ONE MARKET. ENDLESS OPPORTUNITIES.

ECOBANK GROUP ANNUAL REPORT 2021

Ecobank
The Pan African Bank

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ENDLESS OPPORTUNITIES.

ECOBANK GROUP
ANNUAL REPORT
2021

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The Pan African Bank

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WHO WE ARE

DRIVING DIGITAL BANKING USAGE ACROSS SUB-SAHARAN AFRICA

Ecobank's digital capabilities provide convenient and affordable banking products and services to millions of Africans.

The award-winning Ecobank Mobile App provides the gateway to financial services through KYC-lite onboarding, empowering the previously unbanked and underserved throughout sub-Saharan Africa. Our investments in technology, leveraging on strategic partnerships with mobile network operators to deliver distribution reach, provides the scalability to meet the ever-accelerating demand for an always-on full range of digital financial services and functionality on our unified mobile banking platform.

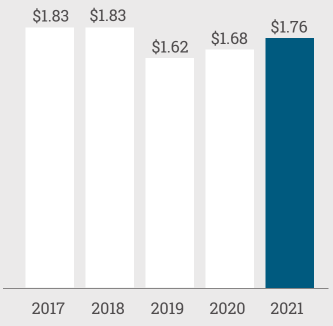
1

OUR PERFORMANCE

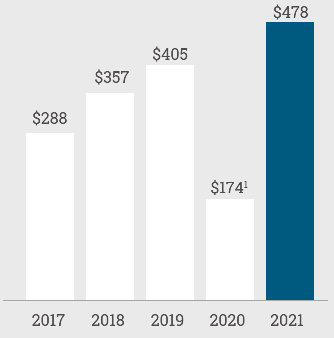
For the year ended 31 December (in millions of US dollars, except per share and ratio data)	2021	2020
Selected income statement data		
Operating income (net revenue)	**1,757**	1,680
Operating expenses	**1,035**	1,054
Pre-provision, pre-tax operating profit	**722**	626
Impairment charges on financial assets	**218**	227
Operating profit after impairment charges and before taxation	**504**	399
Profit before tax (excluding goodwill)[1]	**478**	338
Profit before tax	**478**	174
Profit for the year	**357**	88
Profit attributable to ETI shareholders	**262**	4
Profit attributable per share ($):		
Basic	**1.063**	0.010
Diluted	**1.063**	0.010
Selected statement of financial position data		
Net loans and advances to customers	**9,576**	9,240
Total assets	**27,562**	25,939
Risk-weighted assets	**15,273**	15,628
Deposits from customers	**19,713**	18,297
ETI's shareholders' equity	**1,532**	1,503
Total equity	**2,164**	2,028
Ordinary shares outstanding	**24,730**	24,730
Book value per ordinary share ($)[2]	**6.20**	6.08
Tangible book value per ordinary share (TBVPS) ($)	**5.70**	5.47
ETI share price ($ cent)[3]		
High	**2.29**	2.21
Low	**1.15**	1.01
Period end	**2.05**	1.58
Selected ratios		
Profit for the year to average total assets (ROA)	**1.3%**	0.4%
ROA (excluding goodwill)	**1.3%**	1.0%
Profit for the year to total equity (ROE)[4]	**11.3%**	0.3%
ROE (excluding goodwill)	**17.3%**	11.3%
Profit for the year to tangible total equity (ROTE)	**19.0%**	0.3%
ROTE (excluding goodwill)	**19.0%**	13.3%
Tier 1 capital ratio	**10.7%**	9.4%
Total capital adequacy ratio (CAR)	**14.8%**	12.3%
Net interest margin	**5.1%**	5.3%
Cost-to-income ratio	**58.9%**	62.7%
Non-performing loans ratio	**6.2%**	7.6%
Non-performing loans coverage ratio	**102.1%**	74.5%

1 In 2020, we recorded a non-cash, non-recurring goodwill charge of $164 million ($159 million related to our acquisition of former Oceanic Bank in 2011).
2 Book value per ordinary share (BVPS) is computed by dividing the Group's shareholders' equity at period-end with the number of ordinary shares outstanding at period-end.
3 ETI share price on the Nigerian Stock Exchange at period-end converted into US dollars using Bloomberg applicable rate at period-end.
4 ROE is computed using profit available to ETI (parent company) shareholders divided by the average end-of-period ETI shareholders' equity. ROTE is computed using profit available 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.

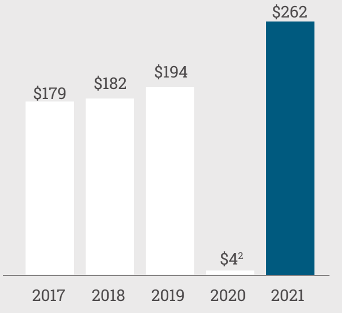
Operating income (net revenue) ($ in billions)



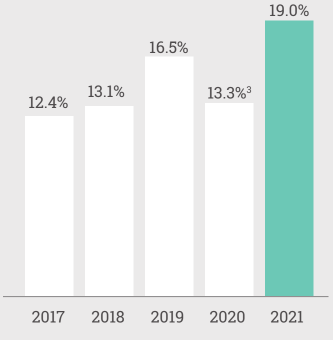
Profit before tax ($ in millions)



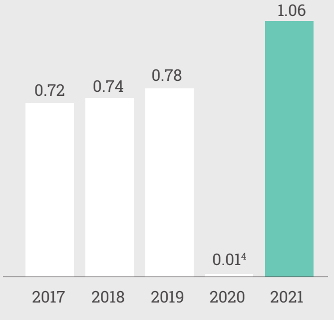
Profit available to ETI shareholders ($ in millions)



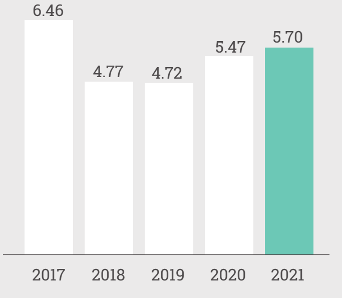
Return on tangible shareholders' equity (ROTE)



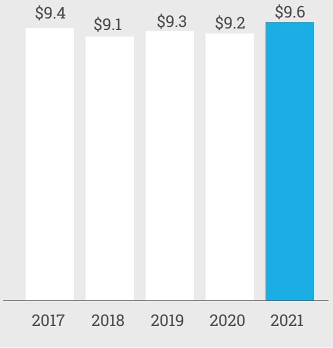
Basic earnings per share (EPS) (in US cents)



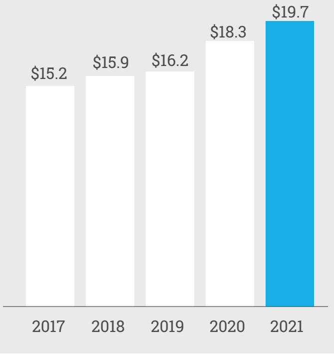
Tangible book value per share (in US cents)



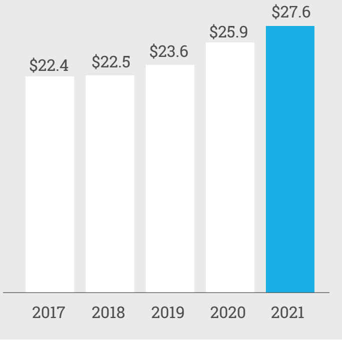
Net loans & advances to customers ($ in billions)



Deposits from customers ($ in billions)



Total assets ($ in billions)



1 Profit before tax of $174m includes the impact of the $164m goodwill charge.
2 Profit available to ETI shareholders of $4m includes the impact of the $164m goodwill charge.
3 ROTE of 13.3% for 2020 excludes the impact of the $164m goodwill charge.
4 Basic EPS of 0.01 US cents includes the impact of the $164m goodwill charge.

OUR VISION AND MISSION DRIVE US

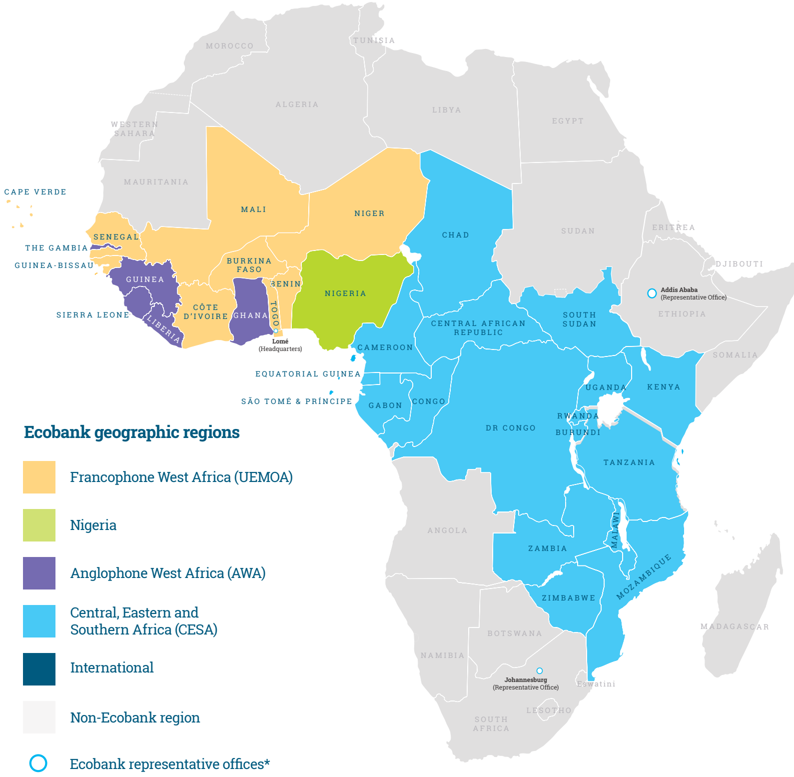
OUR VISION

To build a world class pan-African bank and contribute to the economic development and financial integration of Africa.

OUR MISSION

To provide all of our customers with convenient and reliable financial products and services.

ECOBANK IS THE LEADING PAN-AFRICAN BANKING GROUP



	UEMOA	Nigeria	AWA	CESA	International
Total assets ($27.6bn)[1]	$10.1	$6.0	$4.8	$6.7	$1.1
Customer deposits ($19.7bn)	$7.0	$4.0	$3.5	$5.1	$0.2
Total equity ($2.2bn)	$894	$703	$649	$690	$120
No. of countries	9	1	5	18	1

13,167 Employees from **43** Nationalities

More than **32 million** Customers

Present in **35** African Countries, **34** Banking Subsidiaries[2] and **9** Non-Banking Subsidiaries

$2.2 billion Total Equity

1985
Founded in 1985
Headquartered in Lomé, Togo

$27.6 billion Total Assets

671 Branches
109,748 Xpress Point Agents

International offices in **Paris, London, Dubai, Beijing**

2,659 ATMs

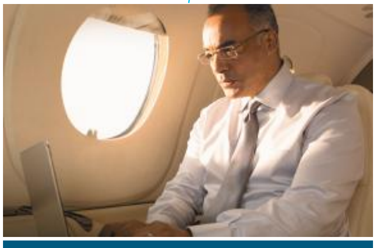
Ecobank MOBILE
13.9 million Mobile App Users
64 million Digital transactions

Listed on 3 Stock Exchanges – **NGX, GSE and BRVM**

* Data as of 31 December 2021.
1 Figures for total assets and total equity will not add up to Group-wide numbers because consolidation adjustments and eliminations have not been excluded.
2 Ecobank has 33 banking subsidiaries in Africa and a banking subsidiary in Paris, France.

GOING TO MARKET THROUGH OUR THREE CUSTOMER-FACING BUSINESS SEGMENTS

Central Manufacture



Corporate and Investment Banking

Corporate and Investment Banking (CIB) offers relevant financial solutions to global and regional corporates, governments, financial institutions and international organisations. CIB offers a full spectrum of financial products and services, which include corporate lending, trade services, cash management solutions and value-chain finance. The CIB division also provides treasury services, investment banking, securities, wealth and asset management services.

Eric Odhiambo[1] leads this business.

Commercial Banking

Commercial Banking (CMB) focuses on building scale and offering relevant financial solutions to small- and medium-sized enterprises (SMEs) and local corporates across Africa. It provides its varied customer base with lending, cash management, trade finance, treasury, and e-banking solutions to help grow its businesses faster and further. The SME business consistently contributes about 60 per cent of operating income, in line with the dominance of this sector in Africa – about 90 per cent of companies in Africa are run by SMEs. CMB leverages digital technology in its product offerings with EcobankPay, BankCollect, Omni Lite and eGovernment, enabling clients to effect payments and collections and manage cash flow digitally.

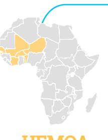
Josephine Annan-Ankomah leads this business.

Consumer Banking

Consumer Banking offers a wide array of products and services tailored to the unique banking needs of individuals, giving each of our customers the ability to enhance their financial security, whilst supporting them to fulfill their aspirations. We aim to be the preferred bank for convenient banking across Africa, and to this end, remain focused on delivering world-class products and services to consistently delight our customers.

Nana Araba Abban leads this business.

Distribution



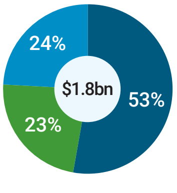
UEMOA

Nigeria

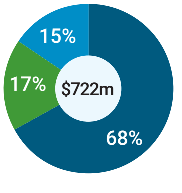
AWA

CESA

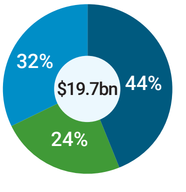
Net revenue by Business segment[2]



Pre-provision pre-tax operating profit by Business segment[2]



Customer deposits by Business segment[2]



1 Eric Odhiambo replaced Akin Dada as Group Executive, Corporate & Investment Banking in January 2022.
2 Percentage share for net revenue and pre-provision pre-tax operating profit are based on totals which excludes consolidation and other adjustments.

OUR DIGITAL OFFERING

Accelerated Transaction Volumes on Digital Channels in 2021

$5.0bn
Up 50% YoY
Ecobank App

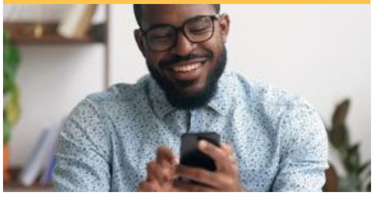
$279m
Up 30% YoY
Ecobank USSD

$1.8bn
Up 73% YoY
Ecobank Online

$4.9bn
Up 62% YoY
OMNI Lite

$3.1bn
Up 109% YoY
Xpress Point

$3.1m
Up 44% YoY
Rapid Transfer App



$38.9bn
Up 45% YoY
OMNI Plus

$10.1bn
Up 69% YoY
Indirect channels

$1.9bn
UP 39% YoY
POS

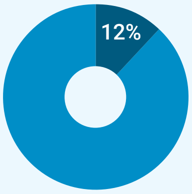
PAYMENTS BUSINESS

Payments Revenue for 2021

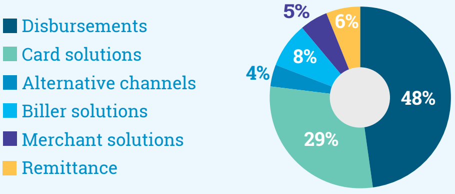
$208m

Up 23% YoY

Contribution to Group Revenues in 2021



Payments Revenue[1] Breakdown



Disbursements

omni LITE

omni PLUS

Solutions facilitating business and individual disbursements (including fund transfers, internet and SMS banking, mobile money, etc).

Card Solutions

Card issuance solutions (comprising card transactions and interchange fees). Today over 6.2 million cards have been issued.

Alternative Channels

ATMs supporting a broad range of electronic banking functionality. Over 2,600 ATMs available.

Biller Solutions

BankCollect

Innovative biller solutions through BankCollect, providing seamless integration to customers' billing systems.

Merchant Solutions

EcobankPay

Offer merchant payment acceptance solutions. Today we serve 580,000 merchants with a combination of POS, QR and agency banking. Also web acquiring online gateway merchant acceptance (i.e. e-commerce). Our online acquiring solution processes both local and international payments for our online merchants.

Remittance

Rapidtransfer My money. My Africa.

WesternUnion WU

ria

Rapidtransfer enables users to send money instantly, digitally and affordably to 33 African countries and is especially useful for Africa's diaspora to send money to their families back home.

1 Payments revenue only includes fee income.

ECOBANK VALUES

These values define what Ecobank stands for and are expected to shape the behaviours of all employees in every engagement that they have with customers, colleagues, communities, shareholders, regulators and all other stakeholders.

R A C E I T

RESPECT | ACCOUNTABILITY | CUSTOMER CENTRICITY | EXCELLENCE | INTEGRITY | TEAMWORK

RESPECT

I respect every Ecobanker and all our stakeholders.

I respect and value other people's opinions.

I create an environment where Africa's talents can deliver its best work.

I value and respect the communities in which I live and work.

EXCELLENCE

I go the extra mile.

I strive for excellence.

I am resilient.

I keep learning and delivering results.

I innovate and provide solutions.

ACCOUNTABILITY

I do my work and own the outcomes.

I accept responsibility.

I am not afraid to be honest, own up to my mistakes and stand corrected.

I speak up and encourage others to do the same.

INTEGRITY

I preserve my integrity.

I do what I say I will do.

I am transparent, honest and trustworthy.

CUSTOMER CENTRICITY

I strive to exceed our customers' expectations.

I am empathetic.

I am proactive and responsive.

I place customers at the centre of everything I do.

I build positive and trusted relationships with our customers.

TEAMWORK

I value teamwork and collaboration in making a positive difference.

I win with others and not alone.

I support other Ecobankers.

THE ECOBANK PLEDGE

These are the core commitments that every Ecobanker should make:

I am an Ecobanker.

1. I pledge to remain committed and to contribute selflessly to Ecobank. I am committed to the Pan-African purpose of Ecobank.
2. I work to make financial services accessible to all and to use it as an instrument to unlock Ecobank's full potential in Africa.
3. I pledge to always uphold the highest standards of behaviour in the interest of customers, stakeholders, Ecobank and the communities we serve.
4. I manage Ecobank's assets and resources prudently and am mindful of our responsibility to ensure the long-term stability of our bank.
5. I am always guided by the best interest of Ecobank, our customers and partners. I never demand or accept payment for private gain.
6. I always treat my colleagues fairly and with respect. I embrace Ecobank's diversity.
7. I champion the sharing of knowledge and learn from it.
8. I contribute my full self, with energy, transparency and accountability. I never place excessive demands on others.
9. I understand that living Ecobank's culture is a shared responsibility and I will maintain the highest level of ethical behaviour. I therefore pledge to speak up with courage if I ever see anything that is not right.
10. I pledge to accept and welcome constructive criticism – whether from my peers, those I report to, those who report to me or those who I serve. This is how we become stronger and win as one.

I am an Ecobanker and these are the promises that I make.

GROUP CHAIRMAN AND MANAGEMENT

OMNI LITE – INTEGRATED INTERNET BANKING FOR BUSINESS

Small- and medium-sized enterprises have 24/7 access to Commercial Banking's full suite of solutions via Omni Lite.

SMEs and local corporates are empowered by Omni Lite's cloud-based provision of real-time account access. Its accessible financial solutions include loans, cash management, payments, trade finance, savings, cards, fixed income, currencies and commodities. It enables customers to effect payments and collections and manage cash flow digitally, efficiently and easily, so that they can devote more time to concentrate on growing their businesses.

2

A LETTER FROM THE GROUP CHAIRMAN

Alain Nkontchou
Chairman, Ecobank Group

“I am pleased to announce that, for 2021, your Board has recommended the payment of a dividend of $40 million.”

Dear shareholders,

It is my pleasure to share with you the 2021 Annual Report of the activities of our Group and its financial performance at our 34th Annual General Meeting.

As I complete my first full year as Chairman of the Board, I will reiterate the Board’s commitment to its fiduciary duties. Shareholder’s interests have always been at the heart of the Board’s actions.

I am pleased to confirm that 2021 was a strong year for our company, by a multitude of measures.

A key achievement is the ability of the parent company, Ecobank Transnational Incorporated (ETI), to propose the payment of dividends to shareholders for the first time since 2016.

External environment

The past year brought challenges, but our people responded well and our performance has been exceptional.

During the second year of the COVID-19 pandemic, we continued to support our customers. We can be incredibly proud of our range of training, upskilling and funding initiatives and programmes to support, nurture and help them to adapt and build back better for future growth. At the same time our Group has remained resilient, weathered the various economic challenges, made satisfying progress with our strategic priorities, maintained efficiency, improved credit quality, strengthened the balance sheet and delivered strong financial returns.

Execution Momentum and focus

Following the end of our five-year 'Roadmap to Leadership' strategy in 2020, we focused on 'Execution Momentum' to consolidate our achievements and to deliver on our critical imperatives in 2021, which are:

- **Products -** increasing awareness, adoption and sales of our products while ensuring that our digital solutions are front of mind;
- **Performance –** delivering sustainable returns on shareholders' equity through the cycle with disciplined cost management and efficiency;
- **People –** developing and upskilling our precious talent and continuing to create an enabling environment consistent with our core values; and
- **Platform –** continuing to leverage our technology to deliver excellence in Customer Experience.

eProcess International, our technology hub, plays a significant role as we progress with our 'Execution Momentum' Strategy. It has rolled out innovative new programmes, including the virtualisation of the Regional Processing Centres and the automation of our digital MY-HR information system, which automates HR processes with enhanced self-service features. These programmes and others are maximising operational efficiency and helping us to transform our business for sustainable long-term growth and success.

Successful realisation of our 'Execution Momentum' strategy will position Ecobank as a thriving world-class pan-African bank.

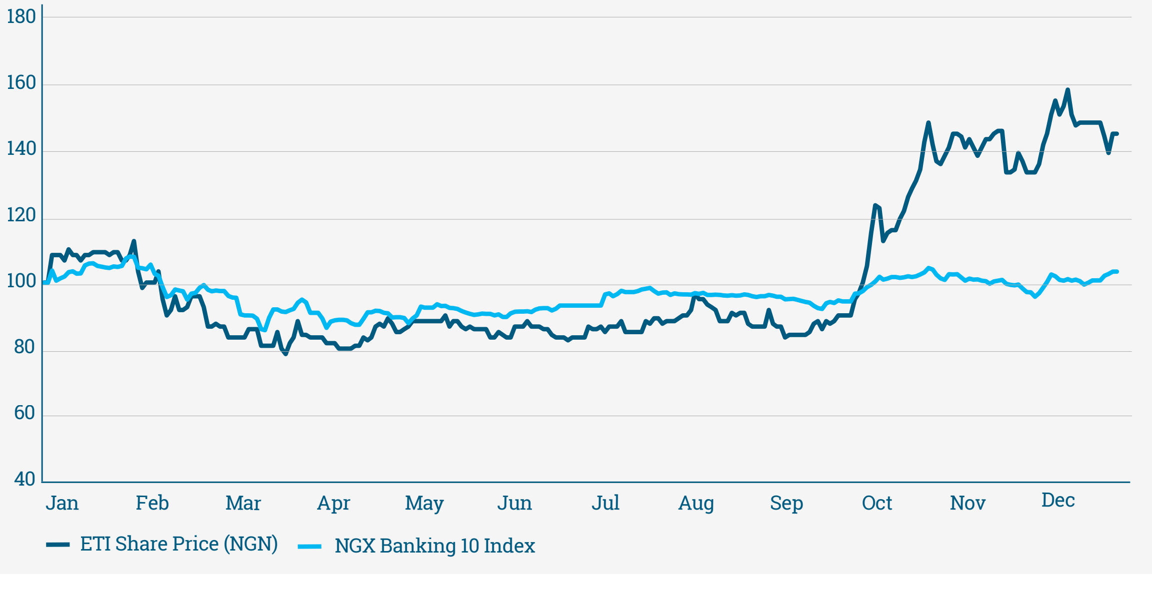
$40 million

Recommended Dividend Payment
Equivalent to $0.0016 per ordinary share

Shareholder returns

Since 2016, your Board has taken difficult decisions not to recommend dividend payments. This was critical because the Group had to strengthen its capital base, among other vital objectives, as part of its 'Roadmap to Leadership' strategy. Also, we have had to address a series of challenging developments – legacy asset problems, the economic recession in Nigeria, UEMOA Basel II/III compliance, implementation of IFRS 9 and its day one impact on shareholders' equity, goodwill impairment charge and in recent times the COVID-19 pandemic. As a result, our Basel II/III total capital adequacy ratio (CAR), a measure of financial strength, has improved and was 14.8 per cent as of 31 December 2021. In addition, we have improved the credit quality of our loan portfolio and built sufficient levels of allowances for impairment charges to cover any potential significant risks that may arise.

ETI Share Price (NGN) indexed to the NGX Banking 10 Index (2021)
1 Jan 2021 = 100



ETI, the parent company, increased profit by 47 per cent or $94 million to $295 million. Accordingly, I am pleased to announce that, for 2021, your Board has recommended the payment of a dividend of $40 million equivalent to 0.16 US dollar cents ($0.0016) per ordinary share. A dividend payment is a legitimate expectation from our shareholders, but must be grounded on sustained capital generation by the Group. The Board wishes to commend the hard work, discipline and focus of the management team and all Ecobankers.

In 2021, ETI's share price rose on all the three stock exchanges on which it trades. The shares gained 45 per cent, 75 per cent and 39 per cent on the Nigerian Exchange (NGX), the Ghana Stock Exchange (GSE) and Bourse Régionale des Valeurs Mobilières SA (BRVM), respectively. On the NGX, where the stock's trading activity is relatively more liquid, ETI's 45 per cent gain beat the 6.1 per cent and 3.3 per cent gains of the NGX's All-Share Index (ASI), which tracks the overall market, and the NGX's Banking 10 index, respectively.

Even though our share price has increased, the market still values our stock at a discount to the carrying value of reported shareholders' equity. However, we have made progress in addressing the drivers of value creation. Returns on shareholders' capital are at a record high, earnings and book values per share are growing, and we have substantially improved our efficiency and dramatically reduced our risk profile. These would ultimately translate into our share price trading closer to the company's business value.

Financial performance

Our 2021 financial results were solid and revealed a transformational year for the Group, leveraging on an improving trend from previous years. The Group generated a record return on tangible shareholders' equity of 19 per cent.

Profit for the year at ETI, the holding company, was $295 million compared to $201 million in 2020. For the consolidated Group, net revenues increased by 5 per cent to $1.8 billion, and profit before tax increased by 174 per cent to $478 million after adjusting for the one-off, non-recurring $164 million goodwill impairment charge in 2020. Profit available to ETI shareholders was $262 million, up from $4 million in the previous year, resulting in diluted earnings per share (EPS) of 1.06 US cents, compared to 0.01 US cents in 2020.

19.0%

Record return on shareholders' tangible equity (ROTE) for 2021

The Group's capital position has significantly improved over recent years. In 2021, one of our institutional shareholders, Arise B.V., invested the entirety of our $75 million perpetual non-cumulative Additional Tier 1 (AT1) issuance. This is a strong signal of support and confidence in Ecobank from an anchor shareholder and has helped to reinforce the capital position of the Group, most noticeably reducing ETI's double leverage. I want to extend the Group's thanks to Arise B.V. for their continuous support.

The AT1 issuance investment followed the earlier ground-breaking $350 million Tier 2 Sustainability Notes, which are listed on the main market of the London Stock Exchange and represent the first-ever Tier 2 Sustainability Notes by a sub-Saharan African financial institution. The notes attracted global investor interest and were 3.6 times oversubscribed, reaching $1.3 billion at its peak. We will apply the net proceeds to emerging opportunities to finance or refinance new or eligible assets that are in accord with our Sustainable Finance Framework.

We continued to strengthen our balance sheet and capital position. As a result, our Tier 1 capital ratio improved to 10.7 per cent from 9.4 per cent a year ago, and our total capital adequacy ratio (CAR) improved to 14.8 per cent from 12.3 per cent in 2020. The Group CEO's letter in the annual report provides a fuller commentary on our results and I encourage shareholders to read it.

Board changes and corporate governance

Mr. Hervé Assah was appointed as an Independent Non-Executive Director during the year. Hervé is Managing Partner of Aequaria Capital, a fund management company focused on sub-Saharan growth companies. He brings to our Board a wealth of experience across investment and financial advisory, global trade development, public private partnerships in emerging markets, regional development and business strategy, having held senior roles at the World Bank for over 20 years.

During the year, we realigned our Board Committees for operational efficiency, reducing the number of Committees from six to four. They now comprise:

Board Committees reduced to four from six	
1	Audit, Internal Control and Compliance Committee
2	Finance, Risk and Credit Committee
3	Governance, Nomination, Remuneration and Ethics Committee
4	Information Technology, Social and Reputation Committee

Update on senior executives

In 2021, Mr Eric Odhiambo was appointed as Group Executive, Corporate and Investment Banking. He joined ETI in 2017 as Group Chief Risk Officer and Head of Risk Management, following senior roles in Risk Management. He honed extensive and expert knowledge across credit, market, operational and regulatory risk, and compliance at banks, including ABN AMRO Bank and Citigroup.

Mr Chinedu Ikwudinma was appointed Group Chief Risk Officer, following his promotion from his previous role as Group Chief Credit Officer. Previously, Chinedu was Managing Director of Nova Merchant Bank and had 26 years with Citigroup in various senior management roles.

Mr Tomisin Fashina was appointed Group Executive for Operations and Technology, which he now holds in addition to his current role of Managing Director of eProcess International. Tomisin has over 30 years of experience, predominantly in technology management and financial services at organisations including Barclays Bank and Citigroup.

I warmly welcome Mr Mobolaji Lawal as Regional Executive and Managing Director, Ecobank Nigeria. Mobolaji joined us after 28 years in senior executive roles at Guaranty Trust Bank Plc and brings us extensive knowledge and experience in digital, retail, commercial and corporate banking, corporate finance and credit risk management, and in-depth knowledge of the Nigerian market.

At Ecobank, we continue to place great emphasis on upskilling all Ecobankers through learning and development training courses and initiatives. These initiatives, coupled with our effective talent management and succession planning, reinforce our business continuity by enabling us to develop, grow and promote talented leaders from within Ecobank, in addition to leveraging intensive one- and two-year graduate courses to deliver our leaders of the future.

On behalf of the Board, I would like to express our great appreciation to two of ETI's Group Executives, who retired having reached the age of 60. Mr Patrick Akinwuntan retired as Regional Executive and Managing Director, Ecobank Nigeria. Patrick has been a loyal, dedicated and impactful force at Ecobank, joining in 1996. His roles with us also included Group Executive of Consumer Banking, Managing Director of eProcess and Group Chief Finance Officer. Mr Akin Dada retired as Group Executive, Corporate and Investment Banking, having joined Ecobank in 2016, following 26 years in senior roles at Citibank.

Major developments

Commercial Banking partnered with a number of reputable insurance companies to provide a comprehensive suite of Bancassurance solutions for its small- and medium-sized enterprise (SMEs) customers, to cater for all their insurance needs. This makes us a one-stop financial services hub and strengthens our propositions and appeal to Africa's businesses.

To further increase our capacity to support the recovery, growth and success of Africa's SMEs and create employment opportunities, we secured a €100 million nine-year credit facility from the European Investment Bank under its COVID-19 Rapid Response Facility. The facility is split into three regional facilities (West and Central Africa, Eastern Africa and Southern Africa) and the funding will be disbursed through Ecobank affiliates.

Ecobank partnered with Semoa, a fintech, to enable mobile money users in Togo to carry out digital banking transactions via Whatsapp. Customers send a Whatsapp message to get tokens for withdrawals at Ecobank ATMs or Xpress Point agencies, or to pay bills or make money transfers to third parties in Togo or across the WAEMU region. This innovative solution follows Semoa's access to the Ecobank Sandbox API and demonstrates our Bank's positioning as a pioneer of Open Banking in Africa.

Ecobank won an impressive array of awards during 2021 including:

- African SME Bank of the Year (from the African Banker)
- Excellence in SME Banking (from the Digital Banker)
- Best New Product Launch of the Year (for Ellevate, from the Middle East & Africa Retail Banking Innovation Awards)
- Impact Award (for Ellevate, from the Financial Alliance for Women).

Outlook

Given the uncertainties in the current environment, we must maintain our focus. Moreover, Ecobank's pan-African footprint makes us the ideal partner for households and businesses to pursue their growth trajectories and for governments to implement their economic agenda.

Since the commencement of trading under the Africa Continental Free Trade Area (AfCFTA) in January 2021, there has been incremental progress around critical points such as tariff liberalisation schedules and Rules of Origin. In addition, the region continues to take steps to deepen trade linkages, which include the roll-out of the Pan-African Payment and Settlement System (PAPSS) in January 2022.

Ecobank's unique positioning connecting 33 African countries provides vast opportunities for the firm.

The pandemic has accelerated the adoption of digital adoption across our businesses. As a result, we will continue cementing new partnerships to strengthen our product propositions.

Gratitude

Finally, I would like to commend the dedication of all Ecobankers and especially the executive management for a strong 2021. It is critical that they maintain their determination to navigate the evolving Africa and global challenges we face as a company. Working together as one, we will realise our bold vision as the pan-African financial services Group that fosters Africa's economic and financial integration. To us, Africa is one market with endless opportunities.

Alain Nkontchou
Chairman, Ecobank Group

A LETTER FROM THE GROUP CEO

Ade Ayeyemi
Group Chief Executive Officer

"The benefits of operating a diversified business model and our 'One Bank' concept in serving our clients and customers underpinned our success. We have become more efficient, addressed legacy loan problems, strengthened capital and digitised our operations for the future."

Fellow shareholders

2021 marked a clear and sure path to recovery from the adverse effects of the multiple COVID-19 related shocks. In addition, 2021 was a transformational year for our company, with visible results from our years of consistent and disciplined management, decisive action, product development, and investments in people and technology, since September 2015. Having built a tested foundation through the execution of our 'Roadmap to Leadership' Strategy (2016-2020), we transitioned to our 'Execution Momentum' Strategy while continuing to harvest the expected results from our previous strategy. The benefits of operating a diversified business model and our 'One Bank' concept in serving our clients and customers underpinned our success. We have become more efficient, addressed legacy loan problems, strengthened capital and digitised our operations for the future.

As a result, our company delivered record growth in profits attributable to shareholders. After over five years without dividend payments, our board has recommended paying a cash dividend of 0.16 US cents ($0.0016) per share on the back of the 2021 financial performance. A total sum of $40 million can be returned to shareholders following their approval.

We thank our clients and customers for placing their confidence in Ecobank and allowing us to serve and meet their financial needs. We also thank our 13,000 plus passionate Ecobankers, who make this happen diligently daily. We owe them our heartfelt gratitude.

Before I delve deeper into our company's performance and other matters, let me take a moment to present our collective operating environment.

Solid Progress Against Strategic Priorities

Record Profitability	Revenue Generation	Expense Discipline
Record ROTE: 19.0% Diluted EPS up 57% to 1.06 cents	$1.8 bn 2021 net revenue +5% YoY	Record cost-to-income ratio (CIR) of 58.9%
Reset Credit Portfolio	**Ample Liquidity**	**Adequate Capital**
CoR[1]: 1.69% NPL ratio[2]: 6.2% NPL Coverage: 102.1%	Customer deposits: $19.7 bn up $1.4 bn YoY Loan-to-deposit: 51.9%	Tier 1 capital ratio: 10.7% Total CAR: 14.8%

1 Cost-of-risk
2 Non-performing loans

Challenging macro landscape

Undoubtedly, the last two years have been challenging. Sub-Saharan Africa (SSA) experienced an unparalleled sharp economic contraction from 3.2 per cent in 2019 to -3.3 per cent in 2020, at the height of the pandemic. However, SSA's rate of economic growth rebounded to 3.7 per cent in 2021, bolstered by the availability of vaccines, and deepened knowledge of the coronavirus and the options for its treatment. Furthermore, businesses and others gradually improved their delivery capabilities in a remote working environment, while others recalibrated to a disrupted supply chain environment.

Africa, our home continent and primary market took leadership of its destiny, calling for vaccine equity, with the governments and institutions organsing for vaccine production on the continent and concluded the related agreements for vaccine delivery. Africa was relatively spared from the onslaught of the pandemic. The continent, however, shared equally in the pain, uncertainty and fear while bearing an excessive burden of the negative economic impact of the pandemic.

The world will forever be grateful to the scientists, pharmaceutical companies, government agencies, and all whose efforts resulted in the expedited development and delivery of the vaccines for public use, thereby saving lives.

During these unprecedented times, Ecobank played its part. Our investments in technology proved valuable as we transacted with our clients during the difficult periods of the lockdown and provided prompt support once they were ready for an economic restart. We worked with governments and central banks to extend payment deferrals and awarded moratoriums of approximately $1.9 billion to affected borrowers across our network. Luckily most of these are now back to full performance. In addition, we continued to assist our employees to consolidate their work from home arrangements while providing communities across our 33 African banking geographies with support, and access to our digital platforms.

However, the world is now in a different economic cycle than we have recently experienced, as inflation is back. Therefore, after pursuing a policy of low-interest rates and significant monetary accommodations to deal with the effects of the pandemic, Central banks have started to increase rates again. The uncertainties arising from this have now been compounded by the supply shocks arising from the Russia-Ukraine war, which have adversely impacted commodity prices, particularly for energy, fertiliser and food. According to a recent article in the Financial Times, global food prices hit a new high, rising at the fastest rate in 14 years after the war led to a sudden tightening of the grains and vegetable oil markets. The International Monetary Fund has likened the ripple effects of the Russia-Ukraine war to an earthquake. The sharp rise in food prices is fast adversely impacting Africa, which relies on Ukraine and Russia for grain and vegetable oils. The combined effects of the deep economic shock of the pandemic and the deceleration from the Russia-Ukraine crisis will undoubtedly have scarring effects on the global economy, requiring collective efforts to ensure a lasting recovery without compromising the achievement by 2030, of the sustainable development goals by African countries.

Furthermore, we are deeply concerned about the recent unconstitutional change of governments in West Africa, with Burkina Faso, Guinea and Mali being examples. However, we have confidence in the measures regional bodies like the Economic Community of West African States (ECOWAS) and the African Union (AU) are taking to restore peace and stability in these countries. Unfortunately, the continued spate of insecurity in certain of our countries of operations also continues to be worrisome.

The COVID-19 period tested our resilience and confirmed our track record of reliability even in difficult times. We will continue to support our customers through this period of uncertainty and back to growth.

Our vision guides our strategy

Our vision – to build a world-class pan-African bank and contribute to Africa's economic development and financial integration – is the centrepiece of our strategy. It provides us with clarity of direction and informs our decisions. It goes beyond profit accretion to the core of our purpose, ensuring that we build a company that is agile, bold to take leadership, embracing technology, and responding to evolving customer expectations and new competitive forces.

We took bold strategic decisions under our 'Roadmap to Leadership' strategy. We invested in technology to ensure relevance in the markets we operate. We remodelled our businesses to reflect our commitment to placing customer needs at the heart of our operations.

Recognising that our people are the key to success, we invested in enhancing capabilities by identifying and harnessing external talent while empowering our Ecobankers. These investments ensured that transitions were executed smoothly reflecting the growing maturity of our company.

We combined the best of two winning strategies: defending or reinforcing market leadership where we are market leaders and focusing on profitable participation in those markets where we are not. Yes, we had to make some trade-offs – things we would not do, and we did not shy away. Internally, we had to redefine our organisation's culture, conduct and ethics to ensure that all Ecobankers lived the appropriate behaviours.

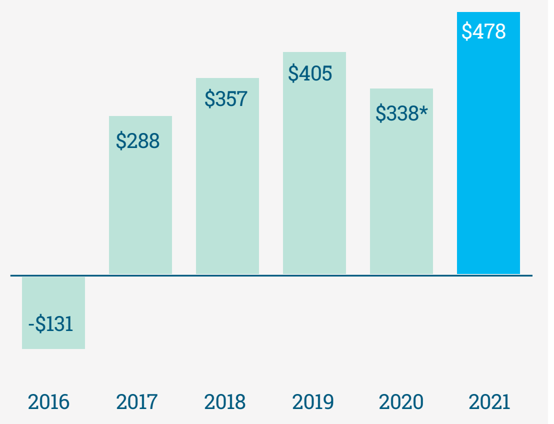
As discussed in my previous shareholder letters, our 'Roadmap to Leadership' strategy, which closed in 2020, stabilised the company's foundations and provided the sound platform from which we are currently driving our 'Execution Momentum' strategy.

Strong financial performance led to a record return on tangible shareholders' equity (ROTE) of 19.0%

The overarching goal of our 'Execution Momentum' strategy is to deliver sustainable returns on tangible shareholders' equity (ROTE) above the cost of the equity allocated to us by shareholders. For 2021, ROTE of 19 per cent was a record coming in above 14.5 per cent, which is our internal estimate of the cost of equity.

This achievement is an outcome of our vision and the benefit of our diversified operating model. When returns fall short in one region, strong growth in the others helps to smooth it out. We grew our tangible book value (total equity minus intangibles) per ordinary share by 4 per cent to 5.70 US cents, despite the negative impact from the translation of the balance sheet of our subsidiaries to the US dollar, our reporting currency. Our vital operating currencies of the CFA franc, Nigerian naira and Ghanaian cedi tend to depreciate against the US dollar, given the structural dynamics of these economies. For instance, since 2015, then naira and cedi have depreciated by approximately 58 per cent and 48 per cent, respectively, against the US dollar. The CFA franc, which is pegged to the euro, tends to do relatively better and depreciated by 1 per cent. Our share price gained 45 per cent in 2021, way above the 6 per cent gain by the benchmark, value-weighted All-Share Index (ASI) of the Nigerian Exchange Group (NGX).

