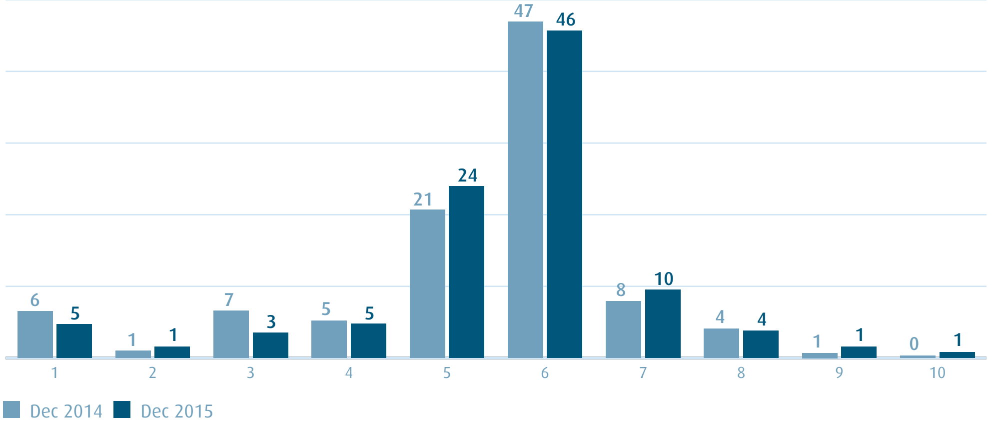
With regard to consumer lending, the Group utilises a credit programme approach whereby credit is extended on the basis of product-specific risk parameters, using scoring systems. The products involved are secured and of a self-liquidating nature.

A facility risk rating describes the risk associated with a particular facility of a given obligor. It is usually equivalent to the obligor risk rating; however, a different facility risk rating may be assigned by adjusting the obligor risk rating to take into account such factors as the facility structure or collateral.

As of 31 December 2015, the credit portfolio distribution by facility rating deteriorated with the normal credit risk category representing 84% of the portfolio compared to 87% as of 31 December 2014.

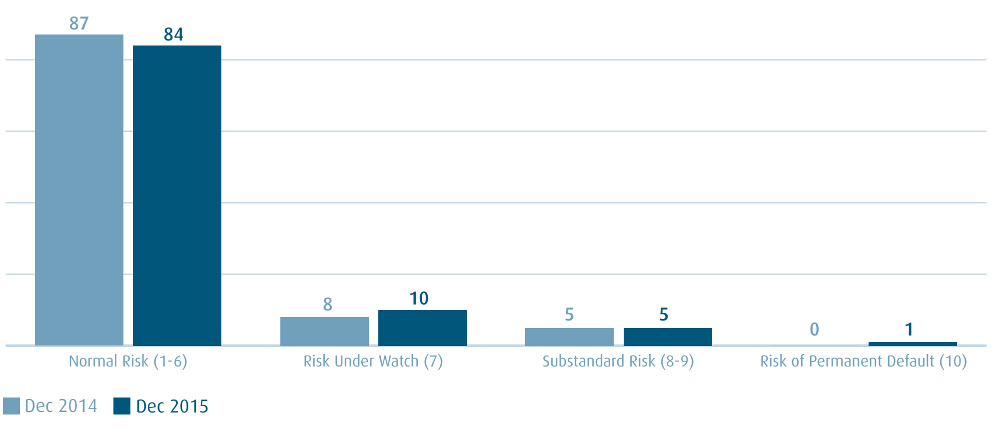
Portfolio Distribution by Facility Risk Rating

Percent of Total Portfolio



Portfolio Breakdown by Risk Category

Percent of Total Portfolio



Risk Management

4.1.3 Risk measurement

Credit risk measurement takes into account the actual risk exposure ('Exposure at Default' or 'EAD'), the probability of default ('PD') and the percentage of loss in the event of default (also called 'loss given default' or 'LGD').

To measure credit risk, the Group estimates the level of the statistically expected economic loss in the event of default. This figure measures the net present value of credit costs that the Group would face from the time of default until the end of the recovery process. Credit costs include all provisions taken against bad debts, write-offs, fully reserved interest earned not collected and possibly attorney fees incurred in the process of enforcing the Group's claims in court. Under the current methodology, the Group proceeds by assigning risk ratings to credit facilities of all the obligors in the credit portfolio. Then, the amount of credit exposure with a given facility risk rating is multiplied by the corresponding loss norms to arrive at a statistical measure of loss in the event of default on the exposure involved. The loss norm is the probability that an obligor will default within the next twelve months multiplied by the economic loss expected in the event of such a default. The weighted average loss norm provides a measure of the portfolio risk profile and portfolio risk rating. The results are compared with statistical loss measurement under the Group's economic capital model.

The portfolio risk rating remained stable at 6 as of December 2015 and the average probability of default for the portfolio increased from 6.9% in December 2014 to 7.5% in December 2015. This deterioration was triggered by the migration of facilities with risk rating of 1 to 6 to risk rating of 7 to 10.

4.1.4 Risk monitoring and control

Credit risk exposures of subsidiaries are monitored at the subsidiary level and at Group Risk Management level. At the subsidiary level, credit administration units monitor the performance of individual exposures on a daily basis, ensure regularity of credit approvals and line utilisations, authorise disbursements of credit facilities when approval conditions are met and perform periodical reviews of collateral. These units are also responsible for the preparation of internal risk management reports for country management and Group Risk Management. Risk control units within internal control departments provide a second line of defence as they ensure that controls are in place and are effective. Remedial management units identify early warning signals of portfolio quality deterioration and monitor past due exposures with a view to maximising collections of delinquent loans and recoveries of loans previously reserved or written-off.

At the Group level, the portfolio management unit monitors risks taken by subsidiaries on individual obligors and economic groupings through a review of monthly reports submitted by country risk management units of subsidiary banks. These reports include early warning systems designed to monitor troubled exposures and credit process problems. They also include detailed credit exposure data that enable the Group to monitor the risk profile in terms of obligors, business segments, industry segments, geography, currencies and asset maturity at country and Group level. Group Risk Management also determines the level of the statistical unexpected and expected economic loss, and the overall direction of the portfolio risk profile.

The portfolio management unit ensures that the Group is not exposed to excessive concentration of credit risk on any one obligor, asset class, industry segment or geography. In particular, the unit ensures that the Group achieves its strategic diversification objectives within the prescribed time horizon

4.1.4.1 Credit risk portfolio

In accordance with the Group Credit Policy, risk concentration limits are in place to ensure compliance with the Group's risk appetite. These limits are regularly reviewed by the Risk Committee to take into account changes in our operating environment, or in our business segments.

The Group has developed a framework for setting concentration limits. Concentration risk is monitored by addressing credit quality deterioration and portfolio diversification. With respect to portfolio quality, the probability of default (PD) of each risk factor (geography, industry segment, business sector, product etc.) is the main driver for limit setting because any increase in the PD (loss norms) is an indication of deterioration in portfolio quality; conversely, any decrease indicates an improvement in portfolio quality. With regard to portfolio diversification, concentration risk is measured by the level of statistically unexpected loss associated with each risk factor. Whereas expected losses have a direct impact on Group profitability, unexpected losses affect Group capital and, consequently, future performance. With the unexpected loss concept, Group Risk Management has been able to cap risk factors, which otherwise would have widened the gap between regulatory capital and economic capital and, thus, improve the credit risk profile.

The credit portfolio, net of provisions, amounted to $25.46 billion as of 31 December 2015 ($25.95 billion as of 31 December 2014). This 2% reduction was mainly a result of lower loans and advances to customers, which decreased by 9% year on year. Exposures to financial institutions (commercial and central banks) declined by 6% during the same period. The portfolio consisted of loans and advances to customers, securities, deposits with central banks, loans, advances and placements with banks and financial institutions, as well as off-balance sheet exposures in the form of financial and performance guarantees as shown in the table below.

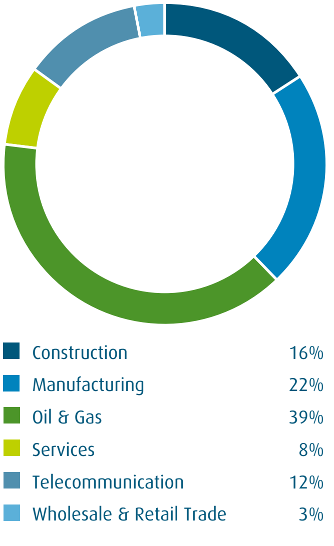
4.1.4.2 Obligor concentration

A large exposure is defined as any individual exposure that represents at least 10% of the total portfolio or at least 10% of the Group's capital at the obligor level. As of December 2015, there was no exposure equal to or greater than 10% of either total portfolio or capital. The twenty largest non-bank exposures represented 123% of the Group capital (December 2014: 116%) and 15% of the total non-bank credit exposures (December 2014: 15%). These exposures derive mainly from four industry sectors, namely: oil & gas, manufacturing, construction and telecommunications. Eighty-eight per cent (88%) of the top twenty exposures were 'normal credit risk' quality, i.e. with ratings ranging from 1 to 6.

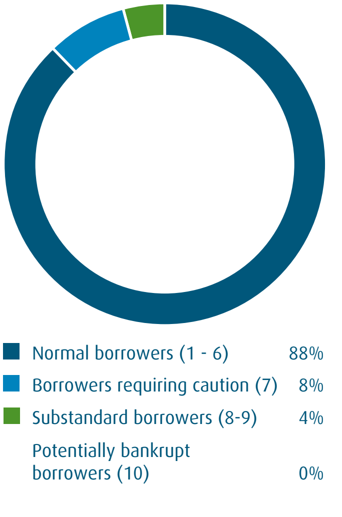
Credit Portfolio
($ millions)

	2015	2014
Loans and advances to customers	11,200	12,312
Treasury bills & government bonds	4,669	3,019
Loans and advances to banks and financial institutions	1,770	1,883
Deposits with central banks	2,570	2,856
Other on-balance sheet assets	368	1,005
Sub-Total Direct Exposures	**20,577**	**21,074**
Import letters of credit	1,719	1,775
Other guarantees and undertakings	3,168	3,099
Sub-Total Contingent Exposures	**4,887**	**4,874**
Total Portfolio	**25,464**	**25,948**

Top 20 Exposures by Industry Sector



Top 20 Exposures by Risk Category



Risk Management

4.1.4.3 Industry Diversification

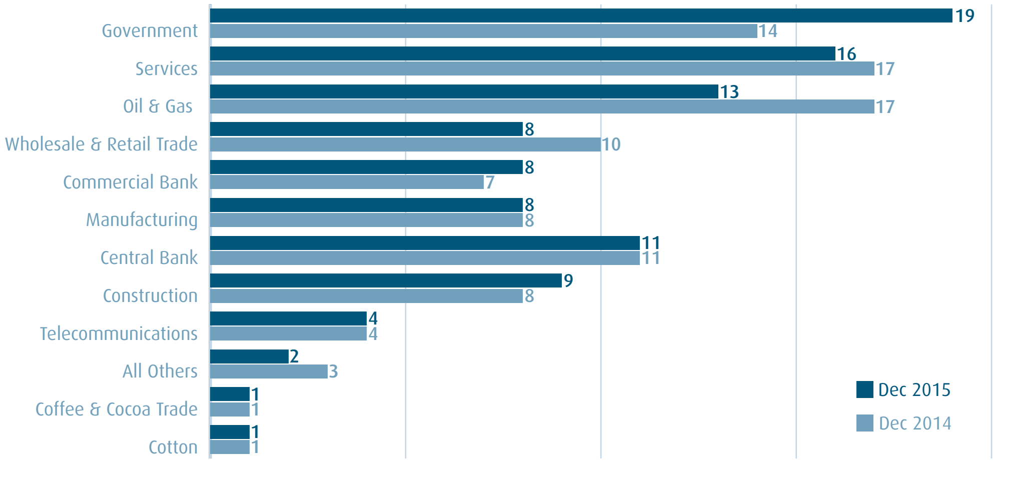
The portfolio breakdown by industry is consistent with a well-diversified credit portfolio, notwithstanding the highlighted concentrations in the governmental (mainly Treasury bills held for liquidity management purposes), services and oil & gas sectors. These three industrial sectors accounted for 48% of the total credit portfolio (December 2014: 48%).

4.1.4.4 Geographic Diversification

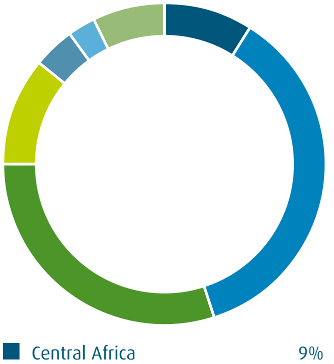
The Group has banking operations in 33 African countries and benefits substantially from the geographic diversification of its credit portfolio. Thirty-seven per cent of the Group's credit portfolio was granted to obligors in Nigeria (December 2014: 36%). Apart from Nigeria, no other country represented more than 10% of the portfolio.

At the regional level, Nigeria (37%) was followed by the Francophone West Africa Region (30%), the Rest of West Africa excluding Nigeria (9%), Central Africa (9%), OECD countries (5%), EAC (5%) and SADC (4%).

Diversification by Industry
(Percent of Total Portfolio)

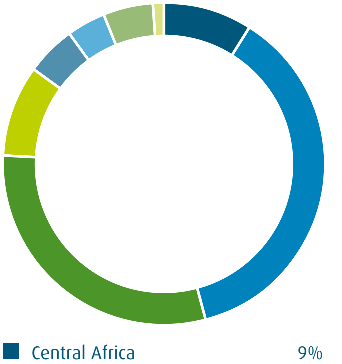


2014 Exposures by Region of Residence
Percent of Total Portfolio



Central Africa	9%
Nigeria	36%
Francophone West Africa	30%
Rest of West Africa (Ex. Nigeria)	11%
East Africa	4%
Southern Africa	3%
OECD Countries	7%

2015 Exposures by Region of Residence
Percent of Total Portfolio



Central Africa	9%
Nigeria	37%
Francophone West Africa	30%
Rest of West Africa (Ex. Nigeria)	9%
East Africa	5%
Southern Africa	4%
OECD Countries	5%
Others	1%

4.1.4.5 Currency Breakdown

The portfolio remained mainly denominated in 3 major currencies, namely the CFA Franc (36%), the US Dollar (30%) and the Nigerian Naira (23%). These three currencies accounted for 89% of the lending portfolio.

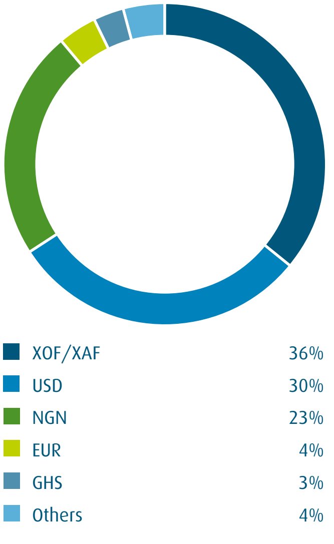
4.1.4.6 Asset Quality

4.1.4.6.1 Gross Loans and Advances to Customers

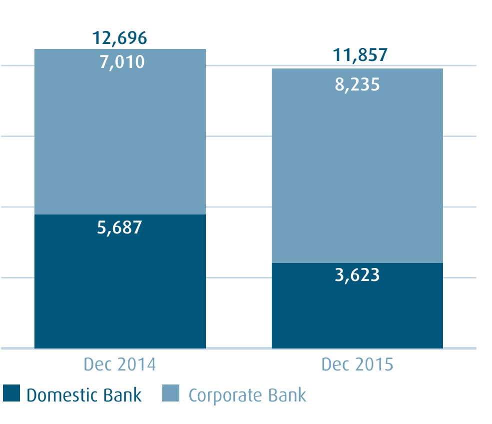
Gross loans and advances to customers decreased by 7% in 2015 to $11.9 billion, largely as a result of changes in exchange rates. The Corporate and Investment Bank segment increased by 17%, while the Domestic Bank segment decreased by 36%.

Gross loans and advances to customers decreased mainly in Nigeria (-10%), UEMOA (-3%) and CEMAC (-2%), whilst, contrastingly, increasing in SADC by 27%.

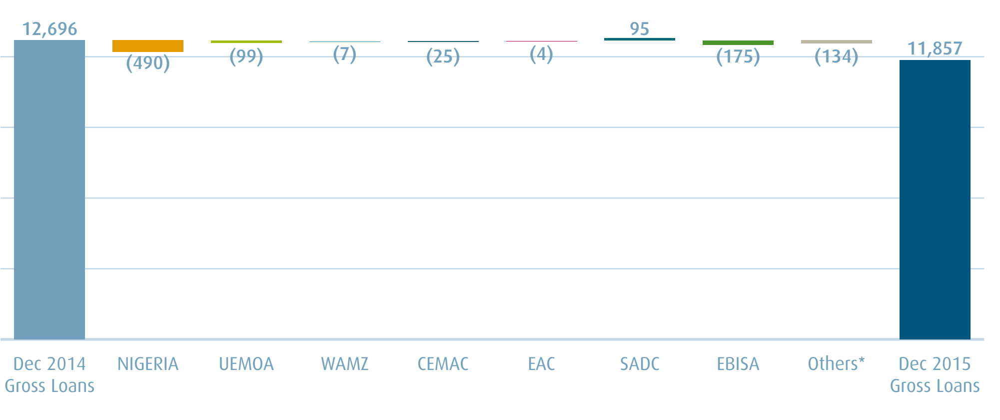
Credit Portfolio per Currency



Gross Loans by Business Segment



Geographical Contribution to the Increase in Loans to Customers
($ millions)



* Others refers to consolidation adjustment

Risk Management

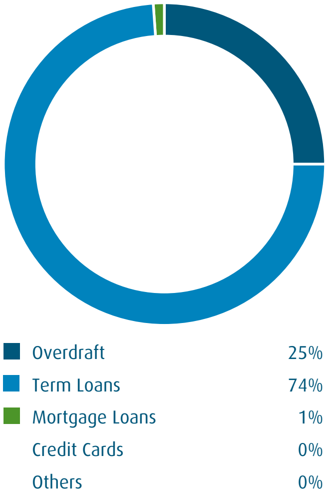
At the product level, loan contraction was driven by term loans, which represented 74% of total loans (2014: 79%).

4.1.4.6.2 Non-Performing Loans
Non-performing loans ('NPLs') increased by 73% (+$407 million) from $560 million in December 2014 to $967 million in December 2015.

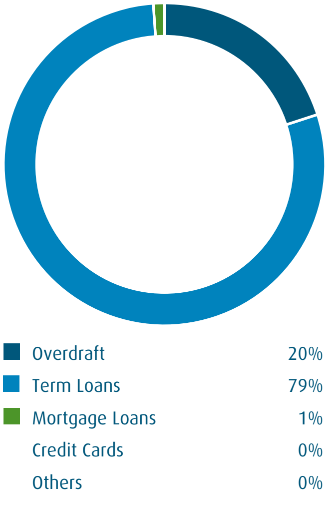
At the regional level, Nigeria recorded the highest level of NPLs, accounting for 47% (28% in December 2014) of total NPLs, followed by UEMOA and CEMAC which accounted for 31% (33% in December 2014) and 9% (13% in December 2014) of total NPLs, respectively.

As a result of the increase in total Non-Performing Loans, the ratio of non-performing loans to gross loans and advances ('NPL ratio') deteriorated from 4.4% as of December 2014 to 8.2% as of December 2015.

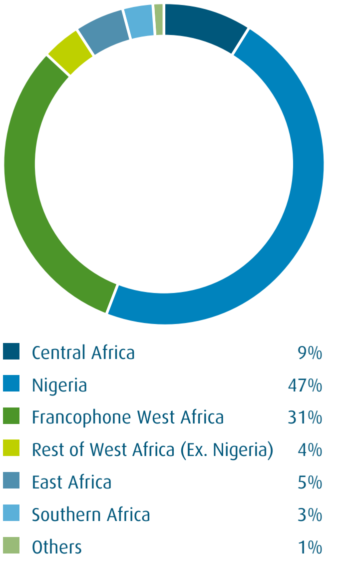
Loans: Product Concentration (2015)



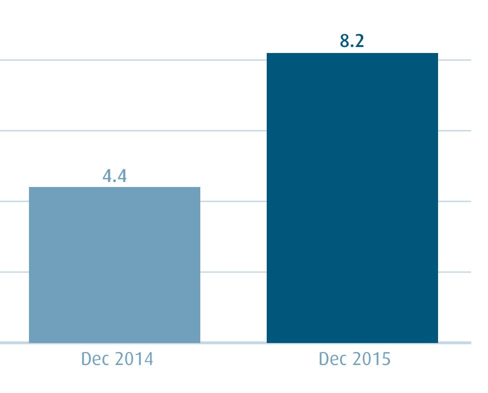
Loans: Product Concentration (2014)



Non-Performing Loans Contribution by Cluster



NPL Ratio

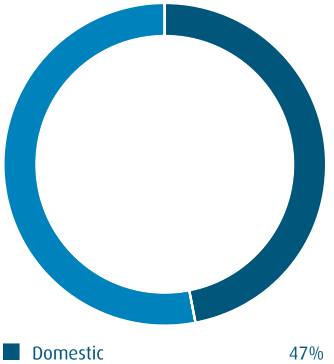


The breakdown of non-performing loans by business segment highlights a higher concentration of non-performing loans in the Corporate Bank (53%; 22% in December 2014) relative to the Domestic Bank (47%; 78% in December 2014).

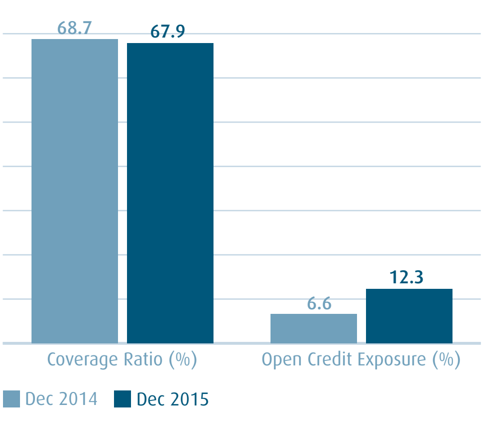
The NPL provisioning rate ('NPL coverage') deteriorated from 68.7% in 2014 to 67.9% in 2015, and the unreserved portion of the non-performing loans (i.e. the 'open credit exposure ratio') also deteriorated to 12.3% of the total equity in December 2015, compared with 6.6% in December 2014, due to the increase in non-performing loans.

The total impairment loss on loans and advances to customers for the year increased considerably from $229 million in 2014 to $427 million in 2015. Defined as a ratio of impairment losses to average gross loans and advances, the cost of credit deteriorated from 189 basis points in 2014 to 354 basis points in 2015.

Non-Performing Loans per Business Segment



NPL Coverage and Net Open Exposure



4.1.5 Portfolio Stress Testing

Stress tests are an important means of analysing our risk profile since they give management a better understanding of how Group portfolio is affected by macroeconomic changes, including the effects of negative events on Group capital. The tests support compliance with regulatory capital requirements and are an important tool in capital planning, where stress is applied to risks, income and costs. Stressing income affects the Group capital, while stressing risk exposures affects the capital need. This means that the stress tests quantify the effect of macroeconomic changes on the capital buffer.

For credit risk, the Group uses statistical models that transform macroeconomic scenarios into loss levels. The models are used to stress the probability of default ('PD'), causing higher loan impairment charges and a greater need for capital. The exposure is stressed further by subjecting collateral to stress, that is, a reduction in the collateral value.

For other risk types, such as market risk, the Group uses scenario-specific variables on current market positions and this can result in a decline in market values. The changes in market value are considered as losses that reduce Group earnings and capital.

The outcomes of stress test scenarios are reviewed on a consolidated basis across all risk types and compared with the Group risk appetite. They are reviewed by the management and the Risk Committee of the Board to ensure that the Group is prepared for worst case scenarios and that appropriate and necessary decisions are taken in the areas of Group risk appetite and capital management.

Several stress testing exercises were undertaken during 2015 to assess the potential impact of various crises (including political) on our businesses. The results showed that the Group had adequate capital in all scenarios.

4.1.6 Risk Reporting

Group Risk Management submits periodic dashboards to the Group Chief Executive Officer and Group Executive Committee (GEC). The Risk Committee reviews Risk Management's quarterly reports to ensure that the portfolio performs in accordance with approved policies, limits and risk appetite. The Risk Committee refers decisions to the Board for final approval.

Risk Management

4.2 Market Risk

Market risk comprises both price risk and liquidity risk. Price risk measures the impact of changes in interest rates, foreign exchange rates, equity and commodity prices and their implied volatilities on earnings. Group trading and non-trading books are exposed to price risk. Liquidity risk on the other hand refers to the risk that an organisation is unable, or is perceived to be unable, to meet its financial commitments.

The objective of Ecobank market risk management policy framework is to ensure that all significant market risks are identified, measured and managed in a consistent and effective manner across the Group in order to stabilise earnings and capital under a broad range of market conditions and to ensure that the Group possesses adequate sources of liquidity.

4.2.1 Organisation

Group market risk management oversees market risks related to all assets, liabilities and off-balance sheet items. The Risk Committee sets the overall risk policies for Group market risk exposures, including risk limits. Group Internal Audit provides timely and objective assurance regarding the continuing appropriateness of, and the adequacy of compliance with, the policy framework.

The Group Market Risk Manager ('GMRM') plays a coordination, aggregation, facilitation and enabling function. The GMRM drafts market risk policies, defines market risk management standards, develops and distributes tools and techniques and is responsible for training and promoting common risk language across the Group. The GMRM also publicises knowledge on market risk to create awareness and understanding at all levels of staff. The GMRM approves price risk limits and liquidity contingency plans for banking subsidiaries. In addition, the GMRM constantly monitors market risk exposures and ensures that they are maintained at prudential levels at all times. The GMRM also ensures that market risk management processes (including people, systems, operations, limits and controls) satisfy Group policies.

The staff and management working within or managing operational business units and their board of directors are responsible for the day-to-day management and control of market risk within their businesses.

4.2.2 Risk Identification

Consistent with an independent and centralised risk management function, Ecobank measures, monitors, manages and reports its exposure to market risk on a daily basis. It also conducts intraday spot checks of market risks in individual subsidiaries by calculating risk exposures with internally developed systems that cover all of its positions. In addition, conventional risk measures and mathematical and statistical measures, such as Value-at-Risk ('VaR'), are utilised to calculate market risk exposures as well as economic and regulatory capital.

At the subsidiary level, trading units maintain blotters for recording movements and balance sheet positions of traded instruments, which include daily monitoring of profit and loss balances of trading and non-trading positions. Internal controllers and market risk managers monitor daily trading activities to ensure that risk exposures taken are within the approved price risk limits and the overall risk tolerance levels set by the Board. ALCO members, treasurers and market risk managers monitor market risk factors that affect the value of trading and non-trading positions as well as income streams on non-trading portfolios on a daily basis. They also track liquidity indicators to ensure that subsidiaries meet their financial obligations at all times.

4.2.3 Risk Measurement

4.2.3.1 Banking Book

The bank's traditional banking loan and deposit products are non-trading positions and are generally reported at amortised cost. However, economic values of these positions may vary as a result of changes in market conditions, primarily changes in the levels of interest rates and foreign exchange rates, given that the Ecobank Group has banking operations in 33 countries in Africa with exposure to 20 different currencies. The risk of adverse changes in the economic value of our non-trading positions is managed through the bank's Asset Liability Management activities.

The Group currently uses repricing maturity gap analysis to measure exposure to interest rate risk in its non-trading book. Through this analysis, subsidiary banks compare the values of interest rate sensitive assets and liabilities that mature or re-price at various time periods in the future. In performing this analysis, the Group may make judgmental assumptions about the behaviour of assets and liabilities that do not have specific contractual maturity or re-pricing dates.

An interest rate sensitive gap is positive or a gap profile is said to be asset sensitive when the amount of interest rate sensitive assets exceeds that of interest rate sensitive liabilities maturing or re-pricing within a specified time period. It is negative (liability sensitive) when the amount of interest rate sensitive liabilities exceeds that of interest rate sensitive assets maturing or re-pricing within a specified period.

In general, an asset sensitive institution may expect net interest income to increase with rising market interest rates and decline with falling market interest rates. Conversely, a liability sensitive institution can expect net interest income to increase when market interest rates are falling and to decline when market interest rates are increasing.

4.2.3.2 Trading Book

At Ecobank, trading market risk generally emanates from the Group's market making activities where the Group acts as a principal. It therefore arises from open positions in interest rate and foreign currency positions and it is generally affected by changes in the level and volatilities of yields and foreign exchange rates.

Tools used to manage trading risk exposures include the following:

- Risk limits, driven by the notional size of net open positions ('NOPs') by currency and subsidiary
- Management Action Triggers ('MAT')
- Stop-Loss Limits
- Value at Risk.

Risk Management

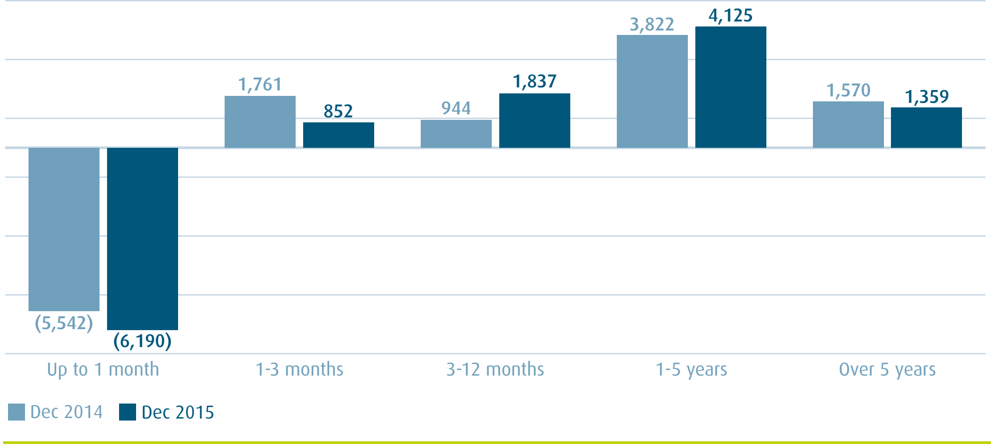
4.2.3.3 Liquidity Risk

Liquidity risk is currently managed using a balance sheet approach that estimates all sources and uses of liquidity, including loans, investments, deposits and borrowings, as well as contingent off-balance sheet exposures. Respective subsidiary treasurers are generally responsible for formulating their subsidiary's liquidity and contingency planning strategies and identifying, monitoring and reporting on all liquidity risks. The main tools used for liquidity risk measurement are the contractual and behavioural maturity gaps, ratio analysis and stress testing.

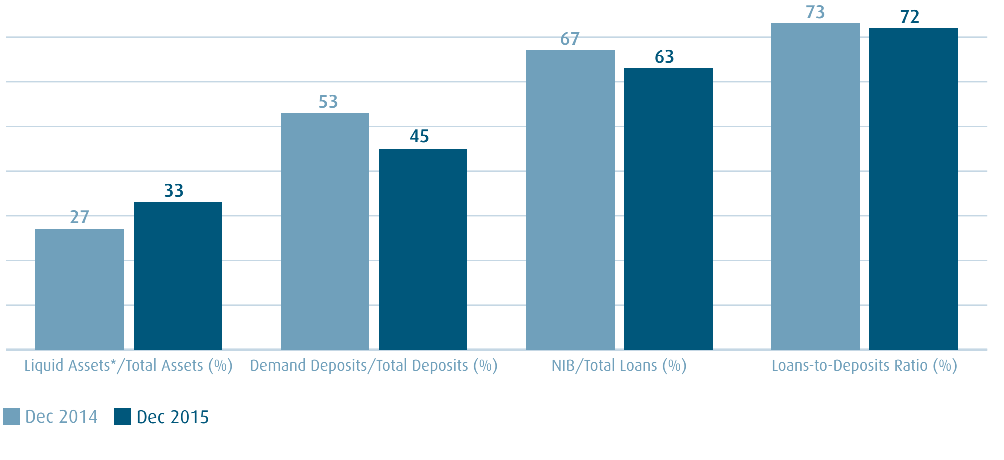
As shown in the following graph, the Group was exposed to liquidity risk as of 31 December 2015 for maturities of up to one month; this is due mainly to the overnight contractual maturity of current and savings deposits which accounted for over 75% of total deposits and are included in this maturity bucket. However, the risk is mitigated by the stable nature of these deposits from a behavioural perspective and the Group's ability to pledge its robust investment portfolio for cash at central banks.

