Ecobank
The Pan African Bank

News Release | Lome, 28 October, 2019

Ecobank Reports Profit Before Tax of $303 Million For The Period Ended September 2019

Diluted Earnings Per Share (EPS) of $0.0063, and Book Value Per Share (BVPS)[1] of $0.06

Ade Ayeyemi, Group CEO said, "We continued to focus on our strategic priorities. Whilst noting the revenue headwinds, most of our regions delivered solid profit growth, with total Group profit before tax of $303 million, demonstrating the resilience of our pan-African business strategy. We continued with the modernisation of our core banking application having now covered about 80% of total Group transactions and 22 out of our 34 countries within a period of less than a year, with full completion by mid-November 2019.

Our unwavering commitment to ensuring best-in-class digital product offerings remain key. Our Ecobank Pay Zones are increasing across our network, providing SMEs and households with easy and secure digital payment solutions. Additionally, we are growing our agency banking network making banking services available to more previously un-banked Africans. We recognise the imperative of ensuring excellent customer experience across all our customer touch points and we are assiduously committed to achieving this. We are confident that all the actions we are taking will deliver longer-term value to all of our stakeholders."

Financial Highlights

Operating Income	Profit before tax	Annualised ROE / ROTE[2]	Tangible BVPS
$1,169 million	$303 million	13.8% / 17.3%	$0.05
Cost-to-income ratio	**Profit to ETI shareholders**	**Basic EPS**	**Basel II/III CAR[3]**
66.4%	$155 million	$0.0063	12.3%
UEMOA	**NIGERIA**	**AWA**	**CESA**
ROE **26%**	*ROE* **0.1%**	*ROE* **32%**	*ROE* **33%**

- Profit before tax of $303 million, decreased 4% on a reported basis, or increased 49% in constant currency, driven by strong growth in non-interest revenue, a reduction in operating expenses, and an increase in the recoveries of non-performing loans
- Operating income of $1,169 million, down 14% on a reported basis, or up 7% in constant currency
- Operating expenses of $776 million, down 7% on a reported basis, or up 8% in constant currency
- Pre-impairment profit of $393 million, down 26% on a reported basis, or up 6% in constant currency
- Recoveries on non-performing loans of $127 million compared to $73 million a year ago
- Customer deposits of $15,556 million, flat on a reported basis, or up 13% in constant currency
- Net loans and advances to customers of $8,700 million, up 1% on a reported basis, or up 14% in constant currency
- The Public Accountants and Auditors Board (PAAB) on 11 October, 2019 noted that the economy of Zimbabwe is showing characteristics that will necessitate the application of the Financial Reporting in Hyperinflationary Economies Standard (IAS 29). This will have an impact on the financial results of Ecobank Zimbabwe. The potential impact of IAS 39 on the Group's results as of 30 September 2019, however, could not be accurately estimated, due to the scarcity of reliable locally published official data. (*For more information see full statement on page 9 of this release, under CESA commentary)*

Business Highlights

- Profit before tax increased in each of our lines of business – increased 7% to $213 million in Corporate and Investment Bank (CIB), up 151% to $58 million in Commercial Bank (CMB), and up 39% to $56 million in Consumer Bank (CB)
- The value of transactions on CIB's digital platforms increased: $16.6 billion transactions on OMNI, the digital payment solutions for businesses, and $455 million, which was a more than 50% increase on Point-of-Sales (POS) collections
- Ecobank entered into a partnership with Airtel Money, which will allow millions of Airtel Money and Ecobank customers across Africa gain access to mobile financial services using the Ecobank digital financial services ecosystem. Customers will be able to make mobile deposits and withdrawals, effect real time domestic and international money transfers, make in-store merchant payments, and access loans and savings products among others.
- CMB launched Ecobank Pay Zones in 208 key markets and universities. This increased the number of customers they on-boarded by 102% to more than 43,000, and collections from $6 million to $30 million. Also, CMB increased the number of SME customers on its digital payments solution, OMNI Lite, by 64,000.

---

[1] TBVPS is computed by dividing tangible shareholders' equity with the end-of-period number of ordinary shares outstanding
[2] **The Group changed its computation of ROE and ROTE to more align better to the way investors and analysts assess the Group's use of equity.**
ROE is computed using profit attributable to ETI (parent company) shareholders divided by the average end-of-period ETI shareholders' equity.
ROTE is computed using profit attributable to ETI shareholders divided by the average end-of-period tangible shareholders' equity. Tangible shareholders' equity is ETI shareholders' equity less non-controlling interests, goodwill, and intangible assets.
[3] Group consolidated Basel II/III CAR as at 30 June 2019.

SUMMARY FINANCIAL REVIEW OF THE ECOBANK GROUP

Comparisons noted in the commentary below are calculated for the nine months ended 30 September 2019 versus the nine months ended 30 September 2018, unless otherwise specified.