Profit before tax ($ in millions)

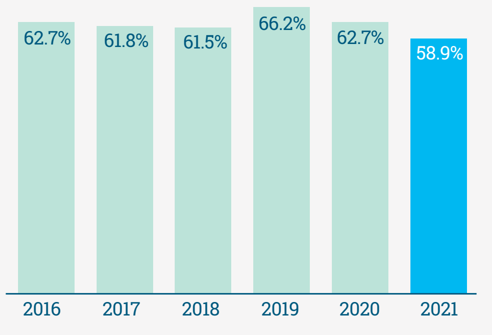


We generated $262 million in profits available to shareholders, compared to $4 million in 2020, with the latter significantly lower due to the $164 million one-off non-recurring goodwill charge in 2020. As a result, diluted earnings per ordinary share (EPS) increased by 57.1 per cent to 1.06 US cents.

Profit before tax was $478 million, increasing by $140 million after adjusting for the goodwill charge. Despite the adverse impact of foreign currency translation effects, revenues increased by 5 per cent to $1.8 billion. One of our strategic objectives is to grow our revenues mainly through our Trade, Payments, and Fixed-Income, Currencies and Commodities (FICC) businesses. In 2021, we made meaningful progress in each of these businesses. For example, we increased gross trade loans by 39 per cent to $2.9 billion, driven mainly by commodity financing. Payment's revenue rose by 23 per cent to $208 million. It accounted for 12 per cent of total Group revenues, with the uplift benefitting from increased consumer and business activity across our digital platforms as governments eased pandemic-induced restrictions. FICC had a mixed performance, as FX shortages in some markets, mainly Nigeria, adversely impacted our client-driven foreign currency sales business. Also, adverse movements in interest rates negatively impacted our fixed-income trading book.

* PBT of $338m for 2020 excludes the impact of the $164m goodwill charge.

Cost-to-income ratio (efficiency ratio)



Nurturing a culture of cost discipline

Expense discipline lies at the heart of driving returns for shareholders, as the less we spend to generate a dollar of revenue, the better the results. So, from the outset, we made bold decisions to drive costs down – underpinned by our ethos to 'manufacture centrally, distribute locally'. We have significantly reduced costs as a result and, in 2021, improved the efficiency ratio to a record 58.9 per cent. We have improved the efficiency ratio in each region since 2016, except for Nigeria, which I will address later in this letter.

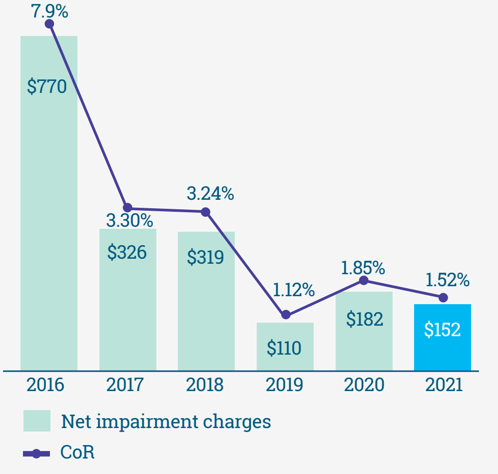
We continue to look for ways to enhance our operational efficiency, which has become more critical as the Russia-Ukraine war worsens the inflationary pressures brought on by COVID-19 and a tight labour market.

Driving positive operating leverage

Our pre-provision pre-tax operating profits (PPOP) – net revenues less total operating expenses – have benefitted immensely from our expense discipline. For example, costs have reduced by 4 per cent each year on a compounded basis from 2016 to 2021, while revenues have decreased by 2 per cent. In addition, the PPOP provides credit loss absorption capacity. As a result, as revenues expand and our credit portfolio quality improves, as they did in 2021, excess PPOP flows to profits and potentially grows shareholder returns. In 2021, PPOP increased by 15 per cent to $722 million.

Also, stringent credit risk management led to a significant decrease in the Group's cost-of-risk ratio from 1.85 per cent in 2020 to 1.69 per cent in 2021. Of course, driving down our cost-of-risk makes us more successful at accruing PPOP to shareholders.

Net impairment charges on loans ($m) & Cost-of-risk[1]



Our balance sheet is liquid and strong

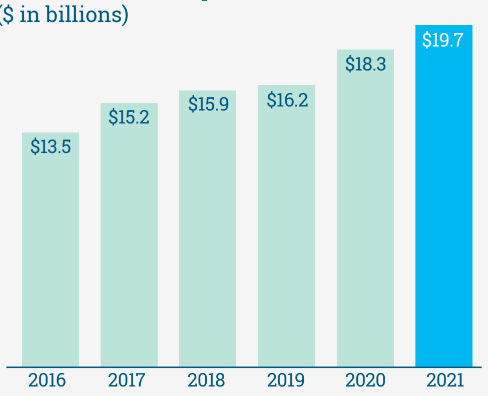
Our balance sheet is liquid, strong and well capitalised. Total assets of $27.6 billion as of year-end 2021 increased by 6 per cent or $1.6 billion from last year, with most of the growth driven by record generation of customer deposits. Our customers' trust in the Ecobank brand as a haven, especially in these uncertain times, is a significant driver of the $1.4 billion increase in deposits from customers, or $2.5 billion if you exclude currency translation effects, to a year-end balance of $19.7 billion.

Our balance sheet is asset-sensitive. Our loan-to-deposit ratio is 52 per cent, which will benefit in a rising rate environment if the waves of geopolitical tensions do not stall the economic recovery.

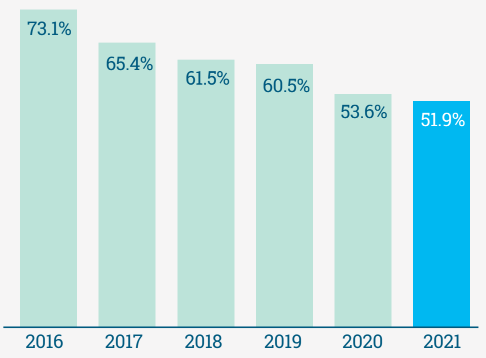
Our liquid assets balances have increased partly due to our deliberate but strategic decision for stringency in our lending activities. For example, investment securities, mostly government Treasury bonds, have increased by $486 million to $6.6 billion, while Treasury bills have increased by $356 million to $2.1 billion. Additionally, our holdings of cash and balances with central banks rose by $457 million to $4.2 billion, and deposits placed with other financial institutions grew by $278 million to $2.3 billion. These reflect the strong liquidity in our balance sheet.

1 Cost of risk has been computed on an annualised year-to-date basis

Record Customer Deposits Growth
($ in billions)



Loan-to-deposit ratio



Boosted capital levels are well above both internal and regulatory limits

Our Basel II/III Tier 1 and Total capital adequacy ratios (CAR), which is a measure of the balance sheet's ability to withstand financial distress, were 10.7 per cent and 14.8 per cent of total risk-weighted assets (RWA), compared with 9.4 per cent and 12.3 per cent a year ago. These were both above the regulatory minimum and our internal capital limits. The following drivers are responsible for the improvement in CAR. First, internal profits grew by $258 million to $262 million, albeit 2020's results were impacted by a $164 million goodwill impairment charge. On top of that, we replaced amortising Tier 2 debt capital by raising a $350 million 10-year subordinated Sustainability Bond in June. In addition, we raised a $75 million perpetual subordinated notes (Additional Tier 1 capital) instrument in September. Moreover, we further de-risked our balance sheet by reducing assets with high capital demands, helping to lower total RWAs by 2 per cent to $15.3 billion.

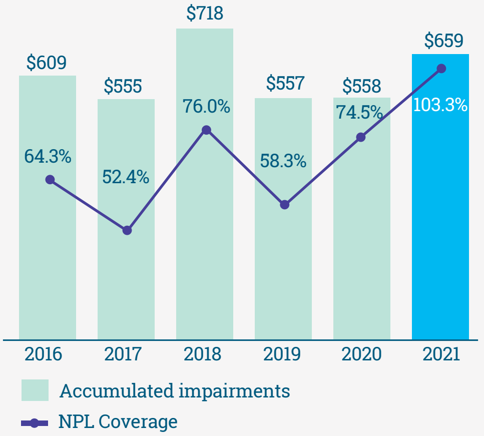
The $400 million convertible debt we raised in October 2017 has been fully amortised and no longer provides a capital uplift. The debt, which is due to mature on 13 October 2022, is currently out-of-the-money because the conversion price of 6 US cents is higher than our current share price of 3 US cents. Therefore, they will be paid on maturity.

2 EOP = End-of-period

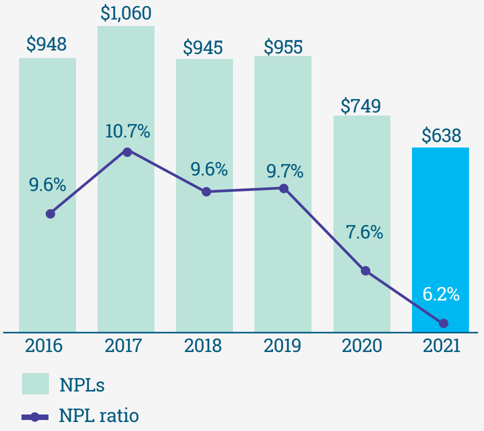
Significantly improved our asset quality metrics

Another of our 'Execution Momentum' objectives is to continue to address legacy non-performing loans and increase our balance sheet reserves of allowance for impairment charges (AIC) as a percentage of our non-performing loans to 100 per cent. We did well on both of these two fronts. Our NPLs reduced by a net amount of $110 million to $639 million on a combination of NPL recoveries, write-offs and upgrades into performing status as borrowers' credit conditions improved, partially offset by inflows into NPLs. As a result, the NPL ratio improved to 6.2 per cent of total gross loans, compared with 7.6 per cent in 2020. In addition, the AIC to cover NPLs surpassed our 100 per cent target and was 102.1 per cent in 2021, compared with 74.5 per cent in 2020. The total AIC for 2021 of $652 million includes a central macro-overlay of $164 million, which provides a buffer against any potential deterioration in the credit quality of our loan portfolios across our businesses and geographies.

Accumulated allowances for impairment charges ($m), NPL Coverage



NPL ($m) (EOP[2]) & NPL ratio



Strong underlying growth in each of our business lines

The performance in each of our three customer-facing businesses – Corporate and Investment Banking (CIB), Commercial Banking (CMB) and Consumer Banking (CSB) – was remarkable in the circumstances. Accordingly, I will provide a high-level summary of each business' results but encourage you to read each of the Business Executives' letters on pages 34-49 of this Annual Report for better insights.

CIB's profits of $404 million reflected an 11 per cent increase over the prior year, while its net revenues of $939 million were unchanged. CIB grew client deposits by 13 per cent to $8.6 billion, helped by its robust payments solutions – especially within its bill payment, business-to-business (B2B) and income payment domains. For example, Omni Plus, CIB's B2B payments platform, saw gross transaction volumes increase by 45 per cent to $39 billion. CIB's trade finance business performed strongly, with trade loans rising 41 per cent to $2.5 billion in 2021, helping CIB to maintain its 6.1 per cent share of the letters of credit market. In addition, CIB broadened and deepened its product suite, including the provision of FX hedging solutions. We are pleased with the overall progress of our CIB business as it aims to be the 'preferred trade bank' in Africa. The African Continental Free Trade Area (AfCFTA) and the Pan-African Payment & Settlement System (PAPSS), two major Africa-wide ongoing initiatives to deepen regional and economic integration, provide tailwinds and plays into the strength of our CIB business and the Group overall. For instance, the Group's unparalleled capacity to settle payments in real-time in the currencies of the 33 African countries in which we operate positions CIB to benefit from AfCFTA and PAPSS massively. In addition, the creation of a single market to allow the free flow of goods and services across the continent for the former and the ability to enable instant payments across African borders in local currency for the latter, will offer CIB the opportunity to drive its regional supply chain, and soft commodity – notably cotton, cocoa, soya beans and cashew nuts – financing across the continent.

Ade Ayeyemi, CEO of Ecobank Group, delivering the keynote speech at the commercial launch of PAPPS in Accra, Ghana in January 2022.

Our Commercial Banking business almost trebled pre-tax profits in 2021. Profit before tax rose 191 per cent to $67 million, and net revenue of $410 million increased by 10 per cent. CMB grew customer deposits by 11 per cent to $4.8 billion, but lending stayed muted. Intense client activity following the easing in pandemic restrictions buoyed the results. Additionally, CMB almost halved its NPL ratio to 12.7 per cent from 22.3 per cent a year ago, primarily through loan write-offs, recoveries and improvements. CMB is building scale, especially in their merchant acquiring business. For example, CMB increased its point-of-sale (POS) terminals for merchants by 355 per cent to 50,000 in 2021 and merchants with Ecobank Pay rose by 55 per cent to 400,000 merchants. It continues to innovate and digitise its business to serve clients better.

Consumer Banking business generated $87 million in pre-tax profits, increasing by 105 per cent from 2020. Net revenues were $426 million, 7 per cent higher than from a year ago. Results benefitted from solid client activity as consumers unleashed pent-up demand and opened their wallets to increase spending as COVID-19 lockdowns and restrictions lifted. Card spending rose significantly, and the level of borrowing activity sustained the growth. There are a lot of exciting initiatives happening within CSB. They are broadening their financial inclusion agenda by growing more agency banking locations while enhancing our award-winning Ecobank mobile app features. Furthermore, they have introduced innovative deposit products, deepening and broadening their customer base through partnerships with telcos and fintechs. CSB has everything to do with our ambitious goal of attaining 100 million customers Group-wide. It is essential to note the effort we have made in this regard. In 2015, we had 11 million customers, which has grown to over 31 million by 2021.

Regional performance

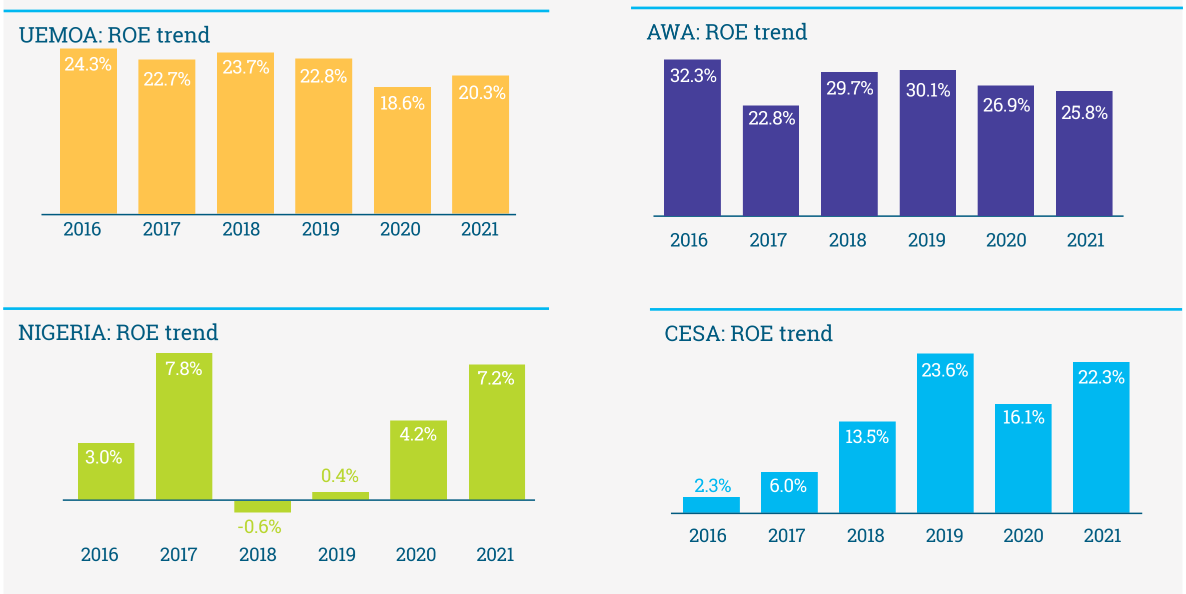
Our regional businesses' performance was good, though making progress in specific geographies still requires considerable effort. I will touch on that later.

In Francophone West Africa (UEMOA), a region in which we are a top-three ranked bank across the nine countries where we have banking operations, profit before tax rose by 27 per cent to $192 million on 9 per cent net revenue growth to $559 million. In addition, the region improved its efficiency ratio to 54.2 per cent versus 59.5 per cent in the previous year, reduced its NPLs and improved its coverage. Overall, UEMOA generated an ROE of 20.3 per cent compared to 18.6 per cent in 2020.

Anglophone West Africa (AWA), where we also have leading positions in the market, increased profit before tax by 14 per cent to $239 million on net revenue of $520 million, up 7 per cent from the previous year. The region continued to see increasing levels of digital adoption, helping drive higher transaction volumes. As a result, AWA's efficiency ratio improved to 46.4 per cent versus 48.5 per cent a year ago. However, the ROE of 25.8 per cent was lower than last year's 30.0 per cent, partly due to the Ghana Government's introduction of the financial sector recovery levy of 5 per cent to support financial sector reforms.

Performance in our Central, Eastern and Southern Africa (CESA) region is a testament to our turnaround capabilities. Covering eighteen countries, CESA's ROEs were a low 2.3 per

Diversified Operating Model Drives Balanced Returns Across Regions



cent and 6.0 per cent in 2016 and 2017. However, following restructuring efforts, ROE improved to 22.3 per cent in 2021. Profit before tax increased by 62 per cent to $194 million, and net revenues climbed 13 per cent to $520 million. In addition, CESA's efficiency and NPL ratios improved to 52.7 per cent and 3.2 per cent from 54.4 per cent and 9.2 per cent a year ago. We are pleased with CESA's continued path to more robust earnings growth and returns.

So, turning to Nigeria. Despite exogenous headwinds, we are making meaningful progress with our Nigerian business' turnaround path to profitability. Profit before tax increased by 61 per cent to $57 million, helped by strong growth in non-interest revenue, continued cost reduction and a provision for credit loss benefit. Net revenues, however, fell by 17 per cent to $223 million mainly because the discretionary cash reserve requirement debits of the Central Bank of Nigeria have increased our non-earning asset balances, offsetting the growth we saw in non-interest revenues.

Our commitment to Nigeria is unwavering. The opportunities and growth potential the market presents are massive. Internally, we have done some heavy lifting. For example, we have addressed most legacy loan problems, a bloated cost structure and a weakened capital base. However, we must still do more, considering the concerns of our shareholders and investors. Nigeria's NPL ratio, for example, is still high at 16.3 per cent, and the NPL coverage ratio at 54 per cent could be higher. However, we do have sufficient collateral cover. That said, the stock of NPLs is concentrated, mostly in oil and gas, and the borrowers' financial conditions are improving with crude oil prices at record levels. In addition, we hold a central macro-overlay of $164 million in provisions for expected credit losses at the Group level and hence the ability to deploy it if necessary.

A major concern is the cost-to-income ratio of 81.2 per cent, which is partly attributable to the net interest income headwinds (net interest income decreased by $59 million in constant currency in 2021) rather than costs. On the other hand, non-interest revenue rose by $31 million, driven by our strategic focus on Payments, Trade and FICC, while costs decreased by $26 million, all in constant currency.

Furthermore, to drive the change we are all seeking in Ecobank Nigeria, we have appointed Mobolaji Lawal as CEO following the retirement of Patrick Akinwuntan, whose contribution to Nigeria's turnaround was enormous. Mobolaji has had a successful banking career of over 28 years in numerous fields, and we stand to benefit from his extensive experience. He and his team are passionate about accelerating efforts to improve Nigeria's profitability.

In the following paragraphs, I will provide summary highlights on our efforts enhancing customer experience across the Group and our technological capabilities that will ensure success in a fast-moving competitive marketplace. Also, I provide a brief insight into our environmental, social and governance (ESG) practices as well as what the Ecobank Foundation is doing to improve quality of life in our communities. For more information on our ESG practices, please access our full ESG report on the company's website at www.ecobank.com.

Meeting our customers' financial needs is always the priority

We are throwing all we have at becoming the best at providing our clients and customers with excellent customer experience (CX). As the adoption of digital channels rises, we continue to improve service delivery, customer journeys and speed of resolution and are instilling a culture of service. For instance, we have revamped our contact centres to be able to support our customers 24/7. We set up a new centre in Ibadan, Nigeria, and our state-of-the-art customer relationship management (CRM) system improves customer experience and empowers first contact resolution.

Moreover, we are collectively working on our customer-first culture. Transforming our mindsets around how we serve the customer has become critical in a digital world.

As part of the transformation, we instil our CX principles into staff every month and reward staff that consistently live by them. We ran a leadership CX 30-day Playbook Programme across the Group. The lessons we learnt from this programme led us to empower employees, eliminate working in silos and enhance team communications.

In addition, we launched the CX Recognition Framework to reward employees who have demonstrated excellence in service delivery. As a result, 450 Ecobankers will be rewarded across the Group in 2022.

Technology initiatives improving customer experience and driving efficiency

Our continued survival in an ever-evolving competitive landscape requires continuous investments in technology to drive operational efficiency and enhance our customers' offerings, service and experience. These investments included implementing two updated versions of the Ecobank Mobile App, and for Ecobank Ghana and UEMOA customers, we rolled out the Ecobank Investor app. In addition, improvements to CX and onboarding included implementing micro-lending, completing the rollout of EcobankPay (QR) on POS and completing the Microsoft Dynamics D365 CRM project. The latter is a game-changer for CX by providing a full 360-degree customer view enabling our sales, marketing and service teams to understand customers' needs better and offer improved personalised service. It has also helped us to implement new D365 artificial intelligence capabilities.

To stay ahead of the curve in our efforts to combat sophisticated cybersecurity threats, we enhanced the security of our systems by implementing the Microsoft M365 solution and consolidating the mobile and online fraud and threat prevention into Entrust, a security solutions suite, among other advances. We continue to strengthen and upgrade our core banking applications while also investing in our platform infrastructure.

Measures to modernise system architecture included implementing MY-HR, our new digital self-service HR platform, and implementing some key Oracle Insight modules across customer and account origination and retail and corporate lending.

To modernise our ways of working, we embedded quality assurance in the product development life cycle and are also driving the adoption of Agile. We continue to derive value from the Ecobank Software Centre through the development of new applications, continuous improvements of existing solutions and the facilitation of third-party integrations.

Finally, our fintech partnerships continue to yield results, with three partnerships going live in 2021 and a further nine doing so in the first quarter of 2022.

Resilience is key

Africa needs to be resilient, as resilience is key to building back better. A continent-wide transition strategy is important and Ecobank needs to be part of the conversation. We recognise that this is a journey and not one that any government, company or individual can undertake alone. We need to prioritise the steps that are necessary to transition to a better future for Africa and make responsible choices in the allocation of capital to achieve this. We also need to encourage and assist our customers and suppliers to do the same.

At Ecobank, we are setting tangible targets to achieve our goals as a Group. In doing so, we recognise that our goals need to be framed in our own context and internalised into our core business. In this way we avoid paying lip-service through manufactured 'green' credentials, but rather have a true and lasting impact.

Committed to furthering ESG responsibilities

With this in mind, we will continue to use capital allocation and sustainable financing as the primary ways by which we shed light on environmental, social and governance (ESG) matters and reward customers that make the right choices. This is what the Sustainability Bond aims to do, by enabling Ecobank to provide capital consciously and systematically to programmes, initiatives and transactions that will contribute to sustainability, as set out in our commitment to the UN Sustainable Development Goals (SDGs).

As our ESG Report shows, our commitment to sustainability goes beyond the Sustainability Bond

- Our business segments promote sustainable finance, financial inclusion and environmentally sound practices through their products and services.
- The steps we are taking to improve the environmental and climate resilience of our operations, through solar energy for example, signal to our communities that it is also possible for them to take small steps in the right direction.
- Our investments in the communities in which we operate, through the Ecobank Foundation for example, promote financial literacy, health and education – thereby supporting societal resilience.
- Our ongoing commitment to our people, grounded in our values, is demonstrated through our people strategy.
- Our sound corporate governance practices support sustainable business, which ultimately leads to good financial performance and appropriate returns for shareholders.

The Group's values – grounded in sound ethics – of respect, accountability, customer centricity, excellence, integrity and teamwork are now firmly embedded, and guide Ecobankers' required behaviours. Our commitments to the UN SDGs, UNEP FI, UN PRB, UNGC and the Equator Principles make Ecobank a leading voice in sub-Saharan Africa for the kind of progressive behaviours and support that are central to the future of African societies.

Ecobank Foundation's beneficial impact

When our founders established ETI, they insisted that Ecobank should be – and be perceived to be – a profitable institution committed to making a difference and contributing to regional financial integration, in addition to being a good corporate citizen.

The Ecobank Foundation continues to play the role of convener in mobilising its networks of individuals, businesses and corporates to contribute and support its vision of improving the quality of life of people in the communities – and enabling the financial environment – across the continent.

By way of example, the Foundation played an instrumental role in the launch of the Zero Malaria Business Leadership Initiative (ZMBLI) in 2020. ZMBLI accelerates the involvement of micro-, small- and medium-sized enterprises' leaders in Benin, Burkina Faso, Senegal and Uganda in the fight against malaria. In collaboration with Speak Up Africa, which is one of the Foundation's advocacy partners, the initiative also advocates for increased political will and funding by mobilising business leaders from across Africa to identify more targeted responses in the eradication of malaria. To date, $1.5 million in funding has been disbursed to kickstart the initiative in the five target countries.

The Foundation will continue to focus on protecting and unleashing the potential of human capital across the continent, while also laying the foundations of a financially friendly environment.

Thank you

As we face a world impacted by myriad challenges, we will let our vision guide us, and our customer's experiences with us, be our passion. Because at Ecobank we see 'One Market. Endless Opportunities'.

I am honoured to have the opportunity to captain this ship through many waters, and proud of what our employees, customers, shareholders, board of directors, community advocates, governments, regulators and all other stakeholders, have contributed to our efforts to drive our vision. Ecobank is in a better place because of you.

We are determined to WIN for all our stakeholders.

Ade Ayeyemi
Chief Executive Officer, Ecobank Group

A LETTER FROM GROUP EXECUTIVE CONSUMER BANKING

Nana Araba Abban
Group Executive,
Consumer Banking

"With digitalisation changing consumer behaviour and the rise of disruptive technologies, it has become imperative for our business to truly embrace the latest digital technologies and innovations to deliver the best possible experience for customers."

Consumer Banking offers a wide array of products and services tailored to the unique banking needs of individuals, giving each of our customers the ability to enhance their financial security, whilst supporting them to fulfill their aspirations. We aim to be the preferred bank for convenient banking across Africa, and to this end, remain focused on delivering world-class products and services to consistently delight our customers.

2021 was a year of recovery for most global economies, including those in Africa, as the development of COVID-19 vaccines and the subsequent vaccination exercises allowed governments to ease pandemic-induced border closures and social restrictions. As a result, household and business activity in most affected sectors such as transportation, travel and leisure slowly recovered and experienced increased consumer spending. These provided some supportive tailwinds for our Consumer Banking businesses. Nonetheless, headwinds persisted. That said, our financial performance reflected our resilience.

Performance highlights – doubled profits

In 2021, we increased our pre-tax profits by 105 per cent, or $44 million, to $87 million while growing net revenues by 7 per cent, or $26 million, to $426 million.

$87 million

Profit before tax, up 105% YoY

We saw progress in our focus on increasing the non-interest revenue share of total revenue as non-interest revenue increased by 9 per cent to $186 million, and was 43.5 per cent of total revenues (42.7 per cent in 2020). Growth in non-interest revenue was primarily driven by cards and increased person-to-person payment activity across our Mobile app and USSD platforms and on our indirect channels like partnerships with telcos. For example, the transaction volume on our indirect channels grew by 69 per cent to $10.1 billion, while transaction volumes on mobile rose 51 per cent to $5.3 billion.

Net interest income remained strong and grew by 5 per cent to $241 million. Our focus is on mobilising low-cost customer deposits to fund our loan portfolio. As a result, consumer deposits grew by 6 per cent in constant currency, excluding the effects of foreign currency translation, with reported growth down 1 per cent to $6.4 billion. In part, increased consumer spending activity stifled deposits growth driven by the pent-up demand that the easing of lockdowns and re-opening of borders provided. We grew loans by a modest 1 per cent to $1.1 billion and improved our NPL ratio and coverage ratios to 6.0 per cent and 106.4 per cent from 7.3 per cent and 88.3 per cent in 2020, respectively.

We continued to leverage digital channels to reduce our cost-to-serve whilst expanding customer reach, resulting in significant growth in digital transactions by 68 per cent to $20.4 billion. As a result, our cost-to-income ratio improved by 790 basis points to 73.7 per cent in 2021.

	2020	2021	Growth
Revenue ($ millions)	$400	$426	**7%**
Profit before tax ($ millions)	$42	$87	**105%**
Number of customers (millions)	28	31	**11%**
Number of Ecobank mobile transactions (millions)	87	117	**33%**
Value of Ecobank mobile transactions ($ billions)	$3.5	$5.3	**51%**
Number of Xpress Point Agents	66,408	109,748	**65%**

Network expansion across our footprint

Our bid to expand financial inclusion and provide essential financial services to the unbanked and underbanked continues to drive our Agency Banking strategy. In 2021, we surpassed 100,000 Xpress Point locations with 109,748 across Africa. This efficient channel takes our financial services beyond the branches and closer to our customers in their local communities. During 2021 our Xpress Points processed $3.0 billion in customer transactions. At these locations, our customers can conveniently carry out a variety of banking services hitherto only available in branches, including account opening, cash withdrawals, making and receiving payments, and requesting and loading prepaid cards.

$3.0 billion

Total transaction volume at Xpress Points

Digitalisation

With digitalisation changing consumer behaviour and the rise of disruptive technologies, it has become imperative for our business to truly embrace the latest digital technologies and innovations to deliver the best possible experience for customers. We achieve this by providing digital convenience to our customers to meet their evolving needs and expectations, thereby becoming their trusted partner and the bank that Africans can trust.

We enhanced the features on our Ecobank mobile and online services, helping to increase product access and improve the user experience. Our customers received these enhancements well, resulting in a 54 per cent increase in the value of transactions to $7.1 billion. With this usage level and growth potential, ensuring that our customers feel safe using our digital products has become a priority. We introduced additional layers of security on our Ecobank online and mobile platforms, whilst consistently keeping our customers informed on safety measures to take when using digital platforms.

Our flagship Fintech Challenge continues to attract the breadth of innovation in incubation across the continent. It produces an array of innovative products and services that we can deliver to our customers in partnership with our Fintech Challenge alumni. Our 2021 edition winners showcased innovative solutions and products across investment and wealth management, credit, payments and insurance. We look forward to working with these innovators to incorporate some of their solutions into our product offerings soon.

To serve our consumers with personalised and easy-to-access products, we continue to invest in advanced analytics, big data, CRM solutions and process automation while ensuring that our digital service delivery platforms are stable and deliver optimal customer experience. We believe that providing customised digital offerings and selectively pursuing innovation will strengthen our value proposition to our growing customer base.

Deepening our value proposition through product enhancements and partnerships

Anticipating customer needs and building our products around these helps us meet and exceed our customers' expectations.

In 2021, we rolled out and enhanced some new deposit products to grow our customer base and retain deposits. We launched our Save as you Spend product, which helps our customers to cultivate a savings culture while spending by putting away a pre-defined percentage of every amount spent into a savings account. Also, existing customers of our Xpress account, a fully digital KYC-friendly bank account, can upgrade to our new Xpress Plus account, which offers more benefits, such as automatic access to debit cards and higher spending limits. They can do so by simply providing additional, but still minimal, documentation.

$7.1 billion

Transaction value online and via mobile

We have positioned our proprietary card scheme, the Pan-African Card (PAC), as the card solution for African payments. PAC is currently accepted in 29 of Ecobank's presence countries and on national and regional switches. We expect PAC to meet the diverse payment needs of consumers across Africa and are working towards achieving undisputed market leadership in the near term. We also introduced new card solutions, such as prepaid business cards for our Commercial and Corporate banking customers. In addition, we entered a partnership with Airtel to allow our virtual cards to be issued to their large customer base.

We deepened our Wealth Management offering, enabling us to help our customers achieve a more secure financial future. In 2021, we introduced a Financial Planning & Wealth Management product line with specialised advisory services, specifically to address the needs of customers who expect world-class bespoke products and services to grow, protect and transfer their wealth to the next generation. This service has been well-received, and we will continue to expand its delivery across our network.

We are also expanding our credit card offering to more markets and increasing access to our lending products through digital self-service. In addition, to help customers buy homes, especially first-time buyers, we have entered strategic partnerships to expand our mortgage offerings to make them affordable and accessible. Purchasing a home, especially for first-time buyers, is a significant financial decision and we want to be able to provide the funding support and advisory in their mortgage decisions.

Engaging the youth

The youth constitute over 70 per cent of Africa's population, an important segment for us. Early engagement with this market is critical to our strategy, and hence we continue to develop exciting products and programmes that cater to their lifestyle and interests.

For example, Future Face Africa is one such programme that we sponsor, aiming to discover young and promising African talent and give them a pedestal to become international supermodels. Furthermore, it will help promote and develop the modelling industry within Africa.

Also, we partnered with Livret Bayard, a reputable publishing house in the Francophone region, to help develop financial content in a comic book for young children aged 8 to 13. We aim for the comic book to provide these children with the basics of financial education in a fun and engaging way, such as the importance of saving, budgeting and knowledge of basic banking products. We distributed 1,000 free comics to our customers and staff to share with their children.

We also embarked on a Youth Ambassadorship Programme in which we provided training on financial literacy, digital skills and banking products. A period of ambassadorship followed the training of the participants aimed at driving their contemporaries' acquisition and usage of banking products, thereby creating awareness of our offerings to this segment and gathering invaluable insights for our future product development.

Our engagement with the youth continues to drive brand awareness and product adoption across our footprint.

Financial inclusion

We are actively deploying our financial inclusion strategy across our presence markets to provide the unbanked and underbanked with easier access to primary financial products and services and facilitate financial literacy awareness programmes.

For example, we partnered with Mastercard on a Farmers' Network Initiative to provide a digital platform that enables cooperatives, farmers and buyers, among others, to interact via a web interface. It enables them to place orders, confirm deliveries, make payments and request for loans. This initiative seeks to provide market access to smallholder farmers, enabling them to grow. To scale this solution, we are looking at markets such as Côte d'Ivoire, Guinea Bissau and Nigeria.

In Kenya, we created an opportunity for low-income casual workers in remote parts of the country to be part of the formal financial ecosystem. We provided these workers with basic bank accounts and card products, which were delivered through our Agency Banking network within their communities.

We partnered with Solidaridad and AGRA to grant loans to smallholder cocoa and cereal farmers in Ghana and supported the disbursement of government funds to micro enterprises in Sierra Leone.

We partnered with telecommunications and fintech partners in markets such as the Democratic Republic of Congo, Kenya and Nigeria to deliver payment and credit solutions to consumers who do not have access to mainstream banking products and services, improving their quality of life.

Going forward

At Ecobank, we remain committed to our core purpose, which is to contribute to Africa's economic integration and development. This purpose guides our decisions in providing convenient, cost-effective and world-class consumer financial services to millions of Africans. We are honoured to have received various awards in 2021 acknowledging our efforts in this regard, such as the Best Retail Bank brand in Nigeria awarded by The Asian Banker.

Best Bank for Payments Services (Ghana)
The Digital Banker – Middle East & Africa (MEA) Innovation Awards

Best Retail Bank (Nigeria)
Asian Banker Awards – Middle East & Africa Regional 2021 Awards

We will continue our collaborative journey with key partners, including international card schemes, international money transfer organisations, telecommunications companies, global technology players and fintechs. We are confident that the years ahead will see us strengthen these partnerships.

I thank our customers across Africa and globally for their loyalty and trust in us. I thank our board of directors, partners and colleagues across Ecobank for their dedication and commitment to the Bank's vision. We remain confident and focused on delivering on our obligation to be the leading consumer financial services franchise in Africa.

Nana Araba Abban
Group Executive, Consumer Banking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A LETTER FROM GROUP EXECUTIVE, COMMERCIAL BANKING

Josephine Anan-Ankomah
Group Executive,
Commercial Banking

"Having digitised our business, we are giving our customers the power, choice and convenience to self-serve on our digital platforms as we increase customer numbers and improve customer experience."

Overview of 2021

In 2021, businesses continued to adapt to the realities of the COVID-19 pandemic and push ahead on recovery and sustainable growth – the new normal, challenging as it was, presented opportunities for us to reimagine our business and start building back better with our customers.

As a team, we rose to the challenge of providing the needed support to small- and medium-sized enterprises (SMEs), including women-owned businesses, culminating in several industry awards.

Digital solutions dominated the growth agenda as businesses continued the dramatic acceleration in a shift towards e-commerce and digital payments. We rolled out our new Android POS to facilitate payments across our merchant network.

We also introduced the Business Account, an enhanced offering of our Current Account with a bundle of digital solutions to provide our customers with choice and ensure that we stay ahead of the digitalisation curve. Customers are automatically onboarded onto Omni Lite, EcobankPay, POS and Google My Business Profile when they open a Business Account and can also benefit from access to working capital on the back of their digital payments.

I am pleased to report that in the fourth quarter of 2021, we expanded our product offering to our customers by launching Bancassurance in 12 of our affiliates. This has seen us partner with some reputable insurance firms to provide a one-stop solution for the vital insurance needs of SMEs. We are extending coverage to the remaining markets in 2022.

2021 also saw the start of trading under the African Continental Free Trade Area (AfCFTA), which is an exciting game-changer for African businesses. It is an ambitious trade pact creating the world's largest free trade area by connecting almost 1.4 billion people across the continent. We partnered with the AfCFTA Secretariat to deliver the first in a series of webinars on 'Powering the Vision of One African Market'. These webinars aim to equip SMEs with the tools they need to take advantage of the opportunities that AfCFTA offers and will continue to form part of our ongoing initiatives to drive intra-African trade and business growth in 2022.

Financial performance

Commercial Banking delivered strong results in 2021, despite the challenges, highlighting our franchise's strength and potential. As a result, profit before tax of $67 million increased significantly by 191 per cent from the previous year. In addition, net revenues increased by 10 per cent to $410 million.

$67 million

Profit before tax, up 191%

Revenues got their uplift from solid performance across our primary product lines, payment platforms and regional collection accounts. Also impressive were revenues generated from strong deposit growth, trade business and fixed income, currencies and commodities (FICC), particularly within our Francophone and Central, Eastern and Southern Africa regions. Moreover, with credit conditions improving as pandemic-induced restrictions eased, we benefitted from increased loan recoveries while avoiding outsized provisions on expected credit losses.

We also got more efficient in running our business, improving our cost-to-income ratio (CIR) significantly to 68 per cent from 75 per cent in 2020. This remarkable improvement in the CIR resulted from our continual ability to reduce the cost-to-serve through enhanced digital solutions for our clients. We continue to focus on improving productivity and efficiency across our markets through growth, diversifying our revenue sources and further reducing costs through digitalisation and automation.

Net customer loans decreased by 2 per cent to close the year at $1.3 billion and we reduced our non-performing loans (NPL) as a percentage of total loans from 22.3 per cent to 12.7 per cent through loan recoveries and write-offs. Furthermore, our NPL remedial strategy led to a 62 per cent increase in recovered loans, while the NPL coverage ratio improved to 118 per cent from 75 per cent in 2020. In addition, we are focusing on asset quality and will continue to grow our loan book prudently in 2022.

Client deposits grew by 11 per cent to close the year at $4.8 billion. This increase in deposits had a positive impact on our cost of funds. As a result, we were able to reprice our expensive maturing deposits during the year leading to an increase in our non-interest-bearing deposits as a percentage of total deposits to 84 per cent from 83 per cent in 2020.

Maximising the value of our six strategic pillars

We continue to operate in a competitive and sometimes uncharted business environment. Therefore, we must have a solid foundation to drive consistent growth and returns by remaining committed to our six strategic pillars.

How we run the Commercial Banking business and support our customers still hinges on maximising value through our six strategic pillars as follows:

Our Six Strategic Pillars	
1	Building Scale
2	Digitising our Business
3	Accelerating Deposit Growth
4	Sustaining Loan Growth
5	Cultivating our Talent
6	Achieving Social Impact

1 Building scale

Building scale is critical for our business as it maximises our chances for success. So, we target suppliers and distributors in the value chains of our corporate customers and SME groups, and associations with large membership numbers to drive our customer acquisition objectives.

We successfully acquired 107,000 additional customers to bring our total number to approximately 1.2 million customers through this approach. We will continue to employ this strategy to build scale and increase customer numbers in 2022.

We will not only increase customer numbers, but will also get our customers to transact more with us through increased transaction volumes, which will translate into increased revenues.

2 Digitising our business

Having digitised our business, we are giving our customers the power, choice and convenience to self-serve on our digital platforms as we increase customer numbers and improve customer experience.

Our payment platform, Omni Lite, continued to perform strongly, with the value of transactions processed growing by 24 per cent to close the year at $4.9 billion.

Approx. 400,000

EcobankPay Merchants (up 55% in 2021)

The number of merchants onboarded onto EcobankPay grew by 55 per cent to approximately 400,000 merchants in 2021. As a result, transaction values increased by 23 per cent to $152 million from $124 million a year earlier.

3 Accelerating deposit growth

Our determination to win in the payments domain underpins our merchant acquiring and deposit growth strategy. For example, we increased the number of POS in circulation to over 50,000 in 2021 from 11,000 a year ago through increased sales and partnerships with aggregators. As a result, gross merchant transaction volumes on our POS grew by over 700 per cent in 2021. These achievements demonstrate the competitiveness of our new Android POS terminals, which are comparatively less costly for our merchants and provide a host of value-added services.

We also activated a Retrieve, Reactivate and Redeploy POS strategy to increase transaction volumes and boost active rates on our POS. Higher transaction volumes will drive our objective to be a leader in each market and help consolidate our deposit base.

The interoperable national Quick Response (QR) code deployments in Ghana and Nigeria signal a strong market interest in payments via QR codes. The GHQR in Ghana and NQR in Nigeria will allow us to scale our merchant acquiring business and grow our deposits. Through their platforms, such as MTN Mobile Money, Flooz Money and Mpesa, telcos have integrated into national QR platforms or established bilateral integrations with banks, including Ecobank. These integrations should help us increase the number of EcobankPay QR deployed.