The Group liquidity position improved during 2015, with the liquidity ratio ('LR') increasing from 26.5% to 33.2% while the loan-to-deposit ratio ('LDR') improved slightly from 72.8% as of 31 December 2014 to 72.2% as of 31 December 2015.

Contractual Liquidity Maturity Gap
(US$ Milion)



Key Liquidity Indicators



* Liquid Assets refer to Cash + Balance with Central Bank (excludes minimum regulatory requirements) + Unencumbered Securities + Available Operating Account balances with Other Banks + Interbank Placements

In line with policy, the Group conducts stress tests to measure its immediate liquidity risk and to ensure that it has enough time to respond to potential crises. The stress test, which is conducted monthly, covers a time horizon of up to thirty days. The test estimates liquidity risk in various scenarios, including a name specific scenario and a general market crisis.

The analyses are based on the assumption that the Group does not reduce its lending activities. This means that existing lending activities are maintained and require funding. Most of the Group's unencumbered Treasury bill and bond holdings can be used as collateral for loan facilities with central banks and, thus, are considered liquid. Scenario-specific haircuts are used on the Treasury bill and bond portfolio. Potential liquidity outflows from unutilised, but irrevocable loan commitments are also factored in.

The degree of possible refinancing of funding sources varies depending on the scenario in question as well as on the specific funding source. To analyse the stability of funding, the Group breaks down deposits into personal/corporate, core/non-core and term/non-maturing, as well as geographically, according to the Group's position in each market.

The Group monitors the diversification of funding sources by product, currency, maturity and counterparty to ensure that its funding base provides the best possible protection if the markets come under pressure.

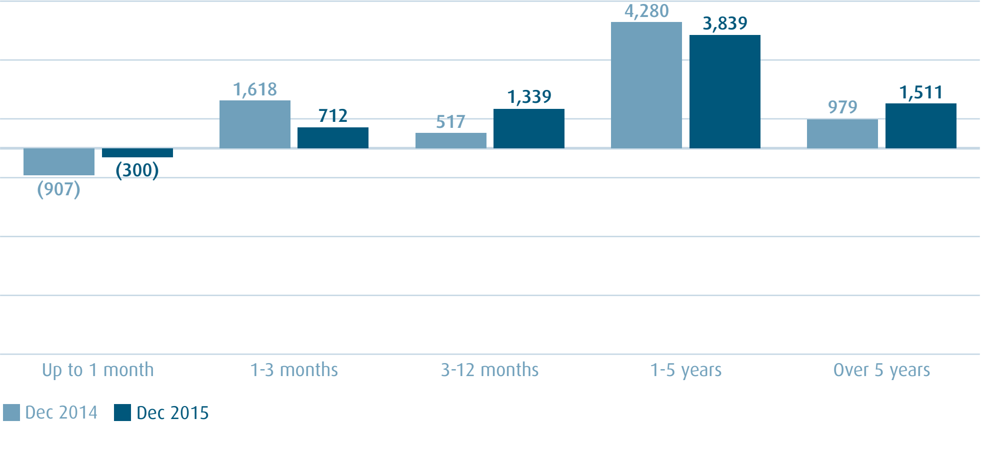
The Group was able to largely remain within its internal stress test targets throughout 2015.

4.2.3.4 Interest Rate Risk

As of 31 December 2015, there was a significant decline in the re-pricing mismatch in the up to 1 month bucket. Overall, however, the bank continues to be liability sensitive in the up to 1 month bucket and asset sensitive through the rest of the time bands.

Based on the re-pricing profile as of December 31 2015, it is estimated that a 200 basis points decrease/(increase) in rates across the maturity buckets is expected to increase/(decrease) one-year earnings by approximately $16 million ($10 million in 2014). This is a reflection of the re-pricing profile (liability sensitive on the up to 1 month bucket and asset sensitive on the rest of the tenors) because, under rising/(falling) interest rate environments, the expected negative/(positive) impact on net interest income as the negative gap exposure in the up to 1 month bucket re-prices more than offsets the positive/(negative) impact on net interest income accruing from the longer buckets which are asset sensitive.

Interest Rate Repricing Profile
(US$ Milion)



Risk Management

In order to estimate the impact of varying interest rates on the economic value of Ecobank's total equity, duration-based weighting factors (based on an assumption of 200 basis points across the time frame) recommended by the Bank for International Settlements ('BIS') were applied to exposures in different maturity buckets and the results were expressed as a percentage of the Group capital. The results for the position as of 31 December 2015 are shown in the table below.

The aggregate interest rate risk ratio increased from 15.50% in December 2014 to 19.43% of capital as of December 2015. Thus, a 200 basis points increase in interest rates is expected to reduce economic value by 19.43% (15.50% in 2014). Conversely, a 200 basis points reduction in rates is anticipated to positively impact the economic value of Group equity by the same magnitude.

4.2.3.5 Foreign Exchange Risk

Foreign exchange risk is the risk of losses on foreign currency positions caused by changes in exchange rates.

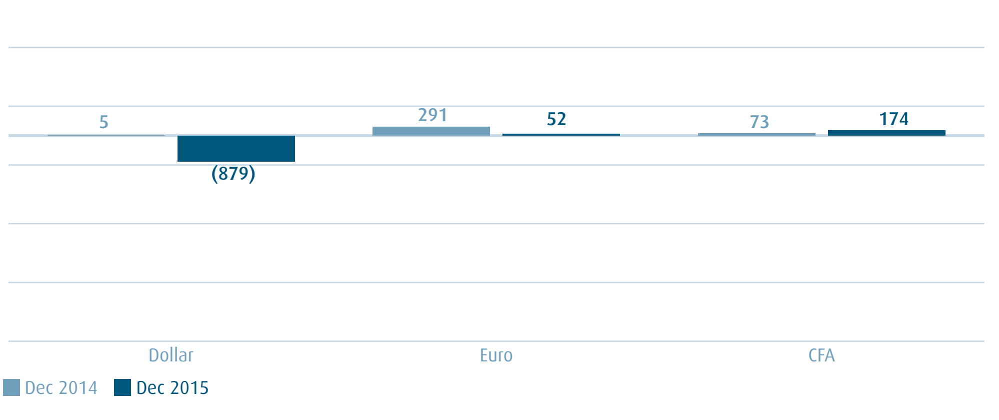
The Group is exposed to foreign exchange rate fluctuations in 20 currencies. The Nigerian Naira, the US Dollar and the CFA Franc continued to be the currencies to which the Group has significant exposure; accounting for 23%, 30% and 36% of the Group's credit portfolio respectively at the end of 2015. It is important to note that the CFA Franc is a common currency in 14 of the 40 countries in which the Group operates that is pegged to the Euro under financial agreements between the French Treasury and countries in the Francophone West Africa and Central Africa regions.

As of 31 December 2015, the Group had a net on-balance sheet long open position in EUR of $52 million (net long position of $291 million in December 2014), a net short open position in USD of $879 million (net long position of $5 million in 2014) and a net long open position in CFA of $174 million ($73 million long position in December 2014), as shown in the figure below.

Interest Rate Risk Ratio
(US$ millions except ratios)

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Gap	-300	712	1,339	3,839	1,511	
Weighting Factor (%)	0.08	0.32	1.08	5.28	17.94	
Adjusted Gap	-0.2	2	14	203	271	490
Interest Rate Risk Ratio (%)	-0.01	0.09	0.57	8.03	10.75	19.43

Net Foreign Exchange Position
(US$ millions except ratios)



4.2.3.6 Value at Risk

The Group measures and manages price risks in its foreign exchange and fixed income trading portfolios on the basis of Value-at-Risk ('VaR') calculations and stress testing. VaR represents the potential loss in the market value of a position or portfolio at a given confidence interval level and over a pre-defined time horizon and is used for risk monitoring and economic capital assessment. The table below shows basic statistics of the 10-day VaR for the foreign exchange and fixed income trading positions in 2015. The average VaR for 2015 was $1.4 million (2014: $5.4 million), of which $0.95 million was attributable to foreign exchange risk and $0.48 million to interest rate risk.

2015 Value at Risk
(US$ Millions)

	2015			
Risk category	Average VaR	Minimum VaR	Maximum VaR	Year End
Interest rate risk	0.48	0.15	0.81	0.81
Foreign exchange risk	0.95	0.12	2.36	0.82
Total VaR	1.44	0.27	3.17	0.63

4.3 Operational Risk

Ecobank defines operational risk as the risk of loss arising from failed or inadequate internal control processes, systems or people, or from events external to the Group. Operational risks include fraud, legal, regulatory, compliance, execution and business practices, but exclude strategic and reputational risk. Other risks (such as reputational, credit and market risk) are seen as potential consequences of operational risk events. Legal risk is the risk of loss resulting from the failure to comply with laws, prudent ethical standards and contractual obligations. Legal risk also arises when contracts executed with counterparties are not legally enforceable or documented correctly. The Group has established a common risk language to provide a consistent framework for the definition and categorisation of risk.

General and specific training through workshops, newsletters and mandatory operational risk awareness are conducted throughout the Group. Group Operational Risk Management ('GORM') acts as the coordinating point where all significant operational risks are identified, measured, assessed, prioritised, managed, monitored, reported and treated in a consistent and effective manner across the Group. GORM also ensures that existing policies and procedures adequately address risks emerging from changing operating environments. All subsidiaries have adopted the Operational Risk Policies and Procedures Manual ('ORPPM') approved by the Board.

Risk Management

4.3.1 Operational Risk Policy

The Group's operational risk policy covers the following activities:

- Identifying, monitoring and managing current and potential operational risk exposures;
- Managing 'critical risks' identified in the course of business unit reviews;
- Following up on reports from Internal Audit and regulatory authorities and informing the Risk Committee of issues that involve Group operational risks;
- Preparing management information on issues such as IT security, physical security, business continuity and compliance with legislation in these areas.

The Group enforces other policies covering security, fraud, control and compliance, which also support operational risk management.

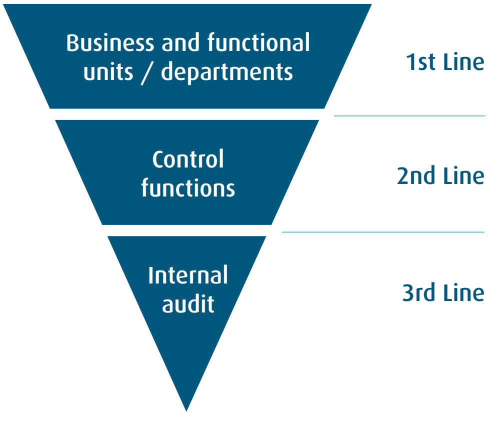
4.3.2 Organisation

4.3.2.1 Board Approval/Board Reporting

Pursuant to the Group Operational Risk Policies and Procedures Manual, ETI's Board of Directors must be advised of Ecobank's Operational Risk Management Framework, made aware of the major aspects of Ecobank's operational risks and receive periodic reporting of Ecobank's operational risk exposures, loss experience and other relevant operational risk information.

The Group operates an operational risk structure that ensures that the Board of Directors and the Group Chief Executive Officer have direct responsibility for operational risk throughout the Group. The Board acts through the Risk Committee, whose decisions are implemented by a centralised and independent Group Risk Management.

Operational risk governance structure:
The three lines of defence



4.3.2.2 Operational Risk Governance Structure

Ecobank maintains an Operational Risk Management Framework with a governance structure to support its core operational risk management activities of anticipation, mitigation and recovery. The Operational Risk Management activities of the bank are built on a '3 Lines of Defence' governance organisation. This is based on the principle that risk is best managed at those points and locations where they are generated. Therefore, the business units and functions at the first line own the risks and controls within their domains and this is anchored on a decentralised ownership with business management accountability for risks and controls. The second and third lines are comprised of the control functions and internal audit respectively.

First Line of Defence: The business: Owns its risks, including its operational risk, and is responsible for its management.

Second Line of Defence: Ecobank's control functions make up the second line of defence to enhance the effectiveness of controls and manage operational risks across products and business lines. The Second Line of Defence includes Operational Risk Management, Compliance, Internal Control, Finance, Human Resources and Legal. Legal and Compliance additionally advise on legal and regulatory issues that affect our risk and control environment and provide certain information related to emerging risks.

The Operational Risk Management team oversees the management of the operational risk framework for Ecobank. Group Operational Risk Management works proactively with Businesses and Functions at the Group and Subsidiary levels to embed a strong operational risk management culture and framework across Ecobank through effective identification, anticipation and mitigation of risks that could impact business objectives and in minimising operational risk events and losses.

Third Line of Defence: Internal Audit recommends enhancements on an ongoing basis and provides independent assessment and evaluation of the control environment.

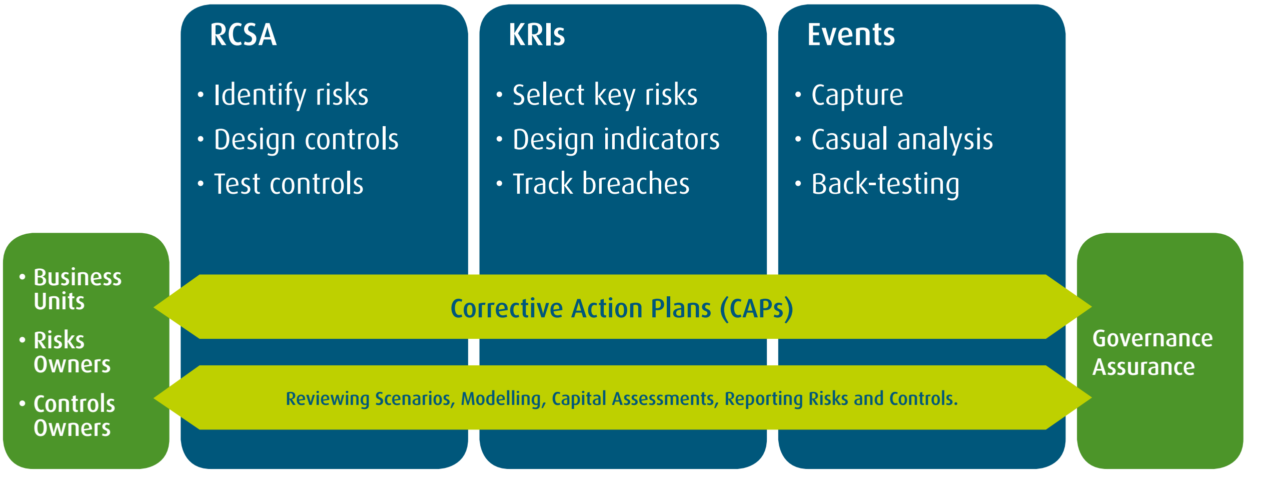
The Group Operational Risk Management ('GORM') is a central function at the Group office, supported by operational risk officers in all subsidiaries and affiliates. GORM drafts operational risk policies, defines operational risk management standards and develops tools, techniques, analysis, reporting, communication and training. It partners with Business Continuity Management ('BCM') in preparing, testing and reviewing the business continuity and disaster recovery plans. Business Continuity is coordinated from the BCM programme office. The Group Operational Risk Manager is responsible for coordination, aggregation, facilitation and enabling functions.

Over the past year, GORM worked closely with the Business units and other control functions, notably Internal Control, Compliance, Human Resources, Legal and Internal Audit, to develop and implement the foundational framework of the Risk and Control Self-Assessment ('RCSA') programme across the Group.

4.3.3 Operational Risk Management ('ORM') Framework

An operational risk framework is an essential prerequisite for the effective and efficient implementation of a risk and control assessment. It provides a clear understanding of the structure and process governing the identification of risks and controls and of how the risk and control assessment fits into the overall management of operational risks. The figure below depicts the ORM framework. It anchors the Group's operational risk management approach and escalation processes:

Operational Risk Management Framework



Risk Management

4.3.3.1 Risk and Control Self-Assessment ('RCSA')

The Risks and Controls Self-Assessment ('RCSA') programme provides a range of diagnostic tools that assist Senior Business Managers to:

- Identify the most significant operational risks to business activities;
- Assess the overall effectiveness of Key Controls that mitigate significant operational risks;
- Detect and address specific weaknesses in the design and/or execution of Key Operational Controls and/or related business processes, and
- Detect and address emerging operational risks to business activities.

RCSA also provides a common framework to facilitate comprehensive and consistent Risk and Control Assessments across the Group and its subsidiaries, including the consistent assessment of control issue materiality and RCSA Entity Ratings and the detection of emerging risks and Systemic Control weaknesses.

4.3.3.2 Key Risk Indicators ('KRIs')

Key Risk Indicators (KRIs) are early warning tools that aid and support effective monitoring, supervision and management. A KRI's threshold or limit is set to establish values or limits that, when exceeded, alert the business to a potentially significant change in risk exposure, which triggers escalation and action. They should be set with consideration of the business' overall risk appetite.

KRIs complement the RCSA processes. They are quantifiable measures linked to the documented key risks in the risk evaluation processes. They enable changes in a risk level to be monitored for improvement. They are effective management tools for validating the RCSA process.

Business units collect KRI data to signal issues where remedial action is required. The process thus leads to senior management committing to corrective action plans ('CAPs') for KRI breaches, which are tracked by GORM.

4.3.3.3 Events

Events management involves identifying, analysing and recording details of events so that the Group can avoid repeated occurrences. Analysing root causes that crystallise into loss events assists management in taking the necessary steps to tighten controls. Early detection and escalation facilitates effective remediation and improves the chances of recovery of operational risk losses. The Group has implemented a centralised platform for managing all losses.

The process also leads to senior management committing to corrective action plans ('CAPs') when root cause analyses have been completed.

4.3.3.4 Risks and Controls Ownership, Governance, and Assurance

Within the framework, business units own the risks and controls. Their efforts are guided by control and risk functions (Internal Control and Operational Risk) because these are independent from the business. Both Internal Control and Operational Risk track corrective actions plans ('CAPs') and report on these to senior management. The Group Operational Risk unit has the primary responsibility for profiling business risks using methodologies covered in the ORM framework. It deploys the necessary tools across the Group. The Group Internal Audit function provides independent assurance through audits and risk reviews.

4.3.4 Risk identification, measurement, monitoring and control

Losses are categorised according to the Basel II event categories for operational risk losses. The loss categories are: internal fraud, external fraud, employment practices and workplace safety, disputes with clients, damage to physical assets, business disruptions and systems failure, and execution, delivery and process management.

The Group utilises an operational risk management application to collect, analyse and report operational loss event data across the network. Business units are thus able to monitor the key operational risk exposures and underlying drivers against policy thresholds set in the ORM framework.

Operational risk managers throughout the Group ensure that all operational risk events are recorded and reported to the appropriate management levels. Internal loss events are categorised into actual loss (an incident that has resulted in a financial loss), potential loss (an incident that has been discovered that may or may not ultimately result in a financial loss) and 'near miss' events. A 'near miss' event is an incident that was discovered through means other than normal operating practices and that, through good fortune or focused management action, resulted in no loss or a gain.

4.3.5 Compliance and Regulatory Risk

Ecobank has to deal with challenges resulting from significant regulatory changes in countries where it operates. These challenges could negatively impact its operations, especially in the face of an anaemic world economy and unrelentingly intense business competition. Ecobank continues to be impacted by a significant number of new regulatory requirements from multiple sources. Therefore, management continues to provide attention and resources to ensure that regulatory reforms and their related requirements are embedded in our policies, processes, products and operations.

Ecobank has implemented robust processes to ensure that all business units comply with all relevant laws and regulations, with the support of its Compliance department, which advises business and support functions on regulatory compliance across the footprint. The Group has also designed a compliance programme to ensure that its activities are constantly in alignment with regulatory requirements in countries where the Group is present. The Group's primary duty is to ensure that the businesses comply with local regulations, that the risks identified are mitigated with appropriate measures and are within the risk appetite of the Group.

4.3.6 Know-Your-Customer ('KYC') and Transaction Monitoring

The quality of information collected from our customers is a key element in improving overall customer service, with appropriate products and services. Our policies therefore require the maintenance of updated customer information within our files and systems.

The Compliance department ensures that our network is firmly secured and protected against money laundering, corruption or terrorism financing ('AML/CFT'). Ecobank monitors customers' transactions to identify suspicious transactions with an effective and efficient automated system. In addition, Ecobank closely collaborates with local law enforcement authorities and financial intelligence units ('FIUs') who are leading the fight against money laundering and terrorist risks.

4.3.7 Business Continuity Management

Ecobank's BCM programme is based on international BCM standards and principles. It outlines core business and function procedures for the recovery of operations or relocation in response to various disruptions. These procedures provide information for key Ecobank personnel to:

- Protect Ecobank staff safety and Ecobank property;
- Recover and resume operations to ensure business continuity;
- Evaluate the disruption situation and commence appropriate action;
- Provide our clients with access to critical applications;
- Establish communication procedures between Ecobank and our employees, clients and regulators, and;
- Safeguard Ecobank's records and intellectual property.

Affiliates and Business Units are guided to develop, maintain and test regularly comprehensive business continuity plans ('BCPs') to ensure continuous and reliable service. The BCPs are based on predefined strategies and are designed to ensure provision of critical business processes and applications within predefined recovery time frames.

The BCM Programme has assigned roles and responsibilities, which are detailed in the corporate policy and standards. This stimulates an effective approach throughout Ecobank and results in efficient business continuity capability. Business continuity specialists manage the BCM Programme at local and Group levels. Group BCM provide expertise and guidance to all Ecobank subsidiaries in developing, implementing, testing and maintaining effective BCPs and recovery procedures.

4.3.8 People Risk

People risk is subcategorised into intentional or dishonest acts (fraud, unauthorised policy and procedure breaches, collusion or sabotage) and unintentional causes (mistakes or errors due to lack of awareness of policies and procedures), both of which can lead to losses. The Group maintains zero tolerance for all dishonest acts and enforces Codes of Ethics on all staff. Management has implemented a number of control measures, including increasing on-site reviews, increased control awareness training, screening workers and disciplining staff involved in dishonest behaviour. People risk is further managed through the hiring process. Management continued to maintain an efficient balance between sales and processing staff ratios. Where external organisations provided services, subsidiaries were guided to assign less sensitive roles to such support staff. Employee screening was also extended to cover such non-permanent staffing arrangements.

4.3.9 Reputational risk

Ecobank has maintained a strong brand value across Africa. This is in spite of the Governance issues experienced during the last quarter of 2013 and early 2014. Although some of these events were reported in a way that was potentially detrimental to the Ecobank brand, executive management rolled-out a set of reforms including the implementation of a Governance Action plan, a new robust Corporate Governance Charter and a whistle blowing process. The completion of these reforms has resulted in renewed confidence in the institution and the strengthening of the Ecobank brand.

4.3.10 Legal risk

The Ecobank Group is involved in various types of litigations in the normal course of its business. In addition to cases instituted by members of the Group, Ecobank is also defending a number of legal proceedings from the various jurisdictions in which it operates. The total provisions that have been taken in respect of all litigations across the Group amount to \$30,850,567.

Risk Management

4.3.11 Operational risk reporting

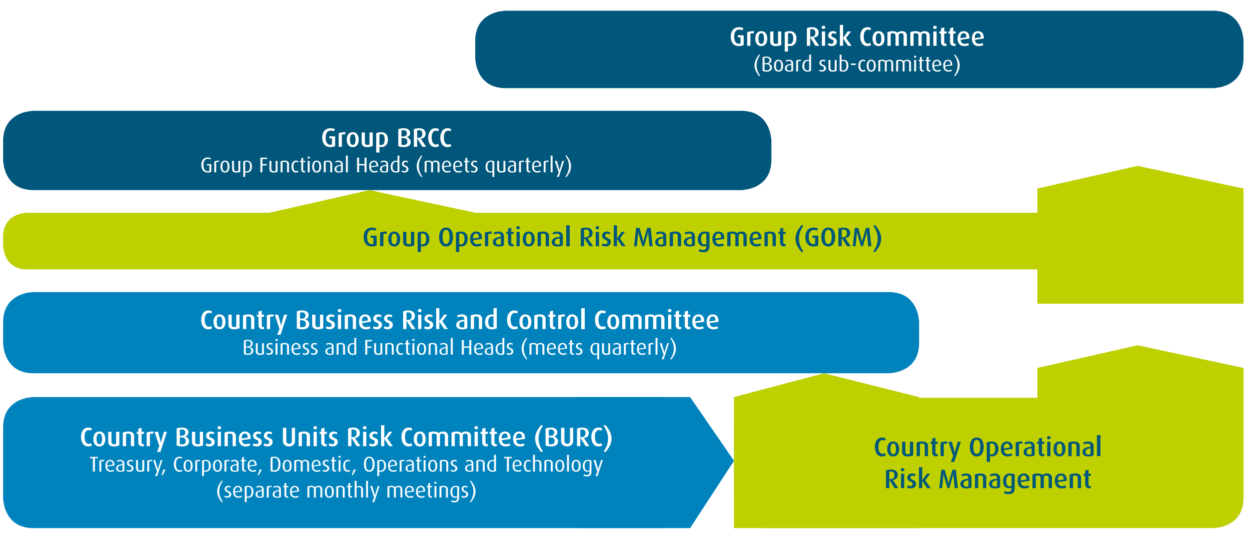
Operational risk reporting is an integral part of the governance structure. Clear mandates have been established in the Group. In addition to the day-to-day monitoring of events and follow-ups, all country Business Unit Risk Committees ('BURCs') meet monthly to review operational risks specific to those units and also identify emerging risks. Country Operational Risk and Country Internal Control or Internal Audit observe the meetings, whose proceedings are documented and escalated to Group Operational Risk.

Country functional heads meet as members of the Country Business Risk and Control Committee ('BRCC') on a quarterly basis to review key operational risks. Responsibilities are assigned as appropriate for outstanding action plans to be followed up. Country Operational Risk reports to GORM for escalation of significant issues to Group BRCC and Group Risk Committee via the Group Chief Risk Officer.

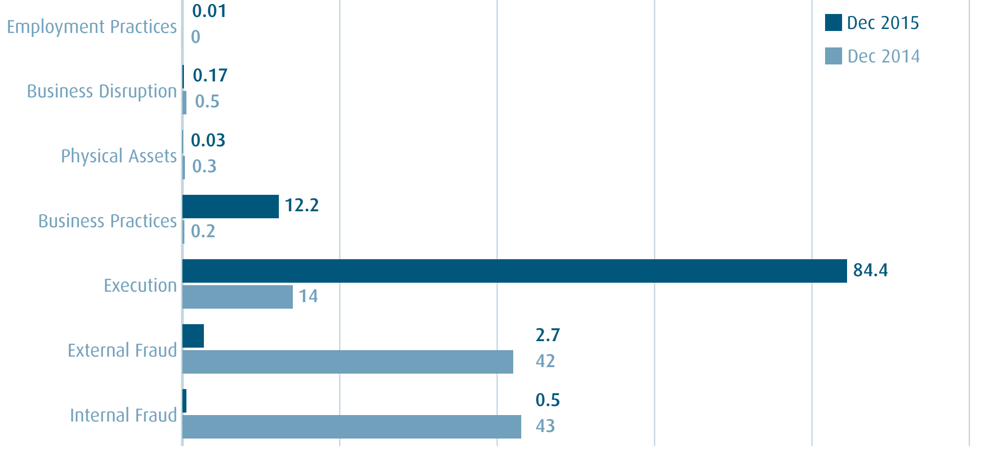
4.3.12 Events and losses

Group net operational risk losses in 2015 amounted to $122 million, against $13.99 million in 2014. Fraud events decreased year on year, from $11.767 million to $3.9 million in 2015. Internal fraud of $0.6 million constituted 0.5% of the total net loss for the year (compared to $5.9 million, or 43%, in 2014). In 2015, External fraud amounted to $3.4 million, of which $1.2 million was attributable to the Group's subsidiary in the

Operational Risk Governance structure



Net Operational Losses
Percentage of total



Democratic Republic of Congo. This represented 2.7% of the total net loss for 2015, versus $5.8 million, or 41%, in 2014. Execution delivery events amounted to $102.9 million, of which $70.3 million was attributable to Ecobank Development Corporation ('EDC'), a subsidiary of ETI. This represented 84.4% of the total net loss for 2015 (2014: $2 million or 14%) and other events, largely attributable to EDC, constituted $15 million or 12.4%, with $14.6 million deriving from the Clients & Products event category.

5. Capital Adequacy

5.1 Group Level

Our capital management policies support business strategy and ensure that the Group is sufficiently capitalised to withstand severe macroeconomic downturns. In addition, they are designed to ensure compliance with regulatory capital requirements and support the Group's credit rating objectives.

Ecobank has two approaches to the measurement of its capital requirements: a regulatory approach and an internal approach. The regulatory approach is based on fixed uniform rules for holding adequate capital to support the risk that the Group assumes. Therefore, in all Ecobank's countries of operation, subsidiaries are required to hold a minimum capital level, which is determined by the regulators and is consistent with the recommendations of the Basel Committee on Banking Supervision. Under the original Basel accord, banks had to maintain a ratio of regulatory capital to risk-weighted assets of 8%. This ratio has been increased in some countries to 10% and, in some cases, 15%.

Since 2007, the Group has also been using an internal model based on Basel II standards for assessment of capital adequacy on a consolidated basis. In line with an evolving capital management framework and best-practice recommendations, in 2010 the Board approved the adoption of the economic capital concept as an additional internal method for capital assessment. At Ecobank, economic capital is defined as the amount of capital required to absorb unexpected losses arising from credit, operational and market risks over a period of one year at a 95% confidence level.

Under Basel I standards, risk-weighted assets decreased by 9%, from $16.58 billion at year-end 2014 to $15.13 billion in December 2015, largely a result of a $1.11 billion (9%) decline in Loans & Advances to customers over the period.

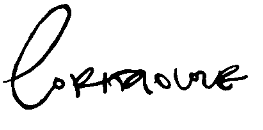
The Group's Total Regulatory Capital increased from $3.39 billion in December 2014 to $3.61 billion in December 2015, whilst Tier I capital increased from $3.03 billion in December 2014 to $3.11 billion in December 2015.

Accordingly, the capital adequacy ratio under Basel I as of 31 December 2015 was 23.9% (20.4% in December 2014), exceeding regulatory requirements and minimum international standards and the core (Tier-1) capital adequacy ratio was 20.5% (18.3% in December 2014).

Our internal models (Basel II and economic capital) have also confirmed the adequacy of the capital funds of the Group.

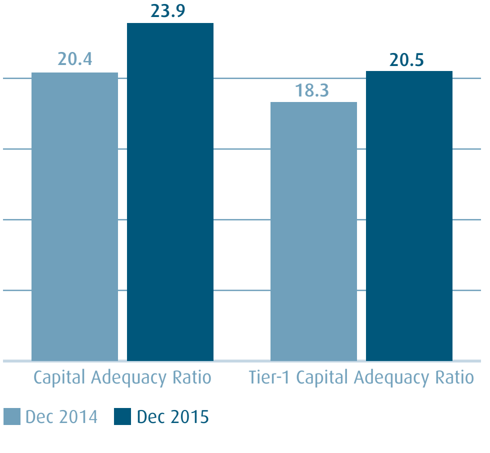
5.2 Capital Adequacy of Subsidiaries

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



Dayo Orimoloye
Group Chief Risk Officer

Capital Adequacy Ratio
(%)



Risk-Weighted Assets
(US$ million)

	Dec 2015	Dec 2014
Liquid assets	396	416
Loans to customers	11,200	12,312
Other on-balance sheet assets	2,559	2,879
Off-balance sheet assets	977	975
Total	15,133	16,582

Financial Statements

Our strategic focus now is on optimising our African footprint. This comprises efficiency-driven cost reduction, proactive asset management and strengthening our capital base. Our revised strategy and simplified operating model are geared to generating improving shareholder returns over time.

Statement of Directors' responsibilities

Responsibility for annual consolidated financial statements

The Directors are responsible for the preparation of the consolidated financial statements for each financial year that give a true and fair view of the state of financial affairs of the Group at the end of the year and of its profit or loss. This responsibility includes ensuring that the Group:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and its subsidiaries;

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 judgements and estimates, that are consistently applied.

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

Nothing has come to the attention of the Directors to indicate that the company and its subsidiaries will not remain a going concern for at least twelve months from the date of this statement.