ECOBANK GROUP				
Nine months ended 30 September *(in millions of US dollars except per share data and ratios)*	**2019**	2018	*YoY*	*Ccy**
Net interest income	**541**	703	(23)%	(7)%
Non-interest revenue	**628**	664	(5)%	22%
Operating income	**1,169**	1,367	(14)%	7%
Operating expenses	**776**	836	(7)%	8%
Operating profit before impairment losses & taxation	**393**	531	(26)%	6%
Gross impairment losses on loans	**(185)**	(275)	(33)%	(27)%
Loan recoveries and impairment releases	**127**	73	74%	90%
Net impairment losses on loans	**(58)**	(202)	(71)%	(70)%
Impairment losses on other assets	**(32)**	(14)	119%	129%
Impairment losses on financial assets	**(90)**	(217)	(58)%	(56)%
Profit before tax	**303**	314	(4)%	49%
Profit after tax	**214**	247	(13)%	26%
Profit attributable to ETI shareholders	**155**	**197**	**(22)%**	
Basic EPS (*In US dollars*)	**0.0063**	0.0080	(22)%	
Diluted EPS (*In US dollars*)	**0.0063**	0.0080	(21)%	
Return on average total assets (ROA)[1]	**1.3%**	1.5%		
Profit attributable to ETI to average ETI shareholders' equity (ROE)[2]	**13.8%**	15.8%		
Profit attributable to ETI to average ETI tangible shareholders' equity (ROTE)[3]	**17.3%**	19.0%		
Profit after tax to average total shareholders' equity (ROE)[4]	***16.0%***	*16.9%*		
Profit after tax to average total tangible shareholders' equity (ROTE)[5]	***19.0%***	*19.9%*		
Gross yield on interest earning assets	**8.8%**	9.6%		
Cost of funds	**3.4%**	3.3%		
Net interest margin (NIM)	**4.8%**	5.9%		
Cost-to-income ratio (CIR)	**66.4%**	61.1%		
Cost-of-risk (CoR)	**0.8%**	2.8%		
Effective tax rate (ETR)	**29.3%**	21.6%		

Note: Selected income statement lines only and totals may not sum up.
*Ccy = year-on-year percentage change on a constant currency basis
(1) ROA is calculated as the Group's profit after tax divided by average end-of-period total assets
The Group, has transitioned to computing its ROE and ROTE based on profits attributable to ETI shareholders only and ETI shareholders' equity (i.e. excluding NCI). Tangible shareholders' equity (TE) represents total equity less noncontrolling interests, goodwill and intangible assets. The change in ROE & ROTE computation is to align with how investors and analysts assess ETI's use of equity
(2) Profit attributable to ETI (parent company) shareholders divided by the average end-of-period ETI shareholders' equity
(3) Profit attributable to ETI shareholders divided by the average end-of-period tangible shareholders' equity
Old measure of ROE and ROTE
(4) Profit after tax dividend by total shareholders' equity
(5) Profit after tax divided total tangible shareholders' equity. Here tangible equity is total equity less goodwill and intangible assets but includes non-controlling interests

- **Operating income** of $1,169 million, decreased 14% on a reported basis, or increased 7% in constant currency.

  Net interest income of $541 million, decreased 23% on a reported basis, or 7% in constant currency. The decrease was led by a number of factors namely, the suspension of interest income earned on subsidy-related oil and gas loans in Nigeria, lower-than-expected loan growth, and a compression in net interest spreads. The **net interest margin** was 4.8%, down 110 basis points on a year ago, driven by the lower rate environment, intense competition and the impact of the suspension of interest income on subsidy-related oil and gas loans in Nigeria. However, on a linked-quarter basis, NIM was relatively flat at 4.9%.

  Non-interest revenue of $628 million, decreased 5% on a reported basis, or increased 22% in constant currency. The increase reflected revaluation gains on foreign currency, fees and commissions on loans, and brokerage fees, partially offset by lower cash management fees and foreign currency and fixed-income sales. The latter was particularly affected by a directive of the Central Bank in the Francophone regions for banks to repatriate all foreign exchange proceeds from exporters to the Central Bank.

- **Operating expenses** of $776 million, decreased 7% on a reported basis, or increased 8% in constant currency, primarily due to higher depreciation and amortisation costs, partially offset by cost reduction in rent and utilities, and other operating expenses. **The cost-to-income ratio (efficiency ratio)** was 66.4%, compared with 61.1% in the prior year period.

- **Net impairment losses on loans** were $58 million for the nine months ended September compared with $202 million for the

prior year period. The lower impairments for the current period were primarily driven by an improvement in loan recoveries mostly in UEMOA and Nigeria. This reflected the continued success of the recovery strategy on non-performing loans. The amount of loans recovered, including release of impairments no longer required, was $127 million compared with $73 million in the prior year period.

- **Income taxes** were $89 million for the nine months ended September compared with $68 million in the prior year period. The company's **effective income tax rate** was 29.3% in the current period compared with 21.6% a year ago. The increase in the effective tax rate was primarily driven by decline in profits in countries with low effective tax rates and an increase in profits in countries with high effective tax rates. On a linked-quarter basis, the increase in the effective tax rate for the Group was due to the recognition of deferred tax charges related to revaluation gains in the CESA region.