We have a favourable deposit mix consisting of low-cost current and savings accounts (CASA) and a NIB ratio of 84 per cent. In 2021, we grew customer deposits by 11 per cent to $4.8 billion, proving that our strategic focus on digital solutions is paying off.

4 Sustaining loan growth

In the last quarter of the year, we successfully increased our risk-sharing facilities from Development Finance Institutions (DFIs) by an additional $118 million to close the year with $259 million. These facilities will help us expand access to credit and sustainably build scale in 2022. We are poised to extend our support to our clients, both existing and new borrowers, ensuring portfolio growth. In addition, some of these facilities come with a Technical Assistance programme that will enhance our capacity to originate, monitor and service the assets covered by the risk-sharing facilities.

5 Cultivating our talent

Developing our talent pool to deliver effectively on our strategic objectives of revenue generation, loan and deposit growth, customer acquisition and digitising is a priority for us.

During the year, we offered tailored training programmes to Commercial Banking staff. With the support of the Ecobank Academy, Commercial Banking Heads and Relationship Managers received cash management training with a focus on sales, payments, liquidity management and digital channels. They also benefitted from enhanced Credit Risk training, Compliance and Anti-Money Laundering training and the EuroMoney Core Trade programme.

The Ecobank Branch Managers Academy provided our branch managers with training on Business Management skills to further strengthen their knowledge in branch management and embed a culture of execution to drive growth.

6 Achieving social impact

Ellevate

Ellevate by Ecobank, our gender financing and non-financial support programme, made progress in meeting the needs of underserved female entrepreneurs, who have so much to offer to Africa's commercial and economic development. At the close of 2021, we had onboarded 13,000 customers, extended loans of up to $87 million and attracted deposits of $187 million.

$87 million

Loans extended on Ellevate programme

Ellevate by Ecobank also attracted a lot of interest from development finance institutions in recognition of Ecobank's work in supporting women-owned and women-focused businesses across the continent.

The Global Skilling Initiative

To remain relevant to our SME customers and help them grow and succeed in the post-COVID-19 era, we partnered with Microsoft, LinkedIn, GitHub and the Ecobank Academy to launch the Global Skilling initiative in July. These partnerships provide an excellent opportunity to equip business owners and their employees with the digital skills to stay connected to their customers.

SMEs registering for our online training could start their learning journey in any of the ten in-demand skill sets (Customer Services; Digital Marketing; Financial Analysis; Graphic Design; IT Support/Help Desk; Project Management; Sales; Data Analysis; IT Administration; and Software Development). Within five months, over 50,000 businesses and their employees had participated in a programme of their choice.

The Ecobank MSME Training for Financing Programme

In partnership with the AUDA-NEPAD, we successfully organised an MSME Training for Financing programme between June and July in eight countries (Togo, Chad, Côte d'Ivoire, Ghana, Kenya, Niger, Nigeria and Rwanda). Almost 3,000 MSMEs applied with 450 qualifying for the virtual training programme delivered over six weeks. They completed four modules and 15 training sessions covering topics on Risk Management, Business Sustainability and Bankability, Adapting Operations, Business Compliance and Leadership, in addition to a complementary Legal module developed by AUDA-NEPAD.

All the sessions were managed by Ecobank teams in these countries with robust design and delivery support from the Ecobank Academy. In addition, MSMEs successfully graduating from the programme had the opportunity to apply for financing in the form of working capital support. The positive response to the training programme leaves us in no doubt about the potential to expand economic opportunities in Africa.

The Zero Malaria Business Leadership Initiative

Our commitment to the fight against malaria will see the expansion of the Zero Malaria Business Leadership Initiative (ZMBLI) from three countries - Benin, Senegal and Burkina Faso - in Phase 1, to four countries in 2022, with the addition of Uganda in Phase 2.

In Benin, we secured the commitment of a critical private sector player in the telecoms industry to support ZMBLI to amplify the sensitisation efforts of the National Malaria Control Programme in the country. In the coming year, we look forward to inspiring other companies and creating malaria champions to contribute to the malaria awareness and eradication effort.

Industry Recognition of Commercial Banking

- SME Bank of the Year (African Banker Awards)
- Ellevate by Ecobank – Outstanding Crisis Finance Innovation Award (Global Finance Innovators Awards 2021)
- Excellence in SME Banking (The Digital Banker – Middle East & Africa (MEA))
- Ellevate by Ecobank – Best New Product Launch (The Digital Banker – MEA)
- Ellevate by Ecobank – Winner Impact Award 2021 (Financial Alliance for Women)

Anticipating the year ahead

As we move into 2022, we are focusing on sustaining the gains made in 2021 and growing further by identifying new growth opportunities, driving the sales of our products and services, and executing with a sense of urgency.

Following ETI's Sustainability Bond issuance, Commercial Banking has taken steps to reorient its staff on the principles of sustainable lending. We will seek new growth opportunities to finance or re-finance new or existing assets within the Group's Sustainable Finance Framework.

We seek to position ourselves as the SME bank of choice for trade under the AfCFTA initiative. Our teams across our markets are set to drive our new products – Bancassurance and the Business Account – to support increased onboards onto our digital channels. In addition, we intend to broaden the scope of Ellevate by Ecobank to grow customer numbers.

In 2022, we will demonstrate credit discipline as we grow our loan book with the support of the additional risk-sharing facilities and focus on our payments and collections business to accelerate deposit growth.

In conclusion, I take this opportunity to thank our esteemed Commercial Banking customers for the trust and confidence placed in us. I thank the entire Commercial Banking team for their commitment and the remarkable results achieved in 2021.

Together we look forward to making 2022 an incredible year for our customers and our business.

Thank you.

Josephine Anan-Ankomah
Group Executive,
Commercial Banking

A LETTER FROM GROUP EXECUTIVE, CORPORATE AND INVESTMENT BANKING

"For the second year running, Ecobank was again the only African bank involved and successfully executed more than $234 million FX hedging transactions for one of our clients in the UEMOA region, to manage long-term currency exposure."

Corporate and Investment Banking (CIB) posted strong results in 2021 as we performed well and in line with the Ecobank Group's strategic priorities, while delivering value to our diverse clientele across the African continent and beyond.

Despite challenges from the continuing prevalence of COVID-19, our products and business demonstrated resilience. CIB closed the year with profit before tax of $404 million, growth of 11 per cent compared with 2020.

Cash Management

The Payments and Cash Management (PCM) business remains core to the Corporate and Investment Banking business, particularly in driving both customer deposit mobilisation and digital adoption. In this regard, PCM demonstrated strong momentum growing customer deposits by $1 billion, or 13 per cent, to $8.6 billion, driven by significant growth in transaction volume and value across all our digital channels.

As many as 18 million client transactions, valued at $39 billion, were generated on Omni Plus, our PCM platform, which enables our clients to facilitate B2B payments among other things, an increase of 45 per cent from the previous year. With the continuous focus on driving digital payments processing across all our delivery channels and across all our business segments, we expect to see continued growth in both the transaction count and value across all markets.

$39 billion

Volume of transactions on Omni Plus in 2021 up 45% YoY

The success of our Cash Management and Payment innovations were recognised by the following awards won in 2021

- The Africa FinTech Forum award for the Best Banking Innovation in Côte d'Ivoire
- The Digital Banker MEA Innovation Awards: Best Bank for Cash Management in Ghana
- The Digital Banker MEA Innovation Awards: Best Bank for Payments Services in Ghana
- The Digital Banker MEA Innovation Awards: Best Transaction Bank in Ghana
- The Digital Banker MEA Innovation Awards: Outstanding Digital Transformation in Cash Management

$2.5 billion

41% YoY growth in CIB trade loans

Trade Services and Finance

Trade finance continues to position itself as a growth engine for self-liquidating risk assets for the Group. Gross trade loans grew 41 per cent year-on-year to reach $2.46 billion at year-end. This growth was driven by supply chain finance and strong leadership in soft commodities (cotton, cocoa, cashew nuts and fertilisers) financing, with total funding of circa $450 million.

We remain focused on improved customer experience through our digital platform, growing e-trade volumes by 60 per cent, from $529m to $846m. We also maintained our Group's import Letter of Credit market share for Africa at 6.1 per cent.

Significantly, a few affiliates (Ecobank Côte d'Ivoire, Ecobank Rwanda and Ecobank Ghana) were recognised as Best Trade Finance providers by Global Finance magazine in 2021, epitomising our vision to be the preferred trade bank in Africa. Further, as we enter 2022 and as the African Continental Free Trade Area (AfCFTA) gathers momentum, we remain poised to deliver value through our trade and multi-currency payments product offering, leveraging on our network's advantage and digital banking channels.

Fixed Income, Currencies and Commodities (FICC)

FICC's total FX transactions with CIB clients grew 17 per cent from prior year to reach $54 billion in 2021. EBI SA, our Paris-based banking subsidiary, has remained pivotal to our strategy in FICC as a window to the global markets. EBI SA is an FX counterparty of choice for G10 clients trading in 20 African currencies.

We further broadened our FICC product spectrum by introducing new products and innovating existing products. We commenced fixed-income trading in government securities in the UEMOA region, where Ecobank is a key player and ranks in the top three for fixed income business by volume.

Continuing our innovative approach to providing a more comprehensive array of solutions for our clients, we introduced specific fixed income sales desks to manage institutional customers as a separate and viable new business in the UEMOA and CEMAC zones.

Our client-focused hedging solutions strategy also continued to bear fruit in 2021. For the second year running, Ecobank was again the only African bank involved and successfully executed more than $234 million FX hedging transactions for one of our clients in the UEMOA region, to manage long-term currency exposure.

Investment Banking (IB)

In 2021, Investment Banking started a holistic transformation aiming at offering the full range of investment banking services across our network, including financial advisory, M&A services, Equity and Debt Capital services.

The contemplated transformation plan, which promotes reinforcing the connection between IB and the rest of CIB to realise the full potential of our IB business, is yielding results.

IB executed transactions of approximately $1.5 billion in 2021, 114 per cent year-on-year growth, across our key markets. This included a $250 million environmental bond issuance for a gold mining client in Ghana, a $122 million Debt Capital Market Bond Issuance for a cement manufacturing client in Nigeria, and a $100 million Financial Advisory for an independent power producing client in Nigeria.

$1.5 billion

Volume of transaction executed by IB up 114% YoY

Securities, Wealth and Asset Management (SWAM)

Our Asset Management business continued its strong growth despite increased redemptions by investors triggered by COVID-19 and its economic challenges. Assets under Management (AUM) grew by 19 per cent from $1.16 billion to $1.38 billion during 2021. Our market leadership in managing Collective Investment Schemes was consolidated in Ghana and UEMOA, where our Fixed Income Unit Trust and Bond Fund, respectively, continue to be the biggest funds.

We executed Equity and Debt Capital Market transactions of over $1.46 billion in the Securities and Investor Services business. This represents 77 per cent growth from the $823 million executed in 2020. Our brokerage business in UEMOA also maintained its market leadership in Trading and Execution on the BRVM. Total Assets under custody in our Securities business closed 2021 at $1.8 billion.

Following on the heels of the successful launch of our Asset Management business in CEMAC in 2020, we launched our Bond Fund in the region, where we are positioning to become the biggest retail product there. We are now focusing on expanding the Asset Management business into East Africa.

Akin Dada
Group Executive,
Corporate and Investment Banking

CORPORATE GOVERNANCE

STRUCTURED TRADE SOLUTIONS FROM CORPORATE AND INVESTMENT BANKING

Our relationships with multilateral financial institutions and export credit agencies enhance trade finance capacity.

Our expertise in agricultural commodities, energy and metals finance, and dedicated presence in all sub-Saharan Africa's major import and export markets, enables our complex structuring techniques to control risk levels, for example, in establishing and maintaining control in commodity finance. Our structuring facilities also include foreign exchange hedging facilities, trade structures for large transactions sharing credit risk with other institutions, and access to international finance.

CORPORATE
GOVERNANCE

3

BOARD OF DIRECTORS

Alain Nkontchou

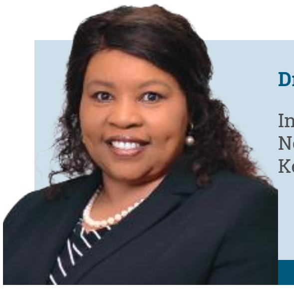
Chairman
Non-Executive Director
Cameroonian

Ade Ayeyemi

Executive Director
Group Chief Executive Officer
Nigerian

Mfundo Nkuhlu

Non-Executive Director
South African



Dr Catherine Ngahu

Independent
Non-Executive Director
Kenyan

David O'Sullivan

Non-Executive Director
Irish

Dr. George Donkor

Non-Executive Director
Ghanaian

Brian Kennedy

Non-Executive Director
South African

Simon Dornoo

Independent Non-Executive Director
Ghanaian

Aichatou Agne Pouye

Independent
Non-Executive Director
Senegalese

Prof. Enase Okonedo

Independent
Non-Executive Director
Nigerian

Dr. Aasim Ahmad Qureshi

Non-Executive Director
British

Zanele Monnakgotla

Non-Executive Director
South African

Deepak Malik

Non-Executive Director
Indian

Hervé Assah

Independent
Non-Executive Director
Congolese (Brazzaville)

BOARD OF DIRECTORS – BIOGRAPHIES

Alain Nkontchou (58)

Chairman (since 2020)
Non-Executive Director since 2014
Cameroonian

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

Alain was an advisor of Laurent Perrier, a champagne company in France, having been a Non-Executive Director from 1999 to 2009. He worked in London between 1995 and 2008 as Managing Director of Credit Suisse's Global Macro Trading Group and also for JP Morgan Chase & Co. in the same capacity. 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 Supélec and P.M. Curie University, Paris, and an MSc in Finance and Accounting from ESCP (Ecole Supérieure de Commerce de Paris).

Ade Ayeyemi (59)

Executive Director since 2015
Group Chief Executive Officer
Nigerian

Ade Ayeyemi is the Group Chief Executive Officer of Ecobank Transnational Incorporated, the parent company of the Ecobank Group. He is an experienced banker of over 30 years, who before joining Ecobank in 2015, had a long and successful career with Citigroup, where he was CEO of Citigroup Sub-Saharan Africa, based in Johannesburg.
Ade has significant and diverse experience in Operations & Technology, Corporate & Investment Banking, Transaction Services, Senior Credit Analysis, and Public Sector Advisory amongst others.

He is an accounting graduate of the University of Ife, now Obafemi Awolowo University, Ile-Ife, Nigeria, where he earned a Bachelor of Science degree with First Class Honours. He also studied at the University of London and is an alumnus of the Harvard Business School's Advanced Management Programme.

A chartered accountant, whose many interests include business strategy, economics, process engineering and technology, Ade has led the Ecobank Group as GCEO since September 2015, when he commenced the Group's roadmap to leadership and digital transformation journey. He has repositioned the banking group to a leadership position across Africa, leveraging state-of-the-art innovation, strategic understanding of the marketplace and technology.

Mfundo Nkuhlu (55)

Non-Executive Director
since 2015
South African

Mfundo Nkuhlu has served as Chief Operating Officer and Executive Director of Nedbank Limited and Nedbank Group Limited since January 2015. He has worked in senior roles at Nedbank for 18 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 in the USA.

Mfundo is a nominee of Nedbank Group Limited.

Dr. Catherine Ngahu (60)

Independent Non-Executive
Director, since 2016
Kenyan

Dr. Catherine Ngahu is a consultant, researcher, educator and entrepreneur with extensive experience in business strategy, marketing, branding, ICT policy and corporate governance.

She has been a senior lecturer at the University of Nairobi for many years and is the Founder and Chairman of SBO Research Limited, a service provider with a footprint in 23 African countries. She has consulted for a wide range of organisations in the financial services, FMCG, energy, ICT, telecommunications and manufacturing sectors.

She is a former Chairperson of the Advisory Council on the Universal Service Fund for ICT in Kenya and a board member of the Africa Centre for Transformative and Inclusive Leadership. She was the first Chairperson of Kenya ICT Authority and the Project Governance and Oversight Committee of the World Bank-funded Kenya Transparency and Communications Infrastructure Project. The President of the Republic of Kenya awarded her Elder of the Order of the Burning Spear in 2011.

Catherine holds a PhD in Business Administration, an MBA and a Bachelor of Education (First Class Honours) from the University of Nairobi and was a Business Research Fellow at Wharton Business School, University of Pennsylvania, USA.

David O'Sullivan (47)

Non-Executive Director
since 2017
Irish

David O'Sullivan is Head of Group Legal for QNB, a position he has held since 2012. He has over 20 years' experience as a lawyer and investment banker, working on corporate and financing transactions in emerging markets, principally in the Middle East, Africa and Eastern Europe.

Prior to his current position, he was Director, Gulf Investment Incorporation (2006-2012) and Senior Associate at Clifford Chance LLP, London, Dubai and Moscow (1996-2003).

He played a leading role in QNB's investment in Ecobank. Since 2016, he has been a Director of the QNB Global Funds ICAV, which is an EU fund authorised by the Central Bank of Ireland, with sub-funds focusing on sectors including MENA and sub-Saharan Africa.

David is a Chartered Financial Analyst, a Solicitor and a member of the Law Society of England and Wales. He has a Law degree (LLB) from Trinity College, Dublin.

David is a nominee of Qatar National Bank.

BOARD OF DIRECTORS – BIOGRAPHIES

Brian Kennedy (61)

Non-Executive Director since 2017
South African

Brian has held leadership positions in investment banking for the past 33 years, of which the last 24 have been with the Nedbank Group.

He has held various senior leadership roles within the wholesale business of the Nedbank Group and was a Group Exco and Group Alco member from 2003 until 2020. He has been instrumental in a vast array of capital market transactions in many jurisdictions on the African continent during this period.

He holds a BSc (Eng), MSc (Eng) and MBA from the University of the Witwatersrand.

He has also attended the Advanced Management Programme (2003) at Harvard University and the INSEAD International Directors Programme (2015).

Brian is a nominee of Nedbank Group Limited.

Aichatou A. Pouye (63)

Independent Non-Executive Director, since 2018
Senegalese

Mrs. Aichatou Agne Pouye has over 30 years' experience in private sector, public administration and international organisations. She has held leadership positions in many organisations and has strong skills in people management, auditing, enterprise management, marketing of banking services, SMEs access to finance, international trade negotiations and trade-related technical assistance.

Her career started as an auditor at Ernst and Young International, Dakar, Senegal, in 1984. In 1990, she joined Citibank and spent 10 years as Manager, Resident Vice-President, Group Vice-President and member of the Management Committee.

In 2000, she became General Administrator of the Economic Promotion Fund, established by the African Development Bank and the Senegalese Government as a refinancing fund for SMEs. In 2001, she was appointed Senegal's Minister of SMEs and Trade, and then became Minister of Trade in 2003. She was awarded best African policymaker promoting the private sector. From 2006 until 2017, she was Director of Business and Institutional Support and Director of Market Development of the International Trade Centre, a UN and WTO agency in Geneva.

She holds a Specialised Postgraduate Degree in Management and Business Administration from IAE, France, a BSC and MSC in Economics from the Université de Paris 9 Dauphine, France.

Dr. Aasim Ahmad Qureshi (45)

Non-Executive Director since 2019
British

Dr. Aasim Ahmad Qureshi has over 20 years' experience in senior positions across investment banking, law and medicine. He is currently Managing Director, Investment Banking at QNB Capital LLC, and holds a senior executive position at QNB Capital in London and Paris. He is also a member of the Investment Committee of a multi-million-dollar Qatar Central Bank Regulated Fund and oversees a significant European real estate portfolio.

Prior to joining QNB Group in 2008, he was an investment banker at Nomura Code Securities Limited and a lawyer with CMS Cameron McKenna LLP, advising private and listed corporate clients.

He has significant capital market experience, having raised over US$50 billion in corporate and sovereign bonds and US$4.5 billion in primary and secondary Initial Public Offers. He is a highly experienced adviser to private and listed companies on all aspects of corporate financing strategies, oversees merger and acquisition transactions from origination to close and manages complex corporate restructurings.

He holds various postgraduate qualifications in law, management and medicine.

Aasim is a nominee of Qatar National Bank.

Deepak Malik (64)

Non-Executive Director
since 2019
Indian

Deepak Malik was Chief Executive Officer of Arise B.V. until December 2021 and oversaw its operations as an investment and development partner for financial services providers in sub-Saharan Africa. It assisted economic growth and prosperity in the region by strengthening rural development, alleviating poverty and increasing financial inclusion and employment.

Previously, Mr. Malik was Head of Southern Africa Office and Head of Department, Financial Institutions at the development finance institution, Norfund. He promoted Norwegian investments and had overall responsibility for Norfund's Southern African, Central American and South Asian financial institutions portfolio and was a member of the Norfund Investment Committee. He has also been the Regional Representative of the Danish government's Investment Fund for Developing Countries and Managing Director of the Development Bank of Zambia. He is currently a non-executive director on various boards.

Deepak is a Fellow Member of the Institute of Chartered Accountants, India, and has a Bachelor's Degree in Commerce (Honours) from the University of Delhi, India.

Deepak is a nominee of Arise B.V.

Dr. George Donkor (55)

Non-Executive Director
since 2020
Ghanaian

Dr. George Donkor has over 27 years' experience in senior management roles in finance, strategic management, marketing, legal, compliance and administration. He is the President and Chairman of the Board of Directors of the ECOWAS Bank for Investment and Development (EBID), a regional financial institution owned by 15 ECOWAS Member States. In this role he has spearheaded and implemented several reforms that have enabled the Bank to obtain a B2 (stable outlook) rating from Moody's within a space of two years. He was Vice-President in charge of Finance and Corporate Services for seven years and Head of Legal Division/Compliance for four years at EBID.

Previously, he worked with the ARB Apex Bank, Ghana, as Head of Legal/Regulatory and Compliance for over four years. He also practiced law in several law firms in Ghana.

His professional interests focus on corporate law, leadership, change management, policy formulation, organisational design, development and improvement.

George holds a Doctor of Business Administration (DBA) and a Master of Applied Business Research (MABR) from SBS Swiss Business School, Zurich, Switzerland; a PhD (Marketing) from Commonwealth Open University (CoU), British Virgin Islands; an Executive MBA (Marketing) from University of Ghana Business School. He has a Postgraduate Certificate in Contemporary Management from the Nobel International Business School (NIBS), Ghana. He was called to the Ghana Bar in 1994, is a recipient of many awards and serves on a number of boards.

George is EBID's nominee.

Simon Dornoo (60)

Independent Non-Executive
Director, since 2020
Ghanaian

Simon Dornoo is a business consultant with over 25 years' experience in banking and financial services.

He was Managing Director of GCB Bank, Ghana, from 2010 to 2016, successfully leading the restructuring of the bank into a modern, profitable and resilient commercial bank. From 1999 to 2010 he held senior management positions at Barclays Bank in Ghana, including Finance Director and Country Treasurer; and with Barclays Plc in the UK as Finance Director for Barclays Africa, overseeing finance operations in 11 African and Indian Ocean countries.

He held senior management positions at Cal Bank Ghana as Finance Director and Head of the Credit and Relationship Banking Units. He has significant experience in debt capital markets, overseeing the issuance of over $1 billion in bonds. Before banking, he worked with KPMG in assurance services.

He is Board Chairman of ESLA Plc, a government-sponsored SPV, and Board Director of Hollard Life Ghana Limited. He has served on boards of financial services firms, the Ghana Stock Exchange, and companies engaged in trade facilitation and healthcare.

Mr. Dornoo has an MBA in Finance from Manchester Business School, UK. He is a Chartered Accountant (CA Ghana) and member of the Institute of Chartered Accountants (Ghana).

BOARD OF DIRECTORS – BIOGRAPHIES

Prof. Enase Okonedo, FCA (55)

Independent Non-Executive Director, since 2020
Nigerian

Enase Okonedo is a Professor of Management and currently the Vice-Chancellor of Pan-Atlantic University, Nigeria. Prior to this, she was Dean of Lagos Business School (LBS), Nigeria, for 11 years from 2009 to 2020. She has over 30 years' experience in the financial services and management education sectors, having worked at IMB Securities and held roles in funds, investments and capital markets.

She sits on the boards of the Nigerian Exchange Group Plc, Global Business School Network (GBSN), Principles for Responsible Management Education (UNPRME) and ATC Nigeria Wireless Infrastructure Limited. She has previously served on the boards of Rand Merchant Bank (Nigeria) and Graduate Management Admission Council (GMAC), and held leadership positions on the boards of AACSB International as Secretary-Treasurer, and the Association of African Business Schools as Chairperson.

Enase holds a Doctorate in Business Administration from the International School of Management, Paris, an MBA from IESE Business School, University of Navarre, Barcelona, and a BSc in Accounting from the University of Benin. She is a Fellow of the Institute of Chartered Accountants of Nigeria (FCA), the Society of Corporate Governance Nigeria and the International Academy of Management.

Zanele Monnakgotla (50)

Non-Executive Director since 2020
South African

Zanele Monnakgotla is an executive Director of Freewi Technologies, an innovative IT company predominantly specialising in Wi-Fi and network systems, which she founded in 2015. She brings extensive experience in project and corporate finance, risk evaluation, strategic thinking, innovation and change management to the ETI Board, and strong commitment to enhancing the quality of life for Africans.

Previously, she was at the Industrial Development Corporation for 14 years, where her roles included Head of Innovation, Head of Strategic High Impact Projects, Manager of the CEO's Office and Senior Project Manager. Prior to that she worked at Investec Bank in the Private Bank division.

Zanele is currently Non-Executive Director of Sasol Khanyisa, Sasol South Africa and Philafrica Pty Ltd. She holds the designation of Chartered Director from the Institute of Directors South Africa.

She holds a Diploma in Property Investment from the University of Cape Town, South Africa, a Master's in Finance from Wits Business School, Johannesburg, an LLM in Tax from Wits University and an LLB and a B Com from Rhodes University, South Africa.

Zanele is a nominee of the Public Investment Corporation, South Africa.

Hervé S. Assah (61)

Independent Non-Executive Director, since 2020
Congolese (Brazzaville).

Hervé S. Assah has 35 years' senior executive experience in various fields including investment banking (corporate finance, project finance and structured finance) and development finance for regional institutions and governments, mostly in infrastructure and mineral resources.

He is Managing Partner of Æquaria Capital, a fund management company focused on sub-Saharan African growth companies.

He was Deputy Director with Thales Group's Investment Bank in Paris, then with Deutsche Bank's Emerging Markets Group in New York and London, and with BNP-Paribas, where he led and participated in teams that originated, structured financing, corporate investment opportunities for debt and equity investments, and provided advisory services.

Hervé spent 25 years working for the World Bank Group, including IFC's Oil Gas and Mining Investment Department, before culminating in the Finance Competitiveness and Innovation Global Practice, advising governments on strategic sectors of the economy to improve competitiveness and attract FDI. He was Non-Executive Director with Africa Reinsurance Corporation and West Africa Development Bank.

He has an MBA in finance from the Wharton School, University of Pennsylvania, an MSc in International Economics and Finance from Paris Sorbonne University, and a Master of Management and Business Administration from the Institut Supérieur de Gestion.

Stay Safe

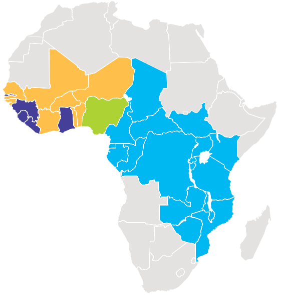
Ecobank's contribution towards the ongoing fight against coronavirus

A lot has been achieved in preventing the spread of COVID-19. We must continue to reduce the impact of the virus on our economies and societies. Ecobank is supporting the African Union's COVID-19 Response Fund and we encourage every Ecobanker to contribute.

Communities | Partnership | Customers

Total funds donated approx

$3 million



- AWA - $725,500
- CESA - $612,000
- Nigeria - $954,000
- UEMOA - $675,500

Protection | Medical Equipment | Awareness

Food | Hygiene | Cash

African Union COVID-19 Response Fund	Support to MSMEs	Awareness
African Union	AFRICA CDC Centres for Disease Control and Prevention Safeguarding Africa's Health	SpeakUpAfrica.

ecobank.com

Ecobank
The Pan African Bank

DIRECTORS' REPORT

Legal and regulatory framework

Ecobank Transnational Incorporated ('ETI'), the parent company of the Ecobank Group ('the Group'), is a financial holding public limited liability company which was 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 the Economic Community of West African States (ECOWAS).

ETI benefits from specific privileges and exemptions that were granted under the Headquarters Agreement executed between ETI and the Republic of Togo pursuant to the Ordinance No 85-16 of 5 September 1985. These include immunities, privileges for itself, its Board and senior staff, as well as a non-resident financial status.

Since 2006, by virtue of the listing of its shares on the three West African stock exchanges, namely, the Bourse Régionale des Valeurs Mobilières (BRVM) in Abidjan, the Ghana Stock Exchange (GSE) in Accra and the Nigeria Stock Exchange (NSE) in Lagos, ETI has been complying with the rules of the capital market regulators, as well as those of the stock exchanges on the above three markets.

The Commission Bancaire of the West African Monetary Union supervises ETI.

Principal activity

ETI's principal activity is the creation and acquisition of operating units for the provision of banking, economic, financial and development services. The Ecobank Group is the leading pan-African bank and has operations in 33 countries across the continent. The Group also has a licensed operation in Paris and representative offices in Addis Ababa, Beijing, Dubai, Johannesburg and London.

Business review

Despite the challenges inherent due to the COVID-19 pandemic in 2021, ETI continued to deploy its digital platforms to provide banking services to its customers in the three business segments of the Group, namely Corporate and Investment Banking (CIB), Commercial Banking (CMB) and Consumer Banking (CSB) for distribution through the affiliates.

Leveraging on its partnership with mobile network operators and fintechs, ETI continuously looks for opportunities to provide banking services to the unbanked, in line with its vision of contributing to the economic development and financial integration of Africa.

A detailed review of the Group's business for 2021 is contained in the 'Business and Financial Review' section of this annual report on pages 122 to 149.

Highlight of results

ETI made a profit after tax of US$ 295 million for the financial year ended 31 December 2021.

The detailed results for 2021 are set out in the Parent Company financial statements. The Board of Directors approved the financial statements of the Parent Company, as well as the consolidated financial statements for the year ended 31 December 2021 at its meeting on 25 February 2022.

Messrs. Alain Nkontchou, Ade Ayeyemi and Ayo Adepoju were authorised to sign the accounts on behalf of the Board.

The accounts of ETI and the Ecobank Group are prepared in accordance with International Financial Reporting Standards ('IFRS').

Share capital

The Authorised Capital of ETI is US$1,250,000,000 as at 31 December 2021.

Trading in ETI shares

Approximately, 1,157,808,694 units of ETI ordinary shares were traded on the Nigeria Stock Exchange (NSE), Lagos, Bourse Régionale des Valeurs Mobilières (BRVM), Abidjan, and the Ghana Stock Exchange (GSE), Accra, respectively, in 2021.

Major changes in shareholding

There were no major changes in the shareholding of ETI in 2021.

Board of Directors

The names of the Directors of the Company appear on pages 52 and 53 of this annual report.

As of 31 December 2021, the Board was composed of fourteen (14) Directors: thirteen (13) Non-Executive Directors and one (1) Executive Director, comprising ten (10) male and four (4) female from ten nationalities.

The Board of Directors met five (5) times during the year. The Board Audit, Internal Control & Compliance Committee, the Board Information Technology, Social and Reputation Committee and the Board Governance, Nomination, Remuneration & Ethics Committee each met four (4) times to deliberate on issues under their respective responsibilities. The Finance, Risk and Credit Committee met six (6) times.

Directors' interest in shareholding

Please find below a table containing shareholdings of ETI directors:

		Direct		Indirect*		Total	
S/N	Name	2021	2020	2021	2020	2021	2020
1	Mr. Alain Nkontchou	261,714,332	47,640,411	–	–	261,714,332	47,640,411
2	Mr. Ade Ayeyemi	21,513,000	21,513,000	–	–	21,513,000	21,513,000
3	Mr. Hervé Assah	–	–	–	–	–	–
4	Dr. George Donkor (Representing EBID)	–	–	240,209,077	240,209,077	240,209,077	240,209,077
5	Mr. Simon Dornoo	–	–	–	–	–	–
6	Mr. Brian Kennedy (Nominated by Nedbank Group)	–	–	–	–	–	–
7	Mr. Deepak Malik (Nominated by Arise BV)	–	–	3,487,337,828	3,487,337,828	3,487,337,828	3,487,337,828
8	Ms. Zanele Monnakgotla (Nominated by GEPF/PIC)	–	–	3,333,333,333	3,333,333,333	3,333,333,333	3,333,333,333
9	Dr. Catherine Ngahu	–	–	–	–	–	–
10	Mr. Mfundo Nkuhlu (Nominated by Nedbank Group)	–	–	5,249,014,550	5,249,014,550	5,249,014,550	5,249,014,550
11	Prof. Enase Okonedo	–	–	–	–	–	–
12	Mr. David O'Sullivan (Nominated by QNB)	–	–	4,970,904,524	4,970,904,524	4,970,904,524	4,970,904,524
13	Mrs. Aichatou Agne Pouye	–	–	–	–	–	–
14	Dr. Aasim Ahmad Qureshi (Nominated by QNB)	–	–	–	–	–	–
	Total	**283,227,332**	**69,153,411**	**17,280,799,312**	**17,280,799,312**	**17,564,026,644**	**17,349,952,723**

* The indirect holdings above are shares held by major institutional shareholders who have nominated the Directors to the Board. These are not shares held by the Directors in their individual capacity.

Directors' interest in contracts

During the year no director had any interest in any contract awarded by the institution or any of its subsidiaries.

Corporate governance and compliance

The Group's corporate governance practices have continued to improve as detailed in the Corporate Governance Report on page 50-77. The Company continues to maintain corporate policies and standards designed to promote transparency, avoid potential conflicts of interest and promote ethical business practices.

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

The Company continues to comply with the requirements of the Commission Bancaire of the Union Monétaire Ouest-Africaine (UEMOA) on Corporate Governance, the SEC Code of Corporate Governance and the Nigerian Code of Corporate Governance 2018.

Subsidiaries

In 2021, the number of ETI subsidiaries remained unchanged from 2020. The Group is focused on translating the achieved pan-African scale advantage to deliver sustainable long-term value for stakeholders.

ETI has a majority equity interest in all its subsidiaries and provides them with management, operational, technical, business development, training and advisory services. The total number of ETI affiliates consolidated in this Annual Report is 57.

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 of 31 December 2021, or the result for the year ended on the same date, which have not been adequately provided for or disclosed.

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; and
- the financial statements are prepared on a going-concern basis unless it is inappropriate to presume that the Company will continue in business.

Independent external auditors

In line with the applicable regulations, a resolution will be presented at the 2022 Annual General Meeting to appoint the alternate auditors of the company.

Dated in Lomé, 31 March 2022.

By Order of the Board,

Madibinet Cissé
Company Secretary

GROUP EXECUTIVE COMMITTEE ECOBANK GROUP

The GEC meets monthly and is responsible for the day-to-day operational management of the Group and its subsidiaries. It has decision-making powers in specific areas of Group management.

Ade Ayeyemi

Group Chief Executive Officer
Nigerian

Ayo Adepoju

Group Chief Financial Officer
Nigerian

Patrick Akinwuntan[1]

Regional Executive and Managing Director, Ecobank Nigeria
Nigerian

Divine Fola

Group Chief Compliance Officer
Cameroonian

Cheick Travaly

Regional Executive, CESA and Managing Director, Ecobank Kenya
Senegalese

1 Jubril Mobolaji Lawal replaced Patrick Akinwuntan in February 2022.

Eric Jones Odhiambo[1]

Group Executive,
Chief Risk Officer
Kenyan

Mamadou Moustapha Fall

Group Executive,
Internal Audit and
Management Services
Senegalese

Daniel Sackey

Regional Executive, AWA
and Managing Director,
Ecobank Ghana
Ghanaian

Nana Araba Abban

Group Executive,
Consumer Banking
Ghanaian

Akin Dada[2]

Group Executive, Corporate
and Investment Banking
Nigerian

Paul-Harry Aithnard

Regional Executive,
UEMOA and Managing
Director,
Ecobank Côte d'Ivoire
Togolese

Josephine Anan-Ankomah

Group Executive,
Commercial Banking
Ghanaian

Tomisin Fashina

Group Executive,
Operations and Technology
Nigerian

Madibinet Cisse

Group General Counsel/
Company Secretary
Guinean

Yves Mayilamene

Group Executive,
Human Resources
Congolese

1 Chinedu Ikwudinma replaced Eric Odhiambo in January 2022.
2 Eric Odhiambo replaced Akin Dada in January 2022.

CORPORATE GOVERNANCE

Introduction

Ecobank has established Corporate Governance structures designed to make the institution more accountable and transparent to all stakeholders, thereby increasing its long-term value while ensuring its potential growth. These structures define appropriate arrangements to facilitate and enable the execution of the overall Group vision and objectives of Ecobank, to be a world-class pan-African Banking Group.

Founded on the spirit of regional co-operation and the economic integration of African countries, Ecobank acknowledges the critical nature of its relationships with all the regulatory bodies across its footprint in executing its vision and discharging its responsibilities to its customers, lenders, shareholders, and the communities within which it operates. It seeks to implement the highest standards and best practices in corporate governance, in accordance with the most widely accepted codes, including those in the markets in which its shares are listed.

This is consistent with Ecobank's belief that good corporate governance leads to sustainable business and good financial performance which, ultimately, delivers appropriate returns for shareholders.

Corporate governance principles

The Corporate Governance structure of Ecobank is founded on the following principles:

a. Ultimate corporate power belongs to the shareholders. The rights of shareholders shall be respected, and steps shall be taken to facilitate the effective exercise of those rights.
b. The shareholders delegate their authority to the Board. The Board then delegates the day-to-day operations of the Company to the Executive Management. The scope of the authority of each organ is clearly defined and agreed. There are clear and published terms of reference and accountability for committees at Board and executive levels.
c. The Board shall be structured in a manner that enables it to add value to the Company and shareholders through the composition, size and commitment of its members.
d. Ecobank raises funds from institutional investors and the capital markets and undertakes to repay such funds on the due contractual date, provides lending to clients and also provides customers with convenient, accessible and reliable services.
e. Ecobank subscribes to working with and adhering to the requirements of the various regulators that regulate and supervise ETI and its banking subsidiaries.
f. Decision-making should be ethical and responsible in compliance with relevant laws and host countries' internal policies and should be taken in a manner to ensure accountability. Decisions will be objective and timely and always aimed at satisfying stakeholders (shareholders, customers, Ecobank employees, regulators and the public at large), thus fulfilling ETI's mission.
g. There should be independent verification of the financials of member companies in order to safeguard integrity in financial reporting.
h. Enterprise Risk Management should be recognised and entrenched through established policies, procedures and practices that are consistently applied across the Group.
i. There should be fair and active review of Company information to encourage Board effectiveness and Management performance, as well as competitive and responsible remuneration in compliance with transparent rules.
j. The legitimate interests of stakeholders should be duly recognised.
k. Decision-making should be at the appropriate level as close as possible to required action and the customers, as set out in delegated schedules of authority that provide the appropriate checks and balances necessary in a pan-African Banking Group.
l. Relevant authorities within the Group should be empowered and individual accountability institutionalised.
m. There should be effective communication and information sharing between Management and the Board and among members of the Board outside of meetings.
n. There must be a clear escalation process to ensure that matters requiring the involvement and/or approval of the relevant organs within the Group, are brought to their attention for review and decision, or simply for awareness.

Group structure - 'One Bank' concept

In order to ensure that it operates as a Banking Group and not as a group of banks, Ecobank, as much as possible, operates a standard organisational structure at parent company and subsidiary levels. As the parent company, Ecobank Transnational Incorporated is responsible for the overall strategy, and shall continue to act as the 'Strategic Architect' of the Group.

Group decisions and policies are made for the application of all members of the Group and are implemented in all subsidiaries, subject to local laws and regulations. Any variation is subject to the approval of the parent company.

The parent company, through its wholly owned subsidiary, manages technology centrally and deploys it in all affiliates. It also houses the Shared Services platforms for efficiency in operations and in order to leverage economies of scale.

All functions are coordinated from the parent company (Risk Management, Internal Control, International Audit, Legal, Treasury, etc.) with a Group Head/Executive at the parent company level. Functional Managers in the subsidiaries have a functional reporting line to the Group Head/Executive at the parent company.

The Board holds two annual meetings with Chairpersons of subsidiary Boards and Group Functional Heads, for the purpose of sharing information on the overall direction and major policy decisions of the Group.

Corporate literature

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

The Group Corporate Governance Charter sets out the structures and processes to be followed to build credibility and ensure transparency and accountability across the Group. It also defines appropriate policies and processes to enable the execution of Ecobank's overall vision. The Governance Charter is regularly updated to reflect the constantly evolving business environment.

The Charter is domesticated and applicable to all members of the Group, subject to local laws and regulations. All Directors, Executives and relevant employees of the Group are required to comply with the provisions of the Governance Charter.

Shareholders' recognition

The Annual General Meeting is a key forum for sharing information and decision-making and is intended to engender the active participation of shareholders. Ecobank shareholders' right to access information is an essential principle underpinning the Corporate Governance philosophy of the Group, which promotes the facilitation of meaningful dialogue.

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

The Board is responsible for submitting complete and comprehensive financial and management information to the Annual General Meeting, to facilitate a balanced and fair exchange of views within the Company. It ensures that there is ongoing dialogue with shareholders and that information furnished to the Annual General Meeting is accurate and reliable.

Shareholders are encouraged to communicate their opinions and recommendations, whenever they feel the need to do so, to the Investor Relations Unit and/or the Company Secretary through the contact details available on Ecobank's Group website, www.ecobank.com.