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 company and its subsidiaries and of its profit or loss. 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 annual consolidated financial statements

The annual consolidated financial statements were approved by the Board of Directors on 1 April 2016 and signed on its behalf by:

Emmanuel Ikazoboh
Group Chairman

Ade Ayeyemi
Group Chief Executive Officer

Report of the Independent Auditors to the Members of Ecobank Transnational Incorporated

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of **Ecobank Transnational Incorporated and its subsidiaries ('the Group')**, which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an independent opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the accompanying consolidated financial statements give a true and fair view of the financial position of the **Ecobank Transnational Incorporated and its subsidiaries ('the Group')** as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

David Achugamonu
For: **Akintola Williams Deloitte**
Chartered Accountants
Lagos, Nigeria
5 April 2016

Moustapha Coulibaly
For: **Grant Thorton Côte d'Ivoire**
Chartered Accountants
Abidjan, Côte d'Ivoire
5 April 2016

Consolidated income statement

(All amounts in thousands of U.S. dollars unless otherwise stated)

Year ended 31 December	Note	2015	2014
Interest income	6	1,748,306	1,731,628
Interest expense	6	(602,746)	(622,221)
Net interest income		**1,145,560**	**1,109,407**
Fee and commission income	7	582,004	699,222
Fee and commission expense	7	(35,477)	(38,502)
Net trading income	8	412,958	462,648
Net (losses)/gains from investment securities	9	(951)	5,070
Other operating income	10	1,881	42,036
Non-interest revenue		**960,415**	**1,170,474**
Operating income		**2,105,975**	**2,279,881**
Staff expenses	11	(591,543)	(649,094)
Depreciation and amortization	11	(112,520)	(126,685)
Other operating expenses	11	(663,455)	(715,354)
Operating expenses		**(1,367,518)**	**(1,491,133)**
Operating profit before impairment losses and taxation		**738,457**	**788,748**
Impairment losses on :			
• loans and advances	12	(427,081)	(229,312)
• other financial assets	13	(104,963)	(37,648)
Impairment losses on financial assets		**(532,044)**	**(266,960)**
Operating profit after impairment losses		**206,413**	**521,788**
Share of loss of associates	25	(1,174)	(2,239)
Profit before tax		**205,239**	**519,549**
Taxation	14	(93,505)	(122,024)
Profit for the year from continuing operations		**111,734**	**397,525**
Loss for the year from discontinued operations	29	(4,270)	(2,755)
Profit for the year		**107,464**	**394,770**
Profit attributable to:			
Owners of the parent		**65,539**	**337,863**
• Continuing operations		67,845	339,351
• Discontinued operations		(2,306)	(1,488)
Non-controlling interests		**41,925**	**56,907**
• Continuing operations		43,889	58,174
• Discontinued operations		(1,964)	(1,267)
		107,464	**394,770**
Earnings per share from continuing operations attributable to owners of the parent during the year (expressed in United States cents per share):			
• Basic	15	0.28	1.69
• Diluted	15	0.28	1.60
Earnings per share from discontinued operations attributable to owners of the parent during the year (expressed in United States cents per share):			
• Basic	15	(0.01)	(0.01)
• Diluted	15	(0.01)	(0.01)

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

Consolidated statement of comprehensive income

(All amounts in thousands of U.S. dollars unless otherwise stated)

Year ended 31 December	Note	2015	2014
Profit for the year		**107,464**	**394,770**
Other comprehensive income:			
Items that may be subsequently reclassed to profit or loss:			
Exchange difference on translation of foreign operations		(294,529)	(433,754)
Net fair value gain/(loss) on available-for-sale financial assets	40	133,964	(40,389)
Remeasurements of defined benefit obligations	37	3,837	691
Taxation relating to components of other comprehensive income that may be subsequently reclassed to profit or loss	36	(51,555)	984
		(208,283)	(472,468)
Items that will not be reclassed to profit or loss:			
Property and equipment – net revaluation gain	27	528	112,179
Taxation relating to components of other comprehensive income that will not be reclassed profit or loss	36	(190)	(40,181)
		338	71,998
Other comprehensive loss for the year, net of tax		**(207,945)**	**(400,470)**
Total comprehensive loss for the year		**(100,481)**	**(5,700)**
Total comprehensive (loss)/income attributable to:			
Owners of the parent		**(109,175)**	**(41,000)**
• Continuing operations		(107,050)	(39,513)
• Discontinued operations		(2,125)	(1,488)
Non-controlling interests		**8,694**	**35,300**
• Continuing operations		10,504	36,568
• Discontinued operations		(1,810)	(1,267)
		(100,481)	**(5,700)**

Items in the statement above are disclosed net of tax. The deferred income tax relating to each component of the other comprehensive income is disclosed in Note 36.

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

Consolidated statement of financial position

(All amounts in thousands of U.S. dollars unless otherwise stated)

As at 31 December	Note	2015	2014
Assets			
Cash and balances with central banks	16	3,245,363	3,546,543
Financial assets held for trading	17	171,334	279,434
Derivative financial instruments	18	144,225	247,664
Loans and advances to banks	19	1,770,036	1,882,501
Loans and advances to customers	20	11,200,349	12,311,642
Treasury bills and other eligible bills	21	1,436,405	1,276,120
Investment securities: available-for-sale	22	2,669,692	1,435,580
Pledged assets	23	759,086	1,032,146
Other assets	24	513,629	486,318
Investment in associates	25	15,802	16,773
Intangible assets	26	382,451	410,257
Property and equipment	27	893,855	920,690
Investment properties	28	136,466	168,167
Deferred income tax assets	36	123,413	113,110
		23,462,106	24,126,945
Assets held for sale	29	91,813	116,617
Total assets		**23,553,919**	**24,243,562**
Liabilities			
Deposits from banks	30	703,674	912,841
Deposits from customers	31	16,427,553	17,436,970
Other deposits	32	729,712	573,300
Derivative financial instruments	18	1,336	20,478
Borrowed funds	33	1,779,277	1,540,264
Other liabilities	34	1,049,059	801,573
Provisions	35	28,694	26,368
Current income tax liabilities		69,081	69,061
Deferred income tax liabilities	36	117,821	65,405
Retirement benefit obligations	37	17,436	12,957
		20,923,643	21,459,216
Liabilities held for sale	29	107,031	129,261
Total liabilities		**21,030,674**	**21,588,477**
Equity			
Share capital and premium	39	2,029,698	1,979,523
Retained earnings and reserves	40	316,311	471,302
Equity attributable to owners of the parents		**2,346,009**	**2,450,825**
Non-controlling interests		**177,236**	**204,260**
Total equity		**2,523,245**	**2,655,085**
Total liabilities and equity		**23,553,919**	**24,243,562**

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

The financial statements were approved for issue by the board of directors on 1 April 2016 and signed on its behalf by:

Emmanuel Ikazoboh
Group Chairman

Ade Ayeyemi
Group Chief Executive Officer

Consolidated statement of changes in equity

(All amounts in thousands of U.S. dollars unless otherwise stated)

	Note	Attributable to equity holders of the Company: Share capital and premium	Retained earnings	Other reserves	Total	Non-controlling interests	Total equity
At 1 January 2014		**1,409,001**	**574,768**	**(47,334)**	**1,936,436**	**198,212**	**2,134,648**
Net changes in available for sale investments, net of taxes	40	—	—	(39,405)	(39,405)	—	(39,405)
Foreign currency translation differences	40	—	—	(412,148)	(412,148)	(21,606)	(433,754)
Remeasurements of post-employment benefit obligations	37	—	—	691	691	—	691
Net gains on revaluation of property		—	—	71,998	71,998	—	71,998
Other comprehensive income for the year		—	—	(378,864)	(378,864)	(21,606)	(400,470)
Profit for the year		—	337,863	—	337,863	56,906	394,770
Total comprehensive income for the year		**—**	**337,863**	**(378,864)**	**(41,000)**	**35,300**	**(5,700)**
Dividend relating to 2013	40	—	—	—	—	(29,252)	(29,252)
Treasury shares	40	1,932	—	—	1,932	—	1,932
Transfer from share option reserve	40	—	1,066	(1,066)	—	—	—
Transfer to general banking reserves	40	—	(208,558)	208,558	—	—	—
Transfer to statutory reserve	40	—	(154,459)	154,459	—	—	—
Net proceeds from shares issued:							
• Convertible loans		345,048	—	—	345,048	—	345,048
• Private placement	39	208,376	—	—	208,376	—	208,376
• share option exercised		34	—	—	34	—	34
Convertible loans – equity component		15,132	—	(15,132)	—	—	—
At 31 December 2014/ 1 January 2015		**1,979,523**	**550,680**	**(79,378)**	**2,450,825**	**204,260**	**2,655,085**
Net changes in available for sale investments, net of taxes	40	—	—	82,409	82,409	—	82,409
Foreign currency translation differences	40	—	—	(261,298)	(261,298)	(33,231)	(294,529)
Remeasurements of post-employment benefit obligations	37	—	—	3,837	3,837	—	3,837
Net gains on revaluation of property	40	—	—	338	338	—	338
Other comprehensive income for the year		—	—	(174,714)	(174,714)	(33,231)	(207,945)
Profit for the year		—	65,539	—	65,539	41,925	107,464
Total comprehensive income for the year		**—**	**65,539**	**(174,714)**	**(109,175)**	**8,694**	**(100,481)**
Dividend relating to 2014	40	—	—	—	—	(35,718)	(35,718)
Treasury shares	40	8,229	—	(7,152)	1,077	—	1,077
Transfer from share option reserve	40	—	359	(359)	—	—	—
Transfer to general banking reserves	40	—	(21,165)	21,165	—	—	—
Transfer to statutory reserve	40	—	(28,331)	28,331	—	—	—
Net proceeds from shares issued:							
• Conversion of Preference shares	39	3,842	—	—	3,842	—	3,842
• Bonus issue	39	37,655	(37,655)	—	—	—	—
• share option exercised	39	449	—	—	449	—	449
Convertible loans – equity component	40	—	—	(1,009)	(1,009)	—	(1,009)
At 31 December 2015		**2,029,698**	**529,427**	**(213,116)**	**2,346,009**	**177,236**	**2,523,245**

Consolidated statement of cash flows

(All amounts in thousands of U.S. dollars unless otherwise stated)

Year ended 31 December	Note	2015	2014
Cash flows from operating activities			
Profit before tax		205,239	519,549
Adjustments for:			
Net trading income – foreign exchange		(80,389)	(15,601)
Net (gain)/loss from investment securities	9	951	(5,070)
Fair value (gain)/loss on investment properties	10	22,160	(699)
Gain on bargain purchase	10	—	(568)
Impairment losses on loans and advances	12	427,081	229,312
Impairment losses on other financial assets	13	104,963	37,648
Depreciation of property and equipment	11	90,662	101,215
Net interest income		(1,145,560)	(1,109,407)
Amortisation of software and other intangibles	11	21,858	25,470
Impairment charges on property and equipment	11	—	27
Loss on sale of property and equipment		2,012	960
Share of loss of associates	25	1,174	2,239
Income taxes paid		(51,372)	(86,189)
Changes in operating assets and liabilities			
• Trading assets		108,100	(164,517)
• Derivative financial assets		103,439	(106,318)
• Other treasury bills		(263,179)	274,650
• Loans and advances to banks		17,568	(285,549)
• Loans and advances to customers		839,030	(686,701)
• Pledged assets		273,060	103,288
• Other assets		(27,311)	203,595
• Mandatory reserve deposits		526,764	(439,091)
• Other deposits		156,412	(104,660)
• Due to customers		(1,009,417)	947,066
• Derivative liabilities		(19,142)	19,024
• Other provisions		2,326	(2,143)
• Other liabilities		247,486	(124,525)
Interest received		1,748,306	1,731,628
Interest paid		(602,746)	(622,221)
Net cash from operating activities		1,699,475	442,412
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		—	(2,901)
Purchase of software	26	(24,154)	(10,874)
Purchase of property and equipment	27	(211,520)	(181,440)
Proceeds from sale of property and equipment		68,459	29,753
Purchase of investment securities	22	(1,459,656)	(4,113,497)
Purchase of investment properties		(7,980)	(484)
Proceeds from sale and redemption of securities		220,777	4,310,257
Net cash (used in)/from investing activities		(1,414,074)	30,814
Cash flows from financing activities			
Repayment of borrowed funds		(907,066)	(432,915)
Proceeds from borrowed funds		1,146,079	669,773
Proceeds of subscription of ordinary shares		264	208,376
Proceeds from sale of treasury shares		—	1,157
Dividends paid to non-controlling shareholders		(35,718)	(29,252)
Dividends paid to owners of the parent		—	—
Net cash from financing activities		203,559	417,139
Net increase in cash and cash equivalents		**488,960**	**890,365**
Cash and cash equivalents at start of year	42	2,373,090	1,641,749
Effects of exchange differences on cash and cash equivalents		(252,000)	(159,024)
Cash and cash equivalents at end of year	42	**2,610,050**	**2,373,090**

Notes to consolidated financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

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 operations in 40 countries and employed over 19,568 people (2014: 20,331) as at 31 December 2015.

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

The consolidated financial statements for the year ended 31 December 2015 have been approved by the Board of Directors on 1 April 2016.

2 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Ecobank Transnational Incorporated and its subsidiaries.

2.1 Basis of presentation

The Group's consolidated financial statements for the year ended 31 December 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. 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:

- available-for-sale financial assets, financial assets and financial liabilities (including derivative contracts), investment properties measured at fair value
- assets held for sale measured at fair value less cost of disposal
- defined benefit pension plans: plan assets measured at fair value

The consolidated financial statements are presented in US Dollars, which is the group's 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 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.

Notes to consolidated financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

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 4.

(a) New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2015:

I) Annual Improvements to IFRSs 2010 to 2012 and 2011 to 2013 cycles – effective 1 July 2014

The following amendments were made by IASB:

- IFRS 1 – confirms that first-time adopters can adopt standards that are not yet mandatory, but do not have to do so
- IFRS 2 – clarifies the definition of 'vesting condition' and now distinguishes between 'performance condition' and 'service condition'
- IFRS 3 – clarifies that an obligation to pay contingent consideration is classified as financial liability or equity under the principles in IAS 32 and that all non-equity contingent consideration (financial and non-financial) is measured at fair value at each reporting date.
- IFRS 3 – clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement
- IFRS 8 – requires disclosure of the judgements made by management in aggregating operating segments and clarifies that a reconciliation of segment assets must only be disclosed if segment assets are reported.
- IFRS 13 – confirms that short-term receivables and payables can continue to be measured at invoice amounts if the impact of discounting is immaterial.
- IAS 16 and IAS 38 – clarifies how the gross carrying amount and accumulated depreciation are treated where an entity measures its assets at revalued amounts
- IAS 24 – where an entity receives management personnel services from a third party (a management entity), the fees paid for those services must be disclosed by the reporting entity, but not the compensation paid by the management entity to its employees or directors.
- IAS 40 – clarifies that IAS 40 and IFRS 3 are not mutually exclusive when distinguishing between investment property and owner-occupied property and determining whether the acquisition of an investment property is a business combination.

II) Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) – effective 1 July 2014

The amendments clarify the accounting for defined benefit plans that require employees or third parties to contribute towards the cost of the benefits.

Under the previous version of IAS 19, contributions were allowed to be deducted from the cost of the benefits earned in the year the contributions were paid. However, the treatment under the 2011 revised standard was not so clear. It could be quite complex to apply, as it requires an estimation of the future contributions receivable and an allocation over future service periods.

To provide relief, changes were made to IAS 19. These allow contributions that are linked to service, but that do not vary with the length of employee service (eg a fixed % of salary), to be deducted from the cost of benefits earned in the period that the service is provided.

(b) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements, except the following set out below:

i) IFRS 9 – Financial instruments – effective 1 January 2018

IFRS 9 replaces the multiple classification and measurement models in IAS 39 Financial instruments: Recognition and measurement with a single model that has initially only two classification categories: amortised cost and fair value.

Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest.

All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognised at fair value.

All fair value movements on financial assets are taken through the statement of profit or loss, except for equity investments that are not held for trading, which may be recorded in the statement of profit or loss or in reserves (without subsequent recycling to profit or loss).

For financial liabilities that are measured under the fair value option entities will need to recognise the part of the fair value change that is due to changes in the their own credit risk in other comprehensive income rather than profit or loss.

The new hedge accounting rules (released in December 2013) align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

In December 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model.

With these amendments, IFRS 9 is now complete. The changes introduce:

- a third measurement category (FVOCI) for certain financial assets that are debt instruments
- a new expected credit loss (ECL) model which involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment losses and applies the effective interest rate method. A simplified approach is permitted for financial assets that do not have a significant financing component (e.g. trade receivables). On initial recognition, entities will record a day-1 loss equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

For financial years commencing before 1 February 2015, entities can elect to apply IFRS 9 early for any of the following:

- the own credit risk requirements for financial liabilities
- classification and measurement (C&M) requirements for financial assets
- C&M requirements for financial assets and financial liabilities, or
- C&M requirements for financial assets and liabilities and hedge accounting.
- After 1 February 2015, the new rules must be adopted in their entirety.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.

ii) IFRS 15 – Revenue from contract with customers – effective 1 January 2017

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Notes to consolidated financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

Key changes to current practice of IAS 18 and IAS 11 are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) – minimum amounts must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements.
- there are also increased disclosures.

There is a choice of full retrospective application, or prospective application with additional disclosures.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

iii) IFRS 16 – Leases – effective 1 January 2019

Early adoption of this standard is permitted if IFRS 15 is also adopted at or before application of IFRS 16.

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carried forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The impact of this standard is currently being assessed.

iv) Annual Improvements to IFRSs 2012 to 2014 cycle – effective 1 January 2016

This annual improvements clarify the following:

- IFRS 5 – when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such
- IFRS 7 – specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition
- IFRS 7 – that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34
- IAS 19 – that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise
- IAS 34 – what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information.

The impact of this standard is currently being assessed.

v) Disclosure initiative – Amendments to IAS 1 – effective 1 January 2016

The amendments to IAS 1 Presentation of Financial Statements are made in the context of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, including:

- Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes – confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method – the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

According to the transitional provisions, the disclosures in IAS 8 regarding the adoption of new standards/accounting policies are not required for these amendments. The impact of this standard is currently being assessed.

The following new or amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
- IFRS 14 Regulatory Deferral Accounts.
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38).
- Equity Method in Separate Financial Statements (Amendments to IAS 27).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

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Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.. When necessary amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates in profit or loss.

2.3 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 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 income statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale 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.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

c) Group companies

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) 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 recognized in other comprehensive income.

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

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.

2.4 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.

2.5 Financial assets and liabilities

All financial assets and liabilities – which include derivative financial instruments – have to be recognized in the consolidated statement of financial position and measured in accordance with their assigned category.

2.5.1 Financial assets

The Group allocates financial assets to the following IAS 39 categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. Management determines the classification of its financial instruments at initial recognition. Financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

a) Financial assets at fair value through profit or loss

This category comprises two sub-categories: financial assets classified as held for trading, and financial assets designated by the Group as at fair value through profit or loss upon initial recognition.

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A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments. Financial assets held for trading consist of debt instruments, including money-market paper, traded corporate and bank loans, and equity instruments, as well as financial assets with embedded derivatives. They are recognized in the consolidated statement of financial position as 'Financial assets held for trading'.

Financial assets and financial liabilities are designated at fair value through profit or loss when:

i) Doing so significantly reduces measurement inconsistencies that would arise if the related derivative were treated as held for trading and the underlying financial instruments were carried at amortized cost for such loans and advances to customers or banks and debt securities in issue;

ii) Certain investments, such as equity investments, are managed and evaluated on a fair value basis in accordance with a documented risk management or investment strategy and reported to key management personnel on that basis are designated at fair value through profit or loss; and

iii) Financial instruments, such as debt securities held, containing one or more embedded derivatives significantly modify the cash flows, are designated at fair value through profit or loss.

Gains and losses arising from changes in the fair value of derivatives that are managed in conjunction with designated financial assets or financial liabilities are included in 'net income from financial instruments designated at fair value'.

Derivative financial instruments included in this category are recognized initially at fair value; transaction costs are taken directly to the consolidated income statement. Gains and losses arising from changes in fair value are included directly in the consolidated income statement and are reported as 'Net trading income'. Interest income and expense and dividend income and expenses on financial assets held for trading are included in 'Net interest income' or 'Dividend income', respectively. The instruments are derecognized when the rights to receive cash flows have expired or the Group has transferred substantially all the risks and rewards of ownership and the transfer qualifies for derecognizing.

Financial assets for which the fair value option is applied are recognized in the consolidated statement of financial position as 'Financial assets designated at fair value'. Fair value changes relating to financial assets designated at fair value through profit or loss are recognized in 'Net trading income'.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

a) those that the Group intends to sell immediately or in the short term, which are classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;

b) those that the Group upon initial recognition designates as available for sale; or

c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are initially recognized at fair value – which is the cash consideration to originate or purchase the loan including any transaction costs – and measured subsequently at amortized cost using the effective interest rate method. Loans and receivables are reported in the consolidated statement of financial position as loans and advances to banks and financial assets in other assets. Interest on loans is included in the consolidated income statement and is reported as 'Interest income'. In the case of an impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognized in the consolidated income statement as 'impairment losses for loans and advances', impairment on other financial assets.

c) Held-to maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, other than:

a) those that the Group upon initial recognition designates as at fair value through profit or loss;

b) those that the Group designates as available for sale; and

c) those that meet the definition of loans and receivables.

These are initially recognized at fair value including direct and incremental transaction costs and measured subsequently at amortized cost, using the effective interest method. Interest on held-to-maturity investments is included in the consolidated income statement and reported as 'Interest income'. In the case of an impairment, the impairment loss is reported as a deduction from the carrying value of the investment and recognized in the consolidated income statement as 'net gains/(losses) on investment securities'.

There were no held-to-maturity financial assets as at the reporting date.

d) Available-for-sale

Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are initially recognized at fair value, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognized. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognized in the equity is recognized under income statement. However, interest is calculated using the effective interest method, and foreign currency gains and losses on monetary assets classified as available for sale are recognized in the consolidated statement of comprehensive income. Dividends on available-for-sale equity instruments are recognized in the consolidated income statement in 'Dividend income' when the Group's right to receive payment is established. Treasury bills and pledged assets are classified as available for sale financial assets

2.5.2 Financial liabilities

The Group's holding in financial liabilities is in financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that are designated at fair value) and financial liabilities at amortized cost. Financial liabilities are derecognized when extinguished.

a) Financial liabilities at fair value through profit or loss

This category comprises two sub-categories: financial liabilities classified as held for trading, and financial liabilities designated by the Group as at fair value through profit or loss upon initial recognition.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller. Those financial instruments are recognized in the consolidated statement of financial position as 'Financial liabilities held for trading'.

Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the consolidated income statement and are reported as 'Net trading income'. Interest expenses on financial liabilities held for trading are included in 'Net interest income'.

Financial liabilities for which the fair value option is applied are recognized in the consolidated statement of financial position as 'Financial liabilities designated at fair value'. Fair value changes relating to such financial liabilities are passed through the statement of comprehensive income.

b) Other liabilities measured at amortized cost

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

c) Determination of fair value

Fair value under 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) 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, broker, industry group, pricing service or regulatory agency, 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.

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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 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.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment. 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.

The fair values of contingent liabilities and irrevocable loan commitments correspond to their carrying amounts.

d) Derecognition

Financial assets are derecognized when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred. Financial liabilities are derecognized when they have been redeemed or otherwise extinguished.

2.6 Reclassification of financial assets

The Group may choose to reclassify a non-derivative financial asset held for trading out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near-term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortized cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

On reclassification of a financial asset out of the 'at fair value through profit or loss' category, all embedded derivatives are re-assessed and, if necessary, separately accounted for.

2.7 Financial guarantees and loan commitments

'Financial guarantees' are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. 'Loan commitments' are firm commitments to provide credit under pre-specified terms and conditions.

Liabilities arising from financial guarantees or commitments to provide a loan at a below-market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. The liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment to settle the liability when a payment under the contract has become probable.

2.8 Classes of financial instrument

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 IAS 39)	Class (as determined by the Group)	Note
Financial assets at fair value through profit or loss	Financial assets held for trading	17
	Derivative financial assets	18
Loans and receivables	Cash and balances with central banks	16
	Loans and advances to banks	19
	Loans and advances to customers	20
	Other assets excluding prepayments	24
Held-to-maturity Investments	None	Not applicable
Available-for-sale financial assets	Treasury bills and other eligible bills	21
	Investment securities – equity securities	22
	Pledged assets	23
Hedging derivatives	None	Not applicable

Financial liabilities

Category (as defined by IAS 39)	Class (as determined by the Group)	Note
Financial liabilities at fair value through profit or loss	Derivative financial liabilities	18
Financial liabilities at amortized cost	Deposits from banks	30
Deposits from customers	Other deposits	32
	Deposits from customers	31
	Borrowed funds	33
	Other liabilities, excluding non-financial liabilities	34

Off balance sheet financial instruments

Category (as defined by IAS 39)	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

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2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.10 Interest income and expense

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 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.

2.11 Fee and commission income

Fees and commissions are generally recognized on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognized as an adjustment to the effective interest rate on the loan. Loan syndication fees are recognized as revenue when the syndication has been completed and the Group has retained no part of the loan package for itself or has retained a part at the same effective interest rate as the other participants. Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party – such as the arrangement of the acquisition of shares or other securities, or the purchase or sale of businesses – are recognized on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognized based on the applicable service contracts, usually on a time-apportionate basis. Asset management fees related to investment funds are recognized ratably over the period in which the service is provided. The same principle is applied for wealth management, financial planning and custody services that are continuously provided over an extended period of time. Performance-linked fees or fee components are recognized when the performance criteria are fulfilled.

2.12 Dividend income

Dividends are recognized in the consolidated income statement in 'Dividend income' when the entity's right to receive payment is established.

2.13 Impairment of financial assets

a) Assets carried at amortized cost

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

i) significant financial difficulty of the issuer or obligor;

ii) a breach of contract, such as a default or delinquency in interest or principal payments;

iii) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

iv) it becomes probable that the borrower will enter bankruptcy or other financial reorganization;

v) the disappearance of an active market for that financial asset because of financial difficulties; or

vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio.

The estimated period between a loss occurring and its identification is determined by local management for each identified portfolio. In general, the periods used vary between three months and 12 months; in exceptional cases, longer periods are warranted.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Group and historical loss experience for assets with credit risk characteristics similar to those in the Group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the Group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to loans and advances to banks and customers are classified in loan impairment charges whilst impairment charges relating to investment securities (hold to maturity and loans and receivables categories) are classified in 'Net gains/(losses) on investment securities'.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the consolidated income statement.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the income statement in impairment charge for credit losses.

b) Assets classified as available-for-sale

The Group assesses at each date of the consolidated statement of financial position whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss. A decline in value by fifty percent of acquisition value over a period of two consecutive years is also designated as an impairment indicator. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in the consolidated income statement. Impairment losses recognized in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the consolidated income statement.

c) Renegotiated loans

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as new loans. In subsequent years, the asset is considered to be past due and disclosed only if renegotiated again. Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original EIR.

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2.14 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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 to sell 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 (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.

2.15 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 recognized 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 recognized in the consolidated income statement reflects the number of vested shares or share options. Where vesting conditions are related to market conditions, the charges for the services received are recognized regardless of whether or not the market related vesting condition is met, provided that the non-market vesting conditions are met.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.17 Repossessed collateral

Repossed collateral are equities, landed properties or other investments repossessed from customers and used to settle the outstanding obligations. Such investments are classified in accordance with the intention of the Group in the asset class which they belong.

2.18 Leases

Leases are accounted for in accordance with IAS 17 and IFRIC 4. They are divided into finance leases and operating leases.

(a) A group company is the lessee

The Group enters into operating leases. The total payments made under operating leases are charged to other operating expenses in the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other longterm payables. The interest element of the finance cost is charged to the income statement 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 property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

(b) A group company is the lessor

When assets are held subject to a finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

(c) Fees paid in connection with arranging leases

The Group makes payments to agents for services in connection with negotiating lease contracts with the Group's lessees. For operating leases, the letting fees are capitalized within the carrying amount of the related investment property, and depreciated over the life of the lease.

2.19 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 consolidated group, are classified as investment properties. Investment properties comprise office buildings and Domestic 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.

2.20 Property and equipment

Land and buildings comprise mainly branches and offices. All property and equipment used by the parent or its subsidiaries is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditures are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, 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. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

After recognition as an asset, an item of property and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be 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 item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs shall be revalued. The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. The fair value of items of plant and equipment is usually their market value determined by appraisal.

Land and buildings are the class of items that are revalued on a regular basis. The other items are evaluated at cost.

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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 recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized 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 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 years
- **Leasehold improvements:** 25 years, or over the period of the lease if less than 25 years
- **Furniture & equipment and installations:** 3 – 5 years
- **Motor 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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in other operating expenses in the consolidated income statement.

2.21 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 tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cash flows from a cashgenerating unit with the carrying value of its net assets, including attributable goodwill and carried at cost less accumulated impairment losses. 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 amortized on the basis of the expected useful lives.

Costs associated with developing or maintaining computer software programs are recognized as an expense incurred. 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 recognized as intangible assets. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

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

2.22 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 recognized 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 of available-for-sale investment).

Where the Group has tax losses that can be relieved against a tax liability for a previous year, it recognizes 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 liabilies 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. 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.

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 available for sale financial assets, tax loss carried forward, revaluation on property and equpment. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax assets are recognised when it is probable that future taxable profit will be available against which these temporary differences can be utilised. 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 available-for-sale investments, 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.

2.23 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 likely than not that an outflow of resources will be required to settle the obligation; and the amount has been 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 the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.24 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.

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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.

2.25 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.

2.26 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

There were no such borrowing costs capitalised as at the reporting date.

2.27 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.

2.28 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 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.

2.29 Share capital

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 the Company’s shareholders. Dividends for the year that are declared after the reporting date are dealt with in the subsequent events note.

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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.

2.30 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Group Executive Committee as its chief operating decision maker.

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: Domestic and Corporate & Investment Banking.

Domestic Bank: Focuses on serving local companies, small and medium scale enterprises, government and government agencies and the retail market.

Corporate & Investment Bank: Corporate Bank focuses on providing one-stop banking services to multinationals and regional companies, financial institutions and international organisations across network of the group. Investment Bank constitutes the treasury, corporate finance and asset management business. This unit provides value-added solutions primarily to corporate clients and governments.

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

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. 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.

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 (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Discontinued operations:

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

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.

2.32 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, changes in accounting estimates and errors' applies, comparative figures have been adjusted to conform with changes in presentation in the current year.

3 Financial risk management

The Group's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the group's risk management are to identify all key risks for the Group, measure these risks, manage the risk positions and determine capital allocations. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice. The Group's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance. The Group defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors.

Risk management is carried out by the Group Risk Management under policies approved by the Board of Directors. Group Risk Management identifies, evaluates and hedges financial risks in close co-operation with the operating units of the Group. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, the Group Audit and Compliance is responsible for the independent review of risk management and the control environment.

The most important types of risk are credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate risk and other price risk.

3.1 Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Group by failing to pay amounts in full when due. Credit risk is the most important risk for the Group's business: management therefore carefully manages the exposure to credit risk. Credit exposures arise principally in lending and investment activities. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. Credit risk management and control is centralised in the risk management team, which reports regularly to the Board of Directors.

3.1.1 Credit risk measurement

i) Probability of default

The Group assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. They have been developed internally and combine statistical analysis with credit officer judgment and are validated, where appropriate, by comparison with externally available data. Clients of the Group are segmented into three rating classes. The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary. The Group regularly validates the performance of the rating and their predictive power with regard to default events.

Group's internal ratings scale and mapping of external ratings are as follows;

Group's rating	Description of grade	Mapping to external rating (Standards and Poors)
1 – 4	Investment Grade	AAA to BBB
5 – 6	Standard Grade	BB to B
7 – 10	Non Investment Grade	CCC to D

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.

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. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at the reporting date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account.

Collectively assessed impairment allowances are provided for: (i) portfolios of homogenous assets that are individually below materiality thresholds; and (ii) losses that have been incurred but have not yet been identified, by using the available historical experience, experienced judgment and statistical techniques.

ii) Exposure at default

EAD is based on the amounts the Group expects to be owed at the time of default. For example, for a loan this is the face value. For a commitment, the Group includes any amount already drawn plus the further amount that may have been drawn by the time of default, should it occur.

iii) Loss given default/loss severity

Loss given default or loss severity represents the Group's expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure. It typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.

iv) Debt securities and other bills

For debt securities and other bills, external rating such as Standard & Poor's rating or their equivalents are used by Group Treasury for managing the credit risk exposures. The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet funding requirements at the same time.