Selected Balance Sheet Information			
Period As At: (in millions of US dollars, except per share amounts)	**30 Sept 2019**	31 Dec 2018	30 Sept 2018
Gross loans and advances to customers	**9,358**	9,807	9,435
Less: allowance for impairments	**658**	639	794
Net loans and advances to customers	**8,700**	9,169	8,642
Deposits from customers	**15,556**	15,936	15,521
Total assets	**22,572**	22,582	21,873
Equity attributable to owners of ETI	**1,447**	1,537	1,728
Total equity to all owners	**1,823**	1,812	2,023
Loan-to-deposit ratio	**60.2%**	61.5%	60.8%
Basel II/III total capital adequacy ratio (CAR)[1]	**12.3%**	12.8%	13.4%
Basel II/III Tier 1 capital ratio	**8.8%**	9.6%	9.9%
End-of-period ordinary shares outstanding (millions of shares)	**24,730**	24,730	24,730
# of ordinary shares to be issued if convertible bond converts	**6,667**	6,667	6,667
Per Share Data (In US dollars)			
Book value per ordinary share, BVPS[2]	**0.06**	0.06	0.07
Tangible book value per ordinary share, TBVPS[3]	**0.05**	0.05	0.06
Share price	**0.02**	0.04	0.05

(1) Basel II/III CAR is reported semi-annually to the regulator, the Central Bank of West African States (BCEAO). CAR for 31December is submitted 30 April and for 30 June submission is 31October
(2) ETI shareholders' equity divided by end-of-period ordinary shares outstanding
(3) Tangible ETI shareholders' equity divided by end-of-period ordinary shares outstanding. Tangible ETI shareholders' equity is ETI shareholders' equity less goodwill and intangible assets

- **Net loans and advances to customers** were $8,700 million as of 30 September 2019, up 1% on the prior-year period, or increased 14% in constant currency, primarily driven by a 20% growth in CESA, 17% growth in AWA, and 14% growth in UEMOA.
- **Deposits from customers** were $15,556 million as of 30 September 2019, flat on the prior-year period, or increased 13% in constant currency, primarily driven by a 21% growth in AWA, 18% growth in Nigeria, and 15% growth in CESA.
- **Total equity** was $1,823 million compared with $2,023 million in the prior year period. The decrease in equity over the period was primarily driven by the impact of foreign exchange translation.
- **The Group's Basel II/III Tier 1 and Total Capital Adequacy Ratios** were 8.8% and 12.3%, respectively, as at 30 June 2019 and continued to exceed the regulatory minimum of 7.25% and 9.5%, respectively. The decline in total CAR from 12.8% in December 2018 to 12.3%, was predominantly driven by the impact of foreign currency translation and the phase-in of IFRS 9.

Asset Quality

In millions of US dollars	**30 Sept 2019**	31 Dec 2018	30 Sept 2018
Net impairment losses on loans and advances	**58**	240	202
Impairment losses on other financial assets	**32**	24	14
Impairment losses on financial assets	**90**	264	217
Cost-of-risk[1]	**0.8%**	2.4%	2.8%
As at:			
Gross loans and advances to customers	**9,358**	9,807	9,435
Of which stage 1	***7,157***	*7,677*	*6,993*
Of which stage 2	***1,274***	*1,186*	*1,457*
Of which stage 3, credit impaired loans (non-performing loans)	***926***	*945*	*985*
Less: allowance for impairments (Expected Credit Loss)	**658**	639	794
Of which stage 1: 12-month ECL [2]	***104***	*89*	*126*
Of which stage 2: Life-time ECL	***75***	*81*	*159*
Of which stage 3: Life-time ECL	***477***	*468*	*508*
Net loans and advances to customers	**8,700**	9,169	8,642
Impaired loans or non-performing loans (NPLs)	**926**	945	985
NPL ratio	**9.9%**	9.6%	10.4%
NPL coverage ratio	**71.1%**	67.6%	80.6%
Stage 3 cover ratio	**51.5%**	49.5%	51.6%

(1) Cost-of-risk is computed on an annualised basis
(2) Expected Credit Losses
Note : totals may not add up due to rounding. N.A = not applicable

- **Impaired loans (non-performing loans)** were $926 million as of 30 September 2019 compared with $945 million and $985 million as of 31 December 2018, and 30 September 2018, respectively. NPLs declined 2% year-on-year and 6% year-to-date, driven by lower NPLs in Corporate Bank across CESA, AWA, and UEMOA. These were partially offset by an increase in NPLs in Nigeria.
- **The NPL ratio** for the period was 9.9% compared with 10.4% in the prior year period. **The coverage of NPLs by impairment allowances** was 71.1% (51.5% on stage 3 coverage) compared with 67.6% for 31 December 2018 (49.5% on stage 3 coverage) and 80.6% (51.6% on stage 3 coverage) for the prior-year period**. The reserve allowance for impairment losses** was $658 million compared with $639 million and $794 million for 31 December 2018 and 30 September 2018, respectively.