Board responsibilities

The primary responsibility of the Board is to act in the best interests of the Group and to foster the long-term success of Ecobank, in accordance with its legal requirements and its responsibilities to shareholders, regulators and other stakeholders. The Board ensures that the necessary leadership, financial and human resources, are made available to the Group to enable it to achieve its objectives. The Board ensures that there are no conflicts or potential conflicts of interest between Executive Management, members of the Board and shareholders. The Board also ensures that the reporting lines of key control functions, such as Internal Audit, Compliance and Risk Management, are independent and structured in a manner that ensures the effectiveness of checks and balances.

The Board reports to shareholders annually on the integrity and timely disclosure of the business and financial performance of Ecobank, through the Group's consolidated annual report and accounts, including other substantive financial and non-financial information, about which shareholders and potential investors should be informed. The Board is responsible for assessing the ability of the Group to meet its obligations and is accountable to its shareholders.

The Board encourages active dialogue with shareholders and potential investors, based on a mutual understanding of objectives and expectations.

CORPORATE GOVERNANCE

Appointment of Board of Directors

The nomination and appointment process of a director to the Board is clearly defined in the Governance Charter.

The Charter provides for the Governance, Nomination, Remuneration & Ethics Committee, which is responsible for the selection and appointment of Board Directors. Prior to any appointment, the Governance, Nomination, Remuneration & Ethics Committee defines the functions and core competencies for each vacant Directorship role. It also develops suitable selection criteria for potential candidates, screens and interviews them. The Committee then puts the short-listed candidate forward for consideration by the full Board. Upon consideration of the Board, successful candidates are co-opted to the Board and subsequently presented to the Annual General Meeting for the ratification of their appointments. New Directors are issued with letters of appointment, with clear terms and conditions regarding the discharge of their duties.

The competencies outlined in the table below are considered in the selection of Non-Executive Directors to the Board.

Demonstrable business acumen
Directors must have considerable business experience, together with proven understanding of corporate and business processes, which have been accomplished through a successful track record and must have an impeccable reputation in the business community.
Leadership and board experience
A recognised ability to add value and display leadership, together with the ability to assert balanced and constructive views at Board level.
Special technical skills or expertise
Have experience in international banking best practice, with specific expertise in the African banking sector. 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 and international trade, especially relating to commodities. The combined experience of the Directors of the Board is expected to exhibit these competencies.
Integrity
Directors should demonstrate high levels of integrity, professional and personal ethics, as well as values consistent with those of the Ecobank Group.
Character
Directors should exhibit strength of character and the ability and willingness to challenge and probe. This includes sound business judgement, strong interpersonal skills and the ability to listen carefully and communicate with clarity and objectivity.
Time commitment
Directors need to be able to dedicate sufficient time to adequately carry out their duties.

The Articles of Association of the Company limit the tenure of Non-Executive Directors to nine (9) years. Directors are appointed for an initial mandate of three (3) years, which may be renewed.

However, renewal is not automatic. Directors are required to be evaluated periodically.

The outcome of this evaluation and the competency requirements of the Board, as well as the Directors' contributions and input, are considered in assessing the potential renewal of appointments.

In addition to statutory provisions, there are clear guidelines for the dismissal/retirement of a Director. A Director may be dismissed for breach of his fiduciary duties and/or underperformance under the terms of his letter of appointment or other corporate documents. 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.

Board composition and structure

The Articles of Association of the Company limit the size of the Board to fifteen (15) members. The Board composition is representative of shareholders' interest. It stipulates that the Board shall comprise:

- Nominees of any shareholder for each ten per cent (10 per cent) of the total issued ordinary share capital of ETI, or multiple thereof, that such a shareholder may hold directly, subject to a maximum of two (2) seats per shareholder;
- One (1) representative of Ecowas Bank for Investment and Development (EBID);
- Not more than two (2) executive directors, including the GCEO;
- A minimum of five (5) independent directors, including directors selected from the geographical regions where the Group operates; and
- the requisite number of additional independent directors that are required to fill the remaining seats.

The composition of the Board considers, as much as practicably possible, the geographical coverage of the Group, relevant professional experience, shareholders' representation and gender equality.

Board attendance in 2021

The Board of Directors met five times during 2021

	Name	Role	Year appointed to board	Meetings eligible to attend	Number of meetings attended
1.	Mr. Alain Nkontchou	Current Chairman	2015	5	5
2.	Mr. Ade Ayeyemi	Chief Executive Officer	2015	5	5
3.	Mrs. Aichatou Agne Pouye	Non-Executive/independent	2018	5	5
4.	Mr. Herve Assah	Non-Executive/independent	2020	5	5
5.	Dr George Donkor (BIDC)	Non-Executive	2020	5	5
6.	Mr. Simon Dornoo	Non-Executive/independent	2020	5	5
7.	Mr. Brian Kennedy (Nedbank Group Ltd)	Non-Executive	2017	5	5
8.	Mr. Deepak Malik (ARISE B.V.)	Non-Executive	2019	5	5
9.	Ms. Zanele Monnakgotla (Government Employees Pension Fund/Pic)	Non-Executive	2020	5	5
10.	Dr. Catherine Ngahu	Non-Executive/Independent	2016	5	5
11.	Mr. Mfundo Nkuhlu (Nedbank Group Ltd)	Non-Executive	2015	5	4
12.	Prof. Enase Okonedo	Non-Executive/independent	2020	5	5
13.	Mr. David O'Sullivan (Qatar National Bank)	Non-Executive	2017	5	5
14.	Dr. Aasim Qureshi (Qatar National Bank)	Non-Executive	2019	5	5

CORPORATE GOVERNANCE

Board committees

As at 31 December 2021, there were four (4) Board Committees, namely:

1. Audit, Internal Control and Compliance Committee
2. Finance, Risk and Credit Committee;
3. Information Technology, Social and Reputation Committee;
4. Governance, Nomination, Remuneration and Ethics Committee.

The charters of the various Board Committees have been established in accordance with best practice and the rules applicable to the Company. The membership of the Board Committees excludes Executive Directors. Also, for the purposes of revitalising the Board Committees, the tenure of members is restricted to a maximum of two (2), three (3)-year terms, which may be extended, if it is deemed appropriate. Each Committee has a majority of independent directors and is chaired by an independent director.

Board committees' membership

Governance, Nomination, Remuneration and Ethics Committee

The Governance, Nomination, Remuneration and Ethics Committee met four (4) times during the year to deliberate on issues under their respective responsibilities.

Composition and attendance:

Name	Role	Number of meetings held	Number of meetings attended
Prof. Enase Okonedo	Chairperson	4	4
Mr. Herve Assah	Member	4	4
Mr. Brian Kennedy	Member	4	4
Mr. Deepak Malik	Member	4	4
Dr. Catherine Ngahu	Member	4	4

The Group General Counsel and Company Secretary serves as Secretary to the Committee.

Responsibilities of Governance, Nomination, Remuneration and Ethics Committee:

- Formulates, reviews and ensures implementation of policies applicable to all units of the Group, as well as good governance throughout the Group;
- Manages the relationship between the Company and its shareholders and subsidiaries, including relationships with the Boards of subsidiaries;
- Evaluates the performance of Directors and Senior Management;
- Develops suitable criteria for the selection and appointment of new Board members and for the selection, appointment or removal of the Group and Country Board members;
- Reviews the human resources strategy and policies of the Group;
- 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;
- Oversees the Group's approach to diversity and inclusion, employee wellbeing, bullying and harassment and employee engagement;
- Oversees the way the Group manages its culture, values and adherence to the Group's Code of Conduct; and
- Oversees compliance with Group's policies on ethical conduct including discovery, investigation, conflicts of interest, financial crimes, transparent accounting, fraud and bribery and responsible selling and marketing.

During the 2021 financial year, the Committee reviewed and made recommendations to the Board (for its non-objection) on the nomination of affiliates' Non-Executive Directors and also interviewed candidates for chairmanship positions in the subsidiaries. It also oversaw the selection process of the candidates for the replacement of the retired Chairman and independent directors.

The Committee also reviewed the appointment of Senior Staff in the organisation and short term incentives.
In conjunction with the Social Ethics and Reputation Committee, it reviewed the governance structure of the Ecobank Foundation to align it with global standards.

Audit, Internal Control and Compliance Committee

The Audit, Internal Control and Compliance Committee met four (4) times to deliberate on issues under their respective responsibilities.

Composition and attendance:

Name	Role	Number of Meetings held	Number of Meetings attended
Aïcha Agne Pouye	Chairperson	4	4
Mr. Simon Dornoo	Member	4	4
Mr. David O'Sullivan	Member	4	4

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

The Group Executive, Internal Audit and Management Services serves as Secretary to the Committee.

Responsibilities of the Audit, Internal Control and Compliance Committee:

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

In 2021, the Committee worked on the amendment of the Group Internal Audit & Management Services Manual to align the remote audit approach. The Committee also recommended a revised Conflict of Interest Policy of the Ecobank Group as well as a revised Group Anti-Bribery and Corruption Policy.

Finance, Risk and Credit Committee

The Finance, Risk and Credit Committee met six (6) times to deliberate on issues under their respective responsibilities.

Composition and attendance:

Name	Role	Number of meetings held	Number of meetings attended
Mr. Simon Dornoo	Chairman	6	6
Mr. Mfundo Nkuhlu	Member	6	6
Mr. Aasim Qureshi	Member	6	6
Prof. Enase Okonedo	Member	6	6
Mr. Herve Assah	Member	6	6

All members have a good knowledge of business, finance, banking, general management and credit.

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

Responsibilities of the Finance, Risk and Credit Committee:

- 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 Bank's credit policies and statutory requirements prescribed by the regulatory or supervisory authorities;
- Reviews periodic credit portfolio reports and assesses portfolio performance; and
- Reviews all other risks (e.g. technology, market, insurance, reputation and regulatory).
  - Oversight of finance strategies, capital and liquidity;
  - Reviewing the Company and Group's financial performance;
  - Reviewing compliance with applicable financial regulatory requirements; and
  - Reviewing certain corporate development matters as the Board may direct.

During the 2021 Financial Year, the Committee reviewed and recommended for approval the Updated Group Dividend Policy as well as a revised Group Capital Management Policy.

CORPORATE GOVERNANCE

Information Technology, Social and Reputation Committee

The Information Technology, Social and Reputation Committee met four (4) times to deliberate on issues under their respective responsibilities.

Composition and attendance:

Name	Role	Number of meetings held	Number of meetings attended
Dr. Catherine Ngahu	Chairperson	4	4
Mrs. Aichatou Agne Pouye	Member	4	4
Dr. George Donkor	Member	4	4
Ms. Zanele Monnakgotla	Member	4	4

The Group Executive, Operations and Technology or his designate is the Secretary of the Committee.

Responsibilities of the Information Technology Social and Reputation Committee:

- Alignment of the Group's information technology systems with overall Group strategy and direction;
- Oversee the maintenance of adequate information technology systems to support the Group's business;
- Approve and monitor strategic IT development programmes and projects;
- Monitor and evaluate existing and future trends in technology that may affect the Group's strategic plans, including monitoring of overall industry trends;
- Ensure Group compliance to IT policies and processes;
- Review from time to time the overall IT development profile of the Group and ensure that the IT strategy is inclusive and coordinated and appropriately resourced to encompass all requirements of affiliates in the Group;
- Overseeing and reviewing the positioning of the Ecobank brand to ensure that a clear strategy is being delivered to increase the value of the brand, as well as 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;
- Ensuring Ecobank's adherence to statements regarding activities/businesses in which it will/will not be involved, in line with its brand promise; and
- Reviewing Ecobank's sustainable business priorities, assuring the Group has policies in place to respond to any issues arising from external factors.

In 2021, the Committee supervised the optimisation of technology assets ,the collaboration of Ecobank with fintechs , the digitalisation drive and the modernisation of system architecture.

Subsidiary boards

The subsidiaries operate as separate legal entities in their respective countries. Each subsidiary has a board of directors that has oversight functions over the management of the subsidiary.

ETI is the majority shareholder in all the subsidiaries, however, host country citizens and institutions invest 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. 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 their respective countries. In the event of any conflict with Group policies, the local laws prevail.

Subsidiary governance model

With regards to the governance of its subsidiaries, the Group adopts a dual reporting model. The subsidiary's corporate governance is administered both by the local Board and the Group Board concurrently. Legally, the country Board has ultimate responsibility for the subsidiary, but ETI, as the majority shareholder (in some cases holding 100 per cent) and as the 'Strategic Architect', has a duty to ensure that the subsidiary is run properly. 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 Boards are legally constituted, and directors' duties comply with the host country's legal system.

The subsidiaries have adopted the provisions of the Group Corporate Governance Charter, subject to local legal requirements.

Candidates for directorship positions in the subsidiaries are shortlisted by Directors of the subsidiary and ETI Directors, or other credible persons. The proposed candidates are then screened by the subsidiary Board in consultation with ETI.

Thereafter, the candidates go through the formal internal Board processes of the subsidiary, including Board and regulatory/shareholder approvals, as appropriate.

Executive share options

In 2021, no new ETI executive share options were awarded to Executives under the staff options scheme.

Related party securities 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 any subsidiary of the Ecobank Group.

The policy makes it mandatory for such staff to disclose the nature of the securities, the amount to be invested and the nature of the transaction and their interest. The member of staff undertakes to ensure that the transaction is not in connection with the possession of any inside information, and further undertakes not to proceed with the transaction should he/she come into possession of any inside information, prior to the execution of the transaction.

Independence of Directors

The Governance Charter has an independence evaluation policy and a definition of an 'Independent Director'.

At least a third of the Board's members are expected to be Independent Directors. Generally, a Director will be considered to be independent if he or she satisfies all of the criteria set out in the Governance Charter.

A Director may, however, still be considered to be independent even though he/she does not satisfy one or more of the criteria, but only if the Board determines that not having such criteria will not impair his/her independence. The independence of the Directors is assessed annually.

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

As at the end of December 2021, there were fourteen (14) Directors on the Board, including five (5) independent directors, namely Mr. Hervé Assah, Mr. Simon Dornoo, Dr Catherine Ngahu, Prof Enase Okonedo , Mrs Aichatou Agne Pouye.

Board and Directors' performance

The Board takes several steps to ensure that Directors discharge their duties with the requisite competence and skills. Firstly, prior to an appointment, the Governance and Nomination Committee is required to carry out a competency assessment of potential candidates to ensure that they meet the necessary criteria.

The Governance Charter sets minimum competency requirements for each Director that must be met. Additionally, Directors receive appropriate induction and are expected to undertake ongoing professional development to meet the ever-changing demands of their roles.

Following the evaluation of the Board by the Institute of Directors, South Africa, it was found that the Board performed well in 2021. Out of the governance areas evaluated, the strongest performance was found within Board Composition, Board Culture, Board Committees and Board Role Players. It was noted that the Board Roles and Responsibilities could be improved upon.

Directors' training

All Directors are expected to avail themselves of appropriate training courses, where necessary and at the earliest opportunity, to fulfil their competency requirements.

In 2021, Directors were trained on Environmental, Social Governance (ESG) and Anti-Money Laundering/ Counter Financing of Terrorism.

CORPORATE GOVERNANCE

Conflict of interest and related party policies

Conflict of Interest Policy and associated procedures, covering all staff and Directors, are in place. Directors are required to complete standard forms each semester to confirm that no conflict of interest exists. No conflict of interest was identified in the discharge of the duties of the Directors.

The review of related party loans is conducted on a monthly basis and reported to the Board by the Risk Committee.

Assurance monitoring

The Internal Control and Internal Audit Charters provide the framework for the two functions and these are being reviewed periodically as the need arises.

Whistleblowing policy

Ecobank has implemented a Whistleblowing Policy and put in place a whistleblowing portal. The portal is a user-friendly system that generates reports and forwards them directly to the Group Head Compliance, who is responsible for carrying out the necessary investigation. Issues may be reported online, using a designated website, following steps laid out in Ecobank's Whistleblowing Policy.

Ecobank's whistleblowing portal fully guarantees the confidentiality of information exchanged via the portal. A third party provider that specialises in providing whistleblowing services operates the portal and is independent of Ecobank's in-house IT systems. This provides a secure environment for staff to report complaints or unprofessional behaviour. Members of staff reporting issues can do so anonymously.

Staff can report, without limitation, on issues such as:

- Theft, fraud, bribery or other forms of dishonesty;
- Harassment or discrimination;
- Accounting or financial irregularities;
- On the job drug or alcohol abuse;
- Violence or threatening behaviour; and
- Violation of laws, regulations, policies or procedures.

Procedures for the independent investigation of allegations by whistle blowers and appropriate follow-up actions have been put in place. Cases are managed by the Compliance Unit and investigated by the Internal Audit Unit. The Board is informed of the cases and the progress made towards their resolution.

Directors' remuneration

The Remuneration Policy for Executive and Non-Executive Directors is embedded in the Group Corporate Governance Charter. 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 Board. Adequate compensation is given to attract and retain professional and experienced individuals to carry out these duties.

The Remuneration Policy for Non-Executive Directors is not intended to reward meeting attendance via per diem payments; rather, it reflects the responsibility, dedication and challenges inherent in the position. Efforts are made to ensure that the remuneration of the Directors continues to match the level in comparable organisations, whilst also taking into consideration Board members' required competencies and effort, together with the scope of the Board work, including the number of meetings attended.

External consultants undertake periodic remuneration benchmarking surveys. Once these surveys are concluded, the Board reviews the findings, and if required, submits resolutions for the review of directors' remuneration to the Annual General Meeting of the Company for approval.

Non-Executive Directors receive fixed fees for being on the Board of ETI. In addition, Directors receive attendance fees for Board and Board Committee meetings. Non-Executive Directors receive neither short-term nor long-term performance incentives.

The table below details the single total figure of remuneration per Non-Executive Director for the year ended 31 December 2021.

Name	Directors Fees (US$)	Sitting Allowance (US$)	Other Benefits (US$)1	Total(US$)
Mr. Alain Nkontchou	150,000	6,000	15,000	171,000
Mrs. Aichatou Agne Pouye	100,000	11,250	15,000	126,250
Mr. Hervé Assah	100,000	12,750	15,000	127,750
Dr George Donkor	100,000	8,250	15,000	123,250
Mr. Simon Dornoo	100,000	12,000	15,000	127,000
Mr. Brian Kennedy (Nedbank Group Limited)	100,000	10,500	15,000	125,500
Mr. Deepak Malik(Arise B.V)	100,000	10,500	15,000	125,500
Ms. Zanele Monnakgotla (GEPF/PIC)	100,000	8,250	15,000	123,250
Dr. Catherine Ngahu	100,000	14,250	15,000	129,250
Mr. Mfundo Clement Nkuhlu (Nedbank Group Limited)	100,000	8,250		108,250
Prof. Enase Okonedo	100,000	15,750	15,000	130,750
Mr. David O'Sullivan (Qatar National Bank)	100,000	7,500	15,000	122,500
Dr. Aasim Qureshi (Qatar National Bank)	100,000	9,750	15,000	124,750
Total	**1,350,000**	**135,000.00**	**180,000**	**1,665,000**

In addition to the costs above, the Company reimburses, or pays for, all expenses reasonably incurred by the Non-Executive Directors including travel, accommodation and telephone calls, in carrying out their duties.

Executive management remuneration

Executive Management remuneration is made up of both fixed and variable pay. In determining the fixed remuneration, consideration is given to the complexity of the role, as well as the skills and experience of the individual. The purpose of fixed remuneration is to attract and retain talent by remaining competitive in the market, while rewarding ongoing contribution. Any salary increases are influenced by performance, based on pre-agreed metrics.

Variable remuneration is aimed at rewarding the Executive Management for the achievement of annual financial and non-financial objectives, which are key to the delivery of the Company's short-term and long-term strategy. Long-term variable remuneration aims to incentivise and reward the creation of long-term shareholder value.

Consistent with Ecobank's objective of being an employer of choice in our markets and in order to attract the best talent, Senior Executives are compensated with a combination of fixed compensation (salary, benefits and pension) and variable compensation (bonuses). The total remuneration paid to all Senior Executives during the 2021 financial year amounted to $ 11.7 million, in 2020 it was $12.36 million.

CORPORATE GOVERNANCE

Code of conduct

There is a code of conduct for directors of the Ecobank Group. It requires a director, whilst acting in the best interest of the Group as a whole, to take account of the interests of the Group's shareholders, employees and creditors, and, where appointed as a representative of a special class of shareholders, employees or creditors, to give special, but not exclusive, consideration to the interests of that class.

The Code prohibits a director, without the consent of the Board, from placing himself/herself in a position such that his/her personal interest conflicts, or could be seen to conflict, with his/her duties to the Group.

It also prohibits a director from entering into any contract on behalf of the Group, or any of its subsidiaries or affiliates, in which he/she, or any director of the Group or any associated company, may have material interests, whether directly or indirectly, unless a Board resolution has been passed to approve the contract. There were no breaches of the Directors' Code of Conduct in 2021.

Dispute resolution policy

A Dispute Resolution policy is embedded in the Corporate Governance Charter. It sets out the Board's procedures for resolving disputes between Board members. It always applies to all Board members in the performance of their duties.

The Governance and Nomination Committee is the resolution body for disputes within Ecobank's Board. The Committee recommends a course of action for the consideration by the full Board, if necessary. Where the dispute involves a member or members of the Governance and Nomination Committee, the Chairman of the Governance and Nomination Committee designates impartial Board members to intervene on behalf of the full Board.

Parties involved in the dispute are expected to acknowledge the dispute respectfully, listen objectively to the issues raised and consider the opinions of others. The Chairman of the Governance and Nomination Committee ensures that the dispute is discussed openly and that questions are asked of all the parties involved to formulate remedial action. No such disputes arose between Board members in 2021.

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;
- The relationships and interfaces between the parent company and its subsidiaries;
- The standard of conduct and procedures for Directors.
- The following governance units within the Group:
    - Parent Company ('ETI') Board of Directors;
    - Country Board of Directors;
    - Group Executive Committee;
    - Business Leaders' Conference; and
    - Country Executive Management Committees.

There follows a brief overview of the role and responsibilities of each of the governance units.

Parent Company Board of Directors

The Board of Directors of ETI is elected by, and is accountable to, 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 responsibilities.

Comprehensive profiles of all the Directors are to be found on pages 54 to 58 of this annual report.

Group Executive Committee

As at 31 December 2021, the Group Executive Committee ('GEC') comprised the following:

- Group Chief Executive Officer;
- Group Chief Financial Officer;
- Group Executive, Commercial Bank
- Group Executive, Consumer Banking;
- Group Executive, Corporate and Investment Bank;
- Group Executive, Operations and Technology;
- Group General Counsel/Company Secretary;
- Group Executive, Internal Audit & Management Services;
- Group Chief Risk Officer;

- Group Head Compliance;
- Group Executive, Human Resources;
- Regional Executive, Central, Eastern and Southern Africa;
- Regional Executive, Nigeria;
- Regional Executive, Anglophone West Africa; and
- Regional Executive, West African Economic and Monetary Union.

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, makes submissions 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 Group Chief Executive Officer to:

- define and develop Group strategy;
- confirm alignment of individual subsidiary's plans with overall Group strategy;
- track and manage strategic and business performance against plan, at Group and subsidiary levels;
- implement Group policy and decisions;
- make recommendations regarding human resources issues;
- recommend the 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; and
- make important decisions in areas for which authority is delegated to the GEC.

Business Leaders' Conference

The Business Leaders' Conference ('BLC') is a collegial group of all subsidiary CEOs and Group functional heads that has been constituted to encourage collaboration in strategy and policy formulation. It comprises the GEC, all subsidiary CEOs and Group Heads. The GCEO is the Chairman of the BLC.

The BLC is the primary coordinating body for Group cohesion and integration, and the implementation of Group strategy.

The BLC is a consultative body and not a decision-making body. It 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; and
- Contributing to the formulation of Group policies.

Country Executive Management Committee

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

- Aligning strategic objectives and operational plans with overall Group strategy;
- Defining business goals and objectives for the country's operations;
- Approving business unit direction and strategies;
- Making decisions on operating plans and budgets;
- Reviewing the financial reporting and control framework;
- Tracking and managing country strategy and business performance against plan;
- Tracking and monitoring progress and accomplishments of major initiatives and projects at country level;
- Articulating appropriate responses to environmental factors, regulation, government policies, competition and other such issues in the country;
- Articulating policies for advancing business objectives in the country;
- Advising the parent company on adaptation of overall strategy to the specifics of the local environment; and
- Advising on local laws and regulations impacting on Group policies.

SUSTAINABILITY REPORT

Why environmental, social and governance (ESG)/sustainability is important to Ecobank

The World Economic Forum Global Risks Report 2022 – which analyses the results of the latest Global Risks Perception Survey in the context of the current global outlook – found that environmental risks have the potential to yield the most damage to people and the planet, followed by societal challenges. This is particularly true in Africa, where economies are expected to grow at 5.5 per cent below pre-pandemic levels over the next two years.[1]

Africa needs to be resilient, as resilience is key to building back better. A continent-wide transition strategy is important and Ecobank needs to be part of the conversation. We recognise that this is a journey, and not one that any government, company or individual can undertake alone. We need to prioritise the steps that are needed to transition to a better future for Africa and make responsible choices in the allocation of capital to achieve this. We also need to encourage and assist our customers and suppliers to do the same.

Investors increasingly appreciate that sustainability is an important long-term goal to assist in defining business models for success. In addition, engaging with a responsible corporate citizen whose values and actions align with their own is becoming more important to all our stakeholders. Reporting Ecobank's actions as a responsible business creates an opportunity to enhance the Group's brand and reputation, thereby securing long-term sustainability.

We believe that by integrating ESG factors into the strategic decision-making of Ecobank, we can pursue long-term financial sustainability and growth, while at the same time fostering a healthy financial system, the transition to a green economy and societal resilience.

At Ecobank we are in the process of setting tangible targets to achieve the goals that we set as a Group to realise our commitment to building back better. In doing so, we recognise that the goals we set need to be in our own context and internalised into our core business. In this way we avoid paying lip-service through manufactured 'green' credentials, but rather have a true and lasting impact.

With this in mind, we will continue to use capital allocation and sustainable financing as the primary ways in which we shed light on ESG matters and reward customers that make the right choices. This is what the Sustainability Bond aims to do, by enabling Ecobank to provide capital consciously and systematically to programmes, initiatives and transactions that will contribute to sustainability, as set out in our commitment to the SDGs.

1 World Economic Forum The Global Risks Report 2022 – 17th Edition

As our Sustainability and ESG Report shows, our commitment to sustainability goes beyond the Sustainability Bond:

- Our business segments promote sustainable finance, financial inclusion and environmentally sound practices through their products and services.
- The steps we are taking to improve the environmental and climate resilience of our own operations, through solar energy for example, also signal to our communities that it is possible to take small steps in the right direction. If everyone takes similar small steps it can lead to dramatic change and improvement.
- Our investments in the communities in which we operate, through the Ecobank Foundation for example, promote financial literacy, health and education – thereby supporting societal resilience.
- Our ongoing commitment to our people, grounded in our values, is demonstrated through our people strategy.
- Our sound corporate governance practices support sustainable business, which ultimately leads to good financial performance and appropriate returns for shareholders.

The Group's values – grounded in sound ethics – of respect, accountability, customer centricity, excellence, integrity and teamwork are now firmly embedded, and the underlying behaviours provide guidance on how these values are to be upheld. These lay the foundations for the sustainable behaviours that benefit Ecobank, the environment and our communities. Our commitments to the UN SDGs, UNEP FI, UN PRB, UNGC and the Equator Principles make Ecobank a leading voice in sub-Saharan Africa for the kind of progressive behaviours and support that are central to the future of African societies. We hope that in future, more financial institutions will incentivise sustainable behaviour.

Ade Ayeyemi, Group CEO

"The purpose of what we do is to help improve societal resilience for our communities and customers. This is not only the right thing to do but is also the only way to achieve long term business sustainability for Ecobank."

Dr. Catherine Ngahu, Information Technology, Social and Reputation Committee Chairperson

"As a leading banking group in Africa, with a far-reaching footprint, Ecobank can be an example for the continent. We can demonstrate that it is possible to operate sustainably, positively impact society and be a good corporate citizen."

Ecobank's standalone Sustainability and ESG Report provides a detailed overview of our performance and prospects in relation to ESG matters that have a material impact on the long-term success of the Group. It also highlights our key sustainability initiatives and activities to support our commitment to building Africa's future. Our Sustainability and ESG Report can be found online at **www.ecobank.com**

2021 ESG highlights

Sustainable finance

The Ecobank Sustainability Bond: We successfully raised **$350 million** Tier 2 Sustainability Notes – the first-ever by a financial institution in sub-Saharan Africa

Over **$750 million** of sustainable finance exposure, with **60%** in social assets and **40%** in green assets

The **Ellevate by Ecobank** initiative has been launched in **30 countries**

More than **13,000 customers** have benefitted

$87 million in loans have been approved

$187 million deposits have been made

How we are transforming our business

In Kenya, **solar installations** completed at **6** Ecobank branches

39 Ecobank locations are solar powered

We saved **$362,397** as a result of our solar initiatives

We saved **1,321,934 kg** in CO_2 emissions

We saved approximately **61,153** trees

We declared support for the **Taskforce on Nature-related Financial Disclosures (TNFD),** and became a member of the **African Natural Capital Alliance**

We implemented the **Group Sustainable Procurement Guidelines**

Ecobank invested **$260 million** in our suppliers across the Group's value chain

Our communities

Ecobank invested **$8.5 million** in financial education initiatives

Ecobank Côte d'Ivoire supported the SEPHIS Foundation with **$1.8 million** towards female entrepreneurship and employability

In partnership with the UN Capital Development Fund, we ran a financial literacy campaign reaching **4,250 people** in rural Ghana

Ecobank Foundation's financial literacy for young people initiative reached **2.1 million young people** through our social media networks

Our pan-African Ecobank Day mental health awareness webinar was attended by **over 5,300 participants** potentially reaching 26 million people via social media and 29 million people through the media campaign

Our people

Ecobank employs **6,059 women** across the Group and **30%** of executives, **31%** of management and **45%** of officers are women

8,386 employees participated in the 2021 employee experience survey

The core engagement score increased to **79%**
The workforce connection to purpose score increased to **89%**
The meaningful work score increased to **92%**

30,424 training modules were completed by Ecobank employees in 2021

We spent **$4,929,000** on training and skills development

We trained over **16,000** people at Ecobank and other companies

Our virtual instructor-led and digital learning platforms achieved a quality score of **94%**

Governance

We developed **Code of Conduct training programmes** to embed ethical behaviour in employees' day-to-day work.

Ecobank Group made a tax contribution of **$361 million** across our 35 countries of operation

Select ESG ratings and assessments

MSCI ESG Ratings	Moody's ESG Credit Impact Score	Fitch ESG Credit Impact Score
2020: **AA**	**-2**	**3**
Scale 1: AAA to CCC	neutral-to-low[1]	ESG issues: credit-neutral[2]

1 A neutral-to-low (CIS-2) score reflects limited credit impact from environmental, social and governance risk factors on the rating to date. Our sound corporate governance and improved financial strategy and risk management are moderated by the constraints of operating in difficult jurisdictions and the inherent risks resulting from our footprint across a large number of jurisdictions.
2 The highest level of ESG credit relevance, if present, is a score of 3. This means ESG issues are credit-neutral or have only a minimal credit impact, either due to their nature or to the way in which they are being managed by Ecobank.

Our Sustainability Strategy

Business growth should not be at the expense of people and the planet.

Chinedu Ikwudinma, Group Chief Risk Officer

"A sustainable economy depends on our ability to shift global financial flows away from initiatives with negative environmental and societal outcomes and towards those with positive outcomes. Financial institutions, other companies, regulators and policymakers are all part of the solution."

Rachael Akosua Antwi, Group Head of Sustainability and Environmental and Social Risks

"Our aim is to be a leader in sustainability and a gateway for sustainable finance and investments in Africa."

We see sustainability as a business opportunity to increase revenue and a way to make better capital allocation decisions, manage our risks and contribute to society. We believe that as the biggest pan-African bank with over 32 million customers in 35 African countries, we are strategically well-positioned to capitalise on Africa's macro-economic growth potential. We do this by being a catalyst for sustainable 'green' growth and a partner of choice for our customers.

We believe that by integrating ESG factors into strategic decision-making, we can pursue long-term financial sustainability and growth, while at the same time fostering a healthy financial system, the transition to a 'green' economy and societal resilience.

Our Sustainability Strategy is linked to our Group business strategy and will be further enhanced in the coming months to demonstrate our ambitions to be a leader in sustainability.

Ecobank's Sustainability Strategy is guided by:

- our commitments to the UN SDGs and other global ESG frameworks;
- our Sustainable Finance Framework;
- environmental and social risk management policies and procedures;
- our sustainability commitments;
- the Group's governance policies;
- stakeholder engagement and thought leadership; and
- our responsible operations.

We use our Sustainability Strategy to:

- support our customers, share our knowledge and offer advisory services as well as sustainable financing products and services;
- enhance our existing products and services;
- create new revenue opportunities for our customers;
- fulfil our role in society and set standards for how banks can contribute to a more sustainable world; and
- communicate our policies and goals, and transparently report on our position and progress.

SUSTAINABILITY REPORT

Our commitment to the SDGs

We achieve our sustainability strategy and the Group's vision through our commitment to the SDGs, a universal call to action to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity. Tracking performance against the SDGs aligns our business to a global movement and is an external guide for sustainable development. Ecobank contributes to all the UN SDGs to varying degrees through our commitments to:

Sustainable finance	How we are transforming our business	Our communities	Our people	Good corporate governance

Our primary SDG priorities

Our secondary SDG priorities

The Group is on a multi-year journey of alignment with the SDGs. This means that we look at the Group's core business capabilities to choose the goals to which we can materially contribute.

Our Sustainability and ESG Report provides detail on the Group's priority goals and sub-targets, and our response. Ecobank contributes to all 17 UN SDG goals to varying degrees across our business. However, looking at the strengths of our business and the markets that we operate in, we prioritise two overarching SDG goals: SDG 8 – decent work and economic growth and SDG 13 – climate action, with seven complementary ones: 1, 2, 5, 7, 9, 15 and 17. These are the areas where we feel, through investment, funding and customer support, that we can achieve maximum impact.

In addition to the SDGs, Ecobank subscribes to other global ESG frameworks:

- The UN Environment Programme Finance Initiative (UNEP FI) is a partnership between UNEP and the global financial sector to mobilise private sector finance for sustainable development. Ecobank became a member of UNEP FI in 2009.
- The UN Principles for Responsible Banking (UN PRB) is a framework for a sustainable banking industry developed through an innovative partnership between banks worldwide and the UNEP FI. We became a signatory in 2019.[1]
- The UN Global Compact (UNGC) is a non-binding chief executive officer (CEO) commitment to encourage businesses to adopt sustainable and socially responsible policies, and to report on their implementation. Ecobank signed the UNGC in 2011.[2]
- The Equator Principles are a voluntary set of standards adopted by banks for determining, assessing and managing social and environmental responsibilities in project financing. We adopted the Principles in 2012.

1 Refer to our ESG Report for summary UN PRB index table.
2 Refer to our ESG Report for summary UNGC index table, which serves as our UNGC communication on progress.

Some of our ESG achievements in 2021

ESG/sustainability material themes for 2021

As external factors emerge and change, the key themes that impact Ecobank's sustainability also evolve. For the 2021 financial year, we conducted a high-level materiality process involving global peer benchmarking and internal stakeholder review. The ESG themes identified – that had the most material impact – are addressed in detail our Sustainability and ESG Report.

The themes for 2021 were:

- Managing climate-related risks and opportunities.
- Investing in the communities where we operate to increase financial inclusion and build shared prosperity.
- Providing a competitive employee value proposition, company culture and values.
- Doing business ethically and in compliance with laws and regulations.

The achievements that follow, and the further details in the Sustainability and ESG Report, illustrate Ecobank's comprehensive responses to these material themes in 2021.

The Ecobank Sustainability Bond

In June 2021, we successfully raised $350 million Tier 2 Sustainability Notes – the first-ever tier two sustainability notes by a financial institution in sub-Saharan Africa.

It is also the first to have a Basel III-compliant 10NC5 structure outside of South Africa and is listed on the main market of the London Stock Exchange. The bond, which matures in June 2031, has a call option in June 2026 and was issued with a coupon of 8.75 per cent with interest payable semi-annually in arrears.

The transaction was anchored by Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V., a Dutch development bank, with a committed $50 million order. Investor interest for the issue was global, including from the United Kingdom, the United States of America, Europe, the Middle East, Asia and Africa. The bond achieved a 3.6 times oversubscribed order book of over $1.3 billion at its peak. This reflects the confidence that investors have in Ecobank to deliver on our commitment to sustainable financing.

This is a landmark issue for Ecobank, and testament to our clear strategy, solid positioning across the pan-African banking space and our deliberate and long-term focus on sustainable initiatives.

In 2022, we received the Bonds, Loans & Sukuk Africa Conference award for Best International ESG and Sustainable Finance Deal for the Ecobank Sustainability Bond.

In 2021, we initiated a process to assess all transactions processed by the Group for the year. All eligible transactions are being mapped to the relevant impact reporting metrics. The results will be published in our Allocation and Impact Report in June 2022. For more information, please refer to our website: **www.ecobank.com/group**.

Leading nature-related risk management in Africa

On 14 February 2022, Ecobank declared support for the Taskforce on Nature-related Financial Disclosures (TNFD) Africa and became a member of the African Natural Capital Alliance.

Africa is rich in natural capital and is dependent on it to sustain economic and social growth. Natural capital contributes substantially to African lives and livelihoods through activities ranging from agriculture and forestry, to fishing and mining and is critical to Africa's economic and social growth.

The finance sector has a key role to play in reducing nature loss. By understanding our exposure to nature-related risks, we can begin to shift funding away from nature-negative outcomes and towards nature-positive outcomes and opportunities.

The Taskforce on Nature-related Financial Disclosures (TNFD) provides a framework to manage and disclose nature-related risks and opportunities. The TNFD is expected to become the global industry standard on nature risk management and disclosure, building on the foundation of the Task Force for Climate-Related Financial Disclosures (TCFD).

SUSTAINABILITY REPORT

The African Natural Capital Alliance is a group of financial institutions, policymakers and regulators, members of civil society and other stakeholders that drives advocacy for the TNFD and nature-related risk management in Africa.

We recognise that – as for TCFD – establishing and reporting on climate and natural capital-related disclosures is a journey, which Ecobank is just beginning. However, we are proud to be early adopters in our industry. Ecobank will support the work of the TNFD and intends to adopt its recommendations as part of our broader engagement in the global nature agenda, in conjunction with climate-related priorities.

The Group Chairman's Sustainability Award (GCSA)

Launched in 2018, the Group Chairman's Sustainability Award is part of our commitment to create a better world for the next generation. Championed by our Group Chairman, Mr Alain Nkontchou, the award recognises and honours the Ecobank affiliate that best promotes true environmental and social change through initiatives that also positively impact the Bank's business.

The winners of the third annual GCSA were:

- Ecobank Ghana provided a medium-term loan to Zoomlion Ghana Limited, which is a wholly Ghanaian-owned company that provides integrated waste management solutions from waste collection, through haulage, transfer and sorting to recycling and disposal. The loan enabled Zoomlion Ghana Limited to purchase one million waste bins and supply them to households and businesses around the country in order to reduce littering and promote good health. To date, 44,000 customers have been onboarded, with a transaction value of approximately $870,300. Zoomlion is an Ellevate by Ecobank-funded initiative.
- Ecobank Nigeria's Smallholder Farmers Support Scheme links farmers with companies involved in the production and processing of key agricultural commodities such as maize and rice. The scheme provides loans to farmers to boost agricultural production and employment, providing the farmers with sustainable income and also supporting the drive for food sufficiency. Ecobank Nigeria created over 118,000 accounts for farmers across all 36 states and advanced loans totalling $28.95 million in the first year of the programme.

The runner up was:

- Ecobank Senegal's Power to Gaz is helping to support the diversification of electricity production sources with the goal of electrification for all. It aims to reduce the cost of energy for households and businesses by reducing the cost of producing electricity and improving service quality. It is also developing gas infrastructures and converting production units so that they can be operated using gas. The Bank is lending $30.13 million and opening letters of credit for $23.74 million. It is also dramatically increasing digital transactions through the Ecobank Mobile app for buying electricity.

The winners of the fourth annual GCSA will be announced at the Ecobank AGM on 25 May 2022.

Together for
Better Health

Preventing Non-Communicable Diseases

Ecobank
Day

Together for
Better Health

Ecobank
The Pan African Bank

ecobank.com

PEOPLE REPORT

Powering Execution Momentum with an agile and business-driven people strategy

Our Group Human Resources (HR) function executes an agile and business-driven People Strategy. We do this by consistently providing support and empowering our people to deliver strategic commitments for the Group.

Yves Mayilamene, Group Executive, Human Resources

"Every day, over 13,000 employees step up as Ecobankers to serve millions of customers and communities across the continent and internationally, and they do so with dedication and commitment to our Mission and Vision. Keeping this commitment before and during the pandemic required a continued focus on employee experience and wellbeing, conducive performance culture and seamless business-driven solutions designed to develop, empower, grow and reward our staff operating across our 39 markets."

Our People Strategy has three main pillars that support the Bank's Execution Momentum strategy. Firstly, by deploying key initiatives to attract, develop and retain the right talent. Building on this, we provide the tools and processes to deliver a performance-driven culture and environment and, lastly, we efficiently deploy our people and other resources.

As we executed these initiatives in the unprecedented times of 2021, we continued to focus on employee experience and wellbeing. We strongly believe that the more engaged our staff are, the better experience they will provide to our customers and maximise their impact on growing the overall business. Working together with all leaders across the Group, we prioritised the experience and wellbeing of our people, which resulted in higher employee experience engagement levels in 2021. We always strive to look for opportunities to improve employee engagement and have partnered with the entire Group to ensure that all identified gaps are addressed both throughout the year and in the future.