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3.1.2 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. Limits on the level of credit risk by product, industry sector and by country are approved quarterly by 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 andequities.

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.

3.1.3 Impairment and provisioning policies

The internal rating systems described above focus more on credit-quality mapping from the inception of the lending. In contrast, impairment provisions are recognised for financial reporting purposes only for losses that have been incurred at the statement of financial position date based on objective evidence of impairment. Due to the different methodologies applied, the amount of incurred credit losses provided for in the financial statements usually differs from the amount determined from the expected loss model that is used for internal operational management and banking regulation purposes.

"Current": relate to assets classified as "Investment Grade" (no evident weakness) and "Non Investment Grade" (no significant weakness).

"Watchlist": 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.

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

"Doubtful": 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.

"Loss": These assets are considered uncollectible and of such little value that they should be fully written-off.

The impairment provision shown in the statement of financial position at year-end is derived from each of the three rating classes.

The internal rating tool assists management to determine whether objective evidence of impairment exists under IAS 39, based on the following criteria set by the Group;

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower;
- Breach of loan covenants or conditions;
- Initiation of legal proceedings to enforce security;
- Deterioration of the borrower's competitive position; and
- Deterioration in the value of collateral.

	2015				2014			
Group's rating	Loans and advances		Impairment provision		Loans and advances		Impairment provision	
1 Current	9,576,594	81%	86,059	1%	11,081,184	87%	92,996	1%
1A. Watchlist	479,744	4%	21,693	5%	508,050	4%	12,791	3%
II. Substandard	833,974	7%	46,892	6%	547,318	4%	16,422	3%
III. Doubtful	703,936	6%	242,163	34%	364,924	3%	148,554	41%
IV. Loss	263,193	2%	260,285	99%	194,995	2%	114,066	58%
	11,857,441	100%	657,092	6%	12,696,471	100%	384,829	3%

3.1.4 Credit Concentration

	Maximum exposure	
Maximum exposure to credit risk before collateral held	2015	2014
Credit risk exposures relating to on-statement of financial position assets are as follows:		
Balances with central banks	2,570,075	2,856,392
Treasury bills and other eligible bills	1,436,405	1,276,120
Loans and advances to banks	1,770,036	1,882,501
Loans and advances to customers:		
Corporate Bank		
• Overdrafts	2,145,307	1,244,829
• Term loans	5,762,602	5,547,879
• Others	21,648	62,646
Domestic Bank		
• Overdrafts	767,491	1,117,954
• Credit cards	6,311	6,086
• Term loans	2,388,875	4,216,481
• Mortgages	108,115	115,767
Financial assets held for trading		
• Debt securities	170,826	279,077
Derivative financial instruments	144,225	247,664
Financial assets designated at fair value:		
Investment securities – available-for-sale:		
• Debt securities	2,473,560	1,254,141
Pledged assets	759,086	1,032,146
Other assets	334,928	313,248
Credit risk exposures relating to off-balance sheet items are as follows:		
Financial guarantees	4,663,161	4,687,226
Loan commitments	223,391	187,370
At 31 December	**25,746,042**	**26,327,527**

The above table represents a worse case scenario of credit risk exposure of the Group at 31 December 2015 and 2014, 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, 50% (2014: 54%) of the total maximum exposure is derived from loans and advances to banks and customers; 10% (2014: 5%) represents investments securities available for sale 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:

- 85% (2014: 91%) of the loans and advances portfolio are considered to be neither past due nor impaired;
- 74% (2014: 72%) of loans and advances are backed by collateral;
- Investment in debt securities are largely government securities.

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(All amounts in thousands of U.S. dollars unless otherwise stated)

3.1.5 Loans and advances

Loans and advances are summarised as follows:	31 December 2015		31 December 2014	
	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers
Neither past due nor impaired	1,770,036	10,056,338	1,882,501	11,589,234
Past due but not impaired	—	833,974	—	547,318
Impaired	—	967,129	—	559,919
Gross	**1,770,036**	**11,857,441**	**1,882,501**	**12,696,471**
Less: allowance for impairment	—	(657,092)	—	(384,829)
Net	**1,770,036**	**11,200,349**	**1,882,501**	**12,311,642**

Other financial assets are neither past due nor impaired except for investment securities available for sale and other assets with impairment provision in Note 22 and Note 24 respectively.

a) Loans and advances neither past due nor impaired

The credit quality of the portfolio of loans and advances that were neither past due nor impaired 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 3.1.3 Impairment and provisioning policies – Group Rating).

31 December 2015

	Loans and advances to customers							
	Corporate Bank		Domestic Bank					Total
Grades:	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term Loans	Mortgages	
Current	1,514,790	5,425,335	19,851	255,731	3,636	2,261,470	95,781	9,576,594
Watchlist	89,018	241,551	1,835	31,988	—	113,198	2,154	479,744
Total	**1,603,808**	**5,666,886**	**21,686**	**287,719**	**3,636**	**2,374,668**	**97,935**	**10,056,338**

31 December 2014

	Loans and advances to customers							
	Corporate Bank		Domestic Bank					Total
Grades:	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term Loans	Mortgages	
Current	1,166,801	5,303,916	36,373	743,353	3,691	3,720,194	106,856	11,081,184
Watchlist	32,509	199,644	22,962	26,444	—	217,515	8,976	508,050
Total	**1,199,310**	**5,503,560**	**59,335**	**769,797**	**3,691**	**3,937,709**	**115,832**	**11,589,234**

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

b) Loans and advances past due but not impaired

Loans and advances less than 90 days past due are not considered impaired, 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 impaired were as follows:

31 December 2015

	Corporate Bank			Domestic Bank				Total
Past due	Overdrafts	Term loans	Others	Overdrafts	Credit Cards	Term Loans	Mortgages	
Past due up to 30 days	20,380	121,651	—	19,327	—	33,259	270	194,887
Past due 30-60 days	10,513	27,002	—	22,377	—	28,826	1,055	89,773
Past due 60-90 days	206,021	43,255	—	262,953	2,380	34,654	51	549,314
Total	**236,914**	**191,908**	**—**	**304,657**	**2,380**	**96,739**	**1,376**	**833,974**
Fair value of collateral	97,422	29,596	—	126,143	—	15,592	50	268,803
Amount of (over)/ undercollateralisation	**139,492**	**162,312**	**—**	**178,514**	**2,380**	**81,147**	**1,326**	**565,171**

31 December 2014

	Corporate Bank			Domestic Bank				Total
Past due	Overdrafts	Term loans	Others	Overdrafts	Credit Cards	Term Loans	Mortgages	
Past due up to 30 days	16,927	35,434	3,594	16,586	—	53,991	451	126,983
Past due 30-60 days	16,521	25,413	—	49,179	2,448	67,689	430	161,680
Past due 60-90 days	6,231	7,437	—	224,009	—	20,136	842	258,655
Total	**39,679**	**68,284**	**3,594**	**289,774**	**2,448**	**141,816**	**1,723**	**547,318**
Fair value of collateral	101,178	9,140	—	142,456	—	30,613	—	283,387
Amount of (over)/ undercollateralisation	**(61,499)**	**59,144**	**3,594**	**147,318**	**2,448**	**111,203**	**1,723**	**263,931**

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.

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(All amounts in thousands of U.S. dollars unless otherwise stated)

c) Loans and advances individually impaired

i) Loans and advances to customers

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

31 December 2015

	Corporate Bank			Domestic Bank				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit Cards	Term Loans	Mortgages	
Gross	315,193	199,021	—	223,672	584	228,650	9	967,129
Impairment allowance	(5,451)	(228,180)	—	(45,822)	(289)	(222,645)	(61)	(502,448)
	309,742	(29,159)	—	177,850	295	6,005	(52)	464,681
Fair value of collateral	(60,684)	(57,841)	—	(75,865)	—	(128,378)	—	(322,768)
Amount of (over)/ undercollateralisation	**249,058**	**(87,000)**	**—**	**101,985**	**295**	**(122,373)**	**(52)**	**141,913**

31 December 2014

	Corporate Bank			Domestic Bank				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit Cards	Term Loans	Mortgages	
Gross	40,049	87,125	—	180,209	29	252,503	4	559,919
Impairment allowance	(24,889)	(66,220)	—	(60,622)	(16)	(110,356)	(517)	(262,620)
	15,160	20,905	—	119,587	13	142,147	(513)	297,299
Fair value of collateral	(16,326)	(25,321)	—	(78,438)	—	(128,378)	—	(248,463)
Amount of (over)/ undercollateralisation	**(1,166)**	**(4,416)**	**—**	**41,149**	**13**	**13,769**	**(513)**	**48,836**

d) Other assets with exposure to credit risks

	Balances with central banks	Financial assets held for trading – debt securities	Derivative financial instruments	Treasury bills and other eligible bills	AFS debt securities	Pledged assets	Other assets less prepayments	Total
31 December 2015								
Neither past due nor impaired (Investment/standard grade)	2,570,075	170,826	144,225	1,436,405	2,473,560	759,086	334,928	7,889,105
Past due but not impaired	—	—	—	—	—	—	—	—
Impaired (Non-investment grade)	—	—	—	—	—	—	159,638	159,638
Gross	2,570,075	170,826	144,225	1,436,405	2,473,560	759,086	494,566	8,048,743
Less: allowance for impairment	—	—	—	—	—	—	(159,638)	(159,638)
Net	**2,570,075**	**170,826**	**144,225**	**1,436,405**	**2,473,560**	**759,086**	**334,928**	**7,889,105**
Carrying amounts	2,570,075	170,826	144,225	1,436,405	2,473,560	759,086	334,928	7,889,105
31 December 2014								
Neither past due nor impaired (Investment/standard grade)	2,856,392	279,077	247,664	1,276,120	1,254,141	1,032,146	313,248	7,258,788
Past due but not impaired	—	—	—	—	—	—	—	—
Impaired (Non-investment grade)	—	—	—	—	—	—	81,325	81,325
Gross	2,856,392	279,077	247,664	1,276,120	1,254,141	1,032,146	394,573	7,340,113
Less: allowance for impairment	—	—	—	—	—	—	(81,325)	(81,325)
Net	**2,856,392**	**279,077**	**247,664**	**1,276,120**	**1,254,141**	**1,032,146**	**313,248**	**7,258,788**
Carrying amounts	2,856,392	279,077	247,664	1,276,120	1,254,141	1,032,146	313,248	7,258,788

Notes to consolidated financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

3.1.6 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 2015. For this table, the Group has allocated exposures to regions based on the country of domicile of our counterparties.

	UEMOA	Nigeria	West African Monetary Zone	Central Africa	East Africa	Southern Africa	Others	Total
As at 31 December 2015								
Balances with central banks	472,467	221,753	78,790	220,545	67,191	42,847	—	1,103,593
Financial assets held for trading	21	168,595	—	—	—	2,211	507	171,334
Derivative financial instruments	—	144,039	—	—	—	—	186	144,225
Loans and advances to banks	292,731	579,782	174,200	68,287	139,176	46,297	469,563	1,770,036
Loans and advances to customers:								
Corporate Bank								
• Overdrafts	469,205	1,016,412	362,141	122,332	81,929	103,795	—	2,155,814
• Term loans	1,592,977	2,610,873	566,234	621,393	237,202	195,485	232,967	6,057,131
• Others	21,742	—	—	—	—	—	—	21,742
Domestic Bank								
• Overdrafts	142,433	440,806	71,104	84,729	46,386	30,590	—	816,048
• Credit cards	—	4,973	1,146	—	481	—	—	6,600
• Term loans	1,358,595	137,910	345,465	547,444	203,511	98,556	—	2,691,481
• Mortgages	63,988	14,655	13,552	4,625	11,805	—	—	108,625
Treasury bills and other eligible bills	265,625	698,419	272,365	55,739	65,805	78,452	—	1,436,405
Investment securities – debt securities	1,312,606	822,736	70,614	150,099	114,311	2,509	685	2,473,560
Pledged assets	—	759,086	—	—	—	—	—	759,086
Other assets	98,029	118,666	54,659	24,287	17,223	19,460	2,604	334,928
Total	**6,090,419**	**7,738,705**	**2,010,270**	**1,899,480**	**985,020**	**620,203**	**706,512**	**20,050,608**
Credit commitments	**1,145,131**	**2,006,527**	**350,973**	**377,096**	**511,965**	**288,915**	**205,945**	**4,886,552**
As at 31 December 2014								
Balances with central banks	284,483	1,701	118,827	338,767	84,810	34,557	—	863,146
Financial assets held for trading	—	279,077	—	—	—	—	—	279,077
Derivative financial instruments	—	241,683	—	—	—	—	5,981	247,664
Loans and advances to banks	196,415	562,533	339,271	17,224	54,161	39,974	672,923	1,882,501
Loans and advances to customers:								
Corporate Bank								
• Overdrafts	309,342	488,890	191,781	121,220	63,439	70,157	—	1,244,829
• Term loans	1,362,584	2,379,724	501,394	576,921	230,070	112,317	465,953	5,628,963
• Others	62,646	—	—	—	—	—	—	62,646
Domestic Bank								
• Overdrafts	189,773	578,446	170,770	90,110	43,059	45,768	28	1,117,954
• Credit cards	—	4,805	1,281	—	—	—	—	6,086
• Term loans	1,610,731	1,334,705	306,846	525,338	239,689	117,748	340	4,135,397
• Mortgages	66,286	18,224	12,721	6,344	12,081	—	111	115,767
Treasury bills and other eligible bills	437,878	457,805	236,655	49,363	61,264	33,155	—	1,276,120
Investment securities – debt securities	827,670	24,312	109,085	91,131	128,746	1,368	71,829	1,254,141
Pledged assets	—	1,032,146	—	—	—	—	—	1,032,146
Other assets	140,103	33,340	50,000	26,961	8,600	31,300	22,944	313,248
Total	**5,487,911**	**7,437,391**	**2,038,631**	**1,843,379**	**925,919**	**486,345**	**1,240,109**	**19,459,685**
Credit commitments	**1,246,885**	**2,112,805**	**472,023**	**512,190**	**189,369**	**255,928**	**85,394**	**4,874,594**

3.1.6 Concentration of risks of financial assets with credit risk exposure (continued)

(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 2015							
Balances with central banks	1,103,593	—	—	—	—	—	1,103,593
Loans and advances to banks	1,753,042	68	—	16,724	—	202	1,770,036
Loans and advances to customers:							
• Overdrafts	45,372	947,723	657,976	61,626	560,451	698,714	2,971,862
• Credit cards	21	52	37	14	42	6,434	6,600
• Term loans	318,959	1,276,750	1,521,108	728,203	1,835,237	3,068,355	8,748,612
• Mortgages	83	563	—	615	1,240	106,124	108,625
• Others	44	4,374	5,336	196	32	11,760	21,742
Financial assets held for trading	—	—	—	171,334	—	—	171,334
Pledged assets	—	—	—	759,086	—	—	759,086
Derivative financial instruments	144,039	—	—	—	—	186	144,225
Treasury bills and other eligible bills	103,152	—	—	1,333,253	—	—	1,436,405
Investment securities – debt securities	540	—	—	2,473,020	—	—	2,473,560
Other assets	131,601	40,323	1,898	9,317	812	150,977	334,928
Total	**3,600,446**	**2,269,853**	**2,186,355**	**5,553,388**	**2,397,814**	**4,042,752**	**20,050,608**
Credit commitments	**345,505**	**1,323,110**	**195,425**	**178,583**	**549,346**	**2,294,583**	**4,886,552**
31 December 2014							
Balances with central banks	863,146	—	—	—	—	—	863,146
Treasury bills and other eligible bills	1,882,501	—	—	—	—	—	1,882,501
Loans and advances to banks							
Loans and advances to customers:							
• Overdrafts	48,991	1,005,414	269,228	127,956	358,438	552,756	2,362,783
• Credit cards	—	—	—	—	—	6,086	6,086
• Term loans	205,424	2,468,388	1,547,198	917,174	1,595,445	3,030,731	9,764,360
• Mortgages	425	23,431	2,469	2,587	3,635	83,220	115,767
• Others	—	19,245	—	—	—	43,401	62,646
Financial assets held for trading	—	—	—	279,077	—	—	279,077
Pledged assets	—	—	—	1,032,146	—	—	1,032,146
Derivative financial instruments	247,664	—	—	—	—	—	247,664
Treasury bills and other eligible bills	517,281	—	—	758,616	—	223	1,276,120
Investment securities – debt securities	120,326	—	—	948,910	—	184,905	1,254,141
Other assets	103,122	39,004	—	2,262	7,348	161,513	313,249
Total	**3,988,879**	**3,555,482**	**1,818,895**	**4,068,728**	**1,964,866**	**4,062,835**	**19,459,685**
Credit commitments	**1,973,476**	**1,028,001**	**693,777**	**135,737**	**233,584**	**810,020**	**4,874,595**

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(All amounts in thousands of U.S. dollars unless otherwise stated)

3.2 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 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 of foreign exchange and equity risks arising from the Group's held-to-maturity and available-for-sale investments.

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.

	2015			2014		
	Low	Average	High	Low	Average	High
Foreign exchange risk	119	954	2,358	330	2,790	6,380
Interest risk	150	482	809	1,040	2,620	4,990

3.2.1 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. The Board 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. Included in the table are the Group's financial instruments at carrying amounts, categorised by currency.

31 December 2015	Dollar	Euro	CFA	Naira	Cedis	Others	Total
Assets							
Cash and balances with central banks	181,541	147,342	1,211,586	1,233,445	165,078	306,371	3,245,363
Loans and advances to banks	688,798	373,785	323,734	194,588	133,982	55,149	1,770,036
Loans and advances to customers	3,029,854	245,451	4,685,522	2,037,237	661,081	541,204	11,200,349
Financial assets held for trading	—	—	—	168,616	—	2,718	171,334
Derivative financial instruments	35,982	294	—	107,949	—	—	144,225
Treasury bills and other eligible bills	19,113	—	321,364	698,419	158,547	238,962	1,436,405
Investment securities – available-for-sale	193,137	685	1,469,906	824,730	20,114	161,119	2,669,692
Pledged assets	—	—	—	759,086	—	—	759,086
Other assets	178,728	10,778	52,671	38,912	28,432	25,407	334,928
Total financial assets	**4,327,153**	**778,335**	**8,064,783**	**6,062,982**	**1,167,235**	**1,330,930**	**21,731,418**
Liabilities							
Deposits from banks	216,117	214,708	203,675	619	12,708	55,847	703,674
Deposit from customers	3,440,355	453,742	6,612,915	4,232,849	683,151	1,004,541	16,427,553
Other deposits	776	—	728,414	—	—	522	729,712
Derivative financial instruments	—	420	—	681	—	235	1,336
Other borrowed funds	1,220,017	22,839	78,984	387,752	50,481	19,204	1,779,277
Other liabilities	329,305	34,163	267,240	212,256	140,574	22,112	1,005,651
Total financial liabilities	**5,206,570**	**725,872**	**7,891,227**	**4,834,157**	**886,914**	**1,102,462**	**20,647,202**
Net on-statement of financial position	(879,417)	52,463	173,556	1,228,826	280,320	228,468	1,084,216
Credit commitments	**1,339,010**	**529,097**	**1,053,716**	**1,574,361**	**859**	**378,567**	**4,875,610**

31 December 2014	Dollar	Euro	CFA	Naira	Cedis	Others	Total
Assets							
Cash and balances with central banks	175,516	357,264	1,160,862	1,326,125	168,209	358,567	3,546,543
Loans and advances to banks	1,074,911	259,866	169,361	234,773	50,272	93,318	1,882,501
Loans and advances to customers	3,511,750	139,957	4,879,316	2,609,479	536,002	635,138	12,311,642
Financial assets held for trading	—	—	—	279,077	—	357	279,434
Derivative financial instruments	126,802	—	—	120,862	—	—	247,664
Treasury bills and other eligible bills	—	—	487,242	457,805	123,022	208,051	1,276,120
Investment securities – available-for-sale	231,085	764	877,848	90,928	96,843	138,112	1,435,580
Pledged assets	—	—	—	1,032,146	—	—	1,032,146
Other assets	185,123	2,248	52,621	20,640	26,504	26,111	313,248
Total financial assets	**5,305,188**	**760,099**	**7,627,250**	**6,171,836**	**1,000,852**	**1,459,654**	**22,324,878**
Liabilities							
Deposits from banks	253,212	167,516	106,488	323,869	2,865	58,891	912,841
Deposit from customers	3,767,540	261,655	6,640,749	4,985,421	618,648	1,081,873	17,355,886
Other deposits	1,526	19,186	550,124	—	—	2,464	573,300
Derivative financial instruments	20,478	—	—	—	—	—	20,478
Other borrowed funds	1,062,253	1,656	11,409	407,610	10,416	46,920	1,540,264
Other liabilities	195,249	18,936	245,368	197,306	55,951	30,901	743,711
Total financial liabilities	**5,300,258**	**468,949**	**7,554,137**	**5,914,206**	**687,880**	**1,221,050**	**21,146,480**
Net on-statement of financial position	4,929	291,150	73,113	257,630	312,971	238,604	1,178,397
Credit commitments	**2,452,315**	**625,414**	**1,090,549**	**541,353**	**29,527**	**135,438**	**4,874,596**

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(All amounts in thousands of U.S. dollars unless otherwise stated)

Currency Sensitivity Analysis

ETI periodically performs sensitivity analysis to determine the impact on Group earnings 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 2015 are shown in the table below.

	2015			2014		
Overall Impact						
Projected Appreciation of the USD	5%	10%	20%	5%	10%	20%
Estimated Impact on Earnings ($ Million)	(83)	(158)	(289)	3.8	7.6	15.3
Impact for Naira						
Projected Appreciation of the USD	5%	10%	20%	5%	10%	20%
Estimated Impact on Earnings ($ Million)	(59)	(112)	(205)	1.8	3.7	7.4

3.2.2 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. The Board of Directors sets limits 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.

3.2.2 Interest rate risk (continued)

As at 31 December 2015	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	1,524,680	—	—	—	—	1,720,683	3,245,363
Loans and advances to banks	569,398	258,465	555,542	—	—	386,631	1,770,036
Loans and advances to customers	2,365,714	1,978,692	1,264,060	3,930,509	1,661,374	—	11,200,349
Financial assets held for trading	69,782	99,083	2,469	—	—	—	171,334
Derivative financial instruments	186	112	38,541	—	—	105,386	144,225
Treasury bills and other eligible bills	397,956	230,946	728,253	79,250	—	—	1,436,405
Investment securities – available-for-sale	118,311	99,446	386,729	1,181,552	883,654	—	2,669,692
Pledged assets	65,228	55,193	386,500	167,293	84,872	—	759,086
Other assets	23,449	121,575	55,716	24,033	—	110,155	334,928
Total financial assets	**5,134,704**	**2,843,512**	**3,417,810**	**5,382,637**	**2,629,900**	**2,322,855**	**21,731,418**
Liabilities							
Deposits from banks	166,383	127,446	27,349	—	—	382,497	703,674
Deposit from customers	4,368,473	1,612,776	1,704,817	1,070,069	231,957	7,439,461	16,427,553
Other deposits	728,258	20	967	—	—	467	729,712
Derivative financial instruments	—	1,336	—	—	—	—	1,336
Borrowed funds	96,434	34,910	287,781	473,646	886,506	—	1,779,277
Other liabilities	75,647	355,123	58,053	—	—	516,828	1,005,651
Total financial liabilities	**5,435,195**	**2,131,611**	**2,078,967**	**1,543,715**	**1,118,463**	**8,339,253**	**20,647,204**
Total interest repricing gap	**(300,491)**	**711,901**	**1,338,844**	**3,838,922**	**1,511,437**	**(6,016,398)**	**1,084,215**
As at 31 December 2014							
Assets							
Cash and balances with central banks	398,038	—	—	—	—	3,148,505	3,546,543
Loans and advances to banks	1,362,652	103,055	115,667	32,849	1,313	266,965	1,882,501
Loans and advances to customers	3,068,888	1,679,930	1,518,104	4,544,131	1,500,589	—	12,311,642
Financial assets held for trading	—	279,077	288	69	—	—	279,434
Derivative financial instruments	10,307	58,554	57,941	—	—	120,862	247,664
Treasury bills and other eligible bills	177,151	552,246	501,374	43,548	1,801	—	1,276,120
Investment securities – available-for-sale	206,570	99,285	154,537	449,587	525,601	—	1,435,580
Pledged assets	75,394	618,930	22,239	205,049	110,534	—	1,032,146
Other assets	6,097	25,088	166,048	1,262	2,469	112,283	313,248
Total financial assets	**5,305,097**	**3,416,166**	**2,536,198**	**5,276,495**	**2,142,307**	**3,648,615**	**22,324,878**
Liabilities							
Deposits from banks	94,371	113,479.00	451,043	29,266	—	224,682	912,841
Deposit from customers	5,482,432	1,333,590	1,387,890	730,643	24,103	8,478,312	17,436,970
Other deposits	569,310	—	—	1,769	—	2,221	573,300
Derivative financial instruments	20,234	244	—	—	—	—	20,478
Borrowed funds	43,358	60,328	37,254	216,431	1,113,732	69,161	1,540,264
Other liabilities	2,041	290,342	142,575	18,276	25,831	264,646	743,711
Total financial liabilities	**6,211,746**	**1,797,983**	**2,018,761**	**996,385**	**1,163,666**	**9,039,022**	**21,227,564**
Total interest repricing gap	**(906,650)**	**1,618,182**	**517,437**	**4,280,110**	**978,641**	**(5,390,407)**	**1,097,314**

Notes to consolidated financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

3.2.2 Interest rate risk (continued)

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 2015 are shown below.

2015

Projected Change in Interest Rates	25 basis points Increase	50 basis points Increase	100 basis points Increase	25 basis points decrease	50 basis points decrease	100 basis points decrease
Estimated Impact on Earnings ($ Million)	-2.1	-4.1	-8.2	2.1	4.1	8.2

2014

Projected Change in Interest Rates	25 basis points Increase	50 basis points Increase	100 basis points Increase	25 basis points decrease	50 basis points decrease	100 basis points decrease
Estimated Impact on Earnings ($ Million)	-3.2	-6.4	-12.8	3.2	6.4	12.8

3.3 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.

3.3.1 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.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

3.3.2 Non-derivative cash flows
The table below presents the cash flows payable by the Group under non-derivative financial liabilities 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.

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(All amounts in thousands of U.S. dollars unless otherwise stated)

3.3.2 Non-derivative cash flows (continued)

As at 31 December 2015	Up to 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
Assets						
Cash and balances with central banks	3,245,363	—	—	—	—	3,245,363
Loans and advances to banks	938,866	503,242	451,831	—	—	1,893,939
Loans and advances to customers	3,323,971	1,909,819	1,567,745	4,323,854	1,590,184	12,715,573
Derivative financial instruments	186	112	143,927	—	—	144,225
Financial Asset held for trading	75,480	99,879	2,376	—	—	177,735
Treasury bills and other eligible bills	357,843	458,014	728,048	96,941	—	1,640,846
Investment securities – available-for-sale	197,645	21,301	529,287	1,294,209	1,127,970	3,170,413
Pledged assets	56,210	475,629	12,479	153,038	61,730	759,086
Other assets	127,504	182,660	164,915	60,253	—	535,333
Total assets (expected maturity dates)	**8,323,067**	**3,650,656**	**3,600,608**	**5,928,295**	**2,779,884**	**24,282,512**
Liabilities						
Deposits from banks	754,688	120,539	9,019	—	—	884,247
Deposit from customers	12,709,253	1,960,722	1,179,420	817,652	—	16,667,047
Other deposits	731,522	—	336	967	—	732,825
Other borrowed funds	202,975	68,464	118,392	972,234	1,419,634	2,781,699
Other liabilities	114,990	648,707	455,275	11,949	1,429	1,232,350
Derivative financial instruments	—	—	1,336	—	—	1,336
Total liabilities (contractual maturity dates)	**14,513,428**	**2,798,432**	**1,763,778**	**1,802,802**	**1,421,063**	**22,299,504**
Gap analysis	**(6,190,361)**	**852,224**	**1,836,831**	**4,125,493**	**1,358,821**	**1,983,008**

As at 31 December 2014	Up to 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
Assets						
Cash and balances with central banks	3,523,876	18,573	4,094	—	—	3,546,543
Loans and advances to banks	1,955,901	142,605	425,401	88,691	—	2,612,598
Loans and advances to customers	3,572,844	1,810,569	1,642,406	4,955,004	1,472,710	13,453,533
Derivative financial instruments	131,170	58,554	57,941	—	—	247,665
Financial Asset held for trading	3,209	283,507	289	540	—	287,545
Treasury bills and other eligible bills	240,723	542,403	544,096	56,281	—	1,383,503
Investment securities – available-for-sale	100,671	94,667	109,347	825,710	574,883	1,705,278
Pledged assets	76,210	625,629	22,479	207,268	111,730	1,043,316
Other assets	137,147	46,963	278,724	86,418	609	549,862
Total assets (expected maturity dates)	**9,741,750**	**3,623,471**	**3,084,777**	**6,219,912**	**2,159,932**	**24,829,842**
Liabilities						
Deposits from banks	551,082	95,470	389,205	1,526	—	1,037,283
Deposit from customers	13,629,138	1,435,534	1,503,616	940,488	—	17,508,776
Other deposits	737,747	—	881	1,928	—	740,556
Borrowed funds	46,296	28,975	55,353	1,216,895	581,870	1,929,389
Derivative financial instruments	299,699	302,409	192,196	237,160	8,000	1,039,464
Other liabilities	20,234	344	—	—	—	20,578
Total liabilities (contractual maturity dates)	**15,284,196**	**1,862,732**	**2,141,251**	**2,397,997**	**589,870**	**22,276,046**
Gap analysis	**(5,542,446)**	**1,760,739**	**943,527**	**3,821,915**	**1,570,062**	**2,553,797**

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.

3.3.2 Non-derivative cash flows (continued)

Offsetting

At 31 December 2015

	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	186	—	186	—	186
• swaps	36,090	—	36,090	—	36,090
• options	107,949	—	107,949	—	107,949
Derivative financial liabilities					
• forwards	—	—	—	—	—
• swaps	1,336	—	1,336	—	1,336
• options	—	—	—	—	—

At 31 December 2014

	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	16,059	—	16,059	—	16,059
• swaps	110,743	—	110,743	—	110,743
• options	120,862	—	120,862	—	120,862
Derivative financial liabilities					
• forwards	3,417	—	3,417	—	3,417
• swaps	17,061	—	17,061	—	17,061
• options	—	—	—	—	—

3.4 Off-balance sheet items

The dates of the contractual amounts of the Group's off-balance sheet financial instruments that commit it to extend credit to customers and other facilities, provide financial guarantees and capital commitments are summarised in the table below.

At 31 December 2015	No later than 1 year	Over 1 years	Total
Loan commitments	154,330	69,061	223,391
Guarantees, acceptances and other financial facilities	3,287,755	1,375,406	4,663,161
Total	**3,442,085**	**1,444,467**	**4,886,552**
At 31 December 2014			
Loan commitments	153,944	33,426	187,370
Guarantees, acceptances and other financial facilities	3,530,577	1,156,649	4,687,226
Total	**3,684,521**	**1,190,075**	**4,874,596**

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(All amounts in thousands of U.S. dollars unless otherwise stated)

3.5 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	
	2015	2014	2015	2014
Financial assets:				
Cash and balances with central banks	3,245,363	3,546,543	3,245,363	3,546,543
Loans and advances to banks	1,770,036	1,882,501	1,893,939	2,612,598
Loans and advances to customers	11,200,349	12,311,642	12,715,573	13,453,533
Other assets (excluding prepayments)	334,928	313,248	334,928	313,248
Financial liabilities:				
Deposits from banks	703,674	912,841	884,247	1,037,283
Deposit from customers	16,427,553	17,436,970	17,286,143	18,473,364
Other deposits	729,712	573,300	732,825	740,556
Other liabilities (excluding deferred income)	1,005,651	743,711	1,005,651	743,711
Borrowed funds	1,779,277	1,540,264	2,781,699	1,929,389

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

(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.