SUMMARY FINANCIAL REVIEW OF ECOBANK GEOGRAPHICAL REGIONS

Ecobank segments its businesses in Africa into four geographical regions. These reportable operating segments are **Francophone West Africa (UEMOA), Nigeria, Anglophone West Africa (AWA), Central, Eastern and Southern Africa (CESA).**

In the first quarter of 2019 we made changes to our regional reportable operating segments to bring simplicity and better alignment to the way management views the operations. The financial results of the constituent affiliates of Ecobank Development Corporation (EDC), the Group's Investment Banking (IB) and Securities, Wealth, and Asset Management (SWAM) businesses across our geographic footprint, were segmented by their country of domicile and included accordingly into applicable regional segments – UEMOA, Nigeria, AWA, or CESA. As such the financial results for the nine months ended 2019 are not effectively comparable to the financial results for the nine months ended 2018, as the latter has not been restated.

Comparisons noted in the commentary below are calculated for the nine months ended 30 September 2019 versus the nine months ended 30 September 2018, unless otherwise specified.

In millions of $, except for ratios

	UEMOA	NIGERIA[1]	AWA	CESA	ETI & OTHERS [2]	Ecobank Group
Income Statement Highlights						
Operating income (net revenue)	**366**	**171**	**315**	**354**	**(37)**	**1,169**
Total operating expenses	219	174	149	189	45	776
Operating profit before impairment losses & taxation	**147**	**(3)**	**166**	**165**	**(82)**	**393**
Impairment losses on financial assets	(14)	4	(34)	2	**(48)**	(90)
Profit before tax	**133**	**1**	**132**	**166**	**(130)**	**303**
Profit after tax	123	1	92	122	(124)	214
Balance Sheet Highlights						
Loans and advances to customers, net	3,532	2,182	1,177	1,441	368	8,700
Total assets	7,991	5,769	3,422	5,049	341	22,572
Deposits from customers	5,484	3,652	2,654	3,614	152	15,556
Total equity	640	819	437	492	(565)	1,823
Ratios						
ROA	1.9%	0.0%	3.8%	3.3%		1.3%
ROE[3]	26.0%	0.1%	31.9%	32.7%		13.8%
Cost-to-income ratio	59.8%	101.9%	47.4%	53.4%		66.4%
NPL ratio	6.3%	14.8%	10.4%	10.4%		9.9%
NPL coverage	46.4%	75.4%	60.3%	79.7%		71.1%
Loans-to-deposits ratio	66.3%	67.3%	47.3%	43.5%		60.2%

(1) Also included in the Nigeria region are the results of the Resolution Vehicle
(2) **ETI & Others** comprise the financial results of the parent company (ETI), eProcess (the Group's technology shared services company owned by ETI), Paris subsidiary, other owned ETI affiliates and structured entities, and the impact of accounting eliminations arising from Group consolidation. The net pre-tax loss of $130m reported under "ETI & Others" largely comprises of net interest and fee expense of $61m and operating expenses of $34m, both from running the Holdco.
(2) **ROE** for the regions are computed using profit after tax divided by total equity. ROE for the Group is profit attributable to ETI divided by ETI's shareholders' equity

Francophone West Africa (UEMOA)

Nine months ended 30 Sept (in millions of US dollars)	**2019**	2018	YoY	Ccy*
Net interest income	**213**	210	1%	7%
Non-interest revenue	**154**	167	(8)%	(2)%
Operating income	**366**	377	(3)%	3%
Operating expenses	**(219)**	(226)	(3)%	3%
Operating profit before impairment losses & taxation	**147**	151	(3)%	3%
Gross impairment losses on loans	**(68)**	(81)	(17)%	(14)%
Loan recoveries and impairment releases	**54**	33	66%	72%
Net impairment losses on loans	**(14)**	(49)	(72)%	(72)%
Impairment losses on other assets	**-**	0	n.m.	n.m.
Impairment losses on financial assets	**(14)**	(49)	(72)%	(72)%
Profit before tax	**134**	103	30%	39%
Profit after tax	**123**	**99**	**24%**	**32%**
Loans & advances to customers (net)	**3,532**	3,321	6%	13%
Total assets	**7,991**	7,510	6%	13%
Deposits from customers	**5,484**	5,550	(1)%	5%
Total equity	**640**	561	14.1%	21%
Cost-to-income	**59.8%**	59.9%		
ROE	**26.0%**	23.5%		
Loan-to-deposit ratio	**66.3%**	62.0%		
NPL ratio	**6.3%**	7.6%		
NPL coverage ratio	**46.4%**	45.7%		

Note: Selected income statement line items only and thus may not sum up
n.m. = not meaningful
* Ccy = year-on-year percentage change on a constant currency

Highlights - UEMOA

- Profit before tax of $134 million, increased 30% on a reported basis, or 39% in constant currency, driven by an increase in pre-impairment operating profits and credit portfolio discipline. The annualised ROE was 26.0% compared with 23.5% in the prior year period.
- Operating income of $366 million, decreased 3% on a reported basis, or increased 3% in constant currency. The increase in constant currency was primarily driven by growth in net interest income.

  Net interest income of $213 million, increased 1% on a reported basis, or 7% in constant currency, predominantly driven by growth in investment securities and a moderate expansion in interest margin.