In 2021, we continued to focus on areas positioned to strengthen the culture of our organisation. Our organisational transformation efforts include long-term initiatives designed to equip the organisation with the right tools and processes to operate efficiently. Furthermore, we align behaviours with performance delivery by ensuring that our leaders, and those they lead, live by our corporate values to drive the proper sustainable culture, conduct and ethics.

As we operate in a fast-changing industry and numerous markets, we strengthen our learning and development initiatives by skilling and reskilling our workforce across the Group. Despite the pandemic, we successfully provided training to all staff across the Group. These business-driven learning interventions directly impact the Bank's bottom line. Through the Ecobank Academy, we are also actively partnering with business functions to train our customers and partners. This multi-focused approach allows us to be an all-around business partner, both within and outside the Group.

Digitalisation from within remains a critical focus for our Group and our investments in technology have enabled our staff to stay connected, serve customers, continue on-the-job learning and collaboration throughout the pandemic. We continue to expand on these efforts by digitalising, automating and centralising most HR processes.

Effective talent management and succession planning remain another critical priority for the Group to ensure business continuity while planning for future success. In 2021, we continued to run leaders-driven succession planning work from our most senior leaders across the Group to those in our affiliates. These focused efforts enable the Bank to assess, grow and appoint leaders from within, improve the number of women in leadership positions and develop new graduates as future leaders of our institution.

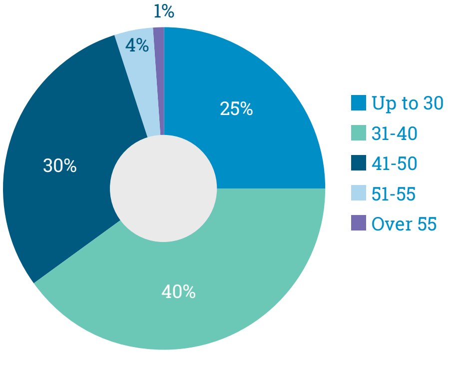
This report provides a detailed progress update on our 2021 initiatives that were and are positioned to enhance the competitive strength and unlock the potential of our workforce.

1.	People/HR Metrics
2.	Drive Employee Experience
3.	Continued Focus on Organisational Transformation Work
4.	Continuous Focus on Learning & Development and Performance Management
5.	Talent Management and Succession Planning for Key Positions

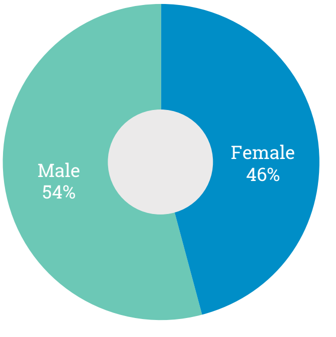
1. People/HR metrics

Region/ Entity	Corporate & Investment Banking	Commercial Banking	Consumer Banking	Operations	Technology	Client engagement	Others enabling functions	Total
CESA	199	227	283	1,264	71	275	502	2,821
NIGERIA	167	702	444	2,405	98	186	325	4,327
UEMOA	209	279	339	1,389	55	198	441	2,910
AWA	145	226	253	1,030	48	271	281	2,254
International	34	0	0	19	9	0	42	104
EDC Group	85	0	0	7	2	0	19	113
eProcess	0	0	0	8	486	0	10	504
ETI Holdco	15	7	13	10	0	0	89	134
Total	**854**	**1,441**	**1,332**	**6,132**	**769**	**930**	**1,709**	**13,167**

Ageing profile



Gender



PEOPLE REPORT

2. Drive employee experience

Employee experience is one of the key focus areas for our Group. It received accelerated priority as we went through the pandemic, as we needed to address the safety and wellbeing of our people. We believe that having engaged staff increases productivity and positively impacts our business. Therefore, every year we run an employee experience survey to measure and manage employees' perspectives on the crucial elements of our purpose, culture, career and performance areas.

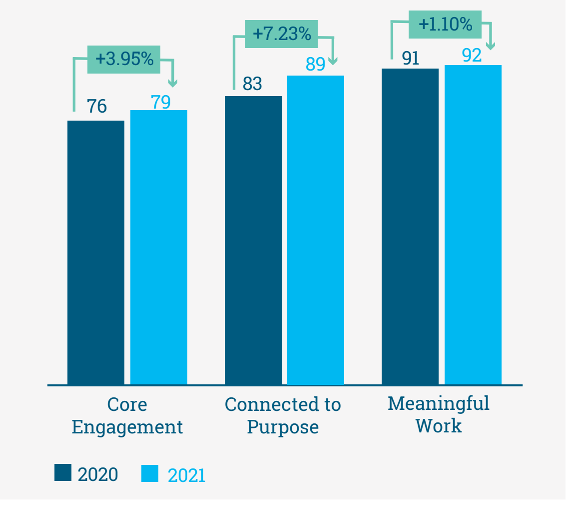
Following the 2021 survey, the results were discussed and shared at Board, Group, regional and affiliate/entity levels. Once the results were released, each affiliate hosted virtual focus groups where action plans were developed to implement what we need to continue, stop or start doing.

Highlights of the 2021 employee experience

- **Increased Participation**

Eight thousand three hundred eighty-six (8,386) employees participated in the 2021 employee experience exercise across the entire Group. Over the last three years, we have seen an increase in the staff participation rate, with 63 per cent, 71 per cent and 77 per cent participation rates in 2019, 2020 and 2021.

- **Increased Engagement**



The core engagement has increased to 79 per cent, while the workforce connection to purpose has risen to 89 per cent and meaningful work to 92 per cent. While these are encouraging results and much higher than the market benchmark, we continually seek to improve on these and other dimensions, e.g. career opportunities and rewards. We believe that a better workplace experience translates to a superior experience for our customers.

- **Focus on Continuous Improvement**

Despite the improvement in engagement scores, we believe in continuous improvement by seeking solutions to address pain points and recognising where we are doing very well. Therefore, as we have done in the past following annual survey results, we conducted in-country virtual working groups to determine the critical actions required to improve the employee experience across the Group. The Executive Committee, Managing Directors of each affiliate and their executive teams, champion the execution of these actions.

3. Continued focus on organisational transformation work

Working closely with the leadership team and other stakeholders, we prioritise our organisational transformation imperatives. These include solutions to address just-in-time challenges (such as the impact of the pandemic on our workforce), improving the culture and ensuring that the processes within our organisation produce significant expected performance. For example, in 2021, we delivered the following initiatives:

a. Digitalisation and Centralisation of HR Processes

Aligned with our focus to digitise all our internal processes, in 2021, we launched our new Group-wide HR system (internally known MY-HR). Since the system launch, we have been rolling out new modules in a phased approach.

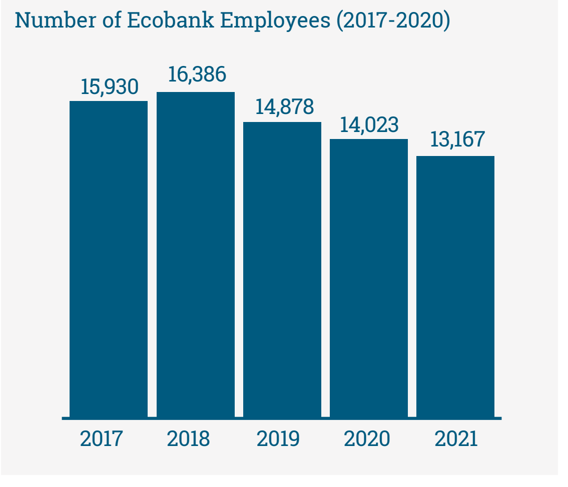
This cloud-based solution – accessible on computers, mobile and tablets – automates many of our HR processes with enhanced self-service features. In addition, migrating to the new system means that our organisation will benefit from the latest technology with new functionalities, more accurate reporting and increased efficiency, thereby improving our productivity.

This automated self-service solution gives staff and line managers digitised access to a wide range of core HR processes, from benefits, absence from work, performance, career management and learning.

In line with our objective to drive efficiency, we centralised 70 per cent of HR processes through the HR Centre of Excellence that supports all our affiliates.

Managed by Group Human Resources Team, this HR Centre of Excellence supports all our affiliates in critical areas, including performance management, learning and development, talent management, resourcing, compensation and benefits.

b. Efficiency and Productivity



To drive efficiency and productivity, we focus on areas where we can minimise costs while improving the quality of our solutions. Aligned with our digital strategy, we continue to refit and optimise our organisation, and through concentrated efforts in the past five years (2017-2021), we reduced our workforce from 15,930 to 13,167.

Furthermore, we continue to improve our front/back-office ratio, which stands at 44 per cent front and 56 per cent back office. We also saw improvement in one of our most significant affiliates, Ecobank Nigeria, where we have reached a 50 per cent/50 per cent balance between the front and back offices.

c. Embedding the Code of Conduct

Following the launch of the new Ecobank Group Code of Conduct, together with the Culture, Conduct and Ethics programme and Compliance Teams, we developed our Code of Conduct training programmes. These courses help all staff embed the code of conduct behaviours into their day-to-day work. We subsequently deployed digital signing of the Code of Conduct for all staff.

d. Mobilising All Leaders to Support Culture Transformation

In 2021, we continued to run virtual leadership forums targeting 1,400 leaders from across the Group. Led by affiliate Managing Directors, these forums were designed to equip affiliate managers and supervisors with insights, awareness and skills in several areas, including business landscape, operating model, our purpose, corporate values and leadership development at the Bank.

e. The Wellbeing of Our Workforce Through the Pandemic

With the pandemic still very present in all our markets, we remain vigilant. We work closely with our local leadership teams to ensure the safety of our people. In addition, we have deployed the relevant technology to ensure that our staff, wherever they work from, have the tools and access to the platforms they need to do their jobs.

We continue to distribute 'how-to' messages and reminders to our staff about what they need to do to ensure that they protect themselves, their colleagues, their families and our customers. We are also constantly looking for vaccine accessibility and encouraging our staff to take them while respecting countries' directives.

Furthermore, we are working with the COVID-19 committee and Group Executive Team in assessing when it is appropriate to have staff across the Group physically back at the office. The implementation of this exercise will adhere to the local laws and health recommendations in each country of operation.

f. Mental Health

As part of the Group commitment to highlighting the importance of mental health, we continue to promote our staff's mental wellbeing through targeted communications and in-country interventions. For example, on Friday, 22 October, we mobilised all Ecobankers to participate in our annual Ecobank Day event with this year's theme being 'Mental Health – Time to Talk and Act!'. These efforts will continue, and we plan to make available to Ecobankers more tools and support to enhance their mental wellbeing.

4. Continuous focus learning & development and performance management

Developing Capabilities of 100 per cent of the Workforce Virtually

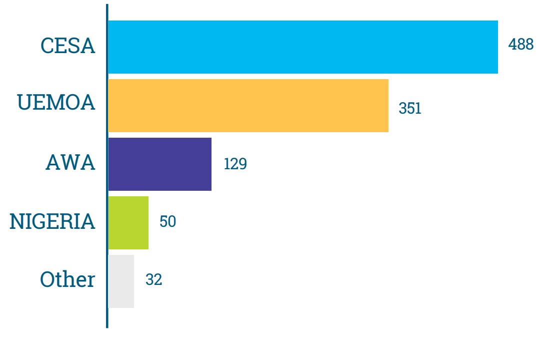
Through our focus on Learning and Development, we continue to design and deliver strategy and business-driven programmes across the network. The deployment of these business-driven learning solutions continues to be one of our key competitive advantages, as they are designed to meet today's and tomorrow's business needs. The Bank continues to invest in developing its talent and, in 2021, more than $8.5 million was budgeted for internal training initiatives.

We also continue to successfully run 100 per cent of our solutions virtually through virtual instructor-led and digital learning platforms. In 2021, we delivered over 1,000 training programmes, reaching all staff across the Group.

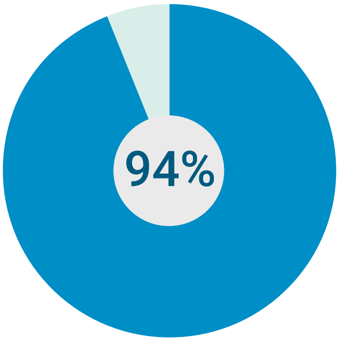
We are pleased to report that despite the virtual delivery of these programmes, the overall quality of the programmes remains at the same level as they were before the pandemic.

PEOPLE REPORT

Number of training programmes delivered in 2021



Overall quality of programmes delivered



The programmes delivered included Risk Management, Leadership Development, Customer Experience, AML/KYC, Branch Management, Digital Products and Services, Talent Conversation, Information Security, Digital Banking, Digital Operations, Core Trade, Cash Management, Products, Services and LIBOR transition.

Continued Focus on Customer Experience (CX) Academy

Initiatives	Details	2021 Achievements
CX Academy	We are implementing the Ecobank Customer Experience (CX) Academy initiatives with the overall objective being to develop core capabilities to enhance Customer Experience across the Group	• Finalised the CX competency framework • Finalised the CX programme catalogue • Delivered best practise CX sessions for senior leaders (Business Leaders Conference) • Continued the delivery of CX awareness training sessions
CX 360 Platform	Introduced a platform to assess core CX capabilities and identify areas of development to close the identified CX gaps	• Developed CX 360 assessment to be rolled out in 2022

Investing in leadership capabilities

We believe in the strategic importance of developing our leaders. Through our Ecobank leadership philosophy and approach, we defined what is expected from all leaders across all levels. We continued to expand on this work during the pandemic by developing over 1,400. In times like now, leadership development is a differentiating factor in what gets done and how, both when leading teams in person or virtually – the latter has been the case for much of the last two years.

> "76% of staff strongly appreciate the quality of Ecobank's leadership."
>
> **(Source: Ecobank Employee Experience Survey)**

Developing Bank's Clients and Partners:

We provide learning and development training capabilities to other companies and businesses outside Ecobank through the Ecobank Academy. An example of this is our partnership with the Commercial Banking team, where we work together to provide training to micro-, small- and medium-sized enterprises (MSMEs) across the continent. Since the successful launch of the MSME Academy in 2020, we have reached over three million people across the continent.

In 2021, we launched the flagship MSME Training for Financing programme in eight countries, designed to equip African MSMEs with the skills and capabilities to manage, grow and expand their businesses. The programme comprises four-course modules: Risk Management; Business Sustainability and Bankability; Adapting Operations; and Business Compliance and Leadership.

MSME training for financing by the numbers

6 Weeks of delivery	8 Countries reached	100 Internal faculty	120 Sessions delivered

Strengthening Performance Management

Following the launch of our new HR system in 2021, we now successfully run the entire end-to-end process online, including the cascading of 'goals' from the Group Executive Committee to all staff across the Group, running periodic and mid-year reviews and the end-of-year performance review.

As part of our commitment to a values-driven performance culture, we have completed the design of the behavioural assessment platform, which we will be incorporating as an integral part of the main performance management process in 2022.

We believe that integrating values into our performance management is one of the building blocks that will strengthen our corporate culture. It will give our staff focus and a greater sense of purpose and engagement, reinforce the Group's strategic goals and feed into everyday decisions. Equally important, our values-based performance approach will give a consistent reference point to all staff, even during times of change.

5. Talent management and succession planning for key positions

> Ecobank's Talent Strategy sets out to attract, develop and retain the workforce to deliver sustained business results, while reskilling for the future of work and promoting gender parity.

PEOPLE REPORT

Strategy-driven succession planning

Based on a continuous assessment-driven talent review process, our succession planning is designed to identify successors, high-potential or promotable talent and match critical roles that deliver our business goals with our key talent.

At the senior levels of our organisation, we conduct structured succession planning multiple times every year to mirror just-in-time and future business talent needs. For all affiliates, the succession process takes place every year. The succession planning of all senior and critical roles is discussed at Board level.

In 2021, we added strengths into our talent assessment toolkit. We believe strengths, performance and potential enable us to identify those with high potential and have a structured roadmap for their development to fill current and future roles successfully.

- Prepare talent to move horiontally or vertically across the Group

- Assess talent pool through Group-wide annual talent review
- Determine core capabilities to achieve strategic goals and succession readiness for key roles
- Review talent with Management and Board

- Develop identified talent via formal learning (Apire), Coaching (Strive) and on-the-job learning (Archive)

Targeted development of our talent

We have commenced talent interventions for identified successors following last year's regional talent review process. Part of the targeted interventions includes on-the-job coaching, training and certifications.

We provide rigorous and structured development programmes reinforced through training, on-the-job experience, coaching and mentoring programmes through our Ecobank Academy's Aspire, Strive and Achieve development approach.

Women's development

To build on our ongoing initiatives for women's development, we launched the Ecobank Women Mentoring Programme on 25 March 2021. This initiative aims to equip staff with practical mentoring tools for career development. Together with other ongoing women's development initiatives, the mentoring programme will strengthen succession planning and ensure that we gradually and steadily develop women to advance to more senior positions.

Developing the next generation of Ecobank leaders

As part of our strategic objectives to build the next generation of Ecobank leaders, we continue to expand our Management and Graduate Development programmes. After completing these intensive programmes of two years and one year, respectively, candidates are then placed in positions aligned with their skills, experience and strengths.

In 2021, we continued delivering these programmes in the Nigeria and the Anglophone West Africa (AWA) regions. We also launched the same programme in the Francophone West Africa region (UEMOA).

Conclusion and looking ahead

2021 was another unprecedented year dominated by the COVID-19 pandemic. Despite challenges posed by the pandemic, we are pleased to see material improvement across all the key dimensions of our People Strategy. These included improvements to employee engagement, learning and development that deliver business results, focus on organisational transformation, automation of HR processes, improvement of performance management tools and strengthening our succession planning processes. All these and more are delivered while maintaining great focus on our people's safety and wellbeing throughout the pandemic. Executing our People Strategy relies on constant collaboration between our teams and business.

To support the achievement of the Group's Execution Momentum strategy, our priorities in 2022 will include:

1. continuing employee experience initiatives;
2. implementing integrated performance management to drive the right behaviours and sustained business outcomes;
3. expanding organisational effectiveness for strategy execution;
4. roll-out of our Reward strategy across the group by reviewing and evaluating all jobs, and reviewing Compensation structures in all affiliates;
5. ensuring long-term business continuity through talent management and succession planning; and
6. continuing the development of our people for current and future capabilities.

RISK MANAGEMENT

THE AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA) SINGLE MARKET

AfCFTA's turbocharging of intra-African trade and investment creates significant opportunities for Ecobank.

Ecobank is leveraging on its comparative advantages – geographic footprint, technology, digital platforms, experience, customers and strategic partnerships – to remain in the vanguard of payments, remittances, trade finance and financial inclusion. Our digital ecosystem delivers scalability and low cost-to-serve, positioning us to take full advantage of the immense opportunities created by the AfCFTA's single market as enablers of trade and payments across Africa.

RISK
MANAGEMENT

4

1. Risk management framework

Risk is inherent within our business activities. Accordingly, our risk management framework and governance structure are designed to achieve an acceptable 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.

- **Risk Measurement:** The Group uses a variety of techniques to measure risk. These include expected and unexpected loss calculation, risk rating, stress testing and benchmarking.
- **Risk Mitigation:** The Group has specific measures to minimise or eliminate unacceptable risks. These include managed distribution across affiliates or other financial institutions, covenants (positive, negative and financial), insurance and collateralisation.
- **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 covers the central risk areas: credit risk (including counterparty risk), market risk, liquidity risk, operational risk and country risk. Risk management 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.
- **Risk Reporting:** The Group allocates considerable resources to achieving continuous compliance with the approved risk limits. It has set guidelines for reporting to relevant management bodies, including the Group Executive Committee and the Board of Directors. Significant changes in the credit portfolio, non-performing loans and other risk measures are reported on a daily, weekly and monthly basis.

2. Risk governance and organisation

The Board articulates the level of risk that Ecobank is willing to accept in the normal course of business ('risk appetite') and thus sets the overall risk profile for the Group. It supervises risk management through the Finance, Risk and Credit Committee and the The Audit, Internal Control and Compliance Committee of the Board.

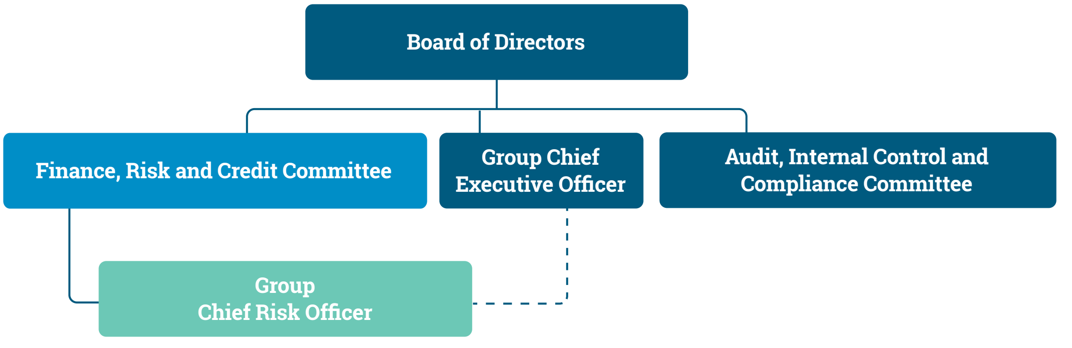
The Finance, Risk and Credit Committee proposes risk policies and the overall approach to risk management and monitors the adequacy of controls, compliance with risk policies and the Group's risk profile. The Finance, Risk and Credit Committee is composed of not less than three non-executive directors. The Group Chief Risk Officer and other senior representatives from the risk management organisation attend the Risk Committee meetings.

The Audit, Internal Control and Compliance Committee ensures that the financial activities of the business units are subject to independent review and external audit.

The Group Chief Risk Officer is Ecobank's most senior risk management officer, responsible for all risk activities, and:

- develops the risk management strategy, principles, framework and policies;
- implements appropriate risk management processes, methodologies and tools;
- advises and instructs 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 Finance, Risk and Credit Committee and the Board.

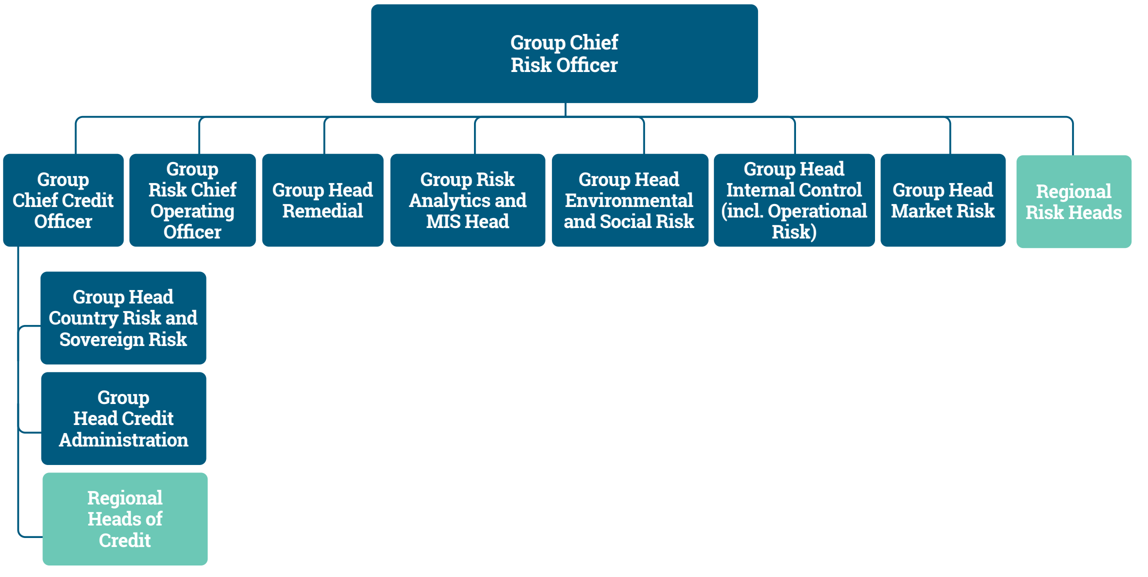
Risk Management Governance Structure



The Group Chief Risk Officer reports functionally to the Board's Finance, Risk and Credit Committee and administratively to the Group Chief Executive Officer. The Group Chief Risk Officer supervises the Group Credit Risk department (comprising the Chief Credit Officer, Regional Credit Heads, the Group Credit Administration unit, the Country and Sovereign risk unit, and the Remedial Management unit), the Risk Analytics and Management Information System ('MIS') unit, the Internal Control department (which includes the Operational Risk Management unit), the Market Risk Management unit, the Environmental and Sustainability unit and Regional Risk Heads.

In each subsidiary bank, the Risk Management department is completely independent from all the operating and risk-taking units. It is led by a Country Risk Manager, who reports administratively to a Country Business Head and functionally to the Regional Risk Head. Regional Risk Heads report administratively to their respective Regional Business Head and functionally to the Group Chief Risk Officer.

Organogram of Group Risk Management



3. Major risk types

The Group is exposed to the following main categories of risk:

Credit risk, the risk of loss arising from the default or the credit risk migration of a customer or counterparty. It can arise because the counterparty is unwilling to make payment and/or because their ability to do so has been impaired. Direct credit risk arises in connection with credit facilities, such as loans and advances, whilst indirect or contingent credit risk stems from contractual obligations to clients resulting from the issue of letters of credit and guarantees. Credit risk also exists when the Group and its client have mutual obligations to exchange or deliver financial instruments at a future date. The language of credit risk at Ecobank includes the following:

- **Country risk,** the risk that an event in a country (precipitated by developments within or external to a country) will impair the value of Ecobank assets or will adversely affect the ability of obligors within that country to honour their obligations to Ecobank. Country risk events may include political events, policy actions that result in nationalisation, expropriation and other business regulatory risks, sovereign defaults, banking crises, currency crises and the imposition of foreign exchange and capital controls that would impede the ability to convert local currency to foreign currency and/or transfer funds cross-border, giving rise to transfer and convertibility risk.
- **Contagion risk,** the risk that developments in one country lead to a rating downgrade or adverse credit conditions not only for that country but also for other countries where the Group has interests.
- **Pre-settlement risk,** the risk of default before settlement, arising when a counterparty defaults before the contract matures and the Group suffers a financial loss in the process of replacing the unexecuted contract. Settlement risk becomes direct credit risk at the time of default.

Market risk, the risk of loss arising from adverse changes in market conditions during the period required to close out the Group's on- and off-balance sheet positions. The key categories of market risk are as follows:

- **Trading risk,** generally related to market making activities where the Group acts as a principal. It arises from open positions in interest rate and foreign currency positions and is generally affected by changes in the level and volatility of yields and exchange rates. It does not include discretionary positions that the Group undertakes for liquidity or capital hedging purposes.
- **Foreign exchange risk,** the risk to earnings and capital arising from fluctuations in currency exchange rates. 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 different currencies. The Group is also exposed to foreign exchange risk arising from translation of carrying values and income streams from local currencies to the US dollar, Ecobank's reporting currency.
- **Interest rate risk,** the exposure of 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, due to differences in the timing of instruments' repricing.
  - Yield curve risk, due to mismatched maturities of instruments.
  - Basis risk, due to differences in the reference rates used for instruments.
  - Options risk, due to embedded options (for example, loan prepayment provisions) which can change the economic value of assets and liabilities.

Liquidity risk, the risk that depositors' and lenders' demands outstrip the Group's ability to realise cash from its assets. Interest rate risk and liquidity risk are interconnected in the management of assets and liabilities. There are two types of liquidity risk:

- **Funding liquidity risk,** the risk that funds will not be available when needed to meet our financial commitments.
- **Trading liquidity risk,** the risk that assets cannot be liquidated at reasonable market prices. This can happen when market liquidity disappears, making it difficult or costly to close or modify positions without incurring losses.

Market risk also includes **equity price risk,** the risk of loss from share price movements, and **commodity price risk,** the risk of loss from commodity price fluctuations.

Operational risk, 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 occurs in a variety of ways, including internal fraud, external fraud, transaction processing errors, business interruptions and disputes with employees, clients and vendors. Operational risk includes legal risk, the risk of loss due to failure to comply with laws, ethical standards and contractual obligations, and compliance risk, the risk of loss (from sanctions, penalties, damages, or voiding of contracts) due to violation of rules and regulations in force in countries where the Group operates. A specific form of compliance risk is disclosure risk which is due to reporting of incomplete or false information, or not meeting accounting and reporting requirements of regulatory, supervisory or fiscal authorities. Compliance risk is heightened when applicable rules or regulations are ambiguous.

Operational risk events give rise to reputational risk for the Group.

Reputational risk, the risk to earnings and capital arising from an adverse perception of the Ecobank brand amongst current and potential stakeholders, such as clients, trading counterparties, employees, suppliers, regulators, governmental bodies and investors. The perceptions of stakeholders, such as the media, non-governmental organisations (NGOs), trade unions, competitors and the general public, can influence the bank's ability to maintain existing relationships, generate new business or maintain access to sources of funding.

Strategic risk, the risk that our strategy may fail, causing damage to the Group's ability to generate or retain business. Strategic risk arises when the Group launches a new product or service, or when it implements a new strategy. In making strategic decisions, the Group carefully assesses the impact of external factors and the feedback from customers, shareholders and regulators.

Environmental and social risk, where environmental risk is the risk of pollution or destruction of the natural environment (land, water, air, natural habitats, and animal and plant species) through accidental or deliberate actions, and social risk is the risk of a customer not meeting acceptable standards related to employment, working conditions and business ethics.

4. Risk management approach

4.1 Credit Risk

Credit governance and approval

The credit risk governance structure has clearly defined responsibilities and credit approval authority levels. The Board is the highest credit approval authority in Ecobank. It sets credit policies and ensures that all officers involved in extending credit across the Group strictly adhere to these policies. Although credit approval limits are delegated to individual credit officers, no credit officer approves credits alone. All extensions of credit are approved by a minimum of three credit officers (one of whom must be from Risk Management) who have individual authority levels equal to, or greater than, the amount of credit under consideration.

Through its Finance, Risk and Credit Committee, the Board has delegated its authority to senior executives, including the Group Chief Risk Officer and the Group Chief Executive Officer, to review and approve all credits, including those in excess of the policy limit. The policy limit is defined as the maximum credit exposure to any borrower or group of related borrowers; it is currently set at 7.5 per cent of Ecobank's consolidated shareholders' funds.

Whilst the primary responsibility for managing credit risk resides with the first line of defence, the Group Chief Risk Officer is responsible for ensuring that there are resources, expertise and controls in place for the efficient and effective management of credit risk across the Group. 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.

The credit approval process is fully independent of the businesses.

For credits to governments, financial institutions and corporations:

- Subsidiary banks initiate and approve credit applications (CAs) within their delegated limits. Country approvals are provided by Country Credit Committees and ultimately by the respective country Board Credit Committees.
- After such approval, and depending on delegated amounts, some of the CAs must be sent to the relevant Industry, Product and Country Risk Specialists for their 'no objection', as appropriate.
- Where credits exceed the approval limit of the subsidiary, they are referred to relevant Credit Officers or Senior Credit Officers in line with the bank's approval authority matrix for their 'no objection'.
- On receipt of the 'no objection' and other required approvals, depending on the facility limits and nature of the transaction, the initiating subsidiary submits the request to the local board for approval for transactions that are above their Country Credit Committee-approved limits.

For credits to individuals, SMEs and some local corporations:

- Credit transactions are approved under the terms and conditions of credit programmes previously approved by Group Risk Management.
- Group Credit reviews credits above local limits for consistency with Group policies and procedures and provides its 'no objection'.
- On receipt of 'no objection' from Group Credit, the initiating subsidiary submits credits above local Country Credit Committee limits to the local board for approval.

Credit risk measurement

The Group estimates probable economic losses in the event of default. This represents the losses that the Group would face from the time of default until the end of the recovery process. Credit losses include all provisions taken against bad debts, write-offs, fully reserved interest earned not collected and possibly legal fees incurred in the process of enforcing the Group's claims in court.

Credit risk measurement relies on three key metrics: risk exposure at default ('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'). The Group proceeds by assigning risk ratings to every credit facility in the credit portfolio. The amount of credit exposure is multiplied by loss norms (which correspond to the facility risk ratings) to arrive at measures of expected loss.

Risk ratings provide an objective means to compare obligors and facilities and to measure and manage credit risk across geographies, industry sectors and other relevant risk factors. Accordingly, the level of credit authority required to approve any credit transaction is based on the risk rating of obligors, amount of total facilities requested and tenor.

Credit decisions are based on an in-depth review of obligor creditworthiness and an ability to generate cash flows to meet operational needs and debt service obligations. The Group utilises an internal risk rating scale of 1 to 10 to rate commercial and industrial obligors, financial institutions, sovereign governments and SMEs. A rating of 1 is assigned to obligors of the highest quality, comparable to an AAA rating by Standard & Poor's. A rating of 10 is assigned to obligors of lowest quality or highest risk, equivalent to a D rating by Standard & Poor's. Obligors rated 1 to 6 are classified as 'normal borrowers'; those risk-rated 7 are classified as 'borrowers requiring caution', those risk-rated 8 and 9 are 'substandard borrowers', and those risk-rated 10 are 'borrowers at risk of permanent default'.

Risk ratings are assigned to both obligors and individual facilities. An obligor risk rating is defined as the risk of default on long-term unsecured debt in local currency over a 12-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 rating 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 obligor risk-rating process is carried out through automated decision-making tools. A facility risk rating is usually equivalent to the obligor risk rating but may differ due to factors such as facility structure or collateral.

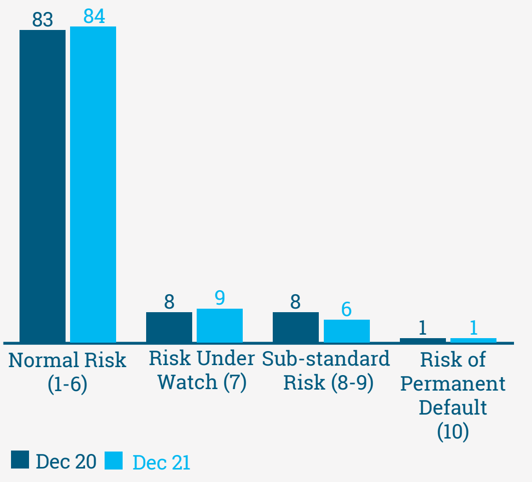
With regard to consumer lending, the Group utilises a credit programme approach, whereby credit is extended on the basis of product-specific risk parameters, using scoring systems. The products involved are secured and of a self-liquidating nature.

Group Risk Management also uses statistical models to determine the level of unexpected loss. The Risk Analytics and MIS unit use unexpected loss measures to monitor that the Group is not exposed to excessive concentrations of credit risk on any one obligor, asset class, industry sector or geography.

As of 31 December 2021, 84 per cent of the credit portfolio was categorised as 'normal credit risk', compared to 83 per cent as of 31 December 2020. This positive migration is largely driven by new onboarded counterparties with strong credit quality, which are mostly in the 'normal risk' category.

Overall, the portfolio risk rating improved year on year (2021 vs. 2020), as evidenced by the increase of the 'normal risk' category, and the decrease in the 'sub-standard risk' category.

Portfolio breakdown by risk category
per cent of total portfolio



Credit risk monitoring and control

Credit risk exposures of subsidiaries are monitored at both subsidiary and Group level. At subsidiary level, credit administration units monitor the performance of individual exposures daily, ensure regularity of credit approvals and line utilisations, authorise disbursements of credit facilities when approval conditions are met and perform periodic 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 Risk Analytics and MIS unit monitors risks taken by subsidiaries on individual obligors and economic groupings through a review of monthly reports submitted by the country risk management units of the 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 enables the Group to monitor the risk profile in terms of obligors, industry sectors, geography, currencies and asset maturity at a country and Group level.

Credit portfolio overview

The credit portfolio, net of provisions, amounted to $29.5 billion as of 31 December 2021; a 10 per cent increase from the $26.8 billion recorded a year earlier. This was primarily driven by our contingent exposure and our debt securities, which increased by $0.7 billion and $0.5 billion, respectively, during the year.

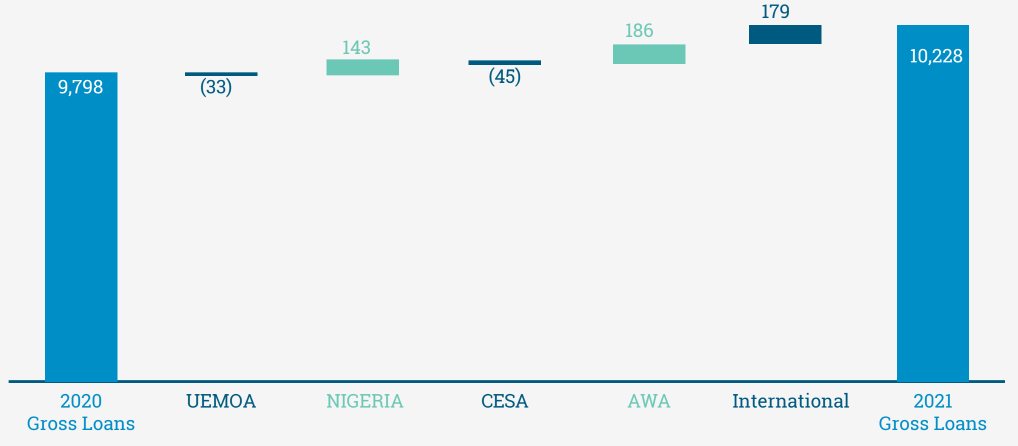
The portfolio consisted of loans and advances to customers ($9.6 billion), treasury bills ($2.1 billion), debt securities ($6.6 billion), loans, advances and placements with banks and financial institutions ($2.3 billion), deposits with central banks ($4.2 billion), and off-balance sheet exposures ($4.7 billion) in the form of financial and performance guarantees, as shown in the table below.

Risk assets (US$ millions)	2021	2020
Loans and advances to customers	9,576	9,240
Treasury bills	2,087	1,731
Debt securities (incl. government bonds)	6,560	6,074
Loans and advances to banks and financial institutions	2,289	2,011
Deposits with central banks	4,209	3,753
Sub-total direct exposures	**24,722**	**22,809**
Import letters of credit	1,977	1,257
Other guarantees and undertakings	2,753	2,743
Sub-total contingent exposures	**4,730**	**4,000**
Total portfolio	**29,452**	**26,809**

Gross loans and advances

From December 2020 to December 2021, gross loans and advances to customers increased to $10.23 billion, from $9.80 billion the previous year. During 2021, gross loans increased in AWA (+$186 million), International (+$179 million) and Nigeria (+$143 million), while our exposure reduced in CESA (-$45 million) and UEMOA (-$33 million).

Geographical contribution to the decrease in loans to customers (US$ millions)



As of 31 December 2021, the Corporate and Investment Banking segment represented 73 per cent (December 2020: 71 per cent) of total gross loans and advances to customers, the Consumer Banking had 11 per cent (December 2020: 12 per cent) and the Commercial Banking accounted for 15 per cent (December 2020: 17 per cent). At the product level, loan expansion was driven by term loans, which represented 88 per cent of total loans (2020: 87 per cent).

Gross loans by business segment ($ million)

Gross loans by product concentration

Asset quality

Non-performing loans ('NPLs') decreased by 15 per cent from $749 million in December 2020 to $639 million in December 2021. At the regional level, Nigeria recorded the highest level of NPLs, accounting for 67 per cent (66 per cent in December 2020) of total NPLs, followed by UEMOA and CESA which accounted for 17 per cent (17 per cent in December 2020) and 9 per cent (18 per cent in December 2020) of total NPLs, respectively.

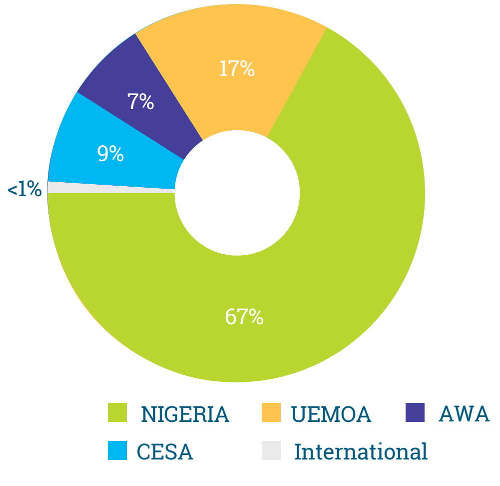
As a result of the 15 per cent decrease in non-performing loans, the ratio of non-performing loans to gross loans and advances ('NPL ratio') decreased from 7.6 per cent as of December 2020, to 6.2 per cent as of December 2021.

The non-performing loans book remained concentrated within Corporate and Investment Banking (58 per cent; 40 per cent in December 2020) and Commercial Banking (31 per cent; 49 per cent in December 2020).

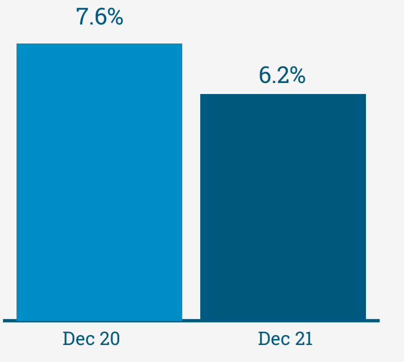
The total NPL provisioning rate ('Total NPL coverage') improved from 75 per cent in 2020 to 102 per cent in 2021, and the Stage 3 coverage ratio also increased from 50 per cent to 67 per cent.

The total impairment charges on loans and advances to customers for the year amounted to $170 million, lower than recorded in 2020 ($181 million). Defined as the ratio of impairment charges to average gross loans and advances, the cost-of-risk therefore improved from 1.9 per cent in 2020 to 1.7 per cent in 2021.