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

(vi) 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

(vii) Other liabilities
The carrying amount of financial liabilities in other liabilities is a reasonable approximation of fair value

(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:

(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 2015			31 December 2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Treasury and other eligible bills	765,910	670,495	—	480,785	795,335	—
Financial Asset held for trading	171,334	—	—	131,733	147,701	—
Derivative financial instruments	—	144,225	—	—	247,664	—
Pledged assets	—	759,086	—	—	1,032,146	—
Investment securities–available-for-sale (AFS)	1,621,002	954,704	92,258	620,340	705,083	110,157
Total financial assets	**2,558,246**	**2,528,510**	**92,258**	**1,232,858**	**2,927,929**	**110,157**
Derivative financial instruments	—	1,336	—	—	20,478	—
Total financial liabilities	**—**	**1,336**	**—**	**—**	**20,478**	**—**

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:

	2015	2014
	Level 3	Level 3
Opening balance	110,157	106,453
Transfer from level 3 to level 2*	6,880	—
Gains and losses recognised in other comprehensive income	(11,019)	3,704
Closing balance	**92,258**	**110,157**
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	**—**	**—**

*In 2015, Cappa D'Alberto was transferred from level 3 hierarchy to level 2.

Level 3 fair value measurement

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

Type of financial instrument	Fair value as at 31 Dec 2015	Valuation technique	Significant unobservable input	Range of estimates for unobservable input	Fair value measurement sensitivity to unobservable inputs
Airtel Network Limited (Airtel)	84,549	Comparable multiples	EV/EBITDA multiple	4.00 – 11.60	Significant increase in multiple would result in a higher fair value. An increase in multiple by 1 will result in increase in fair value by $28 million.
Compagnie Aerienne ASKY S.A	7,710	Discounted cash flow	Weighted average cost of capital	11.5% – 12.0%	Significant increase in WACC rate would result in a lower fair value. An increase in multiple by 1 will result in increase in fair value by $0.1 million.

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(All amounts in thousands of U.S. dollars unless otherwise stated)

3.5 Fair value of financial assets and liabilities (continued)

(c) Financial instrument classification

At 31 December 2015	Assets at fair value through profit or loss	Loans and receivables	Available-for-sale financial assets	Liabilities at fair value through profit or loss	Liabilities at amortized cost	Total
Assets						
Cash and balances with central banks	—	3,245,363	—	—	—	3,245,363
Financial assets held for trading	171,334	—	—	—	—	171,334
Derivative financial instruments	144,225	—	—	—	—	144,225
Loans and advances to banks	—	1,770,036	—	—	—	1,770,036
Loans and advances to customers	—	11,200,349	—	—	—	11,200,349
Treasury bills and other eligible bills	—	—	1,436,405	—	—	1,436,405
Investment securities: available-for-sale	—	—	2,669,692	—	—	2,669,692
Pledged assets	—	—	759,086	—	—	759,086
Other assets, excluding prepayments	—	334,928	—	—	—	334,928
Total	**315,559**	**16,550,676**	**4,865,183**	**—**	**—**	**21,731,418**
Liabilities						
Deposits from banks	—	—	—	—	703,674	703,674
Deposit from customers	—	—	—	—	16,427,553	16,427,553
Other deposits	—	—	—	—	729,712	729,712
Derivative financial instruments	—	—	—	1,336	—	1,336
Borrowed funds	—	—	—	—	1,779,277	1,779,277
Other liabilities, excluding non-financial liabilities	—	—	—	—	1,005,651	1,005,651
Total	**—**	**—**	**—**	**1,336**	**20,645,867**	**20,647,203**

At 31 December 2014	Assets at fair value through profit or loss	Loans and receivables	Available-for-sale financial assets	Liabilities at fair value through profit or loss	Liabilities at amortized cost	Total
Assets						
Cash and balances with central banks	—	3,546,543	—	—	—	3,546,543
Financial assets held for trading	279,434	—	—	—	—	279,434
Derivative financial instruments	247,664	—	—	—	—	247,664
Loans and advances to banks	—	1,882,501	—	—	—	1,882,501
Loans and advances to customers	—	12,311,642	—	—	—	12,311,642
Treasury bills and other eligible bills	—	—	1,276,120	—	—	1,276,120
Investment securities: available-for-sale	—	—	1,435,580	—	—	1,435,580
Pledged assets	—	—	1,032,146	—	—	1,032,146
Other assets, excluding prepayments	—	313,248	—	—	—	313,248
Total	**527,098**	**18,053,934**	**3,743,846**	**—**	**—**	**22,324,878**
Liabilities						
Deposits from banks	—	—	—	—	912,841	912,841
Deposit from customers	—	—	—	—	17,436,970	17,436,970
Other deposits	—	—	—	—	573,300	573,300
Derivative financial instruments	—	—	—	20,478	—	20,478
Borrowed funds	—	—	—	—	1,540,264	1,540,264
Other liabilities, excluding non-financial liabilities	—	—	—	—	743,711	743,711
Total	**—**	**—**	**—**	**20,478**	**21,207,086**	**21,227,564**

3.6 Capital Management

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of statement of financial positions, are:

- To comply with the capital requirements set by the banking regulators in the markets where the entities within the Group operate;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital by the subsidiaries are monitored daily by the Group's Risk Management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the respective central banks. Monthly reports are submitted to the central banks in the various jurisdictions by the individual subsidiaries.

The central banks in the various jurisdictions require each bank to: (a) hold the minimum level of the regulatory capital determined by the banking regulations of the respective country, and (b) maintain a ratio of total regulatory capital to the risk-weighted asset (the 'Basel ratio') at or above the internationally agreed minimum of 8%.

The Group's capital is divided into two tiers:

- Tier 1 capital: share capital (net of any book values of the treasury shares), non-controlling interests arising on consolidation from interests in permanent shareholders' equity, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill is deducted in arriving at Tier 1 capital; and
- Tier 2 capital: subordinated loan capital, unrealised gains arsing on the fair valuation of equity instruments held as available for sale.

The risk-weighted assets are measured by means of a hierarchy of risk weights classified according to the nature of – and reflecting an estimate of credit, market and other risks associated with – each asset and counterparty. A similar treatment is adopted for off-statement of financial position exposure, with some adjustments to reflect the more contingent nature of the potential losses.

The table below summarises the composition of regulatory capital and the ratios of the Group for the years ended 31 December 2015 and 2014. During those two years, the individual entities within the Group complied with all of the externally imposed capital requirements to which they are subject.

Notes to consolidated financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

	2015	2014
Tier 1 capital		
Share capital	2,029,698	1,979,523
General bank reserves	347,122	325,957
Statutory reserve	368,060	339,226
Retained earnings	529,427	550,680
Non-controlling interests	177,236	204,260
Less: goodwill	(341,770)	(367,984)
Total qualifying Tier 1 capital	**3,109,773**	**3,031,662**
Tier 2 capital		
Redeemable preference shares	118,168	115,973
Convertible loans (including liability and equity portions)	71,262	92,303
Eurobond and Subordinated Term Facility in Nigeria	333,884	244,655
Revaluation reserve – available-for-sale investments	(5,175)	(80,432)
Total qualifying Tier 2 capital	**518,140**	**372,499**
Less investments in associates	15,802	16,773
Total regulatory capital	**3,612,111**	**3,387,388**
Risk-weighted assets:		
On-statement of financial position	14,155,788	15,607,177
Off-statement of financial position	977,310	974,919
Total risk-weighted assets	**15,133,098**	**16,582,096**
Basel ratio	**23.9%**	**20.4%**
Tier I	**20.5%**	**18.3%**

The increase of the capital in the year of 2015 is mainly due to contribution of the current-year profit and share capital increase.

4 Critical accounting estimates, and judgements in applying accounting policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. 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.

a) Impairment losses on loans and advances

The Group reviews its loan portfolios to assess impairment at least on a monthly basis. In determining whether an impairment loss should be recorded in the income statement, the Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that porfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. 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.

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) Impairment of available for-sale equity investments

The Group determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of a deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

d) Goodwill impairment

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.6. 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 pre-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates. By adjusting the three main estimates (cashflows, growth rate and discount rates) by 10%, no impairment charge on goodwill will arise.

e) Retirement benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the group considers the interest rates of high-quality bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

The Group is of the opinion that there is no deep market in Corporate Bonds in Nigeria and as such assumptions underlying the determination of discount rate are referenced to the yield on Nigerian Government bonds of medium duration, as compiled by the Debt Management Organisation.

Other key assumptions for pension obligations are based in part on current market conditions.

Notes to consolidated financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

f) Revaluation of property, plant and equipment

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 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 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.

Level 2 fair values of land and building have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

5 Segment Analysis

Following the management approach of IFRS 8, 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.

a) Domestic Bank:

Focuses on serving local companies, small and medium scale enterprises, government and government agencies and the retail market.

b) Corporate and Investment Bank:

Corporate Bank focuses on providing one-stop banking services to multinationals and regional companies, financial institutions and international organisations across network of the group. Investment Bank constitutes the treasury, corporate finance and asset management business. This unit provides value-added solutions primarily to corporate clients and governments.

c) Treasury:

This unit provides value-added solutions (FX, fixed income and money market activities) primarily to Corporate & Investment Bank and Domestic Bank clients.

Apart from Domestic Bank, Corporate & Investment Bank and Treasury segment, our non-banking affiliates other than the EDC group are aggregated under 'others'.

All revenues are external revenues. Attributing revenue to geographical areas is based on affiliate geaographical 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.

5 Segment Analysis (continued)

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

At 31 December 2015	Treasury	Corporate & Investment Bank	Domestic Bank	Others	Total Group segment
Net interest income	85,198	511,507	583,586	(29,255)	1,151,036
Net fees and commission income	7,027	236,991	310,569	44,530	599,117
Other income	417,568	8,109	8,306	259,867	693,850
Operating income	**509,793**	**756,607**	**902,461**	**275,142**	**2,444,003**
Impairment losses	(6,627)	(340,091)	(185,090)	(24,015)	(555,823)
Operating expenses	(245,553)	(346,521)	(737,822)	(185,432)	(1,515,328)
Operating profit	**257,613**	**69,995**	**(20,451)**	**65,695**	**372,852**
Share of profit of associates	(68)	(576)	(576)	—	(1,220)
Profit before tax from continuing operations	**257,545**	**69,419**	**(21,027)**	**65,695**	**371,632**
Total assets	**10,693,423**	**7,929,531**	**3,270,817**	**3,425,134**	**25,318,905**
Total liabilities	**5,041,220**	**6,847,861**	**9,579,692**	**3,494,210**	**24,962,983**
Depreciation and amortisation	19,094	21,802	44,411	27,213	112,520
At 31 December 2014					
Net interest income	58,681	406,100	694,800	(50,173)	1,109,408
Net fees and commission income	7,843	249,576	395,319	48,704	701,442
Other income	463,644	11,549	24,842	246,182	746,217
Operating income	**530,168**	**667,225**	**1,114,961**	**244,713**	**2,557,067**
Impairment losses	(11,877)	(105,041)	(150,043)	(45,943)	(312,904)
Operating expenses	(227,346)	(297,823)	(871,726)	(194,995)	(1,591,885)
Operating profit	**290,945**	**264,361**	**93,193**	**3,775**	**652,278**
Share of profit of associates	(1)	—	—	—	(1)
Profit before tax from continuing operations	**290,944**	**264,361**	**93,193**	**3,775**	**652,277**
Total assets	**9,805,290**	**6,858,571**	**5,374,809**	**3,331,570**	**25,370,240**
Total liabilities	**4,605,844**	**7,089,838**	**10,266,527**	**3,032,039**	**24,994,248**
Depreciation and amortisation	22,392	24,381	51,956	27,956	126,685

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(All amounts in thousands of U.S. dollars unless otherwise stated)

5 Segment Analysis (continued)

Reconciliation of segment results of operations to consolidated results of operations

	Total management reporting	Consolidation adjustments	Total consolidation
At 31 December 2015			
Net interest income	1,151,036	5,476	1,145,560
Net fees and commission income	599,117	52,590	546,527
Other income	693,850	279,962	413,888
Operating income	**2,444,003**	**338,028**	**2,105,975**
Impairment losses	(555,823)	(23,778)	(532,044)
Operating expenses	(1,515,328)	(147,810)	(1,367,518)
Operating profit	**372,852**	**166,440**	**206,413**
Share of profit of associates	(1,220)	(46)	(1,174)
Profit before tax from continuing operations	**371,632**	**166,394**	**205,239**
Total assets	**25,318,905**	**1,764,986**	**23,553,919**
Total liabilities	**24,962,983**	**3,932,309**	**21,030,674**
At 31 December 2014			
Net interest income	1,109,408	—	1,109,408
Net fees and commission income	701,442	40,722	660,720
Other income	746,217	236,463	509,754
Operating income	**2,557,067**	**277,185**	**2,279,882**
Loan impairment charges	(312,905)	(45,945)	(266,960)
Operating expenses	(1,591,884)	(100,750)	(1,491,134)
Operating profit	**652,278**	**130,489**	**521,789**
Share of profit of associates	(1)	2,238	(2,239)
Profit before tax from continuing operations	**652,277**	**132,727**	**519,550**
Total assets	**25,370,240**	**1,126,678**	**24,243,562**
Total liabilities	**24,994,248**	**3,405,771**	**21,588,477**

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

5.1 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.

ii) Nigeria region is made up of Ecobank Nigeria.

iii) West African Monetary Zone (WAMZ) 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, Gambia.

iv) Communauté Economique des Etats de l'Afrique Centrale (CEEAC) region comprises all subsidiaries within the CEMAC monetary zone. Countries in this zone share a common currency except Sao Tome. Cameroon, Chad, Central Africa, Congo Brazaville, Gabon, Sao Tome and Equatorial Guinea are the only countries currently included in this segment.

v) Eastern Africa Community (EAC) comprises of Burundi, Kenya, Rwanda, Tanzania, Uganda and South Sudan.

vi) Southern Africa Development Co-operation (SADC) comprises of Democratic Republic of Congo, Malawi, Zambia, Zimbabwe and Mozambique.

5.1 Entity-wide disclosures (continued)

Transactions between the business segments are carried out at arm's length. The revenue from external parties reported to the Group Executive Committee is measured in a manner consistent with that in the consolidated income statement. Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in inter-segment net interest income. Interest charged for these funds is based on the Group's cost of capital. There are no other material items of income or expense between the business segments.

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 Group Executive Board 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 Group Executive Management Committee. 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 2015 is as follows:

	UEMOA	Nigeria	WAMZ	Central Africa	East Africa	SADC	Others	Total
At 31 December 2015								
Net interest income	232,669	525,971	225,115	88,172	51,459	47,727	(25,554)	1,145,559
Net fees and commission income	124,948	170,621	86,557	71,442	25,442	45,184	67,129	591,323
Other income	82,992	179,876	58,080	32,030	30,143	15,919	283,966	683,006
Operating income	440,609	876,468	369,752	191,644	107,044	108,830	325,541	2,419,888
Loan impairment charges	(76,835)	(289,771)	(36,457)	(22,751)	(7,972)	(9,671)	(112,365)	(312,905)
Operating expenses	(267,212)	(529,156)	(199,259)	(119,025)	(87,468)	(83,416)	(230,619)	(1,591,884)
Operating profit	**96,562**	**57,541**	**134,036**	**49,868**	**11,604**	**15,743**	**(17,443)**	**515,099**
Share of profit of associates	—	283	225	(1,727)	—	—	—	(1,219)
Profit before tax from continuing operations	96,562	57,824	134,261	48,141	11,604	15,743	(17,443)	513,880
Taxation	(11,904)	(382)	(44,506)	(15,504)	(3,500)	(6,808)	(10,901)	(93,505)
Profit after tax	**84,658**	**57,442**	**89,755**	**32,637**	**8,104**	**8,935**	**(28,344)**	**420,375**
Total assets	**7,112,271**	**9,188,861**	**2,648,569**	**2,230,119**	**1,137,694**	**882,491**	**4,647,608**	**27,847,613**
Total liabilities	**6,753,963**	**7,963,816**	**2,338,790**	**2,082,863**	**997,879**	**751,948**	**2,165,325**	**23,054,584**
At 31 December 2014								
Net interest income	250,674	495,620	230,936	86,282	43,710	42,357	(40,171)	1,109,408
Net fees and commission income	134,536	239,014	86,686	71,146	26,426	44,083	99,551	701,442
Other income	87,236	254,521	64,800	41,262	14,624	15,268	268,506	746,217
Operating income	472,446	989,155	382,422	198,690	84,760	101,708	327,886	2,557,067
Loan impairment charges	(45,200)	(176,502)	(18,381)	(13,180)	(3,866)	(7,911)	(47,865)	(312,905)
Operating expenses	(286,585)	(588,312)	(188,690)	(128,022)	(80,875)	(78,139)	(241,261)	(1,591,884)
Operating profit	**140,661**	**224,341**	**175,351**	**57,488**	**19**	**15,658**	**38,760**	**652,278**
Share of profit of associates	—	—	205	(207)	—	—	—	(1)
Profit before tax from continuing operations	140,661	224,341	175,556	57,281	19	15,658	38,760	652,277
Taxation	(26,661)	(6,002)	(51,239)	(25,823)	815	(6,486)	(6,628)	(122,024)
Profit after tax	**114,000**	**218,339**	**124,317**	**31,458**	**834**	**9,172**	**32,132**	**530,253**
Total assets	**6,762,908**	**9,672,634**	**2,711,718**	**2,344,813**	**1,131,066**	**744,950**	**4,847,997**	**28,216,086**
Total liabilities	**6,353,098**	**8,516,389**	**2,382,041**	**2,190,678**	**953,613**	**606,032**	**2,259,220**	**23,261,071**

Notes to consolidated financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

5.1 Entity-wide disclosures (continued)

Reconciliation of segment results of operations to consolidated results of operations

	Total management reporting	Consolidation adjustments	Total consolidation
At 31 December 2015			
Net interest income	1,145,559	—	1,145,560
Net fees and commission income	591,323	44,796	546,527
Other income	683,006	269,118	413,888
Operating income	2,419,888	313,914	2,105,975
Loan impairment charges	(312,905)	219,139	(532,044)
Operating expenses	(1,591,884)	(224,366)	(1,367,518)
Operating profit	**515,099**	**308,687**	**206,413**
Share of profit of associates	(1,219)	(45)	(1,174)
Profit before tax from continuing operations	**513,880**	**308,642**	**205,239**
Taxation	(93,505)	—	(93,505)
Profit after tax	**420,375**	**308,642**	**111,734**
Total assets	**27,847,613**	**4,293,694**	**23,553,919**
Total liabilities	**23,054,584**	**2,023,910**	**21,030,674**
At 31 December 2014			
Net interest income	1,109,408	—	1,109,408
Net fees and commission income	701,442	40,722	660,720
Other income	746,217	236,463	509,754
Operating income	2,557,067	277,185	2,279,882
Loan impairment charges	(312,905)	(45,945)	(266,960)
Operating expenses	(1,591,884)	(100,750)	(1,491,134)
Operating profit	**652,278**	**130,489**	**521,789**
Share of profit of associates	(1)	2,238	(2,239)
Profit before tax from continuing operations	**652,277**	**132,727**	**519,550**
Taxation	(122,024)	—	(122,024)
Profit after tax	**530,253**	**132,727**	**397,526**
Total assets	**28,216,086**	**3,972,524**	**24,243,562**
Total liabilities	**23,261,071**	**1,672,594**	**21,588,477**

6 Net interest income

Year ended 31 December	2015	2014
Interest income		
Loans and advances to banks	45,461	42,384
Loans and advances to customers:		
• Corporate Bank	896,705	627,348
• Domestic Bank	508,711	720,848
Treasury bills and other eligible bills	167,287	183,749
Investment securities – available for sale	97,307	114,956
Financial assets held for trading	29,672	41,492
Others	3,163	851
	1,748,306	**1,731,628**
Interest expense		
Deposits from banks	73,675	34,312
Due to customers:		
• Corporate Bank	186,901	174,358
• Domestic Bank	209,923	254,589
Borrowed funds	131,864	158,568
Others	384	394
	602,746	**622,221**

7 Net fee and commission income

Year ended 31 December	2015	2014
Net fee and commission income		
Fee and commission income		
Credit related fees and commissions	241,521	281,939
Corporate finance fees	3,987	32,634
Portfolio and other management fees	5,892	7,579
Brokerage fees and commissions	3,308	2,854
Cash management and related fees	227,549	272,359
Card management fees	77,990	79,886
Other fees	21,757	21,971
	582,004	**699,222**
Fee and commission expense		
Brokerage fees paid	1,555	3,924
Other fees paid	33,922	34,578
	35,477	**38,502**

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 fiduciary capacity are not included in these financial statements.

Notes to consolidated financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

8 Net trading income

Year ended 31 December	2015	2014
Foreign exchange	308,785	382,183
Trading income on securities	104,173	80,465
	412,958	**462,648**

9 Net gain/(loss) from investment securities

Year ended 31 December	2015	2014
Derecognition of available-for-sale financial assets	—	5,864
Impairment of available-for-sale equity securities	(951)	(794)
	(951)	**5,070**

10 Other operating income

Year ended 31 December	2015	2014
i) Lease income		
Equipment	1,010	12,536
Motor vehicles	335	392
Other leased assets	17	3
	1,362	**12,931**
ii) Dividend income		
Trading securities	45	36
Available-for-sale securities	6,217	3,900
	6,262	**3,936**
iii) Others		
Fair value gain/(loss) on investment properties	(22,160)	699
Gain on bargain purchase	—	568
(Loss)/Profit on sale of property and equipment	(2,012)	(960)
Others	18,429	24,862
	(5,743)	**25,169**
Total other operating income	**1,881**	**42,036**

11 Operating expenses

Year ended 31 December	2015	2014
a) Staff expenses		
Salaries, allowances and other compensation	525,865	576,102
Social security costs	48,092	46,190
Pension costs:		
defined contribution plans	12,314	17,801
Other post retirement benefits (Note 37)	5,272	9,001
	591,543	**649,094**
b) Depreciation and amortisation		
Depreciation of property and equipment (Note 27)	90,662	101,215
Amortisation of software and other intangibles (Note 26)	21,858	25,470
	112,520	**126,685**
c) Other operating expenses		
Directors' emoluments	1,455	1,517
Impairment charges:		
Impairment charges on property and equipment (Note 27)	—	27
Restructuring costs	460	227
Social responsibility	1,926	4,169
Rent and utilities	65,468	72,745
Insurance	40,148	48,518
Advertising and promotion	31,527	30,363
Professional and legal costs	90,549	111,777
Operational losses and fines	51,009	49,373
Communications and technology	126,766	138,336
Business travels	29,052	26,233
AGM and board activities	2,950	5,732
Training	14,335	10,140
Employee activities	15,522	16,042
Repairs and maintenance	51,862	55,717
Supplies and services	15,957	23,076
Allocated cost	5,331	5,091
Cash transportation	18,399	20,212
Fuel	10,935	13,486
Other taxes	25,126	17,975
Non capitalised items	834	481
Pre-opening expenses	1,030	186
Listing fees	4,770	2,263
Banking resolution sinking fund cost (AMCON)	45,944	40,390
Other administrative expenses	12,100	21,277
Total	**663,455**	**715,354**
Total operating expenses	**1,367,518**	**1,491,132**

Notes to consolidated financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

12 Impairment losses on loans and advances

Year ended 31 December	2015	2014
Loans and advances to customers (Note 20)	**607,900**	**441,088**
• Specific allowance	587,498	388,333
• Collective allowance	20,402	52,755
Provisons no longer required (Note 20)	**(180,819)**	**(211,776)**
• Specific allowance	(166,895)	(172,917)
• Collective allowance	(13,924)	(38,859)
	427,081	**229,312**

13 Impairment losses on other financial assets

Year ended 31 December	2015	2014
Impairment charge on doubtful receivables (Note 24)	**104,963**	**37,648**

14 Taxation

Year ended 31 December	2015	2014
Current income tax	106,972	123,614
Deferred income tax (Note 36)	(13,467)	(1,590)
	93,505	**122,024**

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 parent as follows:

Profit before tax	205,239	519,549
Tax calculated at local tax rates applicable to profits in the respective countries	112,179	121,863
Tax impact on income not subject to tax	(11,470)	(7,106)
Tax impact on expenses not deductible for tax purposes:	5,104	25,375
Utilisation of previously unrecognised tax losses	(12,308)	(18,108)
Income tax expense	**93,505**	**122,024**

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

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.

Year ended 31 December	2015	2014
Profit attributable to equity holders of the Company from continuing operations	67,845	339,351
Profit attributable to equity holders of the Company from discontinued operations	(2,306)	(1,488)
Weighted average number of ordinary shares in issue (in thousands)	23,986,466	20,087,840
Basic earnings per share (expressed in US cents per share) from continuing operations	0.28	1.69
Basic earnings per share (expressed in US cents per share) from discontinued operations	(0.01)	(0.01)

Diluted

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

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

Profit attributable to equity holders of the company from continuing operations	67,845	339,351
Interest expense on dilutive convertible loans	939	9,644
Adjusted profit	68,784	348,995
Profit attributable to equity holders of the company from discontinued operations	(2,306)	(1,488)
Interest expense on dilutive convertible loans	—	—
Adjusted profit	(2,306)	(1,488)
Weighted average number of ordinary shares in issue (in thousands)	23,986,466	20,087,840
Adjustment for dilutive convertible loans	372,484	1,684,747
Adjustment for share option	72,099	77,550
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	24,431,050	21,850,137
Dilutive earnings per share (expressed in US cents per share) from continuing operations	0.28	1.60
Dilutive earnings per share (expressed in US cents per share) from discontinued operations	(0.01)	(0.01)

16 Cash and balances with central banks

At 31 December	2015	2014
Cash in hand	675,288	690,151
Balances with central banks other than mandatory reserve deposits	1,103,593	863,146
Included in cash and cash equivalents (Note 42)	1,778,881	1,553,297
Mandatory reserve deposits with central banks	1,466,482	1,993,246
	3,245,363	**3,546,543**

Mandatory reserve deposits are not available for use in the Group's day-to-day operations. All balances are current.

Notes to consolidated financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

17 Financial assets held for trading

At 31 December	2015	2014
Debt securities:		
• Government bonds	170,826	279,077
Total debt securities	170,826	279,077
Equity securities		
• Listed	508	357
Total equity securities	508	357
Total financial assets held for trading	171,334	279,434
Current	171,334	279,365
Non current	—	69
	171,334	**279,434**

18 Derivative financial instruments and trading liabilities

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.

	At 31 December 2015			At 31 December 2014		
		Fair value			Fair value	
Derivatives	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Currency forwards	4,918	186	—	424,593	16,059	3,417
Currency swaps	411,141	36,090	1,336	1,261,597	110,743	17,061
Options	151,279	107,949	—	162,367	120,862	—
Total	**567,339**	**144,225**	**1,336**	**1,848,557**	**247,664**	**20,478**

The Group has not designated at initial recognition any financial liability at fair value through profit or loss. All derivative financial instruments, other than the options, are current.

19 Loans and advances to banks

At 31 December	2015	2014
Items in course of collection from other banks	57,277	70,404
Deposits with other banks (Note 42)	905,941	1,000,838
Placements with other banks	806,818	811,259
	1,770,036	**1,882,501**

All loans and advances to banks are current.

20 Loans and advances to customers

At 31 December	Corporate Bank		Domestic Bank		Total	
	2015	2014	2015	2014	2015	2014
a) Analysis by type:						
• Overdrafts	2,155,814	1,277,463	816,048	1,239,233	2,971,862	2,516,696
• Credit cards	—	—	6,600	6,168	6,600	6,168
• Term loans	6,057,131	5,669,149	2,691,481	4,323,971	8,748,612	9,993,120
• Mortgage loans	—	—	108,625	117,559	108,625	117,559
• Others	21,742	62,928	—	—	21,742	62,928
Gross loans and advances	8,234,687	7,009,540	3,622,754	5,686,931	11,857,441	12,696,471
Less: allowance for impairment	(305,130)	(154,186)	(351,962)	(230,643)	(657,092)	(384,829)
	7,929,557	**6,855,354**	**3,270,792**	**5,456,288**	**11,200,349**	**12,311,642**
b) Analysis by security:						
Secured against real estate	864,881	615,425	695,987	1,258,094	1,560,868	1,873,519
Otherwise secured	5,623,984	4,553,552	1,535,519	2,652,301	7,159,503	7,205,853
Unsecured	1,745,822	1,840,563	1,391,248	1,776,536	3,137,070	3,617,099
	8,234,687	7,009,540	3,622,754	5,686,931	11,857,441	12,696,471
Current					6,233,492	6,630,877
Non current					5,623,949	6,065,594
					11,857,441	**12,696,471**
c) Analysis by performance						
Non-impaired	7,720,473	6,887,297	3,169,839	5,249,254	10,890,312	12,136,551
Impaired	514,214	122,243	452,915	437,677	967,129	559,920
	8,234,687	**7,009,540**	**3,622,754**	**5,686,931**	**11,857,441**	**12,696,471**

d) Movements in loans and advances

Reconciliation of loans and advances by class is as follows:

At 31 December 2015	Corporate Bank			Domestic Bank				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January 2015	1,277,462	5,669,149	62,929	1,239,233	6,168	4,323,971	117,559	12,696,471
Acquistion of subsidiaries	—	—	—	—	—	—	—	—
Disbursed during the year	1,391,078	1,529,202	539	2,512,506	990	819,887	29,751	6,283,953
Paid off during the year	(514,385)	(419,893)	(35,775)	(2,816,532)	—	(1,963,589)	(55,255)	(5,805,429)
Amounts written off as uncollectibles	—	(49,702)	—	(10,375)	—	(53,534)	—	(113,611)
Reclassification	145,854	(129,635)	—	3,146	(11)	(47,973)	28,619	—
Exchange difference	(144,195)	(541,990)	(5,951)	(111,930)	(547)	(387,281)	(12,049)	(1,203,943)
At 31 December 2014	**2,155,814**	**6,057,131**	**21,742**	**816,048**	**6,600**	**2,691,481**	**108,625**	**11,857,441**

At 31 December 2014	Corporate Bank			Domestic Bank				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January 2014	1,378,066	4,986,705	20,264	1,225,803	7,131	4,200,334	191,467	12,009,770
Acquistion of subsidiaries	2,379	1,600	—	844	—	16,938	—	21,761
Disbursed during the year	656,690	3,490,961	50,129	710,673	591	1,763,786	92,188	6,765,018
Paid off during the year	(563,228)	(2,040,193)	(997)	(521,892)	(203)	(827,815)	(146,102)	(4,100,430)
Amounts written off as uncollectibles	(738)	(8,422)	—	(17,660)	—	(342,750)	—	(369,570)
Reclassification	8,630	(54,875)	(171)	34,206	—	9,133	3,077	—
Exchange difference	(204,337)	(706,627)	(6,296)	(192,741)	(1,351)	(495,655)	(23,071)	(1,630,078)
At 31 December 2014	**1,277,462**	**5,669,149**	**62,929**	**1,239,233**	**6,168**	**4,323,971**	**117,559**	**12,696,471**

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(All amounts in thousands of U.S. dollars unless otherwise stated)

20 Loans and advances to customers (continued)

e) Allowance for impairment

Reconciliation of allowance account for losses on loans and advances by class is as follows:

At 31 December 2015	Corporate Bank			Domestic Bank				Total
Specific allowance for impairment	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January 2015	25,361	77,651	—	110,883	29	70,615	517	285,056
Provision for loan impairment	29,258	339,458	—	5,645	264	212,458	415	587,498
Provisons no longer required	(45,529)	(65,394)	—	(15,519)	—	(39,720)	(733)	(166,895)
Loans written off during the year	(631)	(84,315)	—	(6,137)	—	(22,528)	—	(113,611)
Reclassification	760	(1,135)	—	(35)	—	518	(108)	—
Exchange difference	(2,032)	(3,404)	—	(49,266)	(4)	31,863	(41)	(22,884)
At 31 December 2015	**7,187**	**262,861**	**—**	**45,571**	**289**	**253,206**	**50**	**569,164**

At 31 December 2015	Corporate Bank			Domestic Bank				Total
Collective allowance for impairment	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January	7,273	43,619	282	10,396	53	36,875	1,275	99,773
Provision for loan impairment	(2,290)	5,111	27	(5,434)	(50)	23,732	(694)	20,402
Provisions no longer required	(1,114)	(10,830)	—	(219)	—	(1,748)	(13)	(13,924)
Reclassification	27	(7)	—	(22)	—	—	2	—
Exchange difference	(576)	(6,225)	(215)	(1,735)	(3)	(9,459)	(110)	(18,323)
At 31 December 2015	3,320	31,668	94	2,986	—	49,400	460	87,928
Total allowance for impairment	**10,507**	**294,529**	**94**	**48,557**	**289**	**302,606**	**510**	**657,092**