  Non-interest revenue of $154 million, decreased 8% on a reported basis, or 2% in constant currency. The decrease reflected lower margins and volumes in client foreign currency sales, largely driven by a stricter enforcement of foreign currency regulations by the Central Bank. The regulation, directs all banks to transfer to the Central Bank the foreign currency proceeds they receive from the export activities of their customers. Going forward, banks, now have to apply to the Central Bank to meet the foreign currency requests of their clients, a process that has inadvertently reduced levels of activity, and hence the associated revenues.
- Operating expenses of $219 million, decreased 3% on a reported basis, or increased 3% in constant currency, driven by depreciation costs, partially offset by cost savings in rent and utilities and operations and processes. The cost-to-income ratio of 59.8%, was relatively unchanged year-on-year.
- Net impairment losses on loans was $14 million compared with $49 million in the prior year period. The current period's lower net impairment losses was driven by $54 million in loan recoveries and impairment releases, compared with $33 million in the prior year period, driven by loan recoveries in Côte d'Ivoire and Mali.

NIGERIA

Nine months ended 30 Sept (in millions of US dollars)	**2019**	2018	YoY	Ccy*
Net interest income	**71**	211	(66)%	(60)%
Non-interest revenue	**100**	153	(35)%	(23)%
Operating income	**171**	364	(53)%	(45)%
Operating expenses	**(174)**	(216)	(19)%	(5)%
Operating profit before impairment losses & taxation	**(3)**	149	n.m.	n.m.
Gross impairment losses on loans	**(29)**	(60)	(52)%	(66)%
Loan recoveries and impairment releases	**37**	2	1,621%	1,780%
Net impairment losses on loans	**8**	(58)	n.m.	n.m.
Impairment losses on other assets	**(5)**	(4)	22%	(100)%
Impairment losses on financial assets	**4**	(62)	n.m.	n.m.
Profit before tax	**1**	87	(99)%	n.m.
Profit after tax	**1**	**86**	**(99)%**	**n.m.**
Loans & advances to customers (net)	**2,182**	2,491	(12)%	3%
Total assets	**5,769**	5,718	0.9%	15%
Deposits from customers	**3,652**	3,657	(0.1)%	18%
Total equity	**819**	789	4%	21%
Cost-to-income	**101.9%**	59.2%		
ROE	**0.1%**	13.4%		
Loan-to-deposit ratio	**67.3%**	75.7%		
NPL ratio	**14.8%**	8.7%		
NPL coverage ratio	**75.4%**	114.9%		

Note: Selected income statement line items only and thus may not sum up
n.m. = not meaningful
* Ccy = year-on-year percentage change on a constant currency

Highlights – NIGERIA

- Profit before tax of $1 million, decreased 99% on a reported basis. Nigeria's financial performance was negatively impacted by a number of factors - the suspension of interest income accruals on subsidy-related oil and gas exposures, the unavailability of significant amounts of deposits held at the Central Bank above the cash reserve ratio of 22.5%, lower client activity overall, a compression in net interest margins, and lower loan balances. The annualised ROE was 0.1% compared with 14.7% in the prior year period.

- Operating income of $171 million, decreased 53% on a reported basis, or 45% in constant currency.

  Net interest income of $71 million, decreased 66%, or 60% in constant currency, primarily driven by the suspension of approximately $70 million of interest income accruals on subsidy-related oil and gas loans, a substantial decrease in interest earning assets, partly due to an increase in the implied effective cash reserve ratio to approximately 40%, with the opportunity cost of the excess CRR of approximately $450 million in interest income forgone, and higher funding margins.

  Non-interest revenue of $100 million, decreased 35%, or 23% in constant currency, predominantly driven by a decrease in cash management, foreign currency and fixed-income sales, as well as trading income, due to subdued client activity.

- Operating expenses of $174 million, decreased 19% on a reported basis, or 3% in constant currency, reflecting disciplined control of expenses given the operating income headwinds. The cost-to-income ratio was 101.9% in the current period, compared with 59.2%, in the prior year, mainly driven by the significant decline in revenues.

- Net impairment benefit on loans of $8 million compared with an impairment loss of $58 million in the prior year period. The impairment benefit in the current period was primarily driven by significantly higher loan recoveries.

Anglophone West Africa (AWA)

Nine months ended 30 Sept (in millions of US dollars)	**2019**	2018	*YoY*	Ccy*
Net interest income	**187**	170	10%	24%
Non-interest revenue	**129**	112	15%	29%
Operating income	**315**	282	12%	26%
Operating expenses	**(149)**	(145)	3%	17%
Operating profit before impairment losses & taxation	**166**	137	21%	36%
Gross impairment losses on loans	**(38)**	(34)	10%	25%
Loan recoveries and impairment releases	**6**	5	30%	45%
Net impairment losses on loans	**(32)**	(30)	7%	21%
Impairment losses on other assets	**(2)**	-	n.m.	n.m.
Impairment losses on financial assets	**(34)**	(30)	14%	21%
Profit before tax	**132**	108	22%	37%
Profit after tax	**92**	**76**	**21%**	**36%**
Loans & advances to customers (net)	**1,177**	1,128	4%	17%
Total assets	**3,422**	3,114	10%	22%
Deposits from customers	**2,654**	2,421	10%	21%
Total equity	**437**	351	24%	39%
Cost-to-income	**47.4%**	51.4%		
ROE	**31.9%**	31.1%		
Loan-to-deposit ratio	**47.3%**	51.0%		
NPL ratio	**10.4%**	15.6%		
NPL coverage ratio	**60.3%**	55.8%		