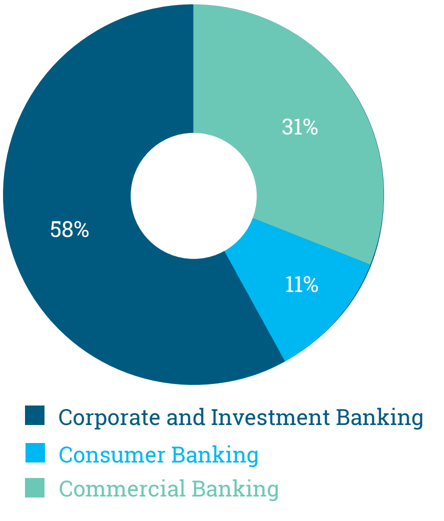
Non-performing loans by region



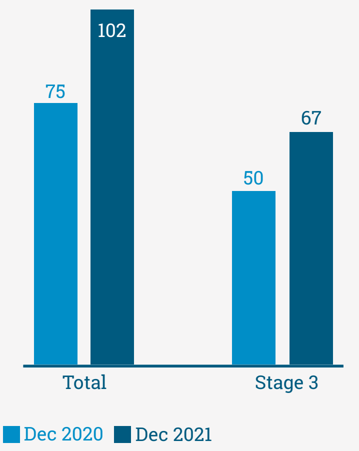
NPL ratio trend (per cent)



Non-performing loans by business segment



NPL coverage ratio (per cent)



Credit concentration risk management

Risk concentration limits are in place to ensure compliance with the Group's risk appetite. These limits are regularly reviewed by the Finance, Risk and Credit Committee to consider changes in our operating environment or within our business segments. The Group has a framework for setting concentration limits.

Concentration risk is managed by addressing credit quality and portfolio diversification. With respect to credit quality, the probability of default by risk factor (for example, geography, sector or product) is the main driver for limit setting because it is the main indication of portfolio quality. With regard to portfolio diversification, concentration risk is measured by the level of statistically unexpected loss associated with each risk factor. The unexpected loss measure allows Group Risk Management to identify and cap concentration risks, which may not be picked up in measures like expected loss and regulatory risk-weighted assets.

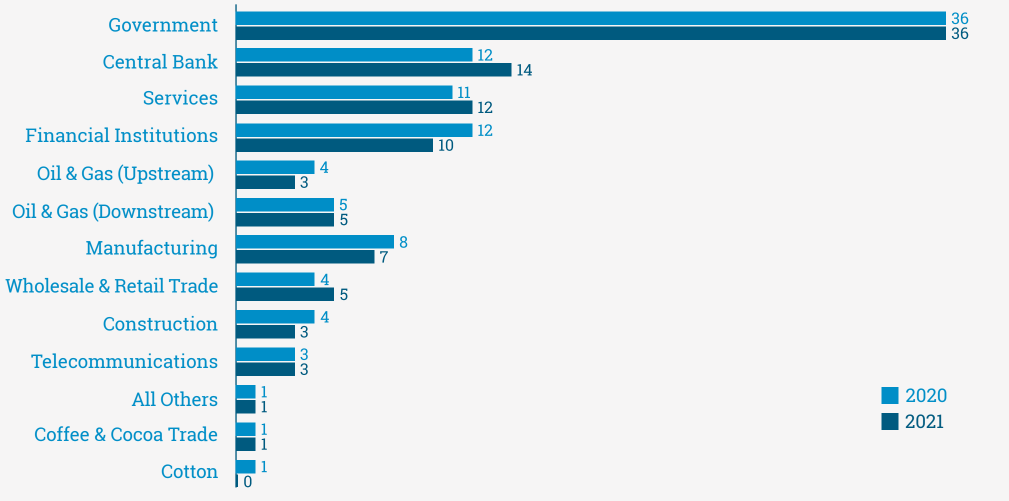
Obligor concentration

A large exposure is defined as any single exposure that represents at least 10 per cent of the total credit portfolio, or any obligor or borrower, whose total exposure across the Group represents at least 10 per cent of the Group's capital. As of 31 December 2021, there was no exposure equal to or greater than 10 per cent of total portfolio. However, two non-bank obligors had an individual outstanding balance in excess of 10 per cent of the Group's capital.

Industry diversification

The credit portfolio was dominated by the government, central bank and services sectors. The government and central bank sectors are mainly comprised of Treasury bills and government bonds held for liquidity management purposes.

Diversification by industry - per cent of total portfolio



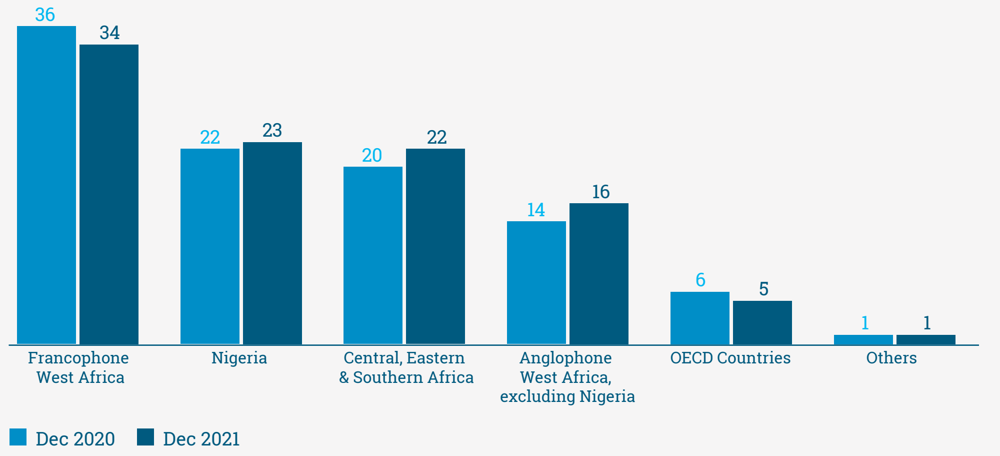
Geographic diversification

The Group benefits substantially from the geographic diversification of its credit portfolio, as it owns banking operations in 33 African countries and a banking subsidiary in France. The Group has also representative offices in London, Dubai and Beijing.

As of 31 December 2021, the breakdown of the Group credit portfolio was as follows: Francophone West Africa 34 per cent, Nigeria 23 per cent, Central, Eastern & Southern Africa (CESA) 22 per cent, Anglophone West Africa, excluding Nigeria, 16 per cent and OECD Countries 5 per cent.

At the country level, 23 per cent of the Group credit portfolio was granted to obligors in Nigeria (December 2020: 22 per cent), 12 per cent to obligors in Côte d'Ivoire (December 2020: 13 per cent) and 11 per cent to obligors in Ghana (December 2020: 10 per cent). Apart from these, no other country represented more than 10 per cent of the portfolio.

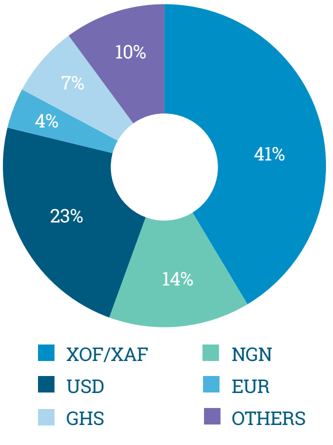
Exposures by region of residence - per cent of total portfolio



Currency breakdown

The portfolio remained predominantly denominated in three major currencies, namely the CFA franc (41 per cent), the US dollar (23 per cent) and the Nigerian naira (14 per cent). These three currencies accounted for 79 per cent of the credit portfolio.

Credit portfolio per currency



Portfolio stress testing

Stress tests are an important means of analysing our risk profile since they give management a better understanding of how the Group is affected by macroeconomic changes and negative events. The tests support compliance with regulatory capital requirements and are an important tool in capital planning.

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 erosion of capital. The models also subject collateral values to stress.

4.2 Market Risk

Market risk governance

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

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 risks. Its members are the Group Chief Executive Officer, the Group Chief Financial Officer, the Group Chief Risk Officer, the Group Executive Consumer Banking, the Group Executive Commercial Banking, the Group Executive Corporate and Investment Banking, the Group Executive Operations and Technology, the Group Treasurer, all Regional Executives, the Group Head of Compliance and the Head of Group Asset and Liability Management (ALM). The committee meets quarterly (although more frequent or ad hoc meetings may be constituted) 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 level, the responsibility of asset and liability management lies with the Treasury Department. Specifically, the ALM desk of the Treasury Department manages the balance sheet. The results of balance sheet analysis, along with appropriate recommendations, are reviewed in monthly Asset and Liability Committee (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.

Market risk organisation

Group Market Risk Management oversees market risks related to all assets, liabilities and off-balance sheet items. The Board Finance, Risk and Credit 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 Head of Group Market Risk (HGMR) plays a coordination, aggregation, facilitation and enabling function. The HGMR drafts market risk policies, defines market risk management standards, develops and distributes tools and techniques and is responsible for training across the Group. The HGMR approves price risk limits and liquidity contingency plans for Ecobank's subsidiaries. In addition, the HGMR constantly monitors that market risk exposures are maintained at prudential levels. The HGMR also ensures that market risk management processes (including people, systems, operations, limits and controls) satisfy Group policies. The operational business units are responsible for the day-to-day management and control of market risk.

Market risk measurement

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 intra-day 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.

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.

ALCOs, 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, daily. They also track liquidity indicators to ensure that Ecobank's subsidiaries always meet their financial obligations.

Banking book risk management

Ecobank's traditional banking loan and deposit products are non-trading positions and are generally reported at amortised cost. However, given that the Group has banking operations in 33 African countries and a banking subsidiary in France, and exposure to over 20 currencies, the economic values of these positions may vary as a result of changes in market conditions, primarily fluctuations in interest and foreign exchange rates. The risk of adverse changes in the economic value of our non-trading positions is managed through the Bank's Asset and 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 reprice at various time periods in the future. In performing this analysis, the Group may make assumptions about the behaviour of assets and liabilities that do not have specific contractual maturity or repricing 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 repricing 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 repricing within a specific 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.

Trading book risk management

The Group uses a number of tools to manage trading risk, including:

- Risk limits, set in terms of the notional size of net open positions by currency and subsidiary;
- Management Action Triggers;
- Stop Loss Limits; and
- Value at Risk.

The Group measures and manages price risks in its foreign exchange and fixed income trading portfolios based on 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 following table shows basic statistics of the 1-day VaR for the foreign exchange and fixed income trading positions in 2020. The average VaR increased from $1.87 million in 2020, to $2.93 million as of 2021, largely driven by an increase in yield volatility and an increase in average foreign exchange positions during the period under review.

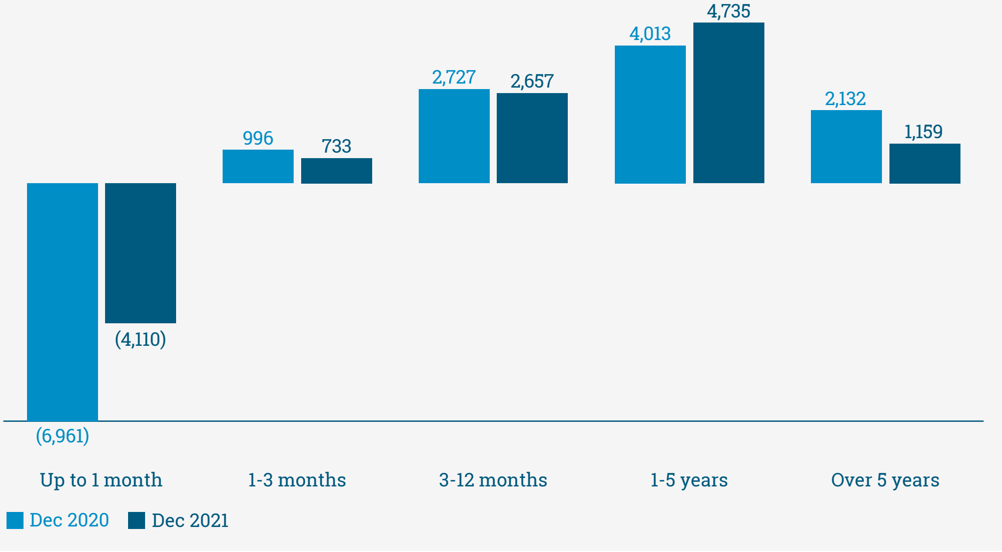
Risk category	Average VaR	Minimum VaR	Maximum VaR
2021 Value at risk ($ millions)			
Interest rate risk	0.95	0.14	2.59
Foreign exchange risk	198	0.26	480
Total VaR	2.3	0.40	7.39

Interest rate risk

The repricing profile of the Group as of 31 December 2021, shows that the Group's balance sheet is liability-sensitive on the up to 1-month bucket and asset-sensitive on the rest of the tenors. Consequently, under rising/(falling) interest rate environments, the expected negative/(positive) impact on net interest income at the negative gap exposure in the up to 1-month bucket due to its size more than offsets the positive/(negative) impact on net interest income accruing from the longer buckets, which are asset-sensitive.

Specifically, based on the repricing profile as of 31 December 2021, it is estimated that a 100 basis points decrease/(increase) in rates across the maturity buckets is expected to increase/(decrease) one-year earnings by approximately $33 million ($23.6 million as of December 2020).

Interest rate repricing profile (US$ millions)

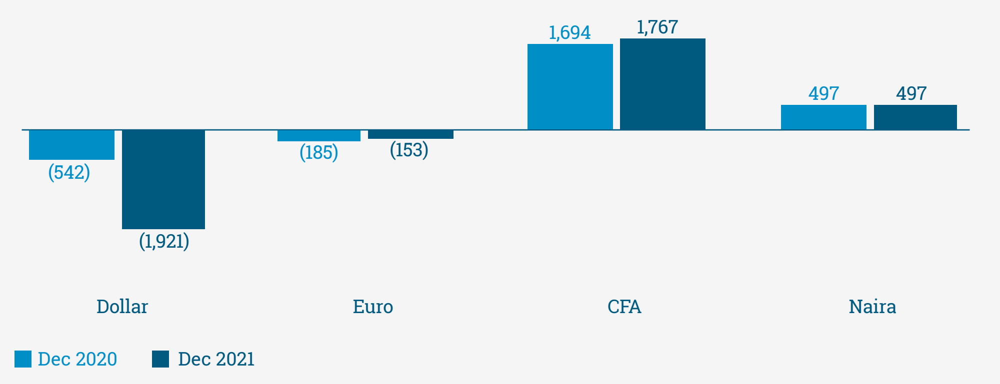


Foreign exchange risk

Ecobank is exposed to foreign exchange rate fluctuations in 20 currencies. The Group continues to have significant exposure to the CFA franc, the US dollar and the Nigerian naira, accounting for 41 per cent, 23 per cent and 14 per cent of the Group's credit portfolio, respectively, at the end of 2021. It is important to note that the CFA franc is a common currency for 14 out of the 40 countries in which the Group operates, and it 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 2021, the Group had a net on-balance sheet short open position in EUR of $153 million (net short position of $185 million in December 2020), a net short open position in USD of $1,921 million (net short position of $542 million in 2020) and a net long open position in CFA of $1,767 million ($1,694 million long position in December 2020) as shown in the graph below.

Net foreign exchange position

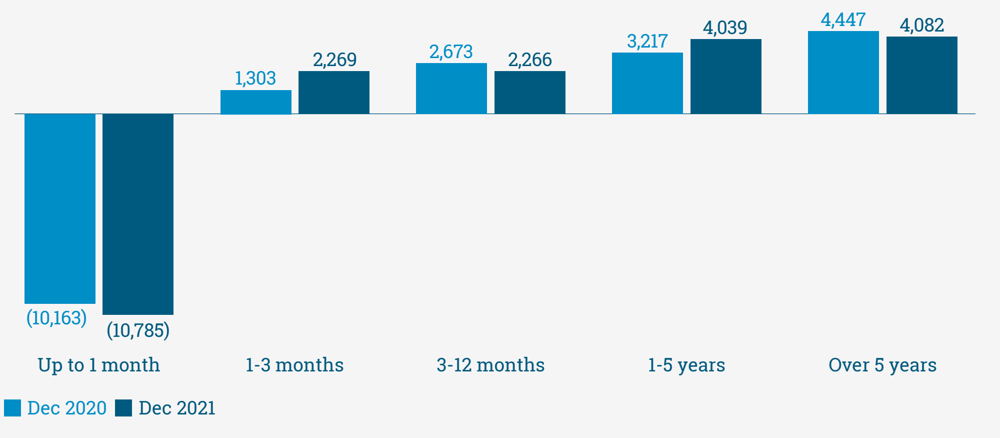


Liquidity risk

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. Subsidiary treasurers are generally responsible for formulating their 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.

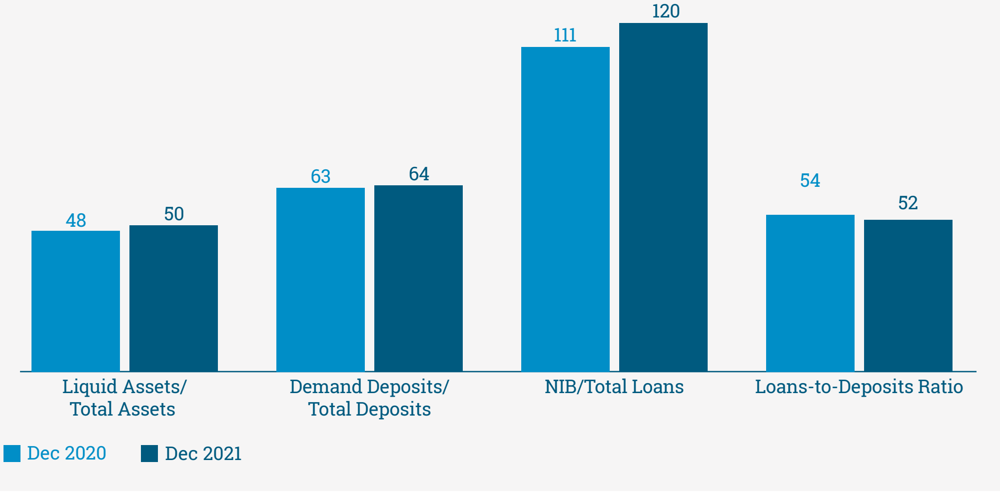
As of 31 December 2021, the Group was exposed to liquidity risk for maturities of up to one month as shown in the graph on page 112. This was due mainly to the overnight contractual maturity of current and savings deposits which accounted for over 86 per cent of total deposits and are included in this 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.

Contractual liquidity maturity gap
(US$ millions)



The Group liquidity position continued to improve during the period. The loans-to-deposits ratio (LDR) improved from 54 per cent to 52 per cent, while the liquidity ratio (liquid assets/total assets) increased from 48 per cent to 50 per cent between December 2020 and December 2021. The ratio of demand deposits/total deposits increased from 63 per cent as of December 2020, to 64 per cent as of December 2021 and the ratio of non-interest-bearing deposits (NIB) increased from 111 per cent to 120 per cent over the period.

Key liquidity indicators (per cent)



The Group also conducts periodic stress tests to measure its immediate liquidity risk and to ensure that it has enough time to respond to potential crises. The stress test covers a time horizon of up to 30 days and estimates liquidity risk under various scenarios, including a name-specific scenario and a general market crisis with different levels of severity.

The analyses assume 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 as very liquid. Scenario-specific haircuts are applied on deposit outflows, loan reimbursement and 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 by business unit, currency, core/non-core status, maturity, geography and Ecobank'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 Liquidity Coverage Ratio (LCR) remained above 100 per cent as of 31 December 2021.

4.3 Operational risk and Internal Control

Group Internal Control and Operational Risk Management function continues to ensure proactive engagement and partnership with the businesses and functional units across the Group to embed a strong operational risk and control culture across the Group.

Performance overview

In 2021, the Group Operational Risk/Internal Control function played an integral part in supporting the Group's COVID-19 initiatives to ensure continued operations and safety of stakeholders, in line with public health guidelines.

The Group's COVID-19 bi-weekly task force meetings, chaired by Group Internal Control, focused on staff and customer safety, as well as ensuring compliance with local authorities' directives and measures around the COVID-19 pandemic.

The task force organised several awareness sessions on vaccination and facilitated vaccination campaigns for staff where possible. eFlyers 'I am Responsible' were continually published to drive and ensure appropriate education of staff around the virus.

An uptick was recorded in vaccinations Group-wide. As of end of December 2021, 65 per cent of staff were reported to have received at least one dose of vaccine.

As of the end December 2021, the Group recorded 1,904 infections and 7 deaths (0.35 per cent fatality).

On the 1 December 2021, a Group-wide guideline on 'Return to the Workplace' was issued. Two key measures were recommended to be implemented across the Group in line with local/country realities (e.g. regulation, labour law guidance, rate of infection, vaccine availability) and, on case-by-case basis:

- 'No Vaccine – No Access to Offices' protocol.
- 'Full return to Office' from 1 February 2022.

Controls and protocols implemented to address the COVID-19 risk, as well as to ensure safety of stakeholders, included, but were not limited to, the following:

- Two-week staff rotational plan/Remote working from home (WFH) where applicable and enhanced incidents response structure.
- Preventive measures across the Group to check for symptoms of COVID-19, isolate and report suspected cases.
- Engaging critical vendors and partners to ensure continuation of supplies and services.
- Providing all employees with sufficient face masks, with mandatory wearing in shared offices.
- Secured video conferencing made available for meetings with clients, partners and suppliers.
- Provision of alcohol-based hand sanitisers at all Ecobank locations and ATMs for compulsory use by employees, customers and all visitors.
- Heightened use of disinfectants to regularly clean ATMs wherever they may be, as well as doors, table tops and other surfaces.
- Encouraging customers' use of digital platforms: Ecobank Mobile app, Ecobank Online, Ecobank Omni Lite, Omni Plus and Contact Centres.
- Crowd control and social distancing within our various premises implemented, in line with WHO and health authorities' guidelines and directives.

Enhanced cyber security to enable remote working from home

Data protection across the data centres (Accra and Lagos Data Centres) and the integrity of the data have been tested by multiple planned and unplanned movement of service from Accra to Lagos and vice versa.

More processes and procedures have been implemented as follows:

- Secured remote access for users and third parties through an encrypted Clientless Virtual Private Network.

- Restricted remote access VPN to a need-to-have basis. This is also enhanced with strong network admission control policies.
- Effective endpoint security enforcement solution for all mobile devices accessing the corporate network remotely.
- Remote wipe capability to remotely wipe or remove corporate data from compromised or malicious devices that connect remotely.
- Centralised and automated 24/7 security incidence monitoring.
- Regular communication and security awareness training to all employees, advising them on how to stay safe and the approach Ecobank is taking to the COVID-19 pandemic.
- Enforcing strong passwords and multi-factor authentication for all remote access accounts.
- Data encryption at rest on laptops used for remote working.

Operational risk governance

Group Operational Risk Management (GORM) is supported by dedicated Operational Risk and Internal Control managers in all affiliates. Operational Risk Managers across the Group drive and embed the GORM Framework, as well as ensure compliance by the first and second lines of defence.

The Group's Board of Directors and Chief Executive Officer play critical operational risk oversight roles through the Board Audit, Internal control and Compliance Committee. The Board Audit, Internal control and Compliance Committee has increased its focus on operational risk-related events and ensures proactive implementation of preventive and mitigating controls. The Group Chief Risk Officer has management oversight of the Group Operational Risk/Internal Control function.

The Group's senior management implements and disseminates the Operational Risk Management Policy and the expected standards of conduct to the various levels of the organisation. All business, control and support functions are responsible for risk identification, control assessment, day-to-day management and escalation to senior management.

The Ecobank lines of defence

Group Operational Risk Management/Internal Control proactively engage all business and functional units across the Group to drive a strong Operational Risk Management culture and framework throughout.

Across all the affiliates of the Group, the three lines of defence framework are employed to drive ownership, timely and proactive risk identification, management and mitigation of actual and potential risks across the organisation.

1st Line of Defence: Business and functional units/ departments	Each business unit owns its risks and has the responsibility and accountability for directly identifying, assessing and mitigating those risks.
2nd Line of Defence: Control Functions (Risk Management, Operational Risk/ Internal Control, Compliance, Finance, Legal etc)	The control functions monitor and facilitate the implementation of effective risk management practices and assist risk owners in reporting adequate risk-related information up and down the organisation.
3rd Line of Defence: Internal Audit	Internal Audit provides independent assessment and evaluation of the control environment, assurance to the Board and senior management on the effectiveness of the first and second lines of defence, and the effectiveness of how the organisation assesses and manages its risk.

In addition to the three lines of defence framework implemented across affiliates, the Ecobank Group continues to devote serious and sustained efforts to align activities of affiliates and subsidiaries with the governance models and exigences of the varied regulatory bodies that govern the activities.

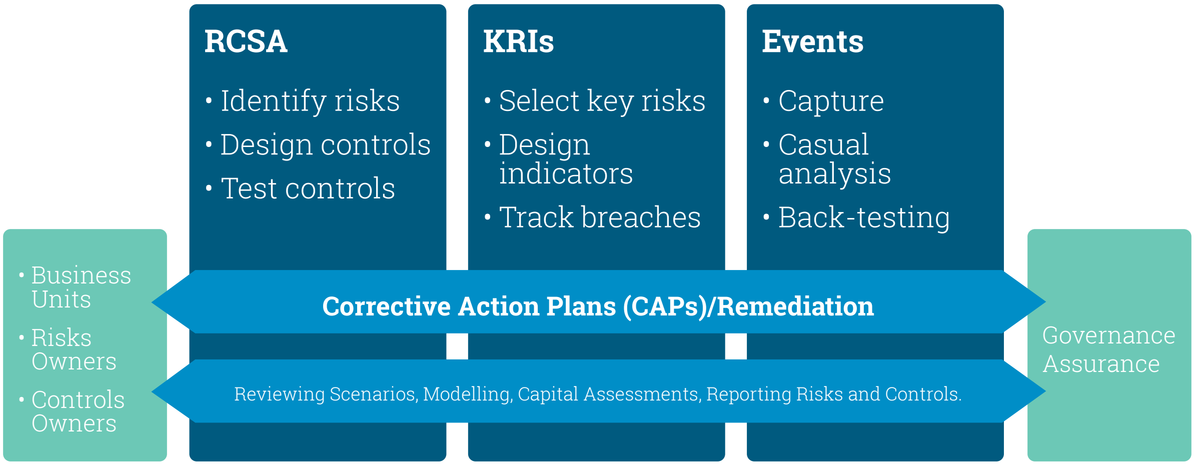
Operational risk reporting

Risk reporting across the organisation moves from affiliate level to Group level and then to the Group Board level where material issues are reported. This is to ensure that all levels of management have adequate oversight and information over control breaches and lapses within the organisation. Reporting is channelled through the Risk and Control Governance Committees at departmental, affiliate, regional and Group level to increase executive, regional and local management oversight of operational risks.

Group Operational Risk Management Framework (GORMF)

The Group Operational Risk Management Framework is based on Risk and Control Self-Assessment (RCSA), Key Risk Indicators (KRIs), Loss Events Management and Remediation. The GORMF continues to evolve to align with Basel and industry standards and other regulative requirements.

Operational Risk Management Framework



Risk and Control Self-Assessment

The Risk and Control Self-Assessment (RCSA) programme, as a core component of the Group's Operational Risk Management Framework, has maintained its focus on the enhancement of control performance across all entities of the organisation.

The Group's RCSA programme facilitates a comprehensive and consistent identification of risks (inherent and emerging risks), control gaps and weaknesses across business and functional units Group-wide. It also provides an avenue for monitoring identified risks and implementation of remedial actions for any identified lapses.

As part of the Group's strategy around the embedment of the RCSA programme, an Annual Risk Assessment programme/activity was launched in 2021. The aim of the programme was to allow for a review and an update of the firm's key risks in line with changes in business objectives, processes, products, systems and regulatory environment, as well as to ensure timely identification and proper management of new and emerging risks.

Issue monitoring and remediation

Group Operational Risk/Internal Control continues to work with other departments to ensure that control weaknesses identified from sources such as RCSA Control Testing, internal and external audit reviews, regulatory assessments, information security reviews, peer assessments, internal control and compliance are centralised and appropriately monitored from inception to remediation.

The Group's Electronic Corrective Action (eCAP) system serves as a central repository and platform to track and manage control issues. The system provides transparency on meaningful metrics, improved Group management visibility on control breaches and corrective action plans and issue management statistics across the Group.

The Group continues to leverage on the combined assurance activities of the control functions (Group Internal Control, Operational Risk Management, Internal Audit and Management Services, which includes corporate security and investigation), Risk Management, Compliance, Information Security and Finance to integrate and align assurance processes such as the assessment of the Group's overall risk profile, review of key control issues and the monitoring of progress of remediation of key issues across the Group.

Operational loss events

In line with industry practices and regulatory requirements, the Group's operational risk losses are categorised under seven main event types: internal fraud, external fraud, employment practices and workplace safety, damage to physical assets, business disruption and systems failures, execution, delivery and process management, and clients, products and business practice.

The Group recorded a total net operational risk loss of $7.9 million in 2021. This represented a continuous year-on-year decrease – 50 per cent decrease from 2019 and 12 per cent from 2020.

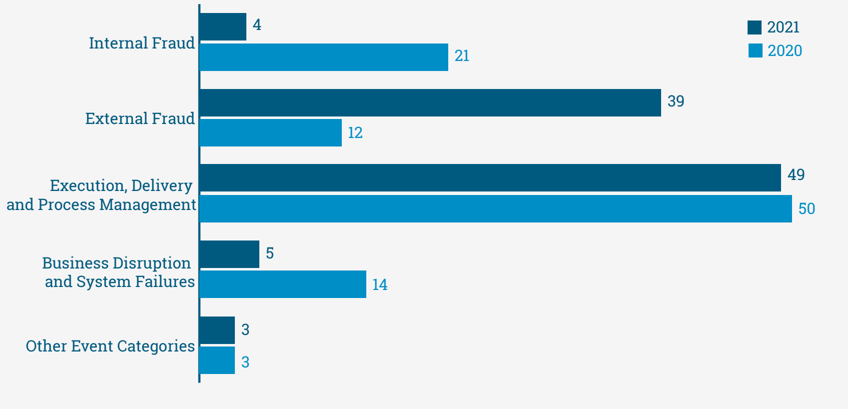
The Group's 2021 operational loss figure was mainly driven by:

- Historical losses from 2011 to 2020 totalling approximately $3.9 million (43 per cent of total net operational risk loss) detected or reported in 2021.
- Execution, Delivery and Process Management (EDPM)-related losses totalled approximately $3.8 million. The main driver of the Group's EDPM losses were regulatory fines and penalties of approximately $1.6 million recorded in the CESA (Central, Eastern and Southern Africa) region.

The Group, however, recorded a 34 per cent decrease in losses related to fines and penalties, compared to what was recorded in 2020.

Internal Fraud events totalled $346,000, representing 4 per cent of total net loss for the year; External Fraud events totalled $3.1 million, representing 39 per cent of total net loss for 2021. Execution, Delivery and Process Management events totalled $3.8 million, representing 49 per cent of the total net loss for the period. Business Disruption and Systems Failure losses totalled $365,000 or 5 per cent. Other Events Category totalled $225,000, or 3 per cent, of the total losses.

Net operational losses - percentage of total



The Group Internal Control/Operational Risk Management function continues to implement a series of activities such as fraud and database monitoring activities, success transfers, insurance/recoveries, combined assurance activities with the other control functions and enhanced operational risk loss reporting and analysis, all aimed at driving and sustaining reductions in the Group's operational loss profile.

In line with the Basel Accord and the regulatory framework, Ecobank uses the Basic Indicator Approach (BIA) for the calculation of operational risk capital. Capital is held for operational risk equal to the average over the previous three years of a fixed percentage (15 per cent) of positive annual gross income.

Business continuity management

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

- ensure staff safety and protect Ecobank property;
- recover and resume operations to ensure business continuity;
- carry out situation analysis and instigate appropriate action;
- provide client access to critical applications;
- establish communications with our employees, clients and regulators; and
- safeguard Ecobank's records and intellectual property.

Subsidiaries and business units are guided to develop, maintain and test comprehensive business continuity plans (BCPs) regularly. The BCPs 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 corporate policy and standards. This results in a unified approach throughout Ecobank and effective business continuity capabilities. Business continuity specialists manage the BCM programme at both local and Group levels.

Group BCM provides expertise and guidance to all Ecobank affiliates in developing, implementing, testing and maintaining effective BCPs and recovery procedures.

Compliance and regulatory risk

As a result of its pan-African footprint, Ecobank has to deal with significant regulatory requirements in each country in which it operates. These regulatory demands could negatively impact its operations, especially in the face of an anemic world economy and an unrelentingly competitive business environment. 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 aligned with the regulatory requirements of all the countries in which it is present. Our primary duties are to ensure that the businesses comply with local regulations, that identified risks are mitigated with appropriate measures and that the Group's risk appetite is adhered to.

Know-Your-Customer (KYC) and transaction monitoring

The quality of information collected from our customers is critical to improving customer service and to designing 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 secured and protected against money laundering, corruption or terrorism financing (AML/CFT). Ecobank monitors customers' transactions to identify suspicious transactions with an 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 terrorism.

4.4 Environmental and social (E&S) risk

E&S oversight

Under the overall management and leadership of the Group Chief Risk Officer, the Environment and Sustainability (E&S) Unit is responsible for managing the Bank's efforts towards the attainment of environmental sustainability and socially acceptable tenets of the United Nations Sustainable Development Goals (SDGs). The E&S unit has a direct responsibility for the implementation of Ecobank's Environmental and Social Risk policy. In so doing, the unit works to ensure that all businesses of the Bank are carried out in environmentally friendly and socially acceptable manners and, at the same time, works with the business segments in ensuring that borrowing clients are conducting their businesses in a manner that enhances sustainability stewardship. In this regard, the unit is reviewing and managing the Bank's business and operations for potential environmental and social risks and impacts, particularly for transactions in the environmental and socially sensitive sectors, such as oil and gas, mining, heavy construction, agriculture and agro-forestry, as well as manufacturing.

In carrying out its objectives, E&S management in Ecobank comprises a three-pronged approach. Management starts with the relationship managers in the businesses, who are required to take a proactive role in driving E&S risk procedures by screening and classifying eligible transactions for E&S risk categorisation. The second layer is the Country Risk team, which has an oversight role for ensuring adherence to the Ecobank E&S policy procedures for transactions rated as Low and Medium categories on Ecobank E&S risk classification. The third layer is the Group E&S unit with overarching responsibility to ensure that the E&S risk procedures are duly performed for all eligible transactions, irrespective of the classification category. The Group E&S Manager works with the Country Risk team in ensuring that satisfactory evidence of the clients' E&S practices is obtained and properly documented for reviews.

E&S Policy Update

The Equator Principles (EP) and Ecobank

The Equator Principles (EPs) is a risk management framework, adopted by financial institutions for determining, assessing, and managing environmental and social risk in project finance. It is primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making. Ecobank became a member of the association in 2012.

In 2020, the EP Association published a new set of requirements and increased the scope of EP 4 to include climate change, biodiversity, human rights and impacts on Indigenous Peoples. These new requirements aim to enhance the risk assessment and management of transactions that fall within the scope of the Principles. Ecobank is updating its E&S policy to incorporate the new EP 4 requirements.

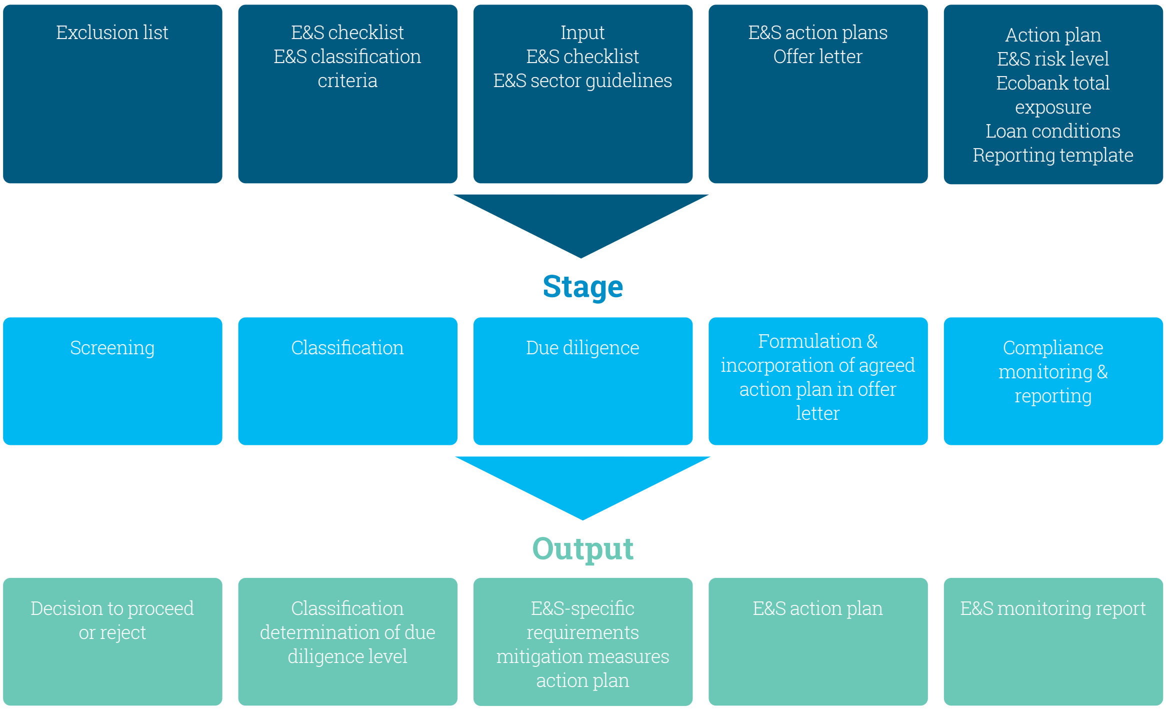
Environmental and Social Management System

Key procedures in the Group's Environmental and Social Management System (ESMS) are:

- screening transactions against Exclusion List activities;
- reviewing transactions for E&S risks in accordance with E&S sector guidelines;
- verifying transactions for potential E&S risk identification;
- classifying transactions for E&S risk into Low, Medium and High;
- for E&S low-risk transactions, the Relationship Officer (RO) will sign off the Environmental and Social Due Diligence (ESDD) forms to be verified by the Country Risk Manager (CRM); and
- for all medium- and high-risk transactions, detailed ESDD is required (RO and CRMs will sign off all medium-risk-rated transactions to be verified by the Group Manager for E&S).

As indicated in Figure 1 opposite and in line with the Ecobank E&S Policy, the Bank screens, classifies, assesses, formulates and monitors transactions in sectors with significant E&S risks. Our goal is to maintain E&S risk levels within acceptable internal and external limits. E&S conditions and action plans are captured as covenants in credit applications and periodic monitoring is carried out as indicated in the facility agreement.

Figure 1
ESMS procedures



The sequence of Environmental and Social Risk Management (ESRM) procedures in Ecobank was developed on the basis of the Bank's engagement with the International Finance Corporation (IFC) of the World Bank Group Performance Standards, as well as its association with other financial institutions on their interpretation of environmental and social management in relation to the credit review process. Furthermore, the Group puts together all the membership and obligatory E&S-related reports by its lenders, such as IFC and the ESG frameworks to which it has subscribed, including the Equator Principles and United Nations Global Compact.

E&S portfolio review

As of 31 December 2021, the Group E&S management team reviewed 3,307 transactions with significant E&S risks, such as the extractive industry, mid- and downstream oil and gas, heavy infrastructure construction, manufacturing, power generation/transmission/distribution and commercial real estate. The low-risk category signifies that the qualifying transactions pose less severe risk with negligible impact on the aesthetic quality of environmental and social standards. Figure 2 (right) presents an illustration of E&S eligible transactions in various categories as of December 2021:

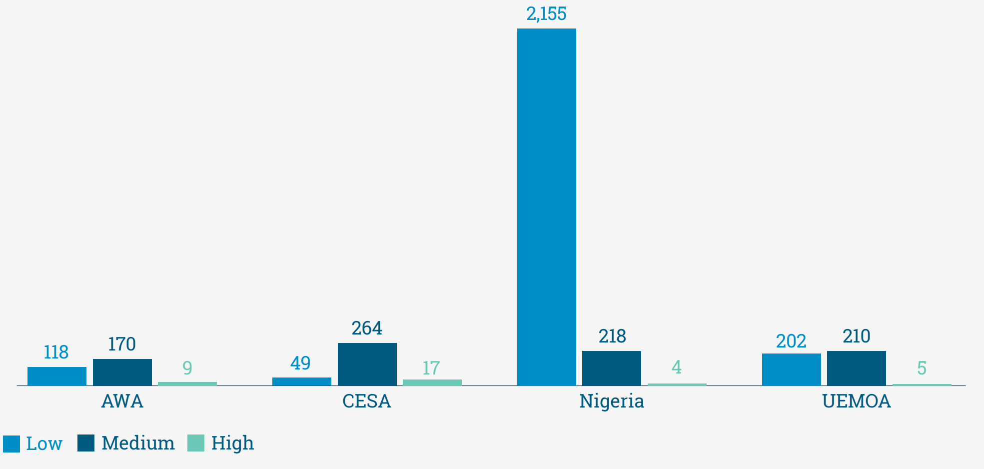
Figure 2
E&S transaction by risk category

E&S risk category	No of eligible transactions
High	35
Medium	862
Low	2,524
Total	3,421

Analysis of E&S risk eligible transactions

As of December 2021, 3,421 transactions in the E&S-sensitive sectors were reported and managed for E&S risks and impacts at the Group level. Nigeria had the largest (2,155), while the AWA region had the least (297). Ecobank continues to manage environmental and social risks through our ESRM framework.

Figure 3
Number of transactions managed for E&S risks in Ecobank regions by classification category in 2021



Capacity building

Ecobank's E&S Risk team continues to provide both formal and informal training to staff and clients. A total of 76 staff members were trained in Ecobank Liberia and Ecobank Sierra Leone during the year.