At 31 December 2014	Corporate Bank			Domestic Bank				Total
Specific allowance for impairment	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January 2014	12,014	33,609	—	98,880	237	355,710	491	500,941
Acquistion of subsidiaries	—	—	—	—	—	2,355	—	2,355
Provision for loan impairment	17,605	86,978	—	97,470	3,376	182,775	129	388,333
Provisons no longer required	(1,958)	(23,841)	—	(42,351)	(3,572)	(100,033)	(1,162)	(172,917)
Loans written off during the year	(398)	(7,283)	—	(26,860)	—	(335,029)	—	(369,570)
Reclassification	—	—	—	—	—	(12,509)	—	(12,509)
Exchange difference	(1,902)	(11,812)	—	(16,256)	(12)	(22,654)	1,059	(51,577)
At 31 December 2014	**25,361**	**77,651**	**—**	**110,883**	**29**	**70,615**	**517**	**285,056**

At 31 December 2014	Corporate Bank			Domestic Bank				Total
Collective allowance for impairment	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January 2014	8,260	35,660	31	9,193	67	32,584	1,429	87,224
Provision for loan impairment	1,257	12,283	53	14,734	60	23,257	1,111	52,755
Provisions no longer required	(245)	(987)	—	(10,511)	(64)	(26,404)	(648)	(38,859)
Reclassification	(977)	2,702	(1)	(1,662)	—	12,901	(454)	12,509
Exchange difference	(1,022)	(6,039)	199	(1,358)	(10)	(5,463)	(163)	(13,856)
At 31 December 2014	7,273	43,619	282	10,396	53	36,875	1,275	99,773
Total allowance for impairment	**32,634**	**121,270**	**282**	**121,279**	**82**	**107,490**	**1,792**	**384,829**

20 Loans and advances to customers (continued)

At 31 December	2015	2014
Gross investment in finance leases, receivable		
No later than 1 year	457	—
Later than 1 year and no later than 5 years	5,090	4,262
	5,547	4,262
Unearned future finance income on finance leases	(15)	(495)
Net investment in finance leases	5,531	3,767
The net investment in finance lease may be analysed as follows:		
No later than 1 year	778	—
Later than 1 year and no later than 5 years	4,753	3,767
	5,531	3,767

21 Treasury bills and other eligible bills

At 31 December	2015	2014
Maturing within three monts (Note 42)	628,902	731,796
Maturing after three months	807,503	544,324
	1,436,405	**1,276,120**
Current	1,357,155	1,230,771
Non current	79,250	45,349
	1,436,405	**1,276,120**

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

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(All amounts in thousands of U.S. dollars unless otherwise stated)

22 Investment securities

At 31 December	2015	2014
Securities available-for-sale		
Debt securities – at fair value:		
• listed	1,243,994	559,785
• unlisted	1,229,565	694,356
Total	2,473,560	1,254,141
Equity securities – at fair value:		
• listed	19,340	10,345
• unlisted	188,103	181,453
Total	207,442	191,798
Total securities available-for-sale before impairment	2,681,002	1,445,939
Allowance for impairment	(11,310)	(10,359)
Total securities available-for-sale	2,669,692	1,435,580
Current	604,486	460,392
Non current	2,065,206	975,188
	2,669,692	**1,435,580**

The Group has not reclassified any financial asset measured at amortised cost to fair value during the year. (2014: nil)

The movement in securities available-for-sale may be summarised as follows:

At 1 January	1,435,580	1,893,489
Additions	1,459,656	4,113,497
Acquisition of subsidiary	—	239
Disposals (sale and redemption)	(220,777)	(4,310,257)
Losses from impairment of available-for-sale equity securities	(568)	3,958
Gains/(loss) from changes in fair value	111,869	(32,951)
Exchange differences	(116,068)	(232,395)
At 31 December	**2,669,692**	**1,435,580**

The movement in impairment allowance on securities available-for-sale may be summarised as follows:

At 1 January	10,359	10,789
Additional provision	951	794
Reclassification	—	—
Exchange differences	—	(1,224)
At 31 December	**11,310**	**10,359**

23 Pledged assets

At 31 December	2015	2014
Treasury bills	471,798	540,524
Government bonds	287,288	491,622
	759,086	**1,032,146**
Pledged assets have been stated at fair values		
Current	506,921	716,564
Non-current	252,165	315,582
	759,086	**1,032,146**

24 Other assets

At 31 December	2015	2014
Fees receivable	5,897	22,215
Accounts receivable	462,136	350,832
Prepayments	178,701	173,070
Sundry receivables	26,533	21,526
	673,267	567,643
Impairment charges on receivable balances	(159,638)	(81,325)
	513,629	**486,318**
Current	489,596	463,563
Non-current	24,033	22,755
	513,629	**486,318**

The movement in impairment allowance on other assets may be summarised as follows:

1 January	81,325	56,649
Increase in impairment	104,963	37,648
Write-off	(26,650)	(12,972)
At 31 December	**159,638**	**81,325**

25 Investment in associates

At 31 December	2015	2014
At 1 January	16,773	21,993
Additions	—	—
Disposal	—	(1,359)
Share of results	(1,174)	(2,239)
Reclassification	—	—
Exchange differences	203	(1,621)
At 31 December	**15,802**	**16,773**

Investment in associates balances are non-current.

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(All amounts in thousands of U.S. dollars unless otherwise stated)

25 Investment in associates (continued)

	At 31 December 2015					At 31 December 2014			
	OLD MUTUAL Life insurance	OLD MUTUAL General insurance	EB-ACCION Ghana	EB-ACCION Cameroon	EB-ACCION Nigeria	OLD MUTUAL Life insurance	OLD MUTUAL General insurance	EB-ACCION Ghana	EB-ACCION Cameroon
Current assets	32,736	25,433	12,910	9,471	32,873	29,196	23,431	10,997	9,339
Non-current assets	2,377	6,986	1,009	1,301	1,606	1,530	11,023	839	1,251
Total assets	**35,113**	**32,418**	**13,919**	**10,772**	**34,480**	**30,726**	**34,454**	**11,836**	**10,589**
Liabilities	15,659	10,208	11,292	9,314	19,012	14,201	10,509	9,237	9,176
Total Liabilities	**15,659**	**10,208**	**11,292**	**9,314**	**19,012**	**14,201**	**10,509**	**9,237**	**9,176**
Revenues	4,227	23,874	6,022	3,441	16,183	4,107	10,755	6,219	317
Profit after tax	(4,342)	(581)	413	162	3,177	(7,434)	48	350	(450)

None of the associates are listed. There were no published price quotations for any associates of the Group. Furthermore, there are no significant restrictions on the ability of associates to transfer funds to the Group in form of cash dividends or repayment of loans and advances. These associates are strategic to the Group. The ACCION entities are microfinance banks while Old Mutual entities are in life and general insurance businesses.

	At 31 December 2015			At 31 December 2014		
	Principal place of business/Country of incorporation	Net assets of associate	Share Holding (Direct and Indirect)	Country of incorporation	Net assets of associate	Share Holding (Direct and Indirect)
EB-ACCION Ghana	Ghana	2,626	39.78%	Ghana	2,600	39.78%
EB-ACCION Cameroon	Cameroon	1,458	49.87%	Cameroon	1,413	49.87%
EB-ACCION Nigeria	Nigeria	15,468	21.73%			
OLD MUTUAL Life insurance	Nigeria	19,453	30.00%	Nigeria	16,525	30.00%
OLD MUTUAL General insurance	Nigeria	22,210	30.00%	Nigeria	23,945	30.00%

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

At 31 December 2015	OLD MUTUAL Life insurance	OLD MUTUAL General insurance	EB-ACCION Nigeria	EB-ACCION Ghana	EB-ACCION Cameroon	Total
Opening net assets	16,899	23,946	—	2,600	1,413	44,858
Profit/(loss) for the year	(4,342)	(581)	3,177	413	162	(1,170)
Addition of associates	—	—	12,291	—	—	12,291
Exchange differences	6,897	(1,155)	—	(387)	(118)	5,237
Closing net assets	**19,453**	**22,210**	**15,468**	**2,626**	**1,458**	**61,215**
Interest in associates	5,836	6,663	3,361	1,045	727	17,632
Notional goodwill	(1,665)	855	(3,035)	1,388	629	(1,829)
Carrying value	**4,171**	**7,518**	**326**	**2,432**	**1,356**	**15,802**

At 31 December 2014	OLD MUTUAL Life insurance	OLD MUTUAL General insurance	SOFIPE Burkina	EB-ACCION Ghana	EB-ACCION Cameroon	Total
Opening net assets	16,525	31,646	2,602	3,617	2,058	56,073
Profit/(loss) for the year	(7,434)	48	29	350	(450)	(7,457)
Disposal of associates	—	—	(2,631)	—	—	(2,631)
Exchange differences	7,808	(7,748)	—	(1,367)	(195)	(1,502)
Closing net assets	**16,899**	**23,946**	—	**2,600**	**1,413**	**44,858**
Interest in associates	4,957	7,184	—	1,034	664	13,839
Notional goodwill	(1,724)	520	—	1,725	2,413	2,934
Carrying value	**3,233**	**7,704**	—	**2,759**	**3,077**	**16,773**

26 Intangible assets

At 31 December	2015	2014
Goodwill		
At 1 January	367,984	433,167
Acquisition of subsidiary	—	5,396
Exchange differences	(26,214)	(70,579)
At 31 December	**341,770**	**367,984**

Goodwill is tested annually for impairment, or more frequently when there are indications that impairment may have occurred. There was no impairment identified in 2015 (2014: nil).

Software costs		
At 1 January	42,273	63,581
Purchase	24,154	10,874
Amortisation (Note 11)	(21,858)	(25,469)
Exchange differences	(3,888)	(6,713)
At 31 December	**40,681**	**42,273**
Total intangible assets	**382,451**	**410,257**

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 three years.

The goodwill is arising on acquisitions in the following subsidiaries:

At 31 December	2015	2014
Ecobank Nigeria (Oceanic Bank)	308,604	331,222
Ecobank Ghana (The Trust Bank)	10,651	12,629
Ecobank Rwanda	5,080	5,468
Ecobank Zimbabwe	6,550	6,550
SOFIPE	4,261	4,751
Ecobank Chad	2,540	2,832
Ecobank Central Africa	1,563	1,743
Ecobank Burundi	1,160	1,208
Ecobank Sierra Leone (ProCredit)	733	834
Ecobank Malawi	146	209
Ecobank Burkina Faso	482	537
	341,770	**367,984**

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

- the cash flows were projected based on the Bank's approved budget. The cash flows were based on past experiences and were adjusted to reflect expected future performances of the company putting into consideration the country's gross domestic product.
- a terminal growth rate of between 2.1% and 7.7% was applied in determining the terminal cash flows depending on the country the entity is domiciled.
- discount rates of averaging 13.67%, representing pre-tax weighted average cost of capital (WACC), 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.
- the Group expects that through this acquisition, it would create synergy that enhances its ability to tap into opportunities in the respective countries where the entities are domiciled;
- The key assumptions described 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 decline below the carrying amount.

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(All amounts in thousands of U.S. dollars unless otherwise stated)

27 Property and equipment (continued)

	Motor Vehicles	Land and Buildings	Furniture and Equipment	Installations	Construction in progress	Total
At 1 January 2014						
Cost or Valuation	105,139	631,401	544,746	132,660	121,647	1,535,593
Accumulated depreciation	74,192	121,845	401,286	66,125	—	663,448
Net book amount	**30,947**	**509,556**	**143,460**	**66,535**	**121,647**	**872,145**
Year ended December 2014						
Opening net book amount	30,947	509,556	143,460	66,535	121,647	872,145
Acquisition of subsidiaries	70	9,632	2,633	236	—	12,570
Additions	7,806	18,787	78,542	30,760	45,545	181,440
Revaluation	—	112,179	—	—	—	112,179
Disposals – cost	(4,077)	(10,150)	(19,734)	(7,037)	(3,461)	(44,459)
Disposals – accumulated depreciation	4,313	4,257	5,141	36	—	13,747
Reclassifications – cost	—	2,137	—	1,053	(3,190)	—
Reclassifications – accumulated depreciation	—	(394)	—	394	—	—
Impairment charge	—	(27)	—	—	—	(27)
Depreciation charge	(9,759)	(17,370)	(58,073)	(16,013)	—	(101,215)
Exchange rate adjustments	(2,307)	(77,674)	(18,161)	(8,230)	(19,319)	(125,691)
Closing net book amount	**26,993**	**550,933**	**133,808**	**67,734**	**141,222**	**920,690**
At 31 December 2014/1 January 2015						
Cost or Valuation	97,380	550,933	534,529	142,108	141,222	1,466,172
Accumulated depreciation	70,387	—	400,721	74,374	—	545,482
Net book amount	**26,993**	**550,933**	**133,808**	**67,734**	**141,222**	**920,690**
Year ended December 2015						
Opening net book amount	26,993	550,933	133,808	67,734	141,222	920,690
Acquisition of subsidiaries	—	—	—	—	—	—
Additions	8,312	54,958	67,248	30,330	50,670	211,520
Revaluation	—	528	—	—	—	528
Disposals – cost	(4,676)	(8,266)	(180,760)	(10,757)	(45,352)	(249,810)
Disposals – accumulated depreciation	4,445	2,186	169,140	5,580	—	181,351
Reclassifications – cost	—	11,523	—	489	(12,012)	—
Reclassifications – accumulated depreciation	—	(15)	—	15	—	—
Impairment charge	—	—	—	—	—	—
Depreciation charge	(8,953)	(13,802)	(54,457)	(13,451)	—	(90,662)
Exchange rate adjustments	(1,554)	(46,072)	(12,760)	(7,262)	(12,114)	(79,762)
Closing net book amount	**24,568**	**551,974**	**122,220**	**72,678**	**122,415**	**893,855**
At 31 December 2015						
Cost	94,087	672,752	374,517	146,889	122,415	1,410,660
Accumulated depreciation	69,519	120,778	252,297	74,211	—	516,805
Net book amount	**24,568**	**551,974**	**122,220**	**72,678**	**122,415**	**893,855**

27 Property and equipment (continued)

An independent valuation of the group's land and buildings was performed by valuers to determine the fair value of the land and buildings as at 31 December 2014. 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).

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 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 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.

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

At 31 December	2015	2014
Cost	616,580	557,836
Accumulated depreciation	130,713	119,082
Net book amount	**485,867**	**438,754**

28 Investment property

At 31 December	2015	2014
1 January	168,167	168,048
Additions	7,980	484
Fair value gains	(22,160)	699
Disposal	(15,111)	(26)
Exchange rate adjustments	(2,410)	(1,038)
At 31 December	**136,466**	**168,167**

The following amounts have been recognised in the income statement

Rental income	1,219	1,360
Direct operating expenses arising from investment properties that generate rental income	(502)	(632)
Fair value gains / (losses)	(22,160)	699
	(21,443)	**1,427**

Investment properties are carried at fair value. The valuation of investment properties has been done using the level 2 technique (inputs other than quoted price that are observable for the asset or liability). The values have been derived using the sales comparison approach. 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 investment property being valued.

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29 Held for sale and discontinued operations

The assets and liabilities of Union Bank of Cameroon (UBC) have been classified as held for sale in line with IFRS 5 (Non current assets held for sale and discontinued operations). UBC was acquired as part of the Oceanic transaction in 2011 but was deemed as non-core to ETI's operations. Regulatory approval has been obtained for the sale and it is expected to be completed during 2016. UBC is classified under 'others' in the segment reporting. The assets and performance reviewed by the CODM does not include assets held for sale.

At 31 December	2015	2014
a) Assets classified as held for sale		
Cash and balances with central banks	41,656	68,189
Treasury bills and other eligible bills	4,127	18,470
Loans and advances to banks	521	93
Loans and advances to customers	26,761	13,474
Investment securities – available for sale	15,544	12,635
Intangible assets	201	37
Property and equipment	1,130	1,351
Deferred income tax assets	1,922	2,143
Other assets	(50)	225
	91,813	**116,617**
b) Liabilities classified as held for sale		
Deposits from banks	—	643
Due to customers	96,926	118,187
Other liabilities	6,206	6,389
Retirement benefit obligation	805	822
Deferred income tax liabilities	3,094	3,220
	107,031	**129,261**
c) Profit from discontinued operations		
Revenue	3,192	5,319
Costs	(7,461)	(7,692)
Loss before tax of discontinued operations	(4,270)	(2,373)
Taxation	—	(381)
(Loss)/Profit from discontinued operations after tax	(4,270)	(2,755)
Loss on disposal	—	—
Loss from discontinued operations	(4,270)	(2,755)
Loss attributable to:		
Owners of the parent	(2,306)	(1,488)
Non controlling interests	(1,964)	(1,267)
	(4,270)	(2,755)
Cash and Flow statement		
Cash flow (used in)/from operating activities	(27,893)	3,882
Cashflow (used in)/from investing activities	(4,647)	8,096
Total cashflows	**(32,540)**	**11,978**

30 Deposits from other banks

At 31 December	2015	2014
Operating accounts with banks	216,284	710,644
Deposits from other banks	487,390	202,197
	703,674	**912,841**

All deposits from banks are current and have variable interest rates.

31 Deposit from customers

At 31 December	2015	2014
Corporate Bank		
• Current accounts	3,848,559	4,211,970
• Term deposits	2,999,302	2,958,922
	6,847,861	7,170,892
Domestic Bank		
• Current accounts	4,886,794	5,373,141
• Term deposits	2,102,599	2,292,317
• Savings deposits	2,590,299	2,600,620
	9,579,692	10,266,078
Total	**16,427,553**	**17,436,970**
Current	7,686,066	8,203,912
Non current	8,741,487	9,233,058
	16,427,553	**17,436,970**

Customer deposits carry variable interest rates.

At 31 December 2015	Corporate Bank		Domestic Bank			Total
	Current account	Term deposits	Current account	Term deposits	Savings	
At 1 January	4,211,970	2,958,922	4,820,395	2,845,063	2,600,620	17,436,970
Additions	4,707,802	717,498	5,028,529	194,020	692,810	11,340,659
Acquisition of subsidiaries	—	—	—	—	—	—
Withdrawals	(4,621,413)	(323,765)	(4,928,284)	(190,931)	(452,231)	(10,516,624)
Reclassification	20,425	(5,011)	(20,425)	5,011	—	—
Exchange difference	(470,225)	(348,342)	(13,421)	(750,564)	(250,900)	(1,833,452)
At 31 December 2015	**3,848,559**	**2,999,302**	**4,886,794**	**2,102,599**	**2,590,299**	**16,427,553**

At 31 December 2014	Corporate Bank		Domestic Bank			Total
	Current account	Term deposits	Current account	Term deposits	Savings	
At 1 January	3,670,418	1,925,951	4,612,885	3,668,329	2,612,321	16,489,904
Additions	5,165,733	1,489,217	7,219,977	226,274	796,776	14,897,976
Acquisition of subsidiaries	8,470	20	18,130	7,100	1,638	35,359
Withdrawals	(4,025,508)	(164,549)	(6,748,057)	(397,091)	(436,202)	(11,771,407)
Reclassification	19,501	—	(19,501)	—	—	—
Exchange difference	(626,644)	(291,717)	(263,039)	(659,549)	(373,913)	(2,214,862)
At 31 December 2014	**4,211,970**	**2,958,922**	**4,820,395**	**2,845,063**	**2,600,620**	**17,436,970**

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32 Other deposits

At 31 December	2015	2014
Other money-market deposits	729,563	573,217
Certificates of deposits	149	83
	729,712	**573,300**

All other deposits are current and have variable interest rates.

33 Borrowed funds

	At 31 December	2015	2014
a	Deutsche Bank	279,843	198,683
b	Bank of Industry of Nigeria (BOI)	260,205	307,267
c	Eurobond Nigeria	258,474	244,655
d	Standard Chartered Bank, Nigeria	171,570	151,176
e	4% Convertible preference shares	118,168	115,973
f	African Development Bank (AfDB)	101,476	70,103
g	Societe de Promotion et Participation pour la Coopération Economique (PROPARCO)	74,213	79,266
h	Opec Fund for International Development (OFID)	70,093	30,546
i	International Finance Corporation	123,487	85,669
j	A/B Syndicated Subordinated Term Facility	75,410	—
k	European Investment Bank	18,050	91,614
l	Standard Chartered Bank, Nigeria to Bewcastle	40,000	40,000
m	Keystone Bank, Nigeria	25,000	25,000
n	Central Bank of Nigeria	16,131	1,999
o	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V (FMO)	—	7,656
p	Caisse Régionale de Refinancement Hypothécaire (CRRH)	11,965	14,588
	Atlantic Coast Regional Fund (ACRF)	—	13,875
	Social Security and National Insurance Trust	—	1,404
	Government Bonds (Ivory Coast)	10,901	—
	Export Development Investment Fund (EDIF) Ghana	14,002	5,010
	East African Development Bank (EADB) Kenya	11,988	5,513
q	Other loans	98,301	50,268
		1,779,277	**1,540,264**
	Current	419,125	185,415
	Non current	1,360,152	1,354,849
		1,779,277	**1,540,264**

a) Deutsche Bank AG, London granted a $285 million facility to ETI on September 22, 2015 with a Margin of 4.75% per annum plus 3 month Libor for a tenure of 1 year.

This facility was used to refinance existing facilities of USD 200 million and USD 50 million which were to be repaid on December 11, 2015 and on February 12, 2016 respectively.

b) The Bank of Industry (BOI) loan to Ecobank Nigeria represents CBN (Central Bank of Nigeria) intervention funds on-lent to some of the Bank's customers in the manufacturing sector through Bank of industry (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.

c) Eurobond loan to Ecobank Nigeria represents Subordinated Tier 2 Note of $250 million Fixed Rate Limited Recourse Participation Notes maturing in 2021. The Note has a tenure of 7 years while interest of 8.5% on the notes will be payable semi-annually in arrear in each year commencing 14 August 2014.

d) Standard Bank loan to Ecobank Nigeria represents a short term loan of $150 million Bilateral Facility from Commerzbank, MASHREQ Bank, Standard Chartered and others. The facility has a tenure of one year, interest of 3% + 90 days LIBOR is payable quarterly while the principal repayment is at maturity on 29 October 2015.

33 Borrowed funds (continued)

e) In year 2011, ETI issued 1.07 billion units of convertible, redeemable and cumulative preference shares to the shareholders of Oceanic Bank International Limited at US$0.1032 per share. Dividend is payable on the preference shares at the higher of 4% per annum and proposed ordinary dividend per share.

For 2015, ETI converted 35,085,710 preference shares. The outstanding number of preference shares is 1,031,494 ,768 preference shares as at 31 December 2015.

f) The AfDB (African Development Bank) loan to ETI is repayable over three and half (3.5) years, in full in two (2) equal installments from 2017. Interest rate is based on 6 month LIBOR rate plus margin of 3.65% and payable at half-yearly intervals on 1 February and 1 August of each year.

g) Societe De Promotion et De Participation Pour La Cooperation Economique S.A. (PROPARCO1) is repayable in eleven (11) equal semi annual installments starting from 2014 to 2019. Interest is payable semi-annually at either a fixed rate or a floating rate determined at the instance of the lender.

(PROPARCO2) During the year 2013, ETI obtained additional US$50 million loan from Proparco. The loan is repayable in 17 installments starting from 2016 to 2024. Interest is payable semi-annually at a floating rate LIBOR 6 Month.

h) Opec Fund for International Development (OFID) Loan is a convertible and subordinated loan repayable in seven (7) equal semi-annual installments starting from 2016. The subsidiaries that benefitted from this loan are: Ecobank Senegal, Cameroon, Kenya and Cote d'Ivoire.

i) International Finance Corporation (IFC) Loan is a convertible and subordinated loan repayble in thirteen (13) equal semi-annual installments starting from 2015. The subsidiaries that benefitted from this loan are: Ecobank Benin, Burkina, Guinea Bissau, Mali, Niger, Senegal, Togo, Gambia, Ghana, Sierra Leone, Cameroun, Central African Republic, Chad, Rwanda, and Nigeria. There were other IFC loans to Ecobank Nigeria and Ecobank Ghana expiring on 2013 and 2015 respectively and attracting interest rates of LIBOR+2.75% and LIBOR+3% respectivley.

j) The US$75million A/B Syndicated Subordinated Term Facility was obtained by Ecobank Nigeria in 2015 from FMO. It is repayable by Eight (8) Quarterly installment payments commencing on April 15, 2020 after a moratorium period of five (5) years with interest rate at LIBOR plus 6.5%. The maturity date is 15 January 2022.

k) European Investment Bank (I) Loan is repayable in ten equal semi-annual instalments which started from 2010. Interest is payable semi-annually at an annual rate of 2.4% plus 6 month LIBOR.

European Investment Bank (II) Loan is a convertible and subordinated loan repayable in ten equal semi-annual instalments which started from 2010. The subsidiaries that benefitted from this loan are: Ecobank Burkina, Cote d'Ivoire, DR Congo, Ghana, Guinea Bissau, Mali, Rwanda, Chad, Senegal, Togo, Uganda, and Zambia.

European Investment Bank (III) granted a third facility to ETI for on-lending to some affiliates. The sum received on 6 July 2015 was USD 40 million out of USD 100 million as per the contract. The applicable rate is 1.57% plus Floating rate plus 6 months LIBOR for a tenure of 7years and 3 years moratorium. The funds received were on-lent to affiliates as per the following list : Nigeria, eProcess, Tanzania, Rwanda & ETI Holding.

l) The loan from Standard Chartered Bank Nigeria was obtained by Bewcastle Limited for a tenor of 36 months with interest rate at 90day LIBOR plus 7%.

m) The loan from Keystone Bank Nigeria was obtained by Bewcastle Limited for a tenor of 36 months with interest rate at 90day LIBOR plus 7%.

n) Central Bank of Nigeria loan represents 7-year intervention funds for on-lending to a customer of the Bank in the agricultural sector. The funds are administered at a maximum interest rate of 9% per annum.

o) Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V (FMO) loan to ETI was repayable over five (5) years in twenty (20) equal quarterly instalments from 2010-2015. Interest rate was based on 3 month LIBOR rate plus margin of 4.0% payable quarterly. This was paid of fully in 2015

p) Caisse Régionale de Refinancement Hypothécaire loan to Ecobank Cote d'Ivoire and Ecobank Senegal are is repayable over (10) years in 20 equal semi-annual instalments which started from 2014. Interest is payable semi-annually at an annual rate of 6%. The loan is maturing in 2023.

q) The Group also received other loans in several of our subsidiaries with interest ranging between 3% and 5% with maximum maturity of 10 years.

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33 Borrowed funds (continued)

Analysis of the convertible loans

The convertible loans are presented in the consolidated statement of financial position as follows:

Name of Institution	Contract interest rate	Effective interest rate	Tenor (Years)	Face value	Amount
European Investment Bank (II)	4.267% + 6 months Libor	5.54%	7	54,564	40,522
Opec Fund for International Development	5.75% + 6 months Libor	6.52%	8	30,000	30,740
Preference share	4%	5.43%	5	110,071	118,168
				194,635	**189,430**

At 31 December	2015	2014
Initial recognition:		
• Face value of convertible bond issued	194,635	194,635
• Equity conversion component net of deferred tax liability (Note 40)	(41,869)	(41,869)
Liability component	**152,766**	**152,766**
European Investment Bank (II)	40,522	54,850
Opec Fund for International Development	30,740	30,546
	71,262	**85,396**

34 Other liabilities

At 31 December	2015	2014
Accrued income	43,408	57,862
Unclaimed dividend	8,279	3,330
Accruals	362,280	238,862
Obligations under customers' letters of credit	56,179	49,610
Bankers draft	30,325	68,506
Accounts payable	513,549	367,369
Sundry liabilities	35,039	16,034
	1,049,059	**801,573**

Other liabilities are expected to be settled within within no more than 12 months after the reporting date.

35 Provisions

	2015	2014
At 1 January	26,368	28,511
Additional provisions charged to income statement	11,032	10,495
Provision no longer required	—	(1,345)
Utilised during year	(5,544)	(8,346)
Exchange differences	(3,162)	(2,947)
At 31 December	**28,694**	**26,368**

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 the enacted tax rate of each subsidiary.

The movement on the deferred income tax account is as follows:

	2015	2014
At 1 January	(47,705)	(80,475)
Income statement charge	(13,467)	(1,590)
Available-for-sale securities (directly in OCI):		
• fair value remeasurement	51,555	(984)
Revaluation of property and equipment (directly in OCI)	(190)	40,181
Exchange differences	4,215	(4,837)
At 31 December	**(5,592)**	**(47,705)**
Deferred income tax assets and liabilities are attributable to the following items:		
Deferred income tax liabilities		
Accelerated tax depreciation	2,023	3,004
Available-for-sale securities	52,945	1,328
Revaluation of property and equipment	46,699	53,632
Provision for loan impairment (recovery)	10,073	3,158
Other temporary differences	6,081	4,283
	117,821	**65,405**
Deferred income tax assets		
Pensions and other post retirement benefits	453	324
Provisions for loan impairment	10,368	10,996
Other provisions	3,914	4,363
Tax loss carried forward	24,460	26,170
Other temporary differences	68,598	56,181
On untilised capital allowances	192	127
On revaluation PPE	41	78
Available-for-sale securities	15,387	14,871
	123,413	**113,110**
Deferred tax liabilities		
• To be recovered within 12 months	29,910	21,736
• To be recovered after more than 12 months	87,911	43,669
	117,821	**65,405**
Deferred tax assets		
• To be recovered within 12 months	29,106	18,893
• To be recovered after more than 12 months	94,307	94,217
	123,413	**113,110**
The deferred tax charge in the income statement comprises the following temporary differences:		
Accelerated tax depreciation	(981)	(3,671)
Provision for loan impairment (recovery)	6,915	(655)
Pensions and other post retirement benefits	(129)	(273)
Allowances for loan losses	628	14,591
Other provisions	449	(2,726)
Tax losses carry forward	1,710	555
Other temporary differences	1,798	3,422
Exchange differences	(23,857)	(12,833)
	(13,467)	**(1,590)**

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(All amounts in thousands of U.S. dollars unless otherwise stated)

36 Deferred income taxes (continued)

Deferred income tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable.

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:

	2015			2014		
	Gross	Tax	Net	Gross	Tax	Net
Fair value gains/loss on available for sale	133,964	(51,555)	82,409	(40,389)	984	(39,405)
Revaluation gains/loss on property and equipment	528	(190)	338	112,179	(40,181)	71,998
	134,492	**(51,745)**	**82,747**	**71,790**	**(39,197)**	**32,593**

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 2.24. The amounts recognised in the statement of financial position are as follows:

At 31 December	2015	2014
Present value of funded obligations	46,938	47,257
Fair value of plan assets	(44,619)	(43,950)
	2,319	3,307
Present value of unfunded obligations	15,117	9,650
Liability in the statement of financial position	17,436	12,957

In 2015, the movement in the defined benefit obligation over the year is as follows:

	2015			2014		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
At 1 January	**56,907**	**(43,950)**	**12,957**	**53,036**	**(45,017)**	**8,019**
Current service cost	5,153	—	5,153	8,927	—	8,927
Interest expense and income	119	(2,318)	(2,199)	74	(2,374)	(2,300)
	5,272	(2,318)	2,954	9,001	(2,374)	6,627
Remeasurements						
Return on plan assets	—	(5,015)	(5,015)	—	(175)	(175)
Actuarial (gain)/losses	1,790	2,046	3,837	739	(1,430)	(691)
	1,790	(2,968)	(1,178)	739	(1,605)	(866)
Exchange difference	1,189	2,932	4,120	(1,735)	5,785	4,050
Contributions	—	(1,418)	(1,418)	—	(4,873)	(4,873)
Benefit payments	(3,103)	3,103	—	(4,134)	4,134	—
At 31 December	**62,055**	**(44,619)**	**17,436**	**56,907**	**(43,950)**	**12,957**

The defined benefit obligation and plan assets are composed by regions/countries as follows:

	2015					2014			
	Nigeria	ETI	UEMOA/ CEMAC	Others[a]	Total	Nigeria	ETI	UEMOA/ CEMAC	Total
Present value obligation	33,870	13,107	10,071	5,007	**62,055**	33,136	9,650	14,121	**56,907**
Fair value of plan assets	(33,069)	—	(11,844)	294	**(44,619)**	(33,744)	—	(10,205)	**(43,950)**
Total liability	801	13,107	(1,773)	5,301	**17,436**	(609)	9,650	3,916	**12,957**

At 31 December	2015	2014
Income tax effects relating to components of other comprehensive income		
The amounts recognised in the income statement are as follows:		
Current service cost	5,153	8,927
Net interest cost	119	74
Total included in staff costs	5,272	9,001
Other Comprehensive Income		
Actuarial gain /(losses) on obligations	1,790	(739)
Actuarial gains on plan assets	2,046	1,430
	3,837	691

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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:

	2015				2014			
	%	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total
Cash	18%	—	8,253	8,129	41%	—	8,129	8,129
Equity instruments	23%	10,205	—	10,205	24%	10,205	—	10,205
Debt instruments (Bonds)	57%	26,161	—	25,615	35%	25,615	—	25,615
	100%	**36,366**	**8,253**	**44,619**	**100%**	**35,821**	**8,129**	**43,950**

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 the subsidiaries operating in the UEMOA region were as follows:

	2015	2014
Discount rate	3%	3%
Expected return on plan assets	1.8%	1.8%
Future salary increases	2%	2%

The principal assumptions used for the employees of Ecobank Nigeria Plc were as follows:

Discount rate	13%	13%
Expected return on plan assets	9%	9%
Future salary increases	5%	5%

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount below.