Note: Selected income statement line items only and thus may not sum up
n.m. = not meaningful
* Ccy = year-on-year percentage change on a constant currency

Highlights – AWA

- Profit before tax of $132 million, an increase of 22% on a reported basis, or 37% in constant currency, driven by positive operating leverage. The annualised ROE was 31.9% compared with 31.1% in the prior year period.
- Operating income of $315 million increased 12% on a reported basis, or 24% in constant currency

  Net interest income of $187 million, increased 10% on a reported basis, or 24% in constant currency, benefitting from a higher net interest margin and volume growth.

  Non-interest revenue of $128 million, increased 15% on a reported basis, or 25% in constant currency. The increase was predominantly driven by income from trading, cash management, and client foreign exchange sales.
- Operating expenses of $149 million, increased 3% on a reported basis, or 15% in constant currency, reflecting an increase in revenue-linked expenses, partially offset by lower staff costs. The cost-to-income ratio of 47.4% was an improvement on the 51.4% in the prior year, benefitting from positive operating leverage.
- Net impairment losses on loans were $32 million compared with $30 million in the prior year period. The increase was driven by higher gross impairments reflecting the increase in customer loans.

Central, Eastern & Southern Africa (CESA)

Nine months ended 30 Sept (in millions of US dollars)	**2019**	2018	*YoY*	Ccy*
Net interest income	**150**	153	(2)%	38%
Non-interest revenue	**204**	180	13%	86%
Operating income	**354**	333	6%	64%
Operating expenses	**(189)**	(197)	(4)%	24%
Operating profit before impairment losses & taxation	**165**	136	21%	122%
Gross impairment losses on loans	**(22)**	(81)	(73)%	(70)%
Loan recoveries and impairment releases	**29**	21	34%	58%
Net impairment losses on loans	**7**	(59)	n.m	n.m
Impairment losses on other assets	**(5)**	(5)	(6)%	(100)%
Impairment losses on financial assets	**2**	(65)	n.m	n.m
Profit before tax	**166**	71	133%	329%
Profit after tax	**122**	**46**	**167%**	**338%**
Loans & advances to customers (net)	**1,441**	1,481	(2.7)%	20%
Total assets	**5,044**	4,882	3%	43%
Deposits from customers	**3,614**	3,709	(3)%	15%
Total equity	**490**	471	4%	102%
Cost-to-income	**53.4%**	59.1%		
ROE	**32.7%**	12.5%		
Loan-to-deposit ratio	**43.5%**	46.4%		
NPL ratio	**10.4%**	15.0%		
NPL coverage ratio	**79.7%**	93.5%		

Note: Selected income statement line items only and thus may not sum up
n.m. = not meaningful
* Ccy = year-on-year percentage change on a constant currency

Highlights - CESA

- CESA posted profit before tax of $166 million, an increase of 133% on a reported basis, or 332% in constant currency. The annualised ROE was 32.7% compared with 12.5% in the prior year period. The results of CESA have been adversely impacted by the steep depreciation of Zimbabwean currency, the RTGS dollar, following its introduction in February 2019.
- Operating income of $354 million, increased 6% on a reported basis, or 63% in constant currency.

  Net interest income of $150 million, decreased 2% on a reported basis, or increased 38% in constant currency, primarily driven a mix of higher balances in interest earning assets mostly in the Southern Africa region and the net impact of higher rates in the Central Africa region

  Non-interest revenue of $204 million, increased 13% on a reported basis, or 85% in constant currency, predominantly driven by fees and commissions on loans, trade, and revaluation gains on foreign currency. This was partially affected by lower client-related foreign currency sales, largely driven by the introduction on new foreign currency regulatory rules by the Bank of Central African States (BEAC). These new regulations, directs all banks to transfer to the BEAC the foreign currency proceeds they receive from the export activities of their customers. They need, now, for banks to apply to the Central Bank for foreign currency on behalf of their customers' needs from the Central Bank has reduced levels of activity.
- Operating expenses of $189 million decreased 4% on a reported basis, or increased 25% in constant currency, primarily driven by operating income-linked expenses growth. The cost-to-income ratio was 54.4%, improving from 59.1% a year ago, benefiting from higher revenues
- Net impairments on loans benefit of $7 million compared with an impairment loss of $59 million in the prior year period, reflecting significant gains in loan recoveries and impairment releases of $29 million, driven by reductions in NPLs and significant recoveries in Cameroon, Chad, Congo Brazzaville, and Gabon.