5. Capital management

5.1 Group level

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

On a consolidated basis, the Group is required to comply with Basel II/III capital requirements set by the Central

Bank of West Africa (BCEAO) for banks headquartered in the UEMOA zone. On a standalone basis, banking subsidiaries are required to maintain minimum capital levels and minimum capital adequacy ratios which are determined by their national or regional regulators.

As of 31 December 2021, the Group was compliant with regulatory minimum CAR ratios and above its internal CAR targets with a Tier 1 CAR of 10.7 per cent and Total CAR of 14.8 per cent (the UEMOA regulatory minimum was 7.875 per cent for Tier 1 CAR and 10.375 per cent for Total CAR in 2021).

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ECOBANK SUCCESSFULLY ISSUED $350 MILLION SUSTAINABILITY NOTES

Ecobank became the first-ever sub-Saharan African financial institution to issue Tier 2 Sustainability Notes.

The Sophomore Eurobond, which was issued in June 2021 and matures in June 2031, is listed on the main market of the London Stock Exchange. It was 3.6 times oversubscribed and attracted global investor interest. An equivalent amount of the net proceeds is being used by Ecobank to finance or re-finance new or existing eligible assets which accord with our Sustainable Finance Framework and empower our long-term focus on sustainable initiatives.

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Introduction

Ecobank Transnational Incorporated (ETI) and its banks, non-bank subsidiaries and affiliates are collectively known as the 'Ecobank Group', or 'Ecobank', or 'the Group'. Ecobank is the leading pan-African financial institution in Africa, present in 35 African countries, with international offices in Paris, London, Dubai and Beijing. Ecobank serves approximately 32 million customers, has $27.56 billion in total assets and $2.16 billion in total equity as of 31 December 2021.

The Group organises its activities into three primary reportable business segments for management purposes. Consumer Banking is the Group's consumer business, and Commercial Banking and Corporate and Investment Banking are its wholesale businesses.

Additionally, the Group organises its geographical regions into four reportable segments, namely, Nigeria, Francophone West Africa (UEMOA), Anglophone West Africa (AWA) and Central, Eastern and Southern Africa (CESA).

Ecobank prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The following 'Business and Financial Review' provides a comparative overview and discussion of the consolidated financial results of the Ecobank Group for the years ended 31 December 2021 and 31 December 2020.

Executive summary

Financial overview

Year ended 31 December (in thousands of US dollars, except per share data and ratios)	2021	2020
Operating income (net revenues)	1,756,714	1,679,765
Pre-provision pre-tax operating profit	722,016	625,727
Profit before tax, net monetary loss, and goodwill impairment	504,336	398,702
Profit before tax (excluding goodwill impairment)	477,992	337,882
Profit before tax	477,992	174,318
Profit for the year	357,366	88,319
Profit attributable to ETI shareholders	262,234	4,202
Diluted earnings per ordinary share, EPS (US cents)	1.063	0.010
Tangible book value per ordinary share, TBVPS (US cents)	5.70	5.47
Return on equity (ROE)[1]	17.3%	0.3%
Return on tangible equity (ROTE)[2]	19.0%	0.3%
ROTE (excluding goodwill charge)	19.0%	13.3%

1 ROE is computed using profit attributable to ETI (parent company) shareholders divided by the average end-of-period ETI shareholders' equity.
2 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.

Our business and financial results for the year 2021 were evidence of our progress with our strategic priorities to create value for our shareholders and stakeholders. Our diversified operating model for the year delivered a record return on tangible equity (ROTE) of 19 per cent, increased diluted earnings per share (EPS) by 59 per cent to 1.06 US dollar cents and tangible book value per share (TBVPS) by 4 per cent to 5.70 US dollar cents. Profit before tax was $478 million, an increase of $140 million, or 41 per cent (excluding the goodwill impairment charge of $164 million in 2020). Despite the challenges we faced in the operating environment, the increase in profits was driven by revenue growth, albeit modest, expense discipline, solid credit risk management and over 13,000 Ecobankers who are dedicated to serving our customers with care and diligence.

Net revenue (total operating income) increased by $77 million to $1.76 billion, driven by encouraging underlying business momentum across our businesses and geographical regions. We continued to operate with a heightened sense of expense discipline, which led to the Group's total operating expenses decreasing by $19 million to $1.03 billion, which led to us achieving a record efficiency ratio (cost-to-income ratio) of 58.9 per cent, the lowest in the past decade. Our credit risk metrics reflected a gradual pick-up in economic activity and improved credit conditions. As a result, the non-performing loans (NPL) ratio improved by 140 basis points to 6.2 per cent, while the NPL coverage ratio improved by 28 percentage points to 102.1 per cent. We grew customer deposits by $1.4 billion to $19.71 billion and ended 2021 with a loan-to-deposit ratio of 51.9 per cent. Altogether, we ended the year with a much-improved, resilient and liquid balance sheet.

Finally, the strong growth in profits coupled with the issuances of the $350 million Tier 2 Sustainability Note and the $75 million Additional Tier 1 (AT1) Tier I capital for the year was 10.7 per cent and a Total Capital Adequacy Ratio of 14.8 per cent.

Income statement analysis

Operating income (net revenue)

Year ended 31 December (in thousands of US dollars)	2021	2020	Change %
Net interest income (NII)	944,430	907,226	4
Non-interest revenue (NIR)	812,284	772,539	5
Net revenue	**1,756,714**	**1,679,765**	**5**
Contribution of NIR to Net revenue	46.2%	46.0%	–

Operating income (net revenue)

Net revenue, the sum of the net interest income (NII) and non-interest revenue (NIR), was $1.76 billion, an increase of $77 million or 5 per cent, compared with 2020, driven by encouraging underlying business momentum across our businesses and geographical regions. Net revenue excluding the impact of exchange rate differences increased by $93 million, highlighting the benefits of our diversified operating model. Revenues also benefitted from our focus on growing market share in our Trade Payments and Fixed Income, Currencies and Commodities (FICC) businesses as well as our continual investments in our people, technology and processes.

Net interest income (NII) and margin

Year ended 31 December (in thousands of US dollars)	2021	2020	Change %
Interest income	1,473,554	1,390,438	6
Interest expense	(529,124)	(483,212)	4
Net interest income (NII)	**944,430**	**907,226**	**4**
Average interest-earning assets	18,586,604	17,228,840	8
Gross yield on interest-earning assets	7.9%	8.1%	
Less: gross yield on interest-bearing liabilities	2.3%	2.4%	
Net interest spread	5.6%	5.7%	
Net interest margin	**5.1%**	**5.3%**	

Net interest income

Net interest income is the interest earned on loans and advances to customers and other financial institutions, debt securities, and other interest-earning assets, minus the interest paid on customer deposits, other deposits, and short- and long-term borrowings. Interest income earned on loans and advances to customers and other financial institutions, debt securities and other interest-earning assets increased by $83 million, or 6 per cent, to $1.47 billion, primarily driven by an increase in the investment securities portfolio, higher interest income within Commercial and Consumer Banking, partially offset by lower income on treasury securities. The average gross

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yield on interest-earning assets fell modestly to 7.9 per cent from 8.1 per cent in 2020. Interest expense on customer deposits, other deposits, and short and long-term borrowings increased by $46 million, or 10 per cent, to $529 million, primarily driven by higher funding costs within Corporate Banking and the increased finance cost on borrowed funds. These were partially offset by lower funding costs on inter-bank borrowings and increased non-interest-bearing customer deposits within Consumer Banking. The average gross rate paid on all funding sources was 2.3 per cent in 2021 versus 2.4 per cent in 2020. As a result, net interest income increased by $37 million, or 4 per cent, to $944 million. The net interest margin (NIM), computed by dividing the net interest income by the average total interest-earning assets, which indicates the profitability of the Bank's interest-earning assets less the cost of funding, was 5.1 per cent compared with 5.3 per cent in 2020, primarily reflecting the impact of lower interest rates and higher interest-bearing liabilities.

Non-interest revenue (NIR)

Year ended 31 December (in thousands of US dollars)	2021	2020	Change %
Fee and commission income			
Credit related fees and commissions	144,412	127,099	14
Corporate finance fees	8,438	16,264	(48)
Portfolio and other management fees	9,525	10,900	(13)
Brokerage fees and commissions	10,174	3,418	198
Cash management and related fees*	218,671	187,226	17
Card management fees	78,177	64,553	21
Others	30,752	15,129	103
Less: fees and commissions expense	(48,720)	(35,643)	37
Total fees and commissions income, net	**451,429**	**388,946**	**16**
Foreign exchange (FX) income	268,776	265,459	1
Securities trading	26,841	80,817	(67)
Total net trading income	**295,617**	**346,276**	**(15)**
Net gains from investment securities	18,563	16,617	12
Other operating income	46,675	20,700	125
Total other revenue	**65,238**	**37,317**	**75**
Non-interest revenue (NIR)	**812,284**	**772,539**	**5**
NIR ratio	**46.2%**	**46.0%**	

* Cash management and related fees is the sum of : Funds transfer commissions , Euro commissions, Rapid transfer, Current account servicing, Draft issuance commissions, Western Union commissions, Internet and SMS banking commissions, Mobile money revenues, Other cash management commissions, Money Gram Commissions, RIA Commissions, WARI Commissions, Bancassurance Commissions, Cash management from affiliates

Non-interest revenue

Non-interest revenue was $812 million, an increase of $40 million, or 5 per cent, compared with 2020. The growth was primarily driven by fee income associated with lending, cash management and cards, fuelled by robust client activity. Net fees and commission income of $451 million increased by $62 million, or 16 per cent, mainly driven by credit-related fees, cash management and cards. Net trading income decreased by $51 million, or 15 per cent, to $296 million, reflecting lower client-driven foreign currency sales, partially offset by higher trading income and revaluation gains. Other revenue rose $28 million, or 75 per cent, to $65 million, driven by the sale of non-core assets and dividend income associated with the investee entities of some of our subsidiaries. As a result, the contribution of non-interest revenue to total net revenues improved slightly to 46.2 per cent versus 46.0 per cent in 2020.

Operating expenses

Year ended 31 December (in thousand of US dollars)	2021	2020	Change %
Staff expenses	**454,937**	**462,992**	**(2)**
Depreciation and amortisation	**108,669**	**104,206**	**4**
Communications and technology	133,967	136,180	(2)
Professional & legal fees	54,282	63,949	(15)
Rent and utilities	41,350	42,978	(4)
Repairs and maintenance	18,726	20,605	(9)
Insurance	34,659	31,423	10
Restructuring costs	681	31,682	(98)
Others[1]	187,427	160,023	17
Other operating expenses	**471,092**	**486,840**	**(3)**
Total operating expenses	**1,034,698**	**1,054,038**	**(2)**
Cost-to-income ratio	58.9%	62.7%	

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

Operating expenses

Operating expenses for the year were $1.03 billion, a decrease of $19 million, or 2 per cent. If the impact of foreign exchange is excluded, expenses decreased by $18 million. Operating expenses continued to benefit immensely from our 'One Bank', 'manufacture centrally, distribute locally' strategy. Employee-related expenditures were $455 million, a decrease of $8 million, due to headcount reductions. Depreciation and amortisation expenses were $109 million, up $4 million, due to investments made in digital and mobile capabilities to improve customer experience and drive revenue growth. Other operating expenses fell by $16 million to $471 million, due to a reduction in discretionary costs. Additionally, 2021 total operating expenses benefited from the non-recurrence of restructuring costs of $32 million in 2020. As a result, the cost-to-income ratio improved by 3.8 percentage points to a record 58.9 per cent, the lowest in the past decade. Furthermore, the cost-to-assets ratio, which measures costs to average total assets, was 3.9 per cent for the year, compared with 4.3 per cent in 2020. We continue to make structural changes to reduce costs and expect the cost-to-income ratio to be approximately 55 per cent in the medium term.

Impairment charges (Provision for Credit Losses)

Year ended 31 December (in thousands of US dollars)	2021	2020	Change %
Impairment charges on loans and advances			
Impairment charges on Stage 3 loans	271,705	240,157	13
Impairment charges on Stages 1 and 2 loans	102,412	71,915	42
	374,117	312,072	20
Less recoveries & provisions no longer required	(204,507)	(130,517)	57
Net impairment charges on loans and advances	**169,610**	**181,555**	**(7)**
Impairment charges on other financial assets	48,070	45,470	6
Total impairment charges on financial assets	**217,680**	**227,025**	**(4)**
Cost-of-risk	**1.69%**	**1.85%**	

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Impairment charges (provision for credit losses)

Provision for credit losses (PCL) is the amount charged to bring the loan loss allowance for impairment charges (AIC) or allowance for credit losses to a level that management considers adequate to absorb incurred and expected credit losses in the Bank's credit loan portfolio, less any loan recoveries. In 2021, provision for credit losses on loans and advances was $374 million, an increase of $62 million ($32 million on Stage 3 loans (NPLs) and $30 million on Stages 1 and 2 loans (performing loans), compared to last year. Higher PCLs in UEMOA predominantly drove these increases. Additionally, the $374 million in PCLs for 2021 include a central macro-overlay of $85 million, which is a provision buffer on top of the model-computed estimate for expected credit losses (ECL) to cater to lingering uncertainties in the credit environment. Loan recoveries and PCL reversals were $205 million in 2021, increasing by $74 million compared with last year. These were driven by recoveries in the Resolution Vehicle (RV) of $32 million and PCL reversals in UEMOA, Nigeria and CESA, reflecting improved credit conditions. As a result, total provision for credit losses on loans and advances for the year, net of the loan recoveries and PCL releases, decreased by $12 million to $170 million. Impairment charges on other financial assets were $48 million, increasing by $3 million from the prior year. Overall, the cost-of-risk for the year was 1.69 per cent, an improvement of 16 basis points, compared with 1.85 per cent in 2020.

Taxation

Income taxes were $122 million in 2021, compared with $89 million in the prior year. The effective income tax rate (ETR) was 25.6 per cent, versus 26.4 per cent (excluding the impact of the goodwill impairment charge) in 2020.

Balance sheet analysis

The Group's balance sheet remains robust, liquid and well diversified. Reported total assets of $27.56 billion as of 31 December 2021, increased by $1.6 billion from $25.94 billion as of 31 December 2020.

A record increase in customer deposits of $1.4 billion underpinned the growth in balance sheet. The following details the balance sheet commentary for 2021 compared with 2020.

Total assets

At 31 December (in thousands of US dollars)	2021	2020	Change %
Assets			
Cash and balance with central banks	4,209,138	3,752,596	12
Loans and advances to banks	2,289,445	2,011,343	14
Trading financial assets	346,042	156,490	121
Investment securities:			
Treasury bills and other eligible bills	2,087,085	1,730,845	21
Derivative financial instruments	78,404	115,162	(32)
Investment securities	6,560,228	6,074,244	8
Pledged assets	206,001	423,599	(51)
Loans and advances to customers (gross)	10,228,241	9,798,063	4
Less, accumulated impairment charges	(652,376)	(558,115)	17
Loans and advances to customers (net)	9,575,865	9,239,948	4
Intangible assets	122,288	151,870	(19)
Property and equipment	750,615	810,521	(7)
Other assets	1,336,682	1,472,855	(9)
Total assets	**27,561,793**	**25,939,473**	**6**

Cash and balances with central banks

We deposit cash with central banks to meet reserve requirements and facilitate liquidity management as part of the ordinary course of our business. Cash and balances with central banks at amortised cost were $4.21 billion as of 31 December 2021, increasing by $457 million, or 12 per cent, compared with $3.75 billion in 2020, reflecting an increase in central bank balances other than mandatory reserves. Mandatory reserves deposits with central banks increased by $26 million to $1.68 billion. Many of these reserves do not earn interest income and are held in Nigeria to meet the central banks' higher Cash Reserve Ratio (CRR) of 27.5 per cent.

Loans and advances to banks

Loans and advances to banks constitute deposits held with other banks to facilitate correspondent banking relationships and manage our liquidity, interest rate risks and placements. Loans and advances to banks at amortised cost were $2.29 billion as of 31 December 2021, an increase of $278 million compared with $2.01 billion as of 31 December 2020.

Trading financial assets

Trading financial assets are securities that we hold for trading purposes and are mostly government bonds held in Ghana (74 per cent of total Group trading financial assets), Nigeria (18 per cent) and CESA (8 per cent). As of 31 December 2021, we held $346 million of trading securities at fair value through profit or loss (FVTPL) compared to $156 million in 2020. The increase of $190 million reflected an increase in sovereign debt securities, especially in Ghana.

Investment securities

Our investment securities portfolio consists mainly of government treasuries of various durations, debt securities and equity securities. We hold these securities to meet cash requirements, liquidity, and asset and liability management.

Treasury bills and other eligible bills

We invest the deposits we do not need to loan immediately to clients in government treasuries. At the end of 2021, we held $2.09 billion in treasury bills at fair value through other comprehensive income (FVTOCI), representing an increase of $356 million from 2020.

Investment securities

These are investment securities, other than treasury bills. These comprise listed and non-listed debt and equity instruments. The debt instruments are held at FVTOCI and the equity instruments are a mix of FVTOCI and FVTPL. As of 31 December 2021, we held $6.56 billion of total investment securities (of which 97 per cent were in fixed-income securities and 3 per cent in equities), increasing by $486 million from the prior year. Additionally, 57 per cent of investment securities are held in the UEMOA region.

Loans and advances to customers

The Group provides loans to customers ranging from households and small businesses to regional and multinational corporates and sovereign-related entities. Loans and advances to customers are held at amortised cost. As of 31 December 2021, gross loans and advances to customers were $10.23 billion, increasing by $430 million, or 4 per cent, compared with $9.80 billion as of 31 December 2020. Net loans and advances, which is net of accumulated impairment losses (ACLs), were $9.58 billion, increasing by $336 million, or 4 per cent, from the prior year. Excluding foreign currency translation effects, net loans grew by $914 million in 2021. The gradual recovery in economic activity supported loan growth. Within our lines of business, Corporate Banking loans increased by $347 million, mainly in the fourth quarter, and Consumer Banking by $10 million. However, the loan portfolio within Commercial Bank reduced by $21 million, or 2 per cent, driven by foreign currency translation effects. By regions, net loans and advances to customers grew by $193 million, $188 million and $40 million in Nigeria, AWA and CESA respectively. On the other hand, UEMOA experienced muted loan demand, with loans decreasing by $61 million in 2021.

The loan loss allowance for impairment charges or allowance for credit losses (ACL) was $652 million as of 31 December 2021, an increase of $94 million, compared with $558 million as of 31 December 2020. The current period's ACL of $652 million comprised Stage 3 (non-performing loans) ACLs of $429 million, Stage 2 ACLs of $143 million and Stage 1 ACLs of $80 million. The Stages 1 and 2 allowances are for performing loans. The $94 million increase in 2021 ACLs reflected an increase of $54 million on Stage 3 ACLs, $51 million on Stage 2 ACLs and a decrease of $10 million on Stage

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1 ACLs. Included in the end-of-period ACL is a central macro-overlay of $164 million ($85 million provisions in 2021) held as a buffer against lingering uncertainty in the economic outlook. For more information on loan loss allowance for impairment losses, refer to the notes to financials.

Non-performing loans were $639 million as of 31 December 2021, compared with $749 million as of 31 December 2020. The net decrease of $110 million reflected outflows (reduction in Stage 3 loans) from loan collections of $89 million, recoveries of $124 million, reclassifications to performing loan status (Stages 1 and 2) of $37 million and loan write-offs of $152 million and inflows (additions to Stage 3 loans) from Stages 1 and 2 loans of $291 million. Consequently, the non-performing loans ratio improved 140 basis points to 6.2 per cent, while the allowance coverage for non-performing loans was 102.1 per cent, a significant improvement on the 74.5 per cent recorded in 2020.

Loans and advances to customers

At 31 December (in thousands of US dollars except ratios)	2021	2020	Change%
Group			
Loans and advances to customers (gross)	**10,228,241**	**9,798,063**	**4**
Less allowance for impairment charges	(652,376)	(558,115)	17
Loans and advances to customers (net)	**9,575,865**	**9,239,948**	**4**
Non-performing loans	639,158	749,054	(15)
Non-performing loan ratio	6.2%	7.6%	–
NPL coverage ratio	102.1%	74.5%	–
Net loans by business segments			
Corporate and Investment Banking	7,132,280	6,784,919	5
Commercial Banking	1,343,521	1,364,766	(2)
Consumer Banking	1,100,064	1,090,263	1
Total loans and advances to customers	**9,575,865**	**9,239,948**	**4**
Net loans by geographic regions			
UEMOA	3,735,447	3,796,413	(2)
NIGERIA	2,394,721	2,202,138	9
AWA	1,329,660	1,141,538	16
CESA	1,672,427	1,632,914	2
OTHERS	443,610	466,945	(5)
Total loans and advances to customers	**9,575,865**	**9,239,948**	**4**

Deposit from customers

Customer deposits are the primary source of funding for the Group, accounting for approximately 72 per cent of total liabilities and equity. Customer deposits are held at amortised cost. As of 31 December 2021, customer deposits were $19.71 billion, a record increase of $1.4 billion, or 8 per cent, from 2020. Excluding the impact of foreign currency translation, customer deposits increased by $2.5 billion in 2021. The increase in customer deposits was broad based. Within the lines of business, Corporate and Investment Banking (accounting for 44 per cent of total customer deposits) increased deposits by $1.0 billion, Commercial Banking (24 per cent) by $479 million, while Consumer Banking (32 per cent) saw a modest decrease in deposits by $81 million.

By regions, CESA (accounting for 26 per cent of total customer deposits) grew customer deposits by $579 million, Nigeria (20 per cent) by $413 million, AWA (18 per cent) by $325 million and UEMOA (35 per cent) by $128 million. The increase in total customer deposits reflected the continual build-up of liquidity among corporates, partially offset by increased consumer spending as governments across the region eased coronavirus pandemic-induced restrictions. Furthermore, growth in deposits benefited from our digital products and platforms. For example, BankCollect, which enables our corporate clients to facilitate bill payments, and Omni, which supports B2B payments, increased liquidity balances. Current and savings accounts (CASA) which are primarily non-interest bearing, constituted 82 per cent of total customer deposits and were $16.1 billion.

Customer deposits

At 31 December (in thousands of US dollars)	2021	2020	Change %
Deposits from customers by business segment			
Corporate and Investment Banking	8,578,284	7,559,606	13
Commercial Banking	4,764,099	4,285,149	11
Consumer Banking	6,370,966	6,452,197	(1)
	19,713,349	**18,296,952**	**8**
Deposits from customers by geographic regions			
UEMOA	6,976,583	6,848,581	2
NIGERIA	3,950,947	3,537,718	12
AWA	3,504,441	3,179,786	10
CESA	5,088,288	4,509,529	13
OTHERS	193,090	221,338	(13)
	19,713,349	**18,296,952**	**8**
Deposits from customer by type			
Current	12,592,727	11,549,431	9
Savings	3,503,713	3,536,642	(1)
Term	3,616,909	3,210,879	13
	19,713,349	**18,296,952**	**8**
Cost of funds	2.3%	3.4%	
Loan-to-deposit ratio	51.9%	53.6%	
CASA deposits ratio	81.7%	82.5%	

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Total liabilities and equity

At 31 December (in thousands of US dollars)	2021	2020	Change%
Liabilities			
Deposits from other banks	2,229,935	2,386,747	(7)
Deposits from customers	19,713,349	18,296,952	8
Borrowed funds	2,352,437	1,923,182	22
Other liabilities	1,101,766	1,304,879	(16)
Total liabilities	**25,397,487**	**23,911,760**	**6**
Share capital and premium	2,113,961	2,113,961	–
Retained earnings	434,419	199,172	118
Reserves	(1,015,989)	(809,737)	25
Equity attributable to owners of ETI	**1,532,391**	**1,503,396**	**2**
Other equity instruments	74,088	–	–
Non-controlling interest	557,827	524,317	6
Total shareholders' equity	**2,164,306**	**2,027,713**	**7**
Total liabilities and equity	**27,561,793**	**25,939,473**	**6**

Borrowed funds

Borrowed funds are an alternative source of relatively long-term funding and are a critical component of the Group's liquidity and capital management activities. Borrowed funds are held at amortised cost. As of 31 December 2021, total borrowed funds for the Group were $2.35 billion, increasing by $429 million, or 22 per cent, from 2020. The increase was predominantly driven by the $350 million 10-year Tier 2 Sustainability Note ETI issued in June 2021. For further information on the composition of our borrowed funds, please refer to Note 33: Borrowed Funds on pages 256 to 258 of this annual report.

Total equity

Total equity, including non-controlling interests (minority interest) for the year, was $2.16 billion compared to $2.03 billion in 2020. Equity available to ETI shareholders only was $1.53 billion compared to $1.50 billion in 2020. The increase of $29 million in ETI shareholders' equity was driven by strong net profit growth of $262 million, partially offset by foreign currency translation reserve losses of $176 million in 2021 and $62 million of mark-to-market losses on debt securities. In September 2021, ETI raised $75 million of perpetual subordinated notes (Additional Tier 1 capital), recognised under 'other equity instruments', which does not constitute shareholders' equity but adds to total equity capital.

Risk-Weighted Assets

Risk-weighted assets

As at 31 December (in millions of US dollars)	2021	2020	Change%
By risk type			
Credit risk	12,058	12,335	(2)
Operational risk	3,315	3,190	(2)
Market risk	78	103	(25)
Total RWAs	**15,271**	**15,628**	**(2)**

Total risk-weighted assets (RWA) for the year were $15.27 billion, a decrease of $356 million compared with 2020. Credit RWAs, which are measured by applying a hierarchy of risk weights to the nature of the risks associated with each of the Group's on- and off-balance sheet asset classes, were $12.06 billion, decreasing by $276 million from last year, primarily due to balance sheet optimisation actions.

We calculate operational RWAs by applying a scaling factor to the Group's average gross operating income over the last three years. Operational RWA was $3.3 billion, a decrease of $54 million, compared to 2020. Market RWAs, which we compute by applying factors to the Group's trading exposures to foreign currencies, interest rates and other market prices, decreased $26 million to $78 million in 2021.

Capital Position

Regulatory Capital and Ratios

As at 31 December (in millions of US dollars)	2021	2020	Change%
CET1 Capital	1,534	1,439	7
Additional Tier 1 capital	98	24	300
Total qualifying Tier 1 capital	**1,632**	**1,463**	**12**
Total qualifying Tier 2 capital	624	454	37
Total capital	**2,255**	**1,917**	**18**
Tier 1 capital adequacy ratio	10.7%	9.4%	
Total capital adequacy ratio (CAR)	14.8%	12.3%	

In 2021, the Group's Tier 1 capital was $1.63 billion, increasing by $168 million, compared with 2020. As a result, our Tier 1 capital ratio increased by 1.3 percentage points to 10.7 per cent. On the other hand, Tier 2 capital increased by $170 million to $624 million in 2021, reflecting in part the issuance of the $350 million 10-year Tier 2 Sustainability Note by ETI issued in June 2021. As a result, total regulatory capital for 2021 was $2.26 billion, increasing $338 million, or 18 per cent, compared to last year. As a result, the Total CAR was 14.8 per cent versus 12.3 per cent in 2020. The improvement in Total CAR benefited from increased retained earnings, additions and amortisation of Tier 2 instruments, the $75 million AT1 issuance, and positive net changes in other Tier 1 reserves. However, these were partly offset by the adverse impact of foreign currency translation reserves, credit and operational risk-weighted assets. Note that the year's Total CAR does not include the dividend amount of $40 million.

BUSINESS AND FINANCIAL REVIEW
Business Segment Performance

Corporate and Investment Banking

Corporate and Investment Banking (CIB) offers relevant financial solutions to global and regional corporates, governments, financial institutions and international organisations. It delivers tailor-made solutions to meet its clients' needs. It offers a full spectrum of financial products and services, which include corporate lending, trade services, cash management solutions and value-chain finance. The CIB division also provides treasury services, corporate lending, investment banking, securities, wealth and asset management services.

Corporate and Investment Banking

Year ended 31 December (in millions of US dollars)	2021	2020	Change %
Selected income statement highlights			
Net interest income	**551**	**550**	**0.1**
Net fees and commissions income	186	149	24
Other income	203	249	(18)
Non-interest revenue (NIR)	**389**	**398**	**(2)**
Operating income (Net revenue)	**939**	**949**	**(1)**
Operating expenses	(421)	(427)	(1)
Pre-tax pre-provision operating profit	**518**	**522**	**(1)**
Impairment charges on financial assets	(105)	(126)	(17)
Net monetary loss arising from inflation	(10)	(31)	(70)
Profit before tax	**404**	**364**	**11**
Gross loans and advances to customers	7,473	6,994	7
Deposits from customers	8,578	7,560	13
Selected ratios			
Cost-to-income ratio	44.9%	45.0%	–
Loan-to-deposit ratio	87.1%	92.5%	–
NPL ratio	4.9%	4.3%	–
NPL coverage	92.3%	70.2%	–

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

Corporate and Investment Bank delivered a profit before tax of $404 million, an increase of $40 million, or 11 per cent, compared to 2020. The growth was primarily driven by efficiency gains, lower credit impairment losses and a decrease in net monetary losses from hyperinflation.

Net revenue of $939 million was down $9 million, or 1 per cent, driven by lower non-interest revenue. Net interest income of $551 million was essentially unchanged from the prior year, reflecting the net impact of lower rates partially offset by modest growth in average loans. End of period loans grew by $347 million, primarily driven by trade loans within the commodities sector, particularly in the fourth quarter. However, its impact on net interest income was minimal for 2021. Non-interest revenue of $389 million fell by $10 million, or 2 per cent, as an 18 per cent increase in credit-related fees and 17 per cent in cash management fees were offset by lower FICC fees, especially in foreign currency sales. Expenses were $421 million, down by $5 million, or 1 per cent, from the prior year, reflecting continued cost savings.

Credit impairment charges on loans and other financial assets decreased by $22 million, or 17 per cent, to $105 million. Loan recoveries and collections partly drove the decrease. Non-performing loans as a percentage of total gross loans were 4.9 per cent compared to 4.3 per cent in 2020.

BUSINESS AND FINANCIAL REVIEW
Business Segment Performance

Commercial Banking

Commercial Banking focuses on building scale and offering relevant financial solutions to small- and medium-sized enterprises (SMEs) and local corporates across Africa. It provides its varied customer base with lending, cash management, trade finance, treasury as well as e-banking solutions to help grow their businesses faster and further.

The SME business consistently contributes about 60 per cent of operating income in line with the dominance of this sector in Africa – about 90 per cent of businesses in Africa are run by SMEs. Commercial Banking leverages digital technology in its product offerings with products such as EcobankPay, Bank Collect, Omni Lite and eGovernment, enabling clients to effect payments and collections, and manage cash flow digitally.

Commercial Banking

Year ended 31 December (in millions of US dollars)	2021	2020	Change %
Selected income statement highlights			
Net interest income (NII)	**200**	**179**	**12**
Net fees and commissions income	115	99	16
Other income	95	94	1
Non-interest revenue (NIR)	**210**	**193**	**9**
Operating income (Net revenue)	**410**	**372**	**10**
Operating expenses	(280)	(280)	(0)
Pre-provision pre-tax operating profit	**130**	**92**	**42**
Impairment charges on financial assets	(52)	(52)	(1)
Net monetary loss arising from inflation	(11)	(16)	(30)
Profit before tax	**67**	**23**	**189**
Gross loans and advances to customers	1,581	1,638	(3)
Deposits from customers	4,764	4,285	11
Selected ratios			
Cost-to-income ratio	68.2%	75.3%	–
Loan-to-deposit ratio	33.2%	38.2%	–
NPL ratio	12.7%	22.3%	–
NPL coverage	118.5%	74.8%	–

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

Commercial Banking delivered profit before tax of $67 million, an increase of $44 million, or 191 per cent, from the previous year driven by revenue growth, efficiency gains and credit risk discipline.

Net revenue increased by $38 million, or 10 per cent, to $410 million. Net interest income of $200 million increased by $21 million, or 12 per cent, driven by higher interest-earning assets. Non-interest revenue of $210 million increased by $18 million, or 9 per cent, from the previous year. The increase was primarily the result of a 25 per cent increase in cash management where we focused on driving utilisation of our payment solutions and online banking.

Expenses of $280 million were flat compared to that of year 2020 and reflected efficiency gains, our continued expense discipline which led to significant improvement in the cost-to-income ratio from 75.3 per cent in 2020 to 68.2 per cent in 2021.

Credit impairment charges were $52 million in 2021 essentially unchanged from the prior year. This was achieved on the back of improved credit discipline and rigorous portfolio monitoring, which helped in increasing the amount of recovered loans from $57 million in 2020 to $89 million in 2021.

Non-performing loans were 12.7 per cent of total gross loans, significantly improving from 22.3 per cent in 2020. The improvement in the NPL ratio was primarily driven by loan write-offs and loan collections and recoveries. Commercial Banking will continue to focus on increasing revenue, through portfolio monitoring, as well as improving the efficiency of the business.

BUSINESS AND FINANCIAL REVIEW
Business Segment Performance

Consumer Banking

Consumer Banking offers a wide array of products and services tailored to the unique banking needs of individuals, giving each of our customers the ability to enhance their financial security, whilst supporting them to fulfill their aspirations. We aim to be the preferred bank for convenient banking across Africa, and to this end, remain focused on delivering world class products and services to consistently delight our customers.

Consumer Banking

Year ended 31 December (in millions of US dollars)	2021	2020	Change %
Selected income statement highlights			
Net interest income (NII)	**241**	**229**	**5**
Net fees and commissions income	155	135	15
Other income	31	36	(14)
Non-interest revenue (NIR)	**186**	**171**	**9**
Operating income (Net revenue)	**426**	**400**	**7**
Operating expenses	(314)	(326)	(4)
Pre-provision pre-tax operating profit	**112**	**74**	**52**
Impairment charges on financial assets	(21)	(22)	(4)
Net monetary loss arising from inflation	(5)	(10)	(53)
Profit before tax	**87**	**42**	**105**
Gross loans and advances to customers	1,175	1,166	1
Deposits from customers	6,371	6,452	(1)
Selected ratios			
Cost-to-income ratio	73.7%	81.6%	–
Loan-to-deposit ratio	18.4%	18.1%	–
NPL ratio	6.0%	7.3%	–
NPL coverage	106.4%	88.3%	–

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

Consumer Banking delivered a profit before tax of $87 million, an increase of $44 million, or 105 per cent, from 2020. Higher revenues and lower expenses were the primary drivers of profit before tax.

Net revenue of $426 million rose by $26 million, or 7 per cent, driven by funded and non-funded income growth. Net interest income of $241 million increased by $11 million, or 5 per cent, driven by volume growth. In comparison, non-interest revenue of $186 million grew by $15 million, or 9 per cent, primarily driven by payments and cards helped by easing pandemic-induced restrictions and robust client activity.

Expenses were $314 million, down by $12 million, or 4 per cent, reflecting cost-saving initiatives. As a result, the cost-to-income ratio improved to 73.7 per cent from the 81.6 per cent recorded in 2020.

Credit impairment charges of $21 million were essentially unchanged from the prior year, which benefitted from improved credit conditions as economic activity picked up. As a result, non-performing loans were 6.0 per cent of total gross loans, significantly improving the 7.3 per cent NPL ratio in 2020. Again, loan write-offs in the UEMOA region partly drove the improvement in the NPL ratio.

BUSINESS AND FINANCIAL REVIEW
Regional Segment Performance

The Group segments its businesses into four geographical regions. These reportable operating segments are Francophone West Africa (UEMOA), Nigeria, Anglophone West Africa (AWA) and Central, Eastern and Southern Africa (CESA). Additionally, 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 are segmented into each country of their domicile and included accordingly into applicable regional segments of UEMOA, Nigeria, AWA and CESA.

Ecobank Geographical Regions

Year ended 31 December (in millions of US dollars)	UEMOA	Nigeria[1]	AWA	CESA	Inter-National	ETI & Others[2]	Ecobank Group
Selected income statement highlights							
Net interest income	345	91	344	275	6	(116)	944
Non-interest revenue	214	132	176	245	31	15	812
Operating income (Net revenue)	**559**	**223**	**520**	**520**	**37**	**(101)**	**1,757**
Staff expenses	123	66	99	102	15	65	455
Other operating expenses	180	115	142	171	10	(28)	580
Total operating expenses	303	181	241	274	25	11	1,035
Pre-provision pre-tax operating profit	**256**	**42**	**279**	**246**	**12**	**(112)**	**722**
Impairment charges on financial assets	64	(15)	40	27	3	99	218
Operating profit after impairment charges	**192**	**57**	**239**	**219**	**9**	**(211)**	**504**
Net monetary loss arising from hyperinflationary economies	-	-	-	(26)	-	-	(26)
Profit before tax	**192**	**57**	**239**	**194**	**9**	**(212)**	**478**
Profit after tax	174	54	159	143	6	(180)	357
Balance sheet highlights							
Total Assets	10,072	5,985	4,813	6,695	1,141	(1,145)	27,562
Gross loans and advances to customers	**3,837**	**2,625**	**1,399**	**1,751**	**617**	**-**	**10,228**
Of which stage 1	3,555	1,567	1,306	1,519	601	-	8,547
Of which stage 2	174	631	50	176	11	-	1,043
Of which Stage 3 (NPLs)	108	427	44	55	5	-	639
Less: accumulated impairments (accumulated credit losses)	(102)	(230)	(69)	(78)	(9)	(164)	(652)
Of which Stage 1	(27)	(11)	(17)	(22)	(3)	-	(80)
Of which Stage 2	(33)	(75)	(12)	(23)	(1)	-	(143)
Of which Stage 3 (NPLs)	(42)	(144)	(40)	(33)	(5)	(164)	(429)
Net loans and advances to customers	**3,735**	**2,395**	**1,330**	**1,672**	**608**	**(164)**	**9,576**
Non-performing loans	108	427	44	55	5	-	639
Deposits from customers	**6,977**	**3,951**	**3,504**	**5,088**	**193**	**-**	**19,713**
Total equity	894	703	649	690	120	(891)	2,164
Selected ratios							
ROE[3]	20.3%	7.2%	25.8%	22.3%	5.4%	-	19.0%
ROA	1.7%	0.9%	3.5%	2.3%	0.6%	-	1.3%
Cost-to-income ratio	54.2%	81.2%	46.4%	52.7%	68.2%	-	58.9%
Loan-to-deposit ratio	55.0%	66.4%	39.9%	34.4%	319.5%	-	51.9%
NPL ratio	2.8%	16.3%	3.1%	3.2%	0.8%	-	6.2%
NPL coverage ratio	93.8%	53.9%	159.4%	141.5%	174.8%	-	102.1%

"1. Included in the Nigeria region are the results of the Resolution Vehicle
2. ETI and Others comprise the financial results of ETI (parent company), eProcess (the Group's shared services technology company), other ETI-affiliates and structured entities, and the net impact of eliminations from the Group's accounting consolidation.
3. ROE for the Regions are computed using profit after tax divided by the average end-of-period (EOP) total equity. However, the ROE for the Group, is computed using profit available to ETI divided by average EOP shareholders' equity.


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BUSINESS AND FINANCIAL REVIEW
Regional Segment Performance

Francophone West Africa (UEMOA)

Year ended 31 December (in millions of US dollars)	2021	2020	YoY	Ccy*
Net interest income	345	311	11	7
Non-interest revenue	214	201	7	3
Net revenue	**559**	**511**	**9**	**6**
Operating expenses	(303)	(304)	(0.4)	(4)
Pre-provision pre-tax operating profit	**256**	**207**	**23**	**19**
Gross impairment charges on loans	(142)	(104)	37	34
Loan recoveries and impairment charges releases	79	53	50	48
Net impairment charges on loans	**(63)**	**(51)**	**24**	**20**
Impairment charges on other assets	(1)	(5)	(88)	(87)
Impairment charges on financial assets	**(64)**	**(56)**	**14**	**12**
Profit before tax	**192**	**152**	**27**	**22**
Loans & advances to customers (gross)	3,837	3,870	(1)	7
Of which stage 1	3,555	3,460	3	–
Of which stage 2	174	281	(38)	–
Of which stage 3, credit impaired loans (non-performing loans)	108	129	(16)	(21)
Less: allowance for impairments (Expected Credit Loss)	(102)	(73)	38	19
Of which stage 1: 12-month ECL[1]	(27)	(27)	(1)	–
Of which stage 2: Life-time ECL	(33)	(13)	150	–
Of which stage 3: Life-time ECL	(42)	(33)	26	–
Loans & advances to customers (net)	3,735	3,796	(2)	7
Total assets	10,072	9,969	1	9
Deposits from customers	6,977	6,849	2	10
Total equity	894	822	9	18
Cost-to-income	54.2%	59.5%	–	–
ROE	20.3%	18.6%	–	–
Loan-to-deposit ratio	55.0%	56.5%	–	–
NPL ratio	2.8%	3.3%	–	–
NPL coverage ratio	93.8%	56.8%	–	–
Stage 3 coverage ratio	38.6%	25.6%	–	–

Note: Selected income statement line items only and thus may not sum up
* Ccy = year-on-year percentage change on a constant currency
1 ECL = Expected Credit Loss

UEMOA delivered a profit before tax of $192 million for 2021, increasing by $41 million, or 27 per cent, from 2020. Excluding the impact of foreign currency translation effects, or in constant currency, profit before tax increased by $35 million, or 22 per cent. ROE for the year was 20.3 per cent.

Net revenue of $559 million increased by $47 million, or 9 per cent, and on a constant currency basis, increased by $29 million, or 6 per cent, driven by net interest income. Net interest income of $345 million increased by $34 million, or 11 per cent, benefiting significantly from a decrease in the cost of funds due to an improvement in the deposit mix. Non-interest revenue of $214 million increased by $13 million, or 7 per cent, driven primarily by cash management, cards and credit-related fees and commissions, which in turn was driven by significantly higher client activity.