31 December 2015	Defined benefit obligation	
(effect in thousand of USD)	Increase	Decrease
Discount rate (1% movement)	8,991	10,391
Exit rate (1% movement)	8,902	10,483
Dismissal rate (1% movement)	11,491	7,808

The principal assumptions used for the employees of Ecobank Transnational Incorporated were as follows:

	2015	2014
Discount rate	3.0%	3.0%
Exit rate	4.85%	4.85%
Dismissal rate	1.80%	1.80%

38 Contingent liabilities and commitments

	2015	2014
a) Legal proceedings	22,196	59,517

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 2015, the Group had capital commitments of $4.6m (2014: $22.9m) 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 2015 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:

	2015	2014
Guaranteed commercial papers	153,825	207,466
Documentary and commercial letters of credit	1,718,922	1,775,148
Performance bond, guarantees and indemnities	2,790,414	2,704,612
Loan commitments	223,391	187,370
	4,886,552	**4,874,596**

d) Tax exposures

The Group is exposed to ongoing tax reviews in some few 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 2015 is $54.1 million (2014: $ 99.3 million). Based on Group's assessment, the probable liability is not likely to exceed $12.9 million (2014: $18.7 million) which provisions have been made in the books in Note 35.

39 Share capital

	No of shares ('000)	Ordinary shares	Share premium	Treasury shares	Total
At 1 January 2013	17,028,399	430,300	992,000	(13,299)	1,409,001
Proceeds from share subscription:					
• Private placement	2,034,277	50,857	157,519	—	208,376
• Convertible loans (IFC Funds and Nedbank)	3,316,665	82,917	277,263	—	360,180
• Share option exercised	425	11	23	—	34
Treasury shares	70,171	—	—	1,932	1,932
At 31 December 2014/1 January 2015	**22,449,937**	**564,084**	**1,426,805**	**(11,367)**	**1,979,523**
Proceeds from share subscription:					
• Bonus issue	1,506,220	37,655	—	—	37,655
• Conversion of Preference shares	26,989	674	3,167	—	3,842
• Share option exercised	3,300	83	366	—	449
Treasury shares	(9,133)	—	—	8,229	8,229
At 31 December 2015	**23,977,314**	**602,496**	**1,430,339**	**(3,138)**	**2,029,698**

The total authorised number of ordinary shares at year end was 50 billion (2014: 50 billion) with a par value of US$0.025 per share (2014: US$0.025 per share). Total issued shares as of 31 December 2015 were 24.1 billion shares. The adjustment for treasury shares on consolidation resulted in the share count of 23.977 billion shares.

Notes to consolidated financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

39 Share capital (continued)

The movements in the issued shares are as follows:

a) In July 2015, as a result of a bonus issue of 1 share for every 15 shares, 1.5 billion shares were allocated to the existing shareholders.

b) In July and August 2015, a total of 35,085,709 Preference shares were converted into 26,988,980 ordinary shares.

c) In June 2015, a total of 3.3 million from the staff share option scheme were exercised at a price of 0.08 cents in accordance with terms and conditions of the option scheme.

d) Treasury shares were ETI shares held by subsidiaries and related entities within the Group as at year end. The increase in Treasury shares mainly comes from the 2015 bonus issue. The treasury shares count as at 31 December 2015 is 122.7 million shares.

Share options

The Group offers share option to certain employees with more than three years' service. Options are conditional on the employee completing three year's service (the vesting period). The options are exercisable starting three years from the grant date. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movement in the number of share options outstanding are as follows:

	2015	2014
At 1 January	412,615	422,120
Granted	50,000	—
Exercised	(3,300)	(425)
Lapsed	(10,650)	(9,080)
At 31 December	**448,665**	**412,615**

The share options exercised during the year were done at a price of US$0.08.

The range of exercise price of outstanding shares as at 31 December 2015 is 6 cents to 9.2 cents (average price 7.6 cents) while the weighted average remaining life of the outstanding shares as at 31 December 2015 is 3 years. All of the outstanding shares as at 31 December 2015, except 45 million shares, were exercisable.

Employee share options were granted on 1 January 2007 at a price of US$ 0.08 (restated for share splits) per share and options may be exercised prior to the tenth anniversary of the grant. New employee share options totalling 119 million shares were granted on 1 January 2012 with same terms as the previous scheme. New share options totalling 100 million shares were also granted on 16 July 2012 with a contractual life of 5 years. New share options totalling 50 million shares were also granted in September 2015 with a contractual life of 5 years.

The number of shares outstanding at the end of the year was as follows:

Expiry date:	'000	'000
2016	199,665	210,115
2017	100,000	100,000
2019	50,000	—
2022	99,000	102,500
	448,665	412,615

For the general employees share option plan, options may be exercised prior to the tenth anniversary of the grant.

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.

39 Share capital (continued)

Fair value of share options and assumptions	2006 scheme	2011 scheme	2012 scheme	2015 scheme
Fair value at grant date (US$)	0.056	—	0.012	0.025
Share price at grant date (US$)	0.229	0.067	0.063	0.092
Exercise price (US$)	0.08	0.08	0.06	0.092
Expected volatility	2.68%	2.25%	0.75%	1.73%
Expected life (number of years)	7	7	4	5
Expected dividends	10%	10%	6%	3%
Risk-free interest rate	4.68%	0.89%	11.8%	11.0%

The expected volatility is based on both historical average share price.

40 Retained earnings and other reserves

	2015	2014
Retained earnings	529,427	550,680
Other reserves	(213,116)	(79,378)
	316,311	**471,302**

a) Retained earnings

Movements in retained earnings were as follows:		
At 1 January	550,680	574,768
Net profit for year	65,539	337,863
Transfer to general banking reserve	(21,165)	(208,558)
Transfer to statutory reserve	(28,331)	(154,459)
Bonus issue	(37,655)	—
Transfer from share option	359	1,066
At 31 December	**529,427**	**550,680**

b) Other Reserve

General banking reserve	347,122	325,957
Statutory reserve	368,060	339,729
Revaluation reserve – Available-for-sale investments	(5,175)	(80,432)
Convertible bond – equity component	9,494	10,503
Revaluation reserve – property and equipment	137,937	137,599
Share option reserve	12,631	12,990
Remeasurements of post-employment benefit obligations	3,042	(795)
Translation reserve	(1,086,227)	(824,929)
	(213,116)	**(79,378)**

Movements in the other reserves were as follows:

i) General banking reserve

At 1 January	325,957	117,399
Transfer from retained earnings	21,165	208,558
At 31 December	**347,122**	**325,957**

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.

Notes to consolidated financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

40 Retained earnings and other reserves (continued)

	2015	2014
ii) Statutory reserve		
At 1 January	339,729	185,270
Transfer from retained earnings	28,331	154,459
At 31 December	**368,060**	**339,729**

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	12,990	14,056
Transfer to retained earnings	(359)	(1,066)
At 31 December	**12,631**	**12,990**

Share option reserve show the effects of the fair value of share options granted to employees.

iv) Remeasurements of post-employment benefit obligations

At 1 January	(795)	(1,486)
Actuarial gains on retirement benefit	3,837	691
At 31 December	**3,042**	**(795)**

v) Revaluation reserves – Available-for-sales

At 1 January	(80,432)	(41,027)
Net (loss)/gains transferred to comprehensive income	—	(5,864)
Net gain/(loss) from changes in fair value	133,964	(34,525)
Deferred income taxes (Note 36)	(51,555)	984
Reversal of Treasury shares reserves	(7,152)	—
At 31 December	**(5,175)**	**(80,432)**

The revaluation reserve shows the effects from the fair value measurement of available-for-sale investment securities after deduction of deferred taxes.

Convertible bond – equity component		
Movement in equity component of convertibles were as follows:		
At 1 January	10,503	25,635
Exercise of the convertible option	(1,009)	(15,132)
At 31 December	**9,494**	**10,503**

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.

vi) Revaluation Reserve – property and equipment

At 1 January	137,599	65,601
Net gains from changes in fair value	528	112,179
Deferred income taxes	(190)	(40,181)
At 31 December	**137,937**	**137,599**

vii) Translation reserve

At 1 January	(824,929)	(412,781)
Currency translation difference arising during the year	(261,298)	(412,148)
At 31 December	**(1,086,227)**	**(824,929)**

41 Dividends per share

Final dividends are not accounted for until they have been ratified at the Annual General Meeting. At the forthcoming annual general meeting,US$ 0.2 cents in respect of 2015 (2014: nil) is to be proposed.

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.

At 31 December	2015	2014
Cash and balances with central banks (Note 16)	1,778,881	1,553,297
Treasury Bills and other eligible bills (Note 21)	628,902	731,796
Deposits with other banks (Note 19)	905,941	1,000,838
Deposits from other banks (Note 30)	(703,674)	(912,841)
	2,610,050	**2,373,090**

43 Group entities

a) Significant subsidiaries

	Country of incorporation	Ownership interests	
		2015	2014
Ecobank Nigeria Limited	Nigeria	100%	100%
Ecobank Ghana Limited	Ghana	69%	69%
Ecobank Cote d'Ivoire	Cote d'Ivoire	94%	94%
Ecobank Burkina	Burkina Faso	85%	85%
Ecobank Senegal	Senegal	80%	80%
Ecobank Benin	Benin	79%	79%
Ecobank Cameroon	Cameroon	80%	80%
Ecobank Mali	Mali	93%	93%
Ecobank Togo	Togo	82%	82%

Notes to consolidated financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

43 Group entities (continued)

b) Non-controlling interests in subsidiaries

The following table summarises the information relating to the Group's subsidiary that has material non-controlling interests (NCI), before any intra-group eliminations.

Entity	Ecobank Ghana		Ecobank Benin		Ecobank Burkina	
NCI percentage	31%	31%	22%	22%	15%	15%
Period	2015	2014	2015	2014	2015	2014
Loans and advances to customers	829,467	846,698	451,540	580,359	626,409	664,288
Investment securities	34,342	107,352	212,094	94,674	178,719	105,859
Other assets	894,532	851,283	412,440	345,063	374,258	360,551
Deposits from customers	1,275,024	1,323,219	673,783	712,302	818,325	796,039
Other liabilities	246,214	232,614	349,500	244,545	294,030	255,000
Net assets	237,103	249,500	52,790	63,250	67,031	79,659
Carrying amount of NCI	73,668	77,520	11,614	13,915	10,055	11,949
Operating income	271,281	292,045	62,118	75,518	65,023	71,131
Profit before tax	129,020	152,176	10,735	23,533	18,795	29,770
Profit after tax	87,813	108,943	8,504	19,139	15,861	23,745
Total comprehensive income	81,267	119,902	9,600	25,274	11,949	30,337
Profit allocated to NCI	27,283	33,848	1,871	4,211	2,379	3,562
Cashflows from operating activities	116,596	236,472	(16,715)	56,237	83,396	70,561
Cashflows from investing activities	17,208	150,090	(133,853)	(19,378)	(93,785)	(21,442)
Cashflows from financing activities	(36,927)	(28,964)	75,759	(5,936)	(15,016)	(7,862)
Net increase/(decrease) in cash and cash equivalents	96,878	357,597	(74,809)	30,923	(25,405)	41,257

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 2015.

Name	Type of structured entity	Nature and purpose	Investment held by the Group
FCP UEMOA DIVERSIFIE (incorporated in Ivory Cost in 2007)	Asset-backed structured entity	a) Provide investors with an exposure to a referenced asset such as a debt instrument	None
FCP UEMOA RENDEMENT (incorporated in Ivory Cost in 2007)	Asset-backed structured entity	b) Generate fees for agent activities and funding for the Group's lending activities.	None

43 Group entities (continued)

The table below sets out information for 2015 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	1,837	249
*Carrying amount of assets transferred by third parties to conduit vehicle	57,143	4,001
Carrying amount of the financing received from unrelated third parties	64,383	4,819

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.

Singularity Africa PCC and Creative Africa B.V. were discontinued during 2015.

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 year end, and relating expense and income for the year as follows:

Loans and advances to related parties	Directors and key management personnel		Related companies	
	2015	2014	2015	2014
Loans outstanding at 1 January	126	709	21,473	16,095
Loans issued during the year	—	2,370	1,601	53,600
Loan repayments during the year	(247)	161	—	(4,021)
Exchange difference	121	(3,114)	(6,872)	(44,201)
Loans outstanding at 31 December	**—**	**126**	**16,202**	**21,473**
Interest income earned	—	6	486	644

No provisions have been recognised in respect of loans given to related parties (2014: nil).

The loans issued to executive directors during the year and related companies controlled by directors were given on commercial terms and market rates.

Deposits from related parties	Directors and key management personnel		Related companies	
	2015	2014	2015	2014
Deposits at 1 January	2,351	1,066	—	1,062
Deposits received during the year	(179)	11,829	(219)	1,593
Deposits repaid during the year	973	1,331	436	(638)
Exchange difference	(941)	(11,875)	(217)	(2,017)
Deposits at 31 December	**2,204**	**2,351**	**—**	**—**
Interest expense on deposits	33	35	—	—

	2015	2014
Directors' remuneration		
Total remuneration of the directors	1,455	1,517
Key management compensation		
Salaries and other short term benefits	7,305	6,645

Notes to consolidated financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

44 Related party transactions (continued)

Name of company/ individual	Relationship	Type	Status	Nature of security	Amount
BIDC	Director related	Bonds	Non-impaired	Unsecured	16,202
					16,202

Parent

The parent company, which is also the ultimate parent company, is Ecobank Transnational Incorporated

Banking subsidiaries	Ownership interests
Ecobank Cameroon	80%
Ecobank Chad	74%
Ecobank Sao Tomé	99%
Ecobank Central Africa	75%
Ecobank Congo Brazzaville	89%
Ecobank Gabon	75%
Ecobank Guinea Equatoriale	60%
Ecobank Benin	79%
Ecobank Burkina Faso	85%
Ecobank Côte d'Ivoire	94%
Ecobank Mali	93%
Ecobank Niger	100%
Ecobank Sénégal	80%
Ecobank Togo	82%
Ecobank Guinea Bissau	100%
Ecobank Cape Verde	99%
Ecobank Ghana	69%
Ecobank Guinea	83%
Ecobank Liberia	100%
Ecobank Sierra Leone	100%
Ecobank Gambia	97%
Ecobank Rwanda	94%
Ecobank Tanzania	100%
Ecobank Kenya	100%
Ecobank Burundi	75%
Ecobank Uganda	100%
Ecobank South Sudan	100%
Ecobank Nigeria	100%
Ecobank Malawi	96%
Ecobank Congo RDC	100%
Ecobank Zambia	100%
Ecobank Zimbabwe	99%
Ecobank Mozambique	96%
EBI SA (France)	100%
Non Banking subsidiaries	
SOFIPE Burkina	85%
Ecobank Micro Finance Sierra Leone	100%
EDC Holding	91%
EKE Property Limited Kenya	100%
Treasury Bond Protected Investment Company (TBPIC)	100%
ETI Rep Office Nigeria	100%
ECB One	100%
FCP Obligataire	80%
E Process international	100%
Bewcastle	100%

45 Restatement of Earnings per share

In June 2015, ETI announced a bonus issue of 1 for every 15 shares. This resulted in the issuance of additional 1.5 billion shares. As required by International Accounting Standard 33 – Earnings Per Share (IAS 33), the Group adjusted the 2014 basic and diluted earnings per share for the bonus issue.

	As reported in 2014 cents	Restatement adjustment factor	Restated cents
Earning per share – continuing operations			
• Basic	1.83	1.08	1.69
• Diluted	1.72	1.07	1.60
Earning per share – discontinued operations			
• Basic	(0.01)	1.08	(0.01)
• Diluted	(0.01)	1.07	(0.01)

Notes to consolidated financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

46 Major business acquisitions

There were no major business acquisitions in 2015. The following acquisitions occured in 2014.

In March 2014, Ecobank Burkina completed the acquisition of SOFIPE by increasing its stake from 48% to 100%. SOFIPE is a micro finance company. The acquired institution contributed revenue and profit of US$0.7 million and US$0.1 million respectively to the Group for period ended 31 December 2014. ETI holds 85% interest in Ecobank Burkina Faso.

In April 2014, ETI completed the acquisition of 96% interest in Procredit Mozambique and susbequently changed the name to Ecobank Mozambique. The acquired institution contributed revenue income and loss of US$6.1 million and US$1.5 million respectively to the Group for period ended 31 December 2014.

The details of the fair value of the assets and liabilities acquired and goodwill arising from both acquisitions are as follows:

	SOFIPE		Mozambique	
	Fair values on date of Acquisition	Acquiree's previous carrying value	Fair values on date of Acquisition	Acquiree's previous carrying value
	31 March 2014	31 December 2013	30 April 2014	31 December 2013
Cash and cash equivalent	126	123	6,793	7,109
Loans and advances to banks	178	163	3,282	4,430
Loans and advances to customers	3,868	3,639	17,893	22,984
Investment securities	—	—	239	250
Property, plant and equipment	347	258	12,301	9,005
Other assets	43	25	4,364	5,233
Deposit from customers	(1,769)	(1,559)	(33,589)	(38,349)
Other borrowed funds	—	—	(2,882)	(3,285)
Other liabilities	(162)	(90)	(1,931)	(678)
Net assets acquired	2,631	2,559	6,471	6,697
Cost of acquisition	4,174		5,645	
Non-controlling interest	—		257	
Fair value of previously held equity interest	3,853		—	
Total identifiable net assets	2,631		6,471	
Goodwill (bargain on purchase)	5,396		(568)	
Cost of acquisition (discharged by cash)	4,174		5,645	
Cash and cash equivalents in subsidiaries acquired	126		6,793	
Net cash flow	(4,048)		1,147	

47 Events after reporting date

In February 2016, an out-of-court settlement was made to Thierry Tanoh, the erstwhile group chief executive officer, in relation to a legal suit between him and Ecobank Transnational Incorporated (ETI). The final settlement amounts have already been provided for in the 2015 financial statements.

Five-year summary financials

(All amounts in thousands of U.S. dollars unless otherwise stated)

	2015	2014	2013	2012	2011
At the year end					
Total assets	23,553,919	24,243,562	22,532,453	19,939,383	17,161,912
Loans and advances to customers	11,200,349	12,311,642	11,421,605	9,440,945	7,359,940
Deposit from customers	16,427,553	17,436,970	16,489,904	14,620,478	12,076,495
Total equity	2,523,245	2,655,085	2,134,648	2,173,917	1,459,336
For the year					
Revenue	2,105,975	2,279,881	2,003,456	1,729,999	1,195,628
Profit before tax	205,239	519,549	221,778	338,029	277,422
Profit after tax	107,464	394,770	147,773	286,732	206,840
Profit attributable to owners of the parent	65,539	337,863	95,541	249,743	182,207
Earnings per share – basic (cents)	0.28	1.69	0.60	1.67	1.76
Earnings per share – diluted (cents)	0.28	1.60	0.56	1.28	1.55
Dividend per share (cents)	0.20	—	—	0.40	0.40
Return on average equity (%)	4.2%	16.5	6.9	15.8	15.9
Return on average assets (%)	0.4%	1.70	0.73	1.55	1.50
Cost-to-income ratio (%)	64.9%	65.4	70.1	71.4	69.6

* Results for 2012 to 2015 are shown for continuing operations.

Parent Company's financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

Statement of comprehensive income

Year ended 31 December	2015	2014
Interest income	23,318	17,317
Finance cost	(52,675)	(58,357)
Net interest income	(29,357)	(41,040)
Net fees and commission income	41,512	40,669
Other operating income	161,203	135,194
Personnel expense	(34,994)	(34,000)
Depreciation and amortization expense	(6,429)	(6,633)
Other operating expense	(48,133)	(43,081)
Foreign exchange translation gain	980	653
	84,783	51,762
Provision for other assets	(24,015)	(45,941)
Profit for the year	**60,768**	**5,821**
Other comprehensive income:		
Items that will be reclassified to profit or loss:		
Net valuation (loss)/gain on available for sale securities	(6,438)	4,124
Total comprehensive income for the year	**54,330**	**9,945**

Statement of financial position

As at 31 December	2015	2014
Assets		
Loans and advances to banks	431,073	352,677
Investment in securities: available- for-sale	114,911	115,350
Other assets	161,526	155,192
Investment properties	21,751	36,600
Investment in associates	12,889	14,354
Investment in subsidiaries	2,527,175	2,504,457
Intangible assets	92	381
Property and equipment	50,783	56,086
Total assets	**3,320,202**	**3,235,097**
Liabilities		
Other liabilities	196,046	252,031
Borrowed funds	788,275	709,105
Retirement benefit obligations	13,107	9,650
Total liabilities	**997,428**	**970,786**
Equity		
Share capital	602,497	564,085
Share premium	1,430,339	1,426,805
Retained earnings	198,289	183,892
Other reserves	91,649	89,529
Total equity	2,322,774	2,264,311
Total liabilities and equity	**3,320,202**	**3,235,097**

Parent Company's financial statements

(All amounts in thousands of U.S. dollars unless otherwise stated)

Statement of changes in equity

	Share capital	Share premium	Retained earnings	Other reserves	Total
At 1 January 2014	**430,300**	**992,000**	**177,878**	**101,832**	**1,702,010**
Loss for the year	—	—	5,821	—	5,821
Equity component of convertible loan issued during the year	—	—	—	(16,234)	(16,234)
Net unrealized gain on available for sale investments	—	—	—	4,124	4,124
Total comprehensive income	**—**	**—**	**5,821**	**(12,110)**	**(6,289)**
Employee share option scheme:	—	—	1,066	(1,066)	—
Dividend relating to 2014	—	—	—	—	—
Transfer to general banking reserve	—	—	(873)	873	—
Proceeds from issue of shares	133,785	434,805	—	—	568,590
At 31 December 2014	**564,085**	**1,426,805**	**183,892**	**89,529**	**2,264,311**
Profit for the year	—	—	60,768	—	60,768
Net unrealized loss on available for sale investments	—	—	—	(6,438)	(6,438)
Total comprehensive income	**—**	**—**	**60,768**	**(6,438)**	**54,330**
Transfer from share option reserve	—	—	400	(400)	—
Transfer to general banking reserve	—	—	(9,115)	9,115	—
Equity component of convertible loan converted during the year	—	—	—	(221)	(221)
Share option exercise	83	366	—	(185)	264
Share option granted	—	—	—	250	250
Conversion of preference shares	674	3,167	—	—	3,841
Bonus issue	37,655	—	(37,655)	—	—
At 31 December 2015	**602,497**	**1,430,339**	**198,289**	**91,649**	**2,322,774**

Statement of cash flows

	2015	2014
Cash flows from operating activities		
Profit for the year	60,768	5,821
Adjustment for non cash items:		
Interest income	(23,318)	(17,317)
Finance cost	52,675	58,357
Dividend income	(139,482)	(132,609)
Loss on disposal of investment property	4,654	—
Fair value loss on investment property	6,249	—
Share of associates (profit)/loss	1,465	—
Gain on disposal of property plant and equipment	(82)	(29)
Depreciation and amortization expense	6,429	6,633
Amortization of government grant	(192)	(192)
Provision for others assets	24,015	45,941
Share option vested during the year	250	—
Foreign exchange loss on retirement benefit obligation	(997)	86
Current service cost and interest on benefit obligation	4,542	5,949
	(3,024)	**(27,360)**
Interest paid	(47,993)	(43,094)
Interest received	23,318	17,317
Changes in working capital		
• other assets	(30,351)	(69,544)
• other liabilities	(55,793)	(57,386)
• Loans and advances	(79,550)	—
Payment to gratuity benefit holders	(88)	(1,773)
Net cash used in operating activities	**(193,481)**	**(181,840)**
Cash flows from investing activities		
Dividend received	139,482	132,609
Purchase of property, plant and equipment and intangible assets	(1,071)	(3,003)
Proceeds from the sale of property, plant and equipment	299	116
Proceeds from disposal of investment property	3,946	—
Addition to investment in subsidiaries	(22,718)	(224,621)
Additions to Investment Securities available for sale	(6,000)	—
Net cash from/(used in) investing activities	**113,939**	**(94,899)**
Cash flows from financing activities		
Proceeds from borrowings	360,000	270,000
Repayment of borrowed funds	(281,876)	(140,951)
Proceeds from grant of share option	264	208,409
Dividends paid	—	—
Net cash from financing activities	**78,388**	**337,458**
Net (decrease)/increase in cash and cash equivalents	(1,154)	2,724
Cash and cash equivalent at the beginning of the year	**21,575**	**18,851**
Cash and cash equivalents at end of the year	**20,421**	**21,575**

Corporate Information

We seek open dialogue with all of our stakeholders regarding our products and services, our business performance and our wider role in society. Your feedback is invaluable as it helps us to balance competing expectations, address issues in an informed way and, crucially, achieve our vision of building a world-class, pan-African bank that contributes to the economic development and financial integration of Africa.

Executive management[1]

Group Management Committee

Ade Ayeyemi
Group Chief Executive Officer

Eveline Tall-Daouda
Deputy Group Chief Executive Officer & Chief Regulatory Officer

Identified[2]
Group Executive, Corporate and Investment Bank

Patrick Akinwuntan
Group Executive, Consumer Banking

Laurence do Rego
Group Executive, Commercial Banking

Charles Kie
Regional Executive, Nigeria

Charles Daboiko
Regional Executive, Francophone West Africa (UEMOA)

Sam Adjei
Regional Executive, Central, Eastern, and Southern Africa (CESA)

To be appointed
Regional Executive, Anglophone West Africa (AWA)

To be appointed
Group Executive, Finance

Eddy Ogbogu
Group Executive, Operations and Technology

Julie Essiam
Group Executive, Human Resources & Corporate Affairs

Ibrahima Diouf
Group Head, Internal Audit

Dayo Orimoloye
Group Chief Risk Officer

Sam Ayim
Group Head, Legal & Company Secretary

Country Heads (African banking subsidiaries)

Jean Baptiste Siate
Angola

Lazare Noulekou
Benin

Cheick Travaly
Burkina Faso

Alassane Sissoko
Burundi

Moustapha Fall
Cameroon

Jose Mendes
Cape Verde

Sylvain Pendi
Central African Republic

Alassane Sorgo (Acting)
Chad

Ibrahim Aboubakar Bagarama
Congo (Brazzaville)

Yves Coffi Quam-Dessou
Congo (Democratic Republic)

Charles Daboiko
Côte d'Ivoire

Alfred Kasongo
Equitorial Guinea

Gaelle Biteghe
Gabon

Josephine Ankomah
Gambia

To be appointed
Ghana

Sonia Abo Tene
Guinea-Bissau

Moukaram Chanou
Guinea (Conakry)

Sam Adjei
Kenya

To be appointed
Liberia

Charles Asiedu
Malawi

Coumba Sidibé Touré
Mali

Adama Cisse
Mozambique

Didier Correa
Niger

Charles Kie
Nigeria

Mareme Mbaye Ndiaye[3]
Rwanda

Nadeem Cabral De Almada
Sao Tome and Principe

Serge Ackre
Senegal

Aina Moore
Sierra Leone

Robert Wabbi
South Sudan

Enoch Osei-Sarfo
Tanzania

Mamady Diakite
Togo

Clement Dodoo
Uganda

Kola Adeleke
Zambia

Daniel Sackey
Zimbabwe

1. Positions as of June 2016
2. Amin Manekia has been appointed as Group Executive, Corporate and Investment Bank effective 4 July 2016
3. Appointed Chief of Staff to the Group CEO effective 4 July 2016

Heads of Representative Offices and Paris Subsidiary

Charles Kie
South Africa
(Johannesburg)

Christophe Jocktane-Lawson
France
(Paris)

David Pitts
United Kingdom
(London)

Ara Bakjejian
United Arab Emirates
(Dubai)

Monica Xiaoning LU
China
(Beijing)

James R Kanagwa
Ethiopia
(Addis Ababa)

Disclaimer

This annual report or any extract thereof including its abridged version could or may contain forward looking statements that are based on current expectations or beliefs, as well as assumptions about future events.

These forward looking statements involve known and unknown risks, uncertainties and other important factors that could in future cause actual results, performance or achievements of the Group to be materially different from those expressed or implied in the forward looking statements.

These forward looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “will”, “may”, “should”, “would”, “could” or other words of similar meaning.

Such forward looking statements are based on assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future.

The Group expressly disclaims any obligation or undertaking to release any updates or revisions to any forward looking statements contained herein to reflect any change in the Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Ecobank has made every effort to ensure the accuracy of the information contained in this annual report relating to such forward looking statements and believes such information is reliable but does not warrant its completeness or accuracy. The Company shall not be held liable for errors of fact or opinion connected to such forward looking statements. This however does not exclude or restrict any duty or liability that Ecobank has to its customers under any regulatory system.

Shareholder information

Share capital

Ordinary shares of 2.5 U.S. Dollar cents par value, authorised 50,000,000,000 shares; issued 24,100,028,534.

Ordinary shareholding structure

Distribution of shareholders

Share range	Number of shareholders	Number of shares held	% shareholding
1 – 1,000	456,078	121,794,004	0.5%
1001 – 10,000	159,037	415,626,155	1.7%
10,001 – 100,000	20,942	519,799,810	2.2%
100,001 – 1,000,000	2,725	767,031,580	3.2%
1,000,001 – 10,000,000	430	1,194,246,980	5.0%
10,000,001 – 100,000,000	73	2,050,463,513	8.5%
100,000,001 – 1,000,000,000	13	3,808,544,321	15.8%
1,000,000,001 and above	5	15,222,522,171	63.2%
Total	**639,303**	**24,100,028,534**	**100.0%**

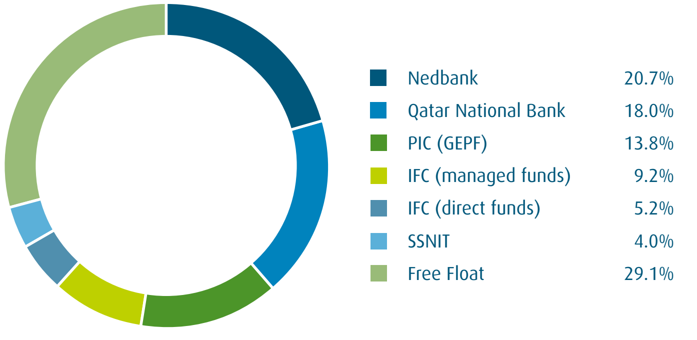
Top 10 shareholders as at 31 December 2015

	Shareholder	Number of shares held	% of issued shares
1	Nedbank Group Limited	4,988,488,565	20.7%
2	Qatar National Bank	4,333,615,045	18.0%
3	Government Employees Pension Fund (GEPF)/PIC	3,333,333,333	13.8%
4	IFC Capitalization (Equity) Fund, L.P	1,307,022,308	5.4%
5	International Finance Corporation	1,259,792,920	5.2%
6	Social Security and National Insurance Trust (SSNIT)	955,688,972	4.0%
7	MOON CAPITAL	549,437,784	2.3%
8	IFC ALAC HOLDING COMPANY II	556,886,227	2.3%
9	AFRICA CAPITALIZATION FUND LTD	363,636,373	1.5%
10	TAQUANTA ASSET MANAGERS (PTY) LTD	260,525,985	1.1%
	Total of top 10 ordinary shareholders	**17,908,427,512**	**74.3%**
	All others	6,191,601,022	25.7%
	Total ordinary shares outstanding	**24,100,028,534**	**100.0%**

Share capital

Ordinary shares of 2.5 U.S. Dollar cents par value, authorised 50,000,000,000 shares; issued 24,100,028,534.