The Public Accountants and Auditors Board (PAAB) in their pronouncement dated 11 October 2019 confirmed that Zimbabwe had all the factors and characteristics to apply the Financial Reporting in Hyperinflationary Economies Standard (IAS 29). This pronouncement will impact the results of Ecobank Zimbabwe (a subsidiary of the Group). However, at the time of release of the Ecobank Group results for the period ended 30 September 2019, the impact of applying IAS 29 could not be accurately estimated. This is due to scarcity of reliable locally published official data (e.g. inflation) that would aid in the determination of the identity and level of price index required for this estimation. The standard also recommends the use of the same price index to measure the change in inflation for the whole economy, something that is yet to be established in Zimbabwe. Consequently, the presented consolidated results of the Group (which include the results of Ecobank Zimbabwe) do not yet reflect the impact of application of IAS 29. The associated impact on the Group results will be recognised in the fourth quarter and will be presented in our results for the year ended 31 December 2019 by which time further information and guidance is expected to be issued in the Zimbabwe market by the local accounting and regulatory bodies.

# # #

About Ecobank: Incorporated in Lomé, Togo in 1986, Ecobank Transnational Incorporated ('ETI') is the parent company of the leading independent pan-African banking group, Ecobank. It currently has banking subsidiaries in 33 African countries, namely: Benin, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Congo (Brazzaville), Congo (Democratic Republic), Côte d'Ivoire, Equatorial Guinea, Gabon, Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Liberia, Malawi, Mali, Mozambique, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, South Sudan, Tanzania, Togo, Uganda, Zambia and Zimbabwe. ETI also has a banking license in Paris-France and representative offices in Addis Ababa- Ethiopia, Johannesburg – South Africa, Dubai - United Arab Emirates, London - UK and Beijing - China. The Group is owned by more than 600,000 local and international institutional and individual shareholders. It employs over 15,000 people in 40 different countries. It provides consumer, commercial banking, corporate and investment banking, and securities, wealth and asset management to about 20 million customers, ranging from individuals, small and medium-sized enterprises, regional and multinational corporations, financial institutions, international organisations and governments via over 800 branches and offices, 2,731 ATMs, the internet (ecobank.com), and mobile banking. ETI is listed on the Nigerian Stock Exchange in Lagos, the Ghana Stock Exchange in Accra, and the Bourse Régionale des Valeurs Mobilières in Abidjan. Additional information may be found on the Group's corporate website at: www.ecobank.com

Cautionary note regarding forward-looking statements

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

POTENTIAL DILUTIVE INSTRUMENTS

ETI $400 million convertible debt

The $400 million convertible debt due 2022 will have a maturity of five (5) years from date of issuance, a coupon rate comprising a reference rate of 3-month LIBOR plus a spread of 6.46% **(i.e. 3-month LIBOR + 6.46%),** payable semi-annually in arrears. The debt will be convertible into ETI ordinary shares at an **exercise price of 6.00 $ cents ($0.06)** (*NGN21.69, GHS0.33, XOF35.52 at current exchange rates for illustrative purposes only*) during the conversion period of **19 October 2019 to 13 October 2022**. This debt will be redeemed at 110% of principal amount if the conversion option is not exercised.

Ecobank will not be holding an Earnings Conference Call to discuss the financial results for the nine months ended 30 September 2019. The financial results, which have been submitted to the NSE, BRVM and GSE, can be accessed, including the earnings press release and accompanying earnings slides pack, by visiting www.ecobank.com. If you should have any questions relating to these results, please contact Ecobank Investor Relations via ir@ecobank.com

Investor Relations

Ecobank is committed to continuous improvement in its investor communications. For further information, including any suggestions as to how we can communicate more effectively, please contact Ecobank Investor Relations via ir@ecobank.com. Full contact details below:

Investor contact:

Ato Arku

T: +228 22 21 03 03

M: +228 92 40 90 09

E: aarku@ecobank.com

Ecobank Group

Condensed Unaudited Consolidated Income Statement

In thousands of US dollars, except per share amounts	9 Months Ended 30 September 2019	2018
Interest income	**1,030,375**	**1,156,100**
Interest expense	**(489,737)**	**(453,396)**
Net interest income	**540,638**	**702,704**
Fee and commission income	**342,537**	**377,630**
Fee and commission expense	**(27,262)**	**(48,528)**
Net trading income	**270,860**	**277,627**
Other operating income	**42,219**	**57,519**
Non-interest revenue	**628,354**	**664,248**
Operating income	**1,168,992**	**1,366,952**
Staff expenses	**(356,727)**	**(373,573)**
Depreciation and amortization	**(77,531)**	**(74,439)**
Other operating expenses	**(341,702)**	**(387,759)**
Operating expenses	**(775,960)**	**(835,771)**
Operating profit before impairment losses and taxation	**393,032**	**531,181**
Impairment losses on loans and advances	(185,036)	(275,120)
Recoveries	126,656	72,676
Impairment charge on other financial assets	(31,662)	(14,469)
Impairment losses on financial assets	**(90,042)**	**(216,913)**
Operating profit after impairment losses before taxation	**302,990**	**314,268**
Share of (loss) / profit of associates	(138)	227
Profit before tax	**302,852**	**314,495**
Taxation	(88,659)	(67,935)
Profit for the period from continuing operations	**214,193**	**246,560**
Profit for the period from discontinued operations	3,884	663
Profit for the period	**218,077**	**247,223**
Attributable to:		
Owners of the parent	**154,686**	**197,373**
Continuing operations	152,589	197,015
Discontinued operations	2,097	358
Non-controlling interest	**63,391**	**49,850**
Continuing operations	61,604	49,545
Discontinued operations	1,787	305
	218,077	**247,223**
Earnings per share from continuing operations attributable to owners of the parent during the period (expressed in United States cents per share)		
Basic	**0.63**	0.80
Diluted	**0.63**	0.80

Ecobank Group

Condensed Unaudited Consolidated Statement of Financial Position

In thousands of US dollars	**September 2019**	December 2018
Assets		
Cash and balances with central banks	**2,723,099**	2,797,417
Trading financial assets	**176,451**	122,283
Derivative financial instruments	**34,023**	49,914
Loans and advances to banks	**1,903,123**	1,717,575
Loans and advances to customers	**8,699,605**	9,168,669
Treasury bills and other eligible bills	**1,456,692**	1,828,251
Investment securities	**4,650,113**	4,568,262
Pledged assets	**259,334**	240,434
Other assets	**1,328,876**	739,168
Investment in associates	**4,525**	6,147
Intangible assets	**300,421**	278,334
Property and equipment	**807,566**	827,165
Investment properties	**18,707**	29,787
Deferred income tax assets	**116,921**	118,715
	22,479,456	22,492,121
Assets held for sale	**92,446**	90,075
Total assets	**22,571,902**	22,582,196
Liabilities		
Deposits from banks	**1,749,337**	1,465,646
Deposits from customers	**15,556,135**	15,935,999
Derivative financial instruments	**29,320**	29,907
Borrowed funds	**2,115,323**	2,059,690
Other liabilities	**938,287**	996,557
Provisions	**63,170**	52,979
Current income tax liabilities	**85,497**	52,076
Deferred income tax liabilities	**59,221**	55,099
Retirement benefit obligations	**37,653**	3,896
	20,633,943	20,651,849
Liabilities held for sale	**114,548**	117,856
Total liabilities	**20,748,491**	20,769,705
Equity		
Equity attributable to owners holders of the parents		
Share capital and premium	**2,113,957**	2,113,957
Retained earnings and reserves	**(667,127)**	(577,005)
Shareholders' equity	**1,446,830**	1,536,952
Non-controlling interests	**376,581**	275,539
Total equity	**1,823,411**	1,812,491
Total liabilities and equity	**22,571,902**	22,582,196

Ecobank Group

Condensed Unaudited Consolidated Statement of Cash Flows

In thousands of US dollars	9 Months Ended 30 September 2019	2018
Cash flow from operating activities		
Profit before tax	**302,852**	314,495
Foreign exchange income	**(57,608)**	(6,961)
Net gain from investment securities	**-**	(32)
Impairment losses on loans and advances	**58,380**	202,444
Impairment losses on other financial assets	**31,662**	14,469
Depreciation of property and equipment	**62,016**	59,284
Net interest income	**(540,638)**	(702,704)
Amortisation of software and other intangibles	**15,515**	15,155
Profit on sale of property and equipment	**(396)**	(296)
Share of loss/(profit) of associates	**138**	(227)
Income taxes paid	**(55,257)**	(80,161)
Changes in operating assets and liabilities		
Trading assets	**(54,168)**	(101,527)
Derivative financial assets	**15,891**	1,629
Treasury bills and other eligible bills	**534,613**	(36,898)
Loans and advances to banks	**(242,432)**	162,839
Loans and advances to customers	**449,352**	476,828
Pledged assets	**(18,900)**	(15,774)
Other assets	**(589,708)**	(36,387)
Mandatory reserve deposits with central banks	**(74,212)**	(102,223)
Deposits from customers	**(379,864)**	317,250
Other deposits from banks	**546,238**	-
Derivative liabilities	**(587)**	(1,647)
Other liabilities	**(58,270)**	(5,326)
Provisions	**10,191**	(172,457)
Interest received	**1,030,375**	1,156,100
Interest paid	**(489,737)**	(453,396)
Net cashflow from operating activities	**495,446**	1,004,477
Cash flows from investing activities		
Purchase of software	**(12,177)**	(24,137)
Purchase of property and equipment	**(30,768)**	(117,021)
Proceeds from sale of property and equipment	**16,811**	-
Purchase of investment securities	**(777,536)**	-
Redemption of investment securities	**623,947**	88,276
Net cashflow used in investing activities	**(179,723)**	(52,882)
Cash flows from financing activities		
Repayment of borrowed funds	**(660,679)**	(17,038)
Proceeds from borrowed funds	**776,405**	-
Dividends paid to non-controlling shareholders	**(19,476)**	(16,522)
Net cashflow from /(used in) financing activities	**96,250**	(33,560)
Net increase in cash and cash equivalents	**411,973**	918,035
Cash and cash equivalents at at beginning of period	**2,141,855**	1,965,611
Effects of exchange differences on cash and cash equivalents	**(191,785)**	(139,469)
Cash and cash equivalents at end of the period	**2,362,043**	2,744,177