Major shareholders[1]
(as of 31 December 2015)



Dilutive securities

ETI has a number of dilutive securities. These securities are outlined below.

Convertibles: Opec Fund for International Development (OFID) and European Investment Bank (EIB) hold a total of approximately $72 million of convertible debt as of 31 December 2015, which the lenders have the option to convert to ETI ordinary shares at market-related prices.

Share options: These are outstanding share options granted to ETI staff and management in respect of 449 million shares.

Ordinary share dividend history

Financial Year	Dividend per ordinary share (US$ cents)	Total dividend (US$ thousands)
2006	3.0	18,355
2007	2.0	26,940
2008	0.2	17,500
2009	0.3	29,744
2010	0.4	39,653
2011	0.4	51,349
2012	0.4	68,849
2013	—	—
2014	—	—
2015	0.2	48,200

1. The major shareholder list reflects the combination of the International Finance Corporation's (IFC) directly owned shares and shares owned through IFC managed funds.

Share capital overview

Listing location

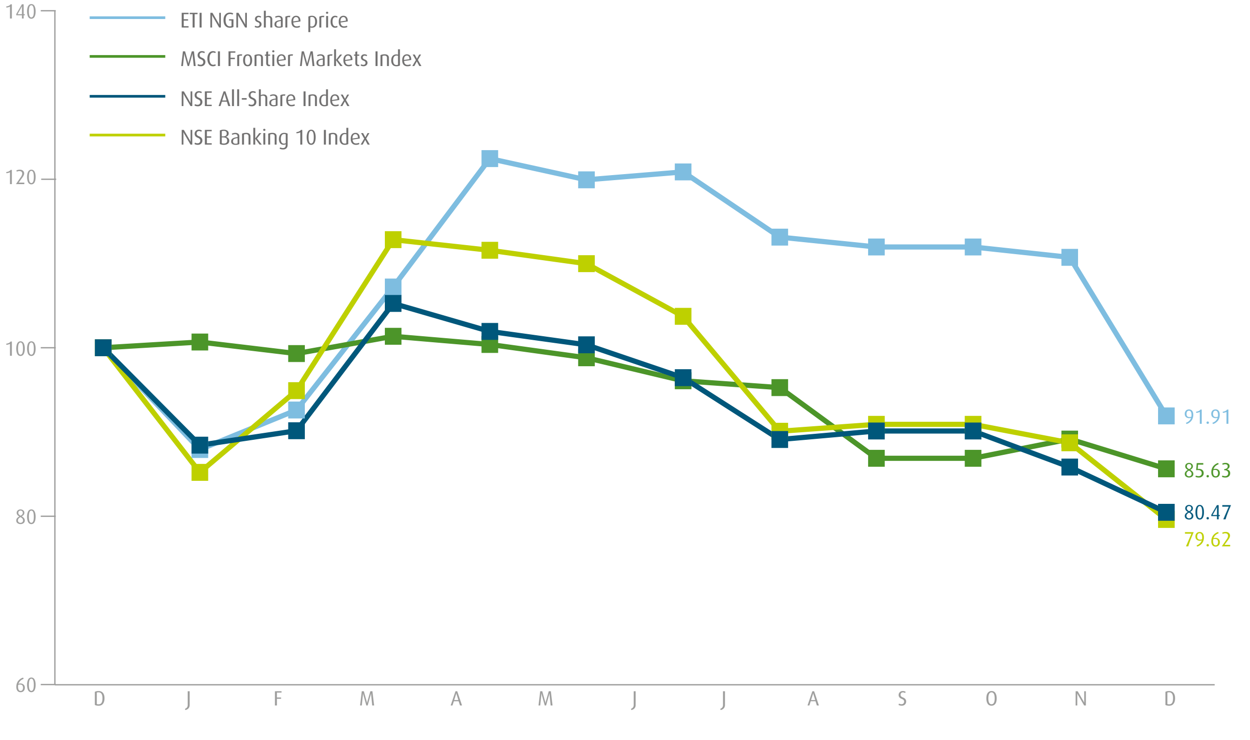
Stock Market	NSE	GSE	BRVM
Location	Lagos, Nigeria	Accra, Ghana	Abidjan, Côte d'Ivoire
Share price as of 31 December 2015	NGN 16.80	GHS 0.27	XOF 48.00
% change during 2015	-3.6%	2.9%	2.4%
Average daily trading volume	6,429,086	67,521	405,297
% change from 2014	3.7%	42%	-5.9%
Shares held (in billions of units)[1]	19.85	2.57	1.68

1. Shares include shares that are undergoing approvals for listing on the Exchanges

Indexed graph of ETI share price for 2015 to the NSE All Share, NSE Banking 10, and MSCI Frontier Markets Indices

The indexed graph below plots ETI's Nigerian Stock Exchange (NSE) share price movement in 2015 with the NSE All-Share Index, NSE Banking 10 Index and MSCI Frontier Markets Index. The NSE All-Share Index tracks the general market movement of all listed equities, including those on the Alternative Securities Market (ASeM), regardless of market capitalisation size. The NSE Banking 10 Index is a market capitalisation Index comprising the largest 10 banking stocks. The MSCI Frontier Markets Index captures large and mid-cap representation across 23 Frontier Markets (FM) countries including Kenya, Morocco, and Nigeria. The Index includes 121 constituents, covering about 85% of the free float-adjusted market capitalisation in each country. ETI is a component of the three indices.

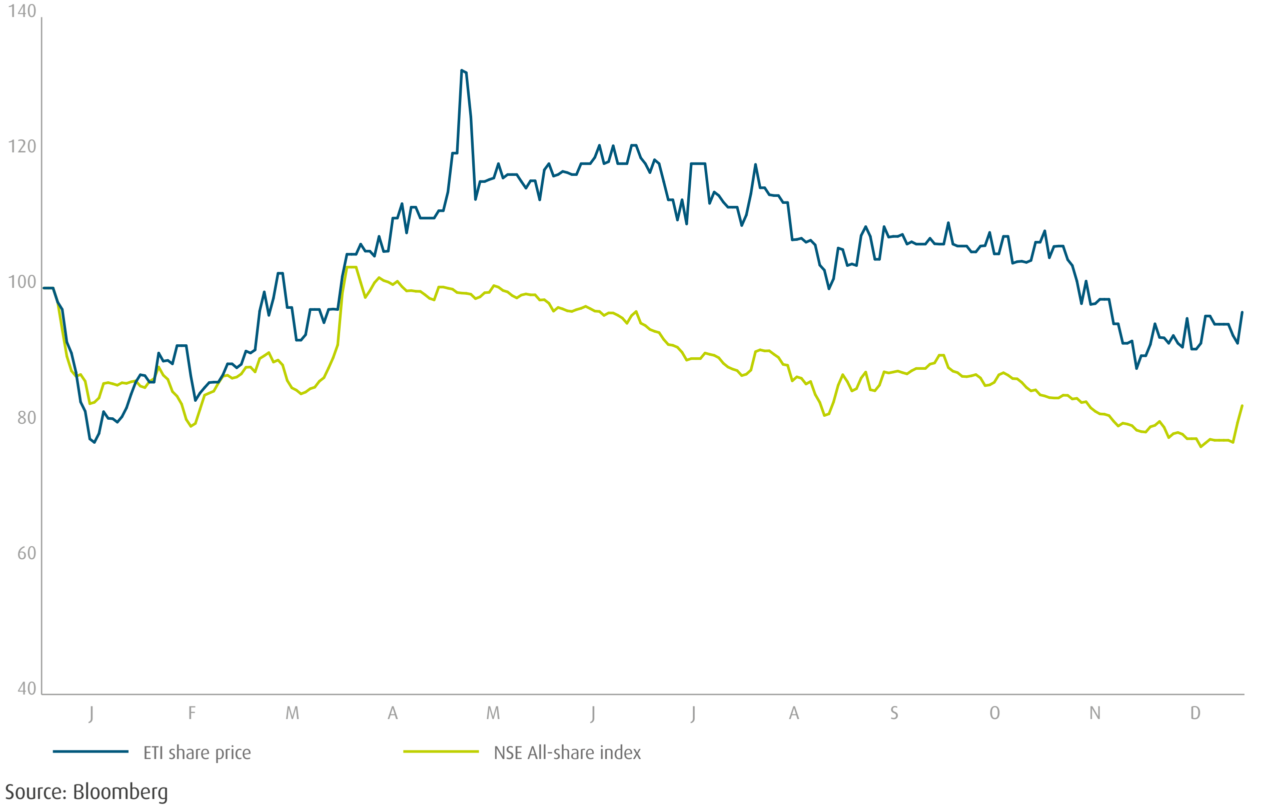
ETI share price (NGN) indexed to the NSE All-Share Index, NSE Banking 10 Index and MSCI Frontier Markets Index



Shareholder information

Nigeria

ETI share price indexed to NSE All-share index: 2015



Source: Bloomberg

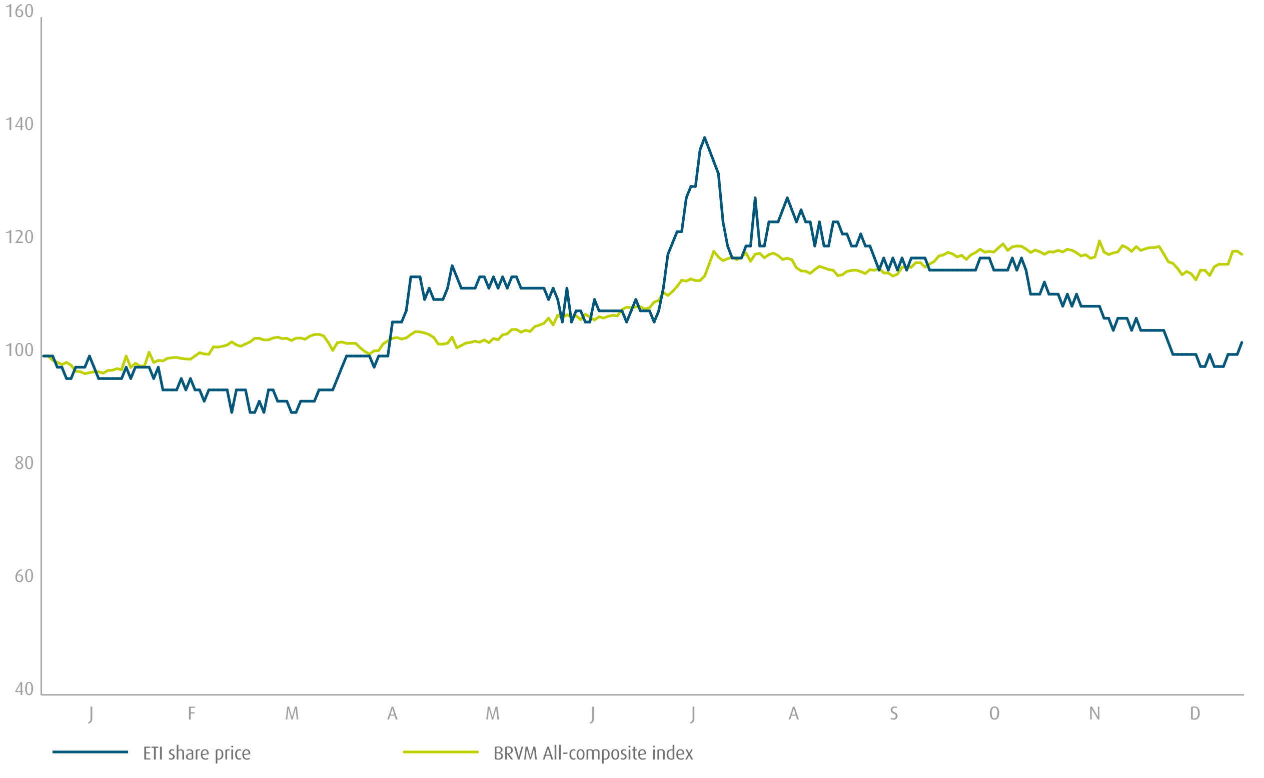
Nigeria: Summary of trading

Quarter	Volume (shares)	Value (NGN)	Average daily volume (shares)	Average daily value (NGN)
Jan-Mar	943,050,102	14,995,722,109	14,508,463	230,703,417
Apr-Jun	356,522,974	7,105,047,677	5,484,969	109,308,426
Jul-Sep	193,761,431	3,679,842,795	2,935,779	55,755,194
Oct-Dec	184,801,839	3,292,708,687	2,800,028	49,889,526
Total/average	**1,678,136,346**	**29,073,321,267**	**6,432,310**	**111,414,141**

Source: Bloomberg

Shareholder information

Côte d'Ivoire
ETI share price indexed to the BRVM All-composite index: 2015



Source: Bloomberg

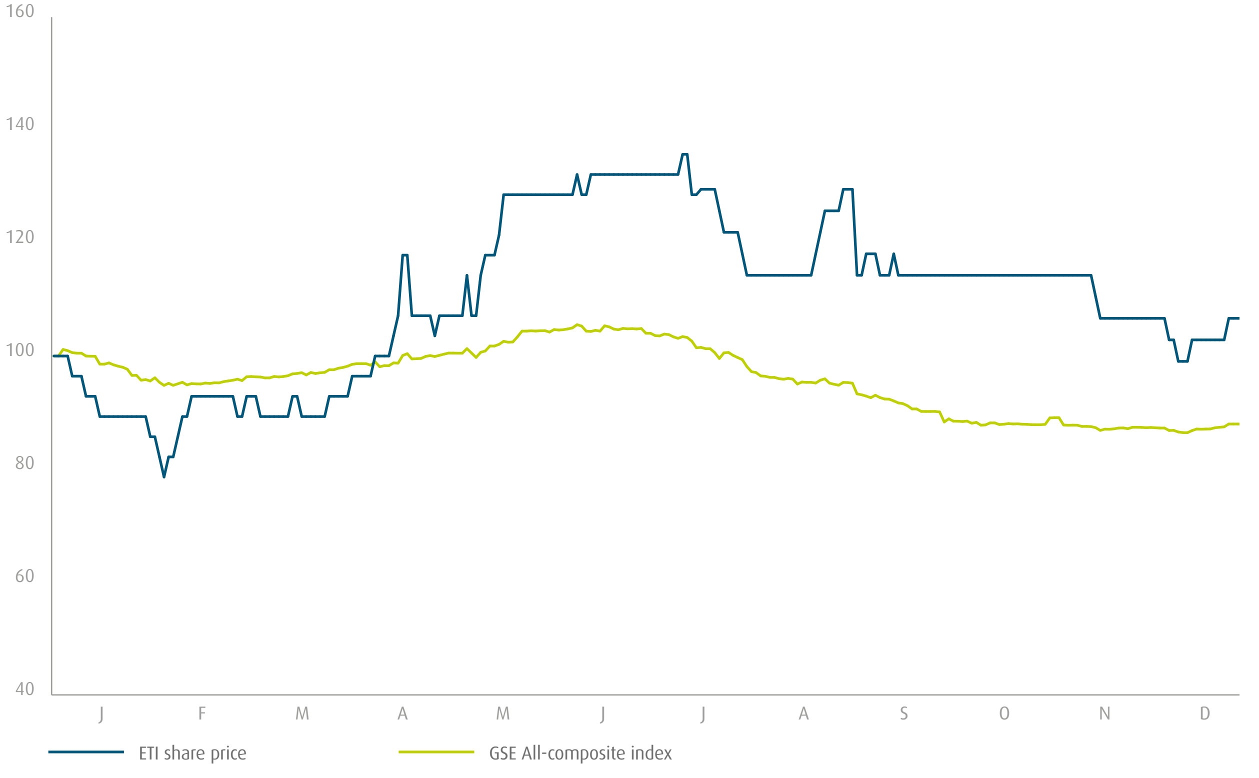
Côte d'Ivoire: Summary of trading

Quarter	Volume (shares)	Value (XOF)	Average daily volume (shares)	Average daily value (XOF)
Jan-Mar	19,067,760	837,838,911	293,350	12,889,829
Apr-Jun	38,174,850	1,942,711,806	587,305	29,887,874
Jul-Sep	31,001,332	1,753,359,486	469,717	26,566,053
Oct-Dec	17,600,305	872,730,373	266,671	13,223,187
Total/average	**105,844,247**	**5,406,640,576**	**404,261**	**20,641,736**

Source: Bloomberg

Ghana

ETI share price indexed to the GSE All-composite index: 2015



Source: Bloomberg

Ghana: Summary of trading

Quarter	Volume (shares)	Value (GHS)	Average daily volume (shares)	Average daily value (GHS)
Jan-Mar	3,759,737	899,214	57,842	13,834
Apr-Jun	7,513,519	2,446,412	115,593	37,637
Jul-Sep	2,873,101	897,591	43,532	13,600
Oct-Dec	3,495,572	982,488	52,963	14,886
Total/average	**17,641,929**	**5,225,705**	**67,482**	**19,989**

Source: Bloomberg

Shareholder information

Preference shareholding structure:

Issue date	31 October 2011
Preference shares outstanding	1,066,580,478
Issue price	$0.1032
Dividends	Higher of 4% of issue price or dividend paid on ordinary shares. Paid in priority to dividends on ordinary and cumulative shares. Dividends will be paid in U.S. Dollars
Voting	No voting rights attached
Liquidation	In the event of liquidation, dissolution or winding up of the Company, the holders of preference shares shall enjoy priority of repayment before the holders of ordinary shares and shall receive, an amount payable in cash equal to the issue price plus any dividend that has not been declared or that has been but which remains unpaid.
Conversion	Holders have the right, exercisable between the 3rd and 5th anniversaries of issue date to convert into ordinary shares at the rate of 0.76923 ordinary shares to rank pari passu with, and have the same rights as, all other ordinary shares of the Company
Redemption	At any time after the 5th anniversary of issue, ETI has a right to redeem the preference shares into ordinary shares if not already converted. This right extends into perpetuity. The redemption price shall be a 6% premium to the issue price, i.e. $0.1094

Distribution of Preference shares as at 31 December, 2015

Share Range	Number Of Shareholders	Shareholders Cummulative	Shareholders %	Number Of Holdings	Shareholding %
1-1,000	384,418	384,418	93.83	42,737,939	4.14
1,001-10,000	23,198	407,616	5.66	55,839,950	5.41
10,001-1,000,000	2,076	409,692	0.51	85,147,844	8.25
1,000,001-10,00,000	13	409,705	0.00	57,872,939	5.61
10,000,001-20,000,000	3	409,708	0.00	35,793,353	3.47
20,000,001-50,000,000	1	409,709	0.00	21,846,830	2.12
50,000,001-100,000,000	1	409,710	0.00	732,277,056	70.99
Total	**409,710**		**100.00**	**1,031,515,911**	**100.00**

Top 10 preference shareholders

S/No.	Name	Shareholding	% Shareholding
1	QATAR NATIONAL BANK SAQ	732,277,056	70.99
2	IBRU V OBODEN	21,846,830	2.12
3	BAYELSA STATE MIN. OF FINANCE INCORP.	13,377,632	1.30
4	MINISTRY OF FINANCE INCORPORATED	11,492,074	1.11
5	IBRU OBARO S E	10,923,647	1.06
6	ETHOS CAPITAL VGP (JERSEY) LTD	9,637,150	0.93
7	OLD MUTUAL LIFE ASSURANCE	8,300,605	0.80
8	IBRU C. A. O.	7,935,833	0.77
9	MICHAEL AND CECILIA FOUNDATION	7,222,500	0.70
10	IBRU EDESIRI O	6,554,188	0.64

Holding company and subsidiaries

Headquarters:
Ecobank Transnational Incorporated
2365, Boulevard du Mono
B.P. 3261, Lomé – Togo
Tel: (228) 22 21 03 03
(228) 22 21 31 68
Fax: (228) 22 21 51 19

1. Benin
Rue du Gouverneur Bayol
01 B.P. 1280, Cotonou – Benin
Tel: (229) 21 31 30 69
(229) 21 31 40 23
Fax: (229) 21 31 33 85

2. Burkina Faso
49, Rue de l'Hôtel de Ville
01 B.P. 145
Ouagadougou 01 – Burkina Faso
Tel: (226) 25 33 33 33
(226) 25 49 64 00
Fax: (226) 25 31 89 81

3. Burundi
6, Rue de la Science
B.P. 270, Bujumbura – Burundi
Tel: (257) 22 20 8100
(257) 22 20 8200
(257) 22 20 8299
Fax: (257) 22 22 5437

4. Chad
Avenue Charles de Gaulle
B.P. 87, N'Djaména – Chad
Tel: (235) 22 52 43 14/21
Fax: (235) 22 52 23 45

5. Cameroon
Rue Ivy French– Bonanjo
B.P 582, Douala – Cameroon
Tel: (237) 233 43 82 51
(237) 233 43 82 53
Fax: (237) 233 43 86 09

6. Cape Verde
Avenida Cidade de Lisboa
CP 374C
Praia – Cape Verde
Tel: (238) 260 36 60
Fax: (238) 261 1090

7. Central African Republic
Place de la République
B.P. 910 Bangui – République
Centrafricaine
Tel: (236) 21 61 00 42
Fax: (236) 21 61 61 36

8. Congo
Immeuble de l'ARC, 3ème étage
Avenue du Camp
B.P. 2485, Brazzaville – Congo
Tel: (242) 06 621 08 08
(242) 05 778 79 08

9. Côte d'Ivoire
Immeuble Alliance
Avenue Houdaille
Place de la République
01 B.P. 4107 – Abidjan 01
Côte d'Ivoire
Tel: (225) 20 31 92 00
Fax: (225) 20 21 88 16

10. Democratic Republic of the Congo
47, Avenue Ngongo Lutete
Gombe – RD Congo
B.P. 7515, Kinshasa
Tel: (243) 99 60 16 000
Fax: (243) 99 60 17 070

11. Equatorial Guinea
Avenida de la Independencia
APDO.268, Malabo –
República de Guinea Ecuatorial
Tel: (240) 333 098 271
(240) 555 300 203

12. Gabon
214, Avenue Bouët
9 Étages, Montagne Sainte
B.P. 12111
Libreville – Gabon
Tel: (241) 01 76 20 71
(241) 01 76 20 73
Fax: (241) 01 76 20 75

13. The Gambia
42 Kairaba Avenue
P.O. Box 3466
Serrekunda – The Gambia
Tel: (220) 439 90 31 – 33
Fax: (220) 439 90 34

14. Ghana
19 Seventh Avenue, Ridge West
P.O. Box AN 16746
Accra North – Ghana
Tel: (233) 302 68 11 46/8
Fax: (233) 302 68 04 28/37

15. Guinea (Conakry)
Immeuble Al Iman
Avenue de la République
B.P. 5687
Guinea – Conakry
Tel: (224) 631 70 14 34
(224) 631 70 14 35
Fax: (224) 30 45 42 41

16. Guinea-Bissau
Avenue Amilcar Cabral
B.P. 126, Bissau – Guinea-Bissau
Tel: (245) 320 73 60/61
Fax: (245) 320 73 63

17. Kenya
Ecobank Towers
Muindi Mbingu Street
P.O. Box 49584, Code 00100
Nairobi – Kenya
Tel: (254) 20 288 3000
/0719 098 000
Fax: (254) 20 224 9670

18. Liberia
Ashmun and Randall Street
P.O. Box 4825
1000 Monrovia 10 – Liberia
Tel: (231) 886 974 494
(231) 886 747 693
(231) 880 325 989

19. Malawi
Ecobank House
Corner Victoria Avenue and
Henderson Street, Private Bag 389
Chichiri, Blantyre 3 – Malawi
Tel: (265) 01 822 099/808/681
Fax: (265) 01 820 583

20. Mali
Place de la Nation
Quartier du Fleuve
B.P. E1272
Bamako – Mali
Tel: (223) 20 70 06 00
Fax: (223) 20 23 33 05

21. Mozambique
Avenue Vladimir Lenine, nº 210 –
Cidade de Maputo
Maputo – Mozambique
Tel: (258) 21 31 33 44
Fax: (258) 21 31 33 45

22. Niger
Angle Boulevard de la Liberté
et Rue des Bâtisseurs
B.P.: 13804, Niamey – Niger
Tel: (227) 20 73 10 03 (01)
Fax: (227) 20 73 72 03 (04)

23. Nigeria
Plot 21, Ahmadu Bello Way
P.O.: Box 72688, Victoria Island
Lagos – Nigeria
Tel: (234) 1 2710391–5
Fax: (234) 1 2710111

24. Rwanda
KN 3 AV4
P.O Box 3268
Kigali – Rwanda
Tel: (250) 788 16 10 00
(250) 252 50 35 82/4/8
Fax: (250) 252 50 13 19

25. São Tomé and Príncipe
Edifício HB, Travessa do Pelourinho
C.P. 316
São Tomé – São Tomé e Príncipe
Tel: (239) 222 21 41
(239) 222 50 02
Fax: (239) 222 26 72

26. Senegal
Km 5 Avenue Cheikh Anta DIOP
B.P. 9095, Centre Douanes
Dakar – Senegal
Tel: (221) 33 859 99 99
Fax: (221) 33 859 99 98

27. Sierra Leone
3 Charlotte Street
Freetown – Sierra Leone
Tel: (232) 22 221 704
(232) 22 227 801
Fax: (232) 22 290 450

28. South Sudan
Koita Complex, Ministries Road,
P.O. Box 150, Juba
South Sudan
Tel: (211) 954 018018
(211) 955 541683

29. Tanzania
Acacia Building
Plot no. 84, Kinondoni Road
P.O.Box 20500,
Dar es Salaam – Tanzania
Tel: (255) 22 213 7447
(255) 22 212 5592
(255) 22 212 5594
(255) 22 213 7446

30. Togo
20, Avenue Sylvanus Olympio
B.P. 3302
Lomé – Togo
Tel: (228) 22 21 72 14
Fax: (228) 22 21 42 37

31. Uganda
Plot 4, Parliament Avenue
P.O. Box 7368
Kampala – Uganda
Tel: (256) 417 700 100
Fax: (256) 312 266 079

32. Zambia
22768 Thabo Mbeki Road
P.O. Box 30705
Lusaka – Zambia
Tel: (260) 211 250 056 – 7
(260) 211 250 202 – 4
(260) 211 367 390
Fax: (260) 211 250 171

33. Zimbabwe
Block A, Sam Levy's Office Park
2 Piers Road
P.O. Box BW1464, Borrowdale
Harare – Zimbabwe
Tel: (263 – 4) 851644-9
Fax: (263 – 4) 852632
(263 – 4) 851630-9

34. EBI SA Groupe Ecobank
Les Collines de l'Arche
Immeuble Concorde F
76 route de la Demi-Lune
92057 Paris La Défense Cedex France
Tel: (33) 1 70 92 21 00
Fax: (33) 1 70 92 20 90

35. EBI SA Representative Office
2nd Floor, 20 Old Broad Street
London EC2N 1DP, United Kingdom
Tel: +44 (0)20 3582 8820
Fax: +44 (0)20 7382 0671

36. Ecobank Office in China
Representative Office
Suite 611, Taikang International Tower
2 Wudinghou, Financial Street
Xicheng District, 100033
Beijing, China
Tel: (8610) 66 29 00 98
Fax: (8610) 66 29 05 33

37. Ecobank Office in South Africa
Block F, 8th Floor
135 Rivonia Road
Sandown 2196
Johannesburg – South Africa
Tel: (27) 11 505 0300
Fax: (27) 11 783 6852

38. Ecobank Office in Dubai
Representative Office
Level 26d, Jumeirah Emirates Towers
Shaikh Zayed Road, P.O. Box: 29926
Dubai – UAE
Tel: (971) 4 327 6996
Fax: (971) 4 327 6990

39. Ecobank Angola
Edificio G do Complexo SIGMA
Rua Centro de Convenções – Via S8
Luanda – Angola
Tel: (244) 222 71 82 03 / 71 81 76

40. Ecobank Office in Ethiopia
Gerdi Rd Yerer Ber Area,
SAMI Building, 6th Floor 602A
P.O. Box 90598
Addis Ababa – Ethiopia
Tel: (251) 934 169 784 (Cell)
(251) 116 291 101
Fax: (251) 116 291 425

eProcess International SA
2365, Boulevard du Mono
B.P. 4385, Lomé –Togo
Tel: (228) 22 22 23 70
Fax: (228) 22 22 24 34

Shareholder contacts

Questions about your shares?

Please contact the Registrars
for queries about:

- Missing dividends
- Lost share certificates
- Estate questions
- Address change to the share register
- Having dividends paid directly into bank accounts
- Eliminating duplicate mailings of shareholder materials
- Uncashed dividend cheques.

Registrars

Abidjan

EDC Investment Corporation
Immeuble Alliance, 4ème étage
Avenue Terrasson de Fougères
01 BP 4107 – Abidjan 01
Côte d'Ivoire
Tel: (225) 20 21 10 44
Fax: (225) 20 21 10 46
Contact: Jean-Noël Delafosse
jdelafosse@ecobank.com

Accra

GCB Bank Limited
Share Registry Department
Thorpe Road, High Street
P.O. Box 134, Accra – Ghana
Tel: (233) 0 302 668 656
Fax: (233) 0 302 668 712
Contact: Kojo Essel
kessel@gcb.com.gh

Lagos

GTL Registrars Limited
2, Burma Road, Apapa
Lagos – Nigeria
Tel: (234) 1 279 3160
(234) 1 279 3161
(234) 1 279 3162
Contact: info@gtlregistrars.com

To buy or sell shares in ETI

Nigeria
EDC Securities Limited

EDC Securities Limited
19A Adeola Odeku Street
Victoria Island
Lagos, Nigeria
Tel: (234) 1 270 8955
(234) 1 271 3407
Contact: Josephine Onwubu
AllEcocapital-Securities@ecobank.com

Côte d'Ivoire
EDC Investment Corporation

Immeuble Alliance
Avenue Houdaille
Place de la République
01 BP 4107 Abidjan 01 – Côte d'Ivoire
Tel: (225) 20 21 10 44
(225) 20 31 92 24
Contact: Brice Allet
reic@ecobank.com

Cameroon
EDC Investment Corporation

2ème Etage, Immeuble ACTIVA
Rue Prince de Galles, Akwa
BP 15385 Douala – Cameroon
Tel: (237) 233 43 13 71
Contact: edcceeac@ecobank.com

Ghana
EDC Stockbrokers Ltd

No. 22 Ambassador Re-Development Area, Ridge
Valco Trust House, Third Floor
P. O. Box AN 16746
Accra – North, Ghana
Tel: (233) 302 251 720/3/4
Fax: (233) 21 251 734
Contact: Edem K Dewotor
edewotor@ecobank.com
edctrading@ecobank.com

Other investor queries

For other queries about investing in ETI

Investor Relations
Ecobank Transnational Incorporated

2365, Boulevard du Mono
B.P. 3261, Lomé – Togo
Tel: (228) 22 21 03 03
Fax: (228) 22 21 51 19
Contact: Ato Arku
ir@ecobank.com

Company Secretary

Samuel K. Ayim
Group Office
2365, Boulevard du Mono
B.P. 3261, Lomé – Togo
Tel: (228) 22 21 03 03
(228) 22 21 31 68
Fax: (228) 22 21 51 19
Contact: sayim@ecobank.com

Customer contact centres

Services:

Balance enquiry
- Account balance
- Transaction confirmations
- Transfer confirmations

Card services
- Card activation for online transaction
- Pin resets
- Card blocking

Complaints
- ATM complaints
- Card complaints
- Transaction complaints
- Service/product delivery delays
- Staff attitude

General enquiries
- Information on Ecobank services/products
- Interest/exchange rates
- Directions to ATMs/branches
- Account opening requirements
- Branch contacts
- Fees and charges

For all enquiries, kindly email or call one of our Contact Centres listed below:

All countries:
ecobankenquiries@ecobank.com

Cameroon
Please dial:
(237) 233 43 13 63

Toll free (Cameroon only):
8100

Côte d'Ivoire
Please dial:
(225) 22 40 02 00

Toll free (Côte d'Ivoire only):
800 800 88 (MTN, Orange, CITelecom, Moov et Comium)

Ghana
Please dial:
(233) 302 231 999

Toll free (Ghana only):
3225 (MTN, Airtel, Vodafone)

Kenya
Please dial:
(254) 020 288 3000

Toll free (Kenya only):
0800 221 221 8

Nigeria
Please dial:
(234) 700 500 0000

Toll free (Nigeria only):
0800 326 2265
(0800ECOBANK)

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Ecobank Transnational Incorporated
2365, Boulevard du Mono
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