Expenses of $303 million were essentially unchanged from the previous year. However, expenses decreased by $12 million, or 4 per cent, reflecting reduced discretionary costs on a constant currency basis. As a result, the efficiency ratio improved by 526 basis points to 54.2 per cent in year 2021.

Net impairment charges on loans were $63 million compared with $51 million in the prior year. The current period's impairment charges reflected an increase in provisions, partially offset by an increase in recoveries and collections on non-performing loans.

BUSINESS AND FINANCIAL REVIEW
Regional Segment Performance

Nigeria Year ended 31 December (in millions of US dollars)	2021	2020	YoY	Ccy*
Net interest income	91	161	(43)	(39)
Non-interest revenue	132	109	22	30
Net revenue	**223**	**269**	**(17)**	**(11)**
Operating expenses	(181)	(222)	(18)	(13)
Pre-provision pre-tax operating profit	**42**	**47**	**(12)**	**(5)**
Gross impairment charges on loans	(15)	(33)	(55)	(52)
Loan recoveries and impairment charges releases	36	27	34	39
Net impairment charges on loans	**21**	**(6)**	**n.m.**	**n.m.**
Impairment charges on other assets	(7)	(6)	14	22
Impairment charges on financial assets	**15**	**(12)**	**n.m.**	**n.m.**
Profit before tax	**57**	**35**	**61**	**68**
Loans and advances to customers (gross)	2,625	2,481	6	12
Of which Stage 1	1,567	1,343	17	–
Of which Stage 2	631	645	(2)	–
Of which Stage 3, credit impaired loans (non-performing loans)	427	493	(13)	(8)
Less allowance for impairment charges (expected credit loss)	(230)	(279)	(18)	(13)
Of which Stage 1: 12-month ECL[1]	(11)	(9)	14	–
Of which Stage 2: Lifetime ECL	(75)	(62)	21	–
Of which Stage 3: Lifetime ECL	(144)	(208)	(31)	–
Loans and advances to customers (net)	2,395	2,202	9	15
Total assets	5,985	5,630	6	13
Deposits from customers	3,951	3,538	12	18
Total equity	703	796	(12)	53
Cost-to-income ratio	81.2%	82.4%	–	–
ROE	7.2%	4.2%	–	–
Loan-to-deposit ratio	66.4%	70.1%	–	–
NPL ratio	16.3%	19.9%	–	–
NPL coverage ratio	53.9%	56.7%	–	–
Stage 3 coverage ratio	33.8%	42.2%	–	–

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

Nigeria delivered a profit before tax of $57 million for 2021, increasing $21 million, or 61 per cent, from 2020. Excluding the impact of foreign currency translation effects, or in constant currency, profit before tax increased $23 million, or 68 per cent. ROE was 7.2 per cent.

Net revenue was $223 million, decreasing by $46 million, or 17 per cent, or in constant currency, decreased by $29 million with growth in non-interest revenue offset by a decrease in net interest income. Net interest income of $91 million decreased $59 million in constant currency, reflecting significantly higher funding costs due to the net impact of higher rates. Moreover, discretionary cash reserve requirements (CRR) of the Central Bank of Nigeria continue to impact liquidity, net interest margin and profitability. On the other hand, non-interest revenue of $132 million increased $31 million in constant currency, or 30 per cent, driven predominantly by credit-related fees and cash management and card fees, reflecting a rebound in client activity and customer spending activity as economic growth picked up. Client-driven foreign currency, fixed-income sales and other income also benefited from the resumption of client activity.

Expenses decreased $41 million, or 18 per cent, to $181 million, reflecting efficiency gains, reduced staff costs, and lower depreciation and amortisation expenses. The cost-to-income was 81.2 per cent, essentially unchanged from 2020 because of the resultant negative jaws caused by the significant decrease in net revenues.

Net impairment charges on loans were a benefit of $21 million compared to an impairment charge of $6 million in 2020, primarily due to a significant increase in loan collections and recoveries.

BUSINESS AND FINANCIAL REVIEW
Regional Segment Performance

Anglophone West Africa (AWA)

Year ended 31 December (in millions of US dollars)	2021	2020	YoY	Ccy*
Net interest income	344	317	8	11
Non-interest revenue	176	167	5	7
Net revenue	**520**	**485**	**7**	**9**
Operating expenses	(241)	(235)	3	4
Pre-provision pre-tax operating profit	**279**	**250**	**12**	**14**
Gross impairment charges on loans	(54)	(53)	2	4
Loan recoveries and impairment charges releases	14	13	6	9
Net impairment charges on loans	**(40)**	**(40)**	**1**	**2**
Impairment charges on other assets	(0.2)	(0.0)	n.m.	n.m.
Impairment charges on financial assets	**(40)**	**(40)**	**1**	**3**
Profit before tax	**239**	**210**	**14**	**16**
Loans and advances to customers (gross)	1,399	1,213	15	17
Of which Stage 1	1,306	1,078	21	–
Of which Stage 2	50	59	(14)	–
Of which Stage 3, credit-impaired loans (non-performing loans)	44	77	(43)	(42)
Less allowance for impairments (expected credit loss)	(70)	(72)	(3)	(1)
Of which Stage 1: 12-month ECL[1]	(17)	(22)	(20)	–
Of which Stage 2: Lifetime ECL	(12)	(7)	73	–
Of which Stage 3: Lifetime ECL	(40)	(43)	(7)	–
Loans and advances to customers (net)	1,330	1,142	16	18
Total assets	4,813	4,304	12	13
Deposits from customers	3,504	3,180	10	11
Total equity	649	585	11	14
Cost-to-income ratio	46.4%	48.5%	–	–
ROE	25.8%	30.0%	–	–
Loan-to-deposit ratio	39.9%	38.2%	–	–
NPL ratio	3.1%	6.3%	–	–
NPL coverage ratio	159.3%	93.5%	–	–
Stage 3 coverage ratio	92.6%	56.5%	–	–

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

AWA delivered a profit before tax of $239 million for 2021, increasing $29 million, or 14 per cent, from 2020. Excluding the impact of foreign currency translation effects, or in constant currency, profit before tax increased $34 million, or 16 per cent. ROE was 25.8 per cent.

Net revenue of $520 million increased $35 million, or 7 per cent, and on a constant currency basis by $35 million, predominantly driven by net interest income. Net interest income of $344 million increased $26 million, or 8 per cent, reflecting higher interest-earning assets balances, the net impact of higher yields and improved deposit mix. Non-interest revenue of $176 million rose $9 million, or 5 per cent, driven predominantly by cash management, cards, and other related fees, partially offset by a decrease in client-driven FX sales.

Expenses of $241 million increased by $6 million, or 3 per cent, compared to 2020. In constant currency, expenses decreased by $10 million, 4 per cent, primarily driven by employee-related costs. The efficiency ratio of 46.4 per cent improved compared to 48.5 per cent in 2020.

Net impairment charges on loans of $40 million compared with $40 million in the prior year, partly benefiting from decreased non-performing loans.

BUSINESS AND FINANCIAL REVIEW
Regional Segment Performance

Central, Eastern and Southern Africa (CESA)

Year ended 31 December (in millions of US dollars)	2021	2020	YoY	Ccy*
Net interest income	275	211	30	23
Non-interest revenue	245	247	(1)	10
Net revenue	**520**	**458**	**13**	**16**
Operating expenses	(274)	(249)	10	9
Pre-provision pre-tax operating profit	**246**	**209**	**18**	**26**
Gross impairment charges on loans	(45)	(50)	(9)	(11)
Loan recoveries and impairment charges releases	36	27	35	31
Net impairment charges on loans	**(9)**	**(23)**	**(60)**	**(60)**
Impairment charges on other assets	(17)	(5.8)	200	180
Impairment charges on financial assets	**(27)**	**(29)**	**(8)**	**(9)**
Net monetary loss arising from hyperinflationary economy	(26)	(61)	(57)	–
Profit before tax	**194**	**119**	**62**	**83**
Loans and advances to customers (gross)	1,751	1,796	(3)	4
Of which Stage 1	1,519	1,437	6	–
Of which Stage 2	176	194	(9)	–
Of which Stage 3, credit impaired loans (non-performing loans)	55	165	(66)	(64)
Less allowance for impairment charges (expected credit loss)	(78)	(163)	(52)	(49)
Of which Stage 1: 12-month ECL[1]	(22)	(29)	(25)	–
Of which Stage 2: Lifetime ECL	(23)	(20)	14	–
Of which Stage 3: Lifetime ECL	(33)	(114)	(71)	–
Loans and advances to customers (net)	1,672	1,633	2	9
Total assets	6,695	5,961	12	22
Deposits from customers	5,088	4,510	13	23
Total equity	690	595	16	25
Cost-to-income ratio	52.7%	54.4%	–	–
ROE	22.3%	16.0%	–	–
Loan-to-deposit ratio	34.4%	39.8%	–	–
NPL ratio	3.2%	9.2%	–	–
NPL coverage ratio	141.5%	98.9%	–	–
Stage 3 coverage ratio	60.4%	69.0%	–	–

Note: selected income statement line items only and thus may not sum up
* Ccy = year-on-year percentage change on a constant currency
1. ECL = expected credit loss

CESA delivered a profit before tax of $194 million for 2021, increasing $74 million, or 62 per cent, from 2020. Excluding the impact of foreign currency translation effects, or in constant currency, profit before tax increased $88 million. ROE was 22.3 per cent.

Net revenue of $520 million increased $62 million, or 13 per cent, or on a constant currency basis, grew by $73 million, or 16 per cent, driven by growth in funded and non-funded income. Net interest income of $275 million increased $64 million, or 30 per cent, reflecting significantly higher growth in interest income of 17 per cent, partially offset by an increase in funding cost. Non-interest revenue of $245 million fell $2 million, or 1 per cent, and on a constant currency basis increased by $23 million. The increase was driven by growth in fees and commissions related to cash management, brokerage, credit-related and cards. However, this growth was partially offset by decreased client-related FX and fixed-income sales.

Expenses of $274 million increased by $25 million, or 10 per cent, primarily due to hyperinflationary dynamics. However, the efficiency ratio improved to 52.7 per cent compared to 54.4 per cent in the prior year, driven by positive operating leverage.

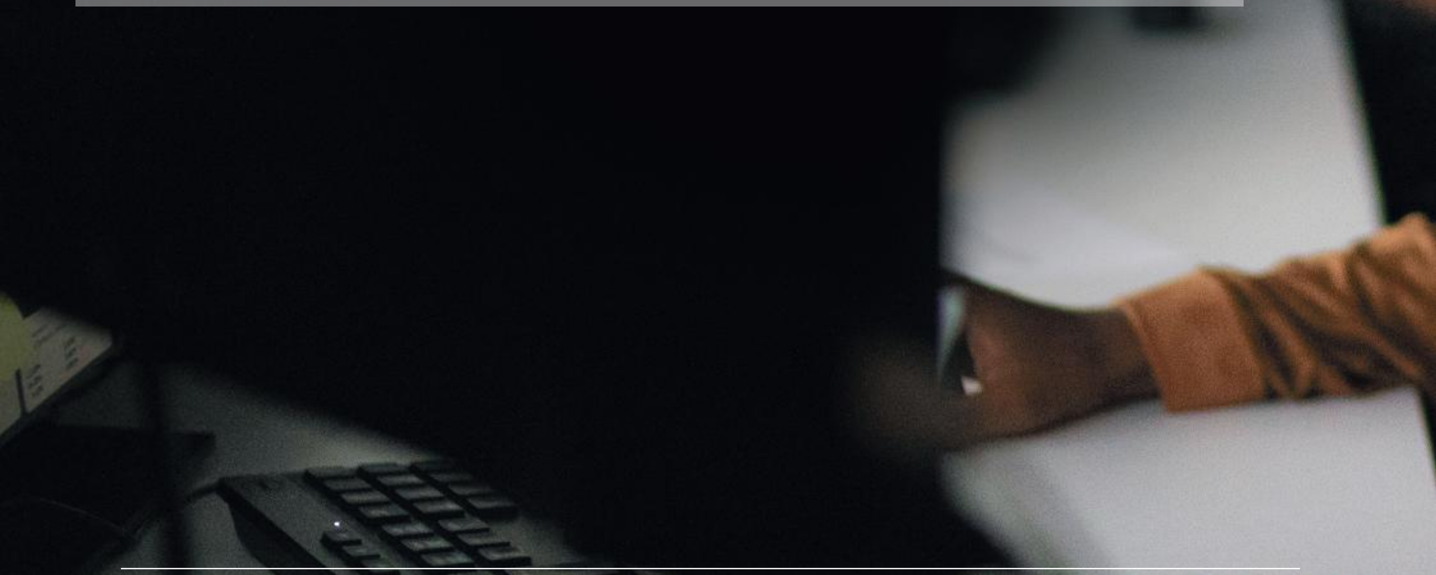
Net impairment charges on loans were $9 million compared with $23 million in the prior year. The comparable lower net impairment charges for the period were due to a significant increase in loan recoveries, which helped offset the rise in gross impairment charges.

FINANCIAL STATEMENTS

HARNESSING TECHNOLOGY AND LEVERAGING ON FINTECH PARTNERSHIPS

Ecobank sees fintechs as developers of solutions to partner with to provide cutting-edge services to our customers.

To be the bank of the future we must further our digital mindset, and as a digital pioneer we actively encourage and support fintech entrepreneurs and start-ups through our initiatives such as our annual Fintech Challenge, fintech partnerships and our pan-African Banking Sandbox. Fintechs are key partners in driving innovation and agility and Ecobank is moving towards a Bank as a Platform motion, by enabling the possibility for fintechs to open 'lite' bank accounts for their customers.



FINANCIAL STATEMENTS

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

Responsibility for consolidated financial statements

The Directors are responsible for the preparation of the consolidated financial statements for each financial period that give a true and fair view of the financial position of the Group as at 31 December 2021 and the results of its operations, statement of cash flow, income statement and changes in equity for the year ended in compliance with International Financial Reporting Standards ("IFRS"). This responsibility includes ensuring that the Group:

(a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group;

(b)establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

(c) prepares its consolidated financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, that are consistently applied.

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

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

The Directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the Group and of its profit or loss for the year ended 31 December 2021. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors on 25 February 2022 and signed on its behalf by:

Alain Nkontchou
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

Opinion

We have audited the consolidated financial statements of Ecobank Transnational Incorporated and its subsidiaries (together referred to as "the Group") set out on pages 157-275 which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Ecobank Transnational Incorporated as at 31 December 2021, and its consolidated financial performance and statement of cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

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

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

Key audit matters

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ECOBANK TRANSNATIONAL INCORPORATED

Key audit matter	How our audit addressed the key audit matter
Impairment of loans and advances to customers	
Loans and advances to customers constitute a significant portion of the total assets of the Group. At 31 December 2021, gross loans and advances to customers was US$ 10,228 million (31 December 2020: US$9,798 million) against which total loan impairment amount of US$652 million (31 December 2020: US$558 million) were recorded, thus leaving a net loan balance of US$9,576 million (31 December 2020: US$9,240 million) which represents nearly 35 per cent (31 December 2020: 36 per cent) of the total assets as at the reporting date (see note 20). The basis of the impairment amount is summarised in the Accounting policies in the consolidated financial statements. The Directors exercise significant judgement when determining both when and how much to record as loan impairment. This is because a number of significant assumptions and inputs go into the determination of expected credit loss impairment amounts on loans and advances to customers. The Group has implemented IFRS 9, Financial Instruments since 1 January 2018. This standard requires the Group to recognise Expected Credit Losses ('ECL') on financial instruments, which involves exercise of significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Group's implementation of IFRS 9 include: i. Identification and measurement of economic scenarios to measure ECLs on a forward-looking basis reflecting a range of future economic conditions. ii. Assessment and measurement of Significant Increase in Credit Risk ('SICR') using different criteria. iii. Modelling for estimation of ECL parameters – - probabilities of default (PDs) - 12-month and lifetime, - loss given default, - exposure at default. iv. Completeness and accuracy of data used to calculate the ECL; Because of the significance of these estimates, judgements and the size of loans and advances portfolio, the audit of loan impairment is considered a key audit matter.	We focused our testing of the impairment on loans and advances to customers on the key assumptions and inputs made by Management and Directors. Specifically, our audit procedures included: • Obtaining an understanding of the loan loss impairment calculation process within the group; • Testing the design and determining implementation of key controls across the processes relevant to the Expected Credit Loss ('ECL') (allocation of assets into stages, model governance, data accuracy and completeness, credit monitoring, multiple economic scenarios, post model adjustments, individual impairment and processing of journal entries and disclosures); • Assessing the ECL impairment levels by stage to determine if they were reasonable considering the Group's portfolio, risk profile, credit risk management practices and the macroeconomic environment. • Challenging the criteria used to allocate asset to stage 1, 2 or 3 in accordance with IFRS 9; • Testing the assumptions, inputs and formulae used in a sample of ECL models with the support of our internal credit risk specialists (including assessing the appropriateness of model design and formulae used, assessing the Group's approach and methodology of incorporating the impacts of COVID-19 in the ECL models, considering alternative modelling techniques and recalculating the probability of default, loss given default and exposure at default for a sample of models); • Testing the data used in the ECL calculation by reconciling to source systems; • Assessing the adequacy and appropriateness of disclosures Based on our review, we found that the Group's impairment methodology, including the model, assumptions and key inputs used by Management and Directors to estimate the amount of loan impairment losses were appropriate in the circumstances.

Other information

The Directors are responsible for the other information. The other information comprises the Statement of Directors' Responsibilities. The other information does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work performed on the other information that we obtained prior to the date of this auditors' report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ECOBANK TRANSNATIONAL INCORPORATED

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
7 March 2022

Engagement Partner: David Achugamonu
FRC/2013/ICAN/0000000840

For: Grant Thornton
Chartered Accountants
Abidjan, Cote d'Ivoire
7 March 2022

Engagement Partner: Georges Yao-Yao

CONSOLIDATED INCOME STATEMENT

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

For the year ended 31 December	Notes	2021	2020
Interest income	7	1,473,554	1,390,438
Interest expense	7	(529,124)	(483,212)
Net interest income		**944,430**	**907,226**
Fee and commission income	8	500,149	424,589
Fee and commission expense	8	(48,720)	(35,643)
Net trading income	9	295,617	346,276
Net investment income	10	18,563	16,617
Other operating income	11	46,675	20,700
Non-interest revenue		**812,284**	**772,539**
Operating income		**1,756,714**	**1,679,765**
Staff expenses	12	(454,937)	(462,992)
Depreciation and amortisation	12	(108,669)	(104,206)
Other operating expenses	12	(471,092)	(486,840)
Operating expenses		**(1,034,698)**	**(1,054,038)**
Operating profit before impairment charges and taxation		**722,016**	**625,727**
Impairment charges on financial assets	13	(217,680)	(227,025)
Operating profit after impairment charges on financial assets		**504,336**	**398,702**
Net monetary loss arising from hyperinflationary economies	2.5	(25,852)	(60,523)
Share of post-tax results of associates	25	(492)	(297)
Profit before tax and goodwill impairment		**477,992**	**337,882**
Goodwill impairment	26	–	(163,564)
Profit before tax		**477,992**	**174,318**
Taxation	14	(122,281)	(89,335)
Profit after tax from continuing operations		**355,711**	**84,983**
Profit after tax from discontinued operations	30	1,655	3,336
Profit after tax		**357,366**	**88,319**
Profit after tax attributable to:			
Ordinary shareholders		**262,234**	**4,202**
• Continuing operations		261,340	2,401
• Discontinued operations		894	1,801
Non-controlling interests		**95,132**	**84,117**
• Continuing operations		94,371	82,582
• Discontinued operations		761	1,535
		357,366	**88,319**
Earnings per share from continuing operations attributable to owners of the parent during the year (expressed in United States cents per share):			
• Basic	15	1.063	0.010
• Diluted	15	1.063	0.010
Earnings per share from discontinued operations attributable to owners of the parent during the year (expressed in United States cents per share):			
• Basic	15	0.004	0.007
• Diluted	15	0.004	0.007

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

For the year ended 31 December	Notes	2021	2020
Profit after tax		**357,366**	**88,319**
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Exchange difference on translation of foreign operations		(214,710)	(8,553)
Fair value (loss) / gain on debt instruments at FVOCI	40	(53,482)	76,639
Taxation relating to components of other comprehensive income that may be subsequently reclassified to profit or loss	40	(6,607)	(2,025)
		(274,799)	66,061
Items that will not be reclassified to profit or loss:			
Property and equipment – revaluation gain	40	16,258	29,208
Fair value gain in equity instruments designated at FVOCI	40	509	79
Remeasurements of defined benefit obligations	40	(931)	(233)
Taxation relating to components of other comprehensive income that will not be subsequently reclassified to profit or loss	40	(4,076)	(9,605)
		11,760	19,449
Other comprehensive (loss) / income for the year, net of tax		**(263,039)**	**85,510**
Total comprehensive profit for the year		**94,327**	**173,829**
Total comprehensive profit attributable to:			
Ordinary shareholders		**36,190**	**69,446**
– Continuing operations		35,296	67,645
– Discontinued operations		894	1,801
Non-controlling interests		**58,137**	**104,383**
– Continuing operations		57,376	102,848
– Discontinued operations		761	1,535
		94,327	**173,829**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

As at 31 December	Notes	2021	2020
Assets			
Cash and balances with central banks	16	4,209,138	3,752,596
Trading financial assets	17	346,042	156,490
Derivative financial instruments	18	78,404	115,162
Loans and advances to banks	19	2,289,445	2,011,343
Loans and advances to customers	20	9,575,865	9,239,948
Treasury bills and other eligible bills	21	2,087,085	1,730,845
Investment securities	22	6,560,228	6,074,244
Pledged assets	23	206,001	423,599
Other assets	24	1,095,569	1,128,200
Investment in associates	25	4,863	3,468
Intangible assets	26	122,288	151,870
Investment properties	27	11,019	12,365
Property and equipment	28	750,615	810,521
Deferred income tax assets	36	201,996	164,486
		27,538,558	25,775,137
Assets held for sale	30	23,235	164,336
Total assets		**27,561,793**	**25,939,473**
Liabilities			
Deposits from banks	31	2,229,935	2,386,747
Deposits from customers	32	19,713,349	18,296,952
Derivative financial instruments	18	29,101	78,908
Borrowed funds	33	2,352,437	1,923,182
Other liabilities	34	821,264	823,112
Provisions	35	72,230	60,462
Current income tax liabilities		66,342	68,534
Deferred income tax liabilities	36	87,751	76,528
Retirement benefit obligations	37	25,078	22,168
		25,397,487	23,736,593
Liabilities held for sale	30	-	175,167
Total liabilities		**25,397,487**	**23,911,760**
Equity			
Share capital and premium	39	2,113,961	2,113,961
Retained earnings and reserves	40	(581,570)	(610,565)
Equity attributable to ordinary shareholders		**1,532,391**	**1,503,396**
Other equity instruments holder	40	**74,088**	**–**
Non-controlling interests		**557,827**	**524,317**
Total equity		**2,164,306**	**2,027,713**
Total liabilities and equity		**27,561,793**	**25,939,473**

The accompanying notes are an integral part of these financial statements.
The financial statements were approved for issue by the board of directors on 25 February 2022 and signed on its behalf by:

Alain Nkontchou
Group Chairman
FRC/2020/003/00000021578

Ade Ayeyemi
Group Chief Executive Officer
FRC/2020/003/00000020528

Ayo Adepoju
Group Chief Financial Officer
FRC/2017/ICAN/00000017517

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

		Attributable to equity holders of the company			Equity attributable to owners of the parents		Non-controlling interests	Total equity
	Note	Share capital and premium	Retained earnings	Other reserves		Other equity instruments		
At 31 December 2019/At 1 January 2020		**2,113,957**	**245,563**	**(882,827)**	**1,476,693**	**-**	**409,084**	**1,885,777**
Net changes in debt instruments, net of taxes	40	–	–	74,614	74,614	–	–	74,614
Net changes in equity instruments designated at FVOCI, net of taxes	40	–	–	79	79	–	–	79
Foreign currency translation differences	40	–	–	(28,819)	(28,819)	–	20,266	(8,553)
Net gain on revaluation of property	40	–	–	19,603	19,603	–	–	19,603
Remeasurements of post-employment benefit obligations	40	–	–	(233)	(233)	–	–	(233)
Other comprehensive income for the year		–	–	65,244	65,244	–	20,266	85,510
Profit for the year		–	4,202		4,202	–	84,117	88,319
Total comprehensive income for the year		**–**	**4,202**	**65,244**	**69,446**	**–**	**104,383**	**173,829**
Adjustment to ordinary capital		4	–	–	4	–	–	4
Hyper-inflation Impact	40	–	–	(31,897)	(31,897)	–	–	(31,897)
Transfer to general banking reserves	40	–	(2,227)	2,227	–	–	–	–
Transfer to statutory reserve	40	–	(48,366)	48,366	–	–	–	–
Change in minority interest		–	–	(10,850)	(10,850)	–	10,850	–
At 31 December 2020		**2,113,961**	**199,172**	**(809,737)**	**1,503,396**	**–**	**524,317**	**2,027,713**
Net changes in debt instruments, net of taxes	40	–	–	(62,238)	(62,238)	–	2,149	(60,089)
Net changes in equity instruments designated at FVOCI, net of taxes	40	–	–	509	509	–	–	509
Foreign currency translation differences	40	–	–	(175,566)	(175,566)	–	(39,144)	(214,710)
Remeasurements of post-employment benefit obligations	40	–	–	(931)	(931)	–	–	(931)
Net gain on revaluation of property	40	–	–	12,182	12,182	–	–	12,182
Other comprehensive income for the year		–	–	(226,044)	(226,044)	–	(36,995)	(263,039)
Profit for the year			262,234	–	262,234	–	95,132	357,366
Total comprehensive income for the year		**–**	**262,234**	**(226,044)**	**36,190**	**–**	**58,137**	**94,327**
Additional tier 1 capital		–	–	–	–	74,088	–	74,088
Group Reserve	40	–	–	(7,195)	(7,195)	–	–	(7,195)
Transfer to general banking reserves		–	(23,935)	23,935	–	–	–	–
Transfer to statutory reserve	40	–	(3,052)	3,052	–	–	–	–
Dividend relating to 2020		–	–	–	–	–	(24,627)	(24,627)
At 31 December 2021		**2,113,961**	**434,419**	**(1,015,989)**	**1,532,391**	**74,088**	**557,827**	**2,164,306**

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

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

For the year ended 31 December	Notes	2021	2020
Profit for the year			
Profit before tax		477,992	174,318
Adjustments for:			
Foreign exchange income		(200,115)	(205,585)
Net investment securities income	10	(18,563)	(16,617)
Fair value loss on investment properties	11	592	2,730
Impairment charges on loans and advances	13	169,610	181,555
Impairment charges on other financial assets	13	50,255	45,470
Goodwill impairment	26	–	163,564
Depreciation of property and equipment	11	75,177	82,679
Amortisation of software and other intangibles	11	33,492	21,527
Profit on sale of property and equipment		(15,778)	(1,928)
Share of post-tax results of associates	25	492	297
Income taxes paid		(160,211)	(126,841)
Changes in operating assets and liabilities			
• Trading financial assets		(189,552)	26,172
• Derivative financial instruments		36,758	(49,703)
• Treasury bills and other eligible bills		(385,958)	157,824
• Loans and advances to banks		21,783	(66,269)
• Loans and advances to customers		(430,178)	35,595
• Pledged assets		217,598	(72,121)
• Other assets		32,631	56,570
• Mandatory reserve deposits with central banks		(26,343)	87,327
• Other deposits from banks		(198,090)	100,129
• Deposits from customers		1,416,397	2,050,832
• Derivative liabilities		(49,807)	27,653
• Provisions		11,768	(8,020)
• Other liabilities		(1,848)	(22,858)
Net cash flow from operating activities		**868,102**	**2,644,300**
Cash flows from investing activities			
Purchase of software	26	(20,353)	(25,393)
Purchase of property and equipment	28	(276,250)	(265,000)
Proceeds from sale of property and equipment	28	205,919	255,842
Purchase of investment securities	22	(4,160,242)	(3,419,589)
Purchase of investment properties	27	–	(7,023)
Disposal of investment properties		–	3,985
Proceeds from sale and redemption of investment securities	22	3,152,384	2,547,499
Issue cost of other equity instruments	40	(912)	–
Cash payment for acquisition of Pan African Savings and Loans	46	(897)	–
Cash payment for disposal of subsidiary	30	(10,496)	–
Net cash flow used in investing activities		**(1,110,847)**	**(909,679)**
Cash flows from financing activities			
Repayment of borrowed funds	33	(448,579)	(548,463)
Proceeds from borrowed funds	33	729,361	363,617
Proceeds from other equity instruments	40	75,000	–
Dividends paid to non-controlling shareholders		(24,627)	(24,322)
Net cashflow from/(used in) financing activities		**331,155**	**(209,168)**
Net increase in cash and cash equivalents		**88,410**	**1,525,453**
Cash and cash equivalents at start of year	41	3,800,456	2,559,766
Effects of exchange differences on cash and cash equivalents		97,443	(284,763)
Cash and cash equivalents at end of year	**41**	**3,986,309**	**3,800,456**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in thousands of US 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 presence in 39 countries and employed over 13,167 people as at 31 December 2021 (31 December 2020: 14,023) .

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) Côte D'Ivoire.

The consolidated financial statements for the year ended 31 December 2021 have been approved by the Board of Directors on 25 February 2022.

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 elsewhere. These policies have been consistently applied to all the periods presented, unless otherwise stated. The notes also highlight new standards and interpretations issued at the time of preparation of the consolidated financial statements and their potential impact on the Group. The financial statements are for the Group consisting of Ecobank Transnational Incorporated and its subsidiaries.

2.1 Basis of presentation and measurement

The Group's consolidated financial statements for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) guidance. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

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

- fair value through other comprehensive income and fair value through profit and loss, financial assets and financial liabilities (including derivative instruments) and investment properties measured at fair value;
- assets held for sale - measured at fair value less cost of disposal; and
- the liability for defined benefit obligations recognized at the present value of the defined benefit obligation less the fair value of the plan assets and plan assets measured at fair value.

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

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

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

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

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

2.2 Going concern

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

2.3 New and amended standards adopted by the Group

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

a) Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.

- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

b) COVID-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued COVID-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the COVID-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received COVID-19-related rent concessions, as such there is no impact on the Group financial statements.

2.4 New and amended standards/ interpretation issued not yet adopted by the Group

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2021.

i) IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- a specific adaptation for contracts with direct participation features (the variable fee approach).
- a simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

The impact of this standard is not material to the Group.

ii) Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by a right to defer settlement.
- that a right to defer must exist at the end of the / reporting period.
- that classification is unaffected by the likelihood that an entity will exercise its deferral right.
- that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

iii) Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance

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in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. There have been no business combinations for the reporting period.

iv) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

v) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group has no contracts as at the reporting dates to which the amendments apply.

vi) IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

vii) Definition of Accounting Estimates – Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

viii) Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

ix) Annual Improvements to IFRS Standards 2018–2020

The following improvements were finalised in May 2020:

- IFRS 9 Financial Instruments – clarifies which fees should be included in the 10 per cent test for derecognition of financial liabilities.
- IFRS 16 Leases – amendment to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded

in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

- IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The impact of this standard is not material to the Group.

x) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities; and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. The impact of this standard is not material to the Group.

2.5 Foreign currency translation

a) Functional and presentation currency

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

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

b) Transactions and balances

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

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

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

c) Group companies

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

i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

ii) Income and expenses for each income statement are translated at average exchange rates; (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

iii) All resulting exchange differences are recognised in other comprehensive income.

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

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

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

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d) Classification of Zimbabwe and South Sudan as hyper-inflationary economies.

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

The Zimbabwe economy was designated as hyperinflationary from 1 July 2019. As a result, application of IAS 29 'Financial Reporting in Hyperinflationary Economies' has been applied to Ecobank Zimbabwe. In addition, South Sudan is also an hyperinflationary economy. IAS 29 has been applied to Eobank South Sudan.

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

- The income statement is translated at the period end foreign exchange rate instead of an average rate; and
- Adjustment of the income statement to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.
- This resulted in a net monetary loss of $25.9 million recorded in the income statement. .

2.6 Sale and repurchase agreements

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

2.7 Determination of fair value

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

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

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

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

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

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

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

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.

2.8 Fee and commission income

The Group applies IFRS 15 to all revenue arising from contracts with clients, unless the contracts are in the scope of the standards on leases, insurance contracts and financial instruments. The Group recognises revenues to depict the transfer of promised service to customers in an amount that reflects the consideration the Group expects to be entitled in exchange for the service. Fees and commissions are generally recognised on an accrual basis when the service has been provided and considering the stage of completion. Fees charged for servicing a loan are recognised in revenue as the service is provided, which in most instances occurs monthly when the fees are levied. Loan syndication fees are recognised as part of fees and commissions income 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. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-apportionment basis. This is especially so as is the case in most instances for the Group where the nature of the service provided is such that the client benefits as the services are provided. Where this is not the case and where the nature of the service provided is such that the customer only benefits on completion such fees are recognised at a point in time and usually when control transfers. 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 recognised on completion of the underlying transaction. Asset management fees related to investment funds are recognised over the period in which the service is provided. Initial fees that exceed the level of recurring fees and relate to the future provision of services are deferred and amortised over the projected period over which services will be provided. 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 recognised when the performance criteria are fulfilled. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan under interest income.

2.9 Dividend income

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

2.10 Net gains on trading financial assets

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

2.11 Impairment of non-financial assets

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

2.12 Share-based payments

The Group engages in equity settled share-based payment transactions in respect of services received from certain categories of its employees. The fair value of the services received is measured by reference to the fair value of the shares or share options granted on the date of the grant. The cost of the employee services received in respect of the shares or share options granted is recognised in the consolidated income statement over the period that the services are received, which is the vesting period.

The fair value of the options granted is determined using option pricing models, which take into account the exercise price of the option, the current share price, the risk free interest rate, the expected volatility of the share price over the life of the option and other relevant factors. Except for those which include terms related to market conditions, vesting conditions included in the terms of the grant are not taken into account in estimating fair value.

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

2.13 Cash and cash equivalents

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

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2.14 Repossessed collateral and properties

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

2.15 Leases

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

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

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

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

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

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

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

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

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

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

2.16 Investment properties

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

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

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

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

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

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

2.17 Property and equipment

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

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

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

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

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

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• Buildings	25 – 50 years
• Leasehold improvements	25 years, or over the period of the lease if less than 25 years
• Furniture, equipment 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.

2.18 Intangible assets

a) Goodwill

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

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

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

b) Computer software licences

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

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

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

2.19 Income tax

a) Current income tax

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

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

b) Deferred income tax

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

The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and liabilities, provisions for pensions and other post-retirement benefits and carry-forwards; and, in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base, fair value changes on investment securities (available for sale financial assets under IAS 39), tax loss carried forward, revaluation on property and equipment. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

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

Deferred tax related to fair value re-measurement of investment securities (available for sale financial assets under IAS 39), which are recognised in other comprehensive income, is also recognised in the other comprehensive income and subsequently in the consolidated income statement together with the deferred gain or loss.

2.20 Provisions

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

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

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

2.21 Employee benefits

a) Pension obligations

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

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

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

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

Past-service costs are recognised immediately in income.

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

b) Other post-retirement obligations

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

c) Termination benefits

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

d) Profit-sharing and bonus plans

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

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e) Short-term benefits

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

2.22 Borrowings

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

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

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

2.23 Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

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

2.24 Fiduciary activities

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

2.25 Share capital

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

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

a) Share issue costs

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

b) Dividends on ordinary shares

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

c) Treasury shares

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

2.26 Segment reporting

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

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

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

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

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

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

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

2.28 Discontinued operations

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

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

2.29 Comparatives

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

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

2.30 Financial assets and liabilities

2.30.1 Financial assets – Classification and Measurement Policies

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

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

(i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

(i) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset; and

(ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments are those instruments that meet the definition of a financial liability from the holder's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse. Movements in the carrying amount of these assets are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in Net investment income. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

c) A debt instrument is measured at FVTPL

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

d) Equity instruments

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

e) Business model assessment

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

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated, e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about

future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

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

(i) When the Group sells financial assets to reduce credit risk or losses because of an increase in the assets' credit risk. The Group considers sale of financial assets that may occur in assets held with the sole objective of collecting cashflows to be infrequent if the sales is one-off during the financial year and/or occurs at most once during the quarter or at most three (3) times within the financial year.

(ii) Where these sales are infrequent even if significant in value. A sale of financial assets is considered infrequent if the sale is one-off during the financial year and/or occurs at most once during the quarter or at most three (3) times within the financial year.

(iii) Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.

(iv) When these sales are made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets has a tenor to maturity of not more than one (1) year and/or the difference between the remaining contractual cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.

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

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

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

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

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

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

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

2.30.2 Financial liabilities

The accounting for financial liabilities remains largely unchanged, except for financial liabilities designated at fair value through profit or loss (FVTPL). Gains and losses on such financial liabilities are now required to be presented in other comprehensive income (OCI), to the extent that they relate to changes in own credit risk. The Group did not hold any such assets at year end.

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

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

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Expected Credit Loss Impairment Model

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

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

(i) Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.

(ii) Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

(iii) Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

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

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

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

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

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

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

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

a) Measurement

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

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

b) Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows.

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

c) Credit-impaired financial assets

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties;
- 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.

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

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

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

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

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

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

e) Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. The average write-off period is one year. However, in some cases this might be constrained by existing legal or regulatory requirements and thus could take much longer than the stated year. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

f) Definition of default

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

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments .

Qualitative criteria

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

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

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

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

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

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

(i) The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default (2.29.6f above) and credit-impaired financial assets" (2.29.6c above)), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. This 12M PD is used to calculate 12-month ECLs. The Lifetime PD is used to calculate lifetime ECLs for stage 2 and 3 exposures.

(ii) EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

(iii) Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

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

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

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

(i) For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12 month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

(ii) For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Group's recent default data. The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

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

(i) For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

(ii) For unsecured products, LGD's are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies, including contracted debt sales and price.

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

The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a semi-annual basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

h) Significant increase in credit risk (SICR)

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

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

i) Forward-looking information incorporated in the ECL models

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

Forecasts of these economic variables (the "base economic scenario") are provided by Ecobank Group's Economics team (as well as from other credible external sources such as Business Monitor International (BMI), International Monetary Fund (IMF), World Bank, respective Central Banks etc) on a quarterly basis and provide the best estimate view of the economy over the next five years. After five years, to project the economic variables out for the full remaining lifetime of each instrument, the forecast of the forecast for the fifth year is held constant to reduce the impact of estimation uncertainty in the long run. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Group's Economics team also provide other possible scenarios along with scenario weightings. The number scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. At 1 January 2018 and 31 December 2018, the Group concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario represents. The Group measures expected credit losses as a probability weighted expected credit losses. These probability-weighted expected credit losses are determined by running each of the scenarios through the relevant expected credit loss model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs). For the current reporting dates, the weighting attached to the Base case, Optimistic and Downturn scenarios were 55 per cent, 25 per cent and 20 per cent respectively.

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

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

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The economic scenarios used as at 31 December 2021 included the following key indicators for the year ended December 2021 to 2022.

	Weighting	2021	2022
Nigeria			
GDP Growth			
Base	40%	2.6%	4.1%
Upside	23%	2.6%	8.4%
Downside	37%	2.6%	(0.2%)
Price of Crude/USD			
Base	40%	51.2	53.8
Upside	23%	51.2	76.1
Downside	37%	51.2	31.4
UEMOA			
Commodity price index/USD			
Base	40%	573.6	679.8
Upside	17%	573.6	806.2
Downside	37%	573.6	553.3
GDP Growth			
Base	40%	5.8%	5.7%
Upside	17%	5.8%	9.2%
Downside	43%	5.8%	2.2%
AWA			
GDP Growth			
Base	40%	4.7%	6.9%
Upside	22%	4.7%	10.7%
Downside	38%	4.7%	3.2%

Summary of forward-looking information and associated sensitivity:

		Aggregate Impairment					
		Nigeria	UEMOA	AWA	CESA	ETI and others	Total
Gross Loans Impairment		2,624,652	3,837,031	1,399,158	1,750,569	616,830	10,228,241
		(229,933)	(101,582)	(69,498)	(78,143)	(173,220)	(652,376)
Commodity Price Index	5% Increase	(229,933)	(101,377)	(69,498)	(77,986)	(173,217)	(652,010)
	5% Decrease	(229,933)	(101,785)	(69,498)	(78,300)	(173,217)	(652,732)
Price of Crude Oil	5% Increase	(244,375)	(101,582)	(69,498)	(78,143)	(173,217)	(666,814)
	5% Decrease	(230,489)	(101,582)	(69,498)	(78,143)	(173,217)	(652,928)
GDP Growth	5% Increase	(214,604)	(94,810)	(64,865)	(78,143)	(173,217)	(625,638)
	5% Decrease	(251,202)	(112,502)	(76,100)	(78,143)	(173,217)	(691,163)

As can be seen above, a 5 per cent move in the forward-looking information used in the computation of ECL would result in the impairment for the Group being lower by $26.7 million or higher by $38.8 million.

j) Expected life

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

2.30.3 Interest income

Interest income and expense for all interest-bearing financial instruments are recognized within 'interest income' and 'interest expense' in the consolidated income statement using the effective interest method. The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired (as set out in Note 2.29.5) and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Under both IFRS 9 and IAS 39, interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, financial instruments designated at FVTPL. Interest income on interest bearing financial assets measured at FVTOCI are also recorded by using the EIR method. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

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

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

2.30.4 Reclassification of financial assets

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

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

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

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

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

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

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

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2.30.5 Modification of financial assets

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

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

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Group monitors the subsequent performance of modified assets. The Group may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

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

When the contractual terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value. Any difference between the amortised cost and the present value of the estimated future cash flows of the modified asset or consideration received on derecognition is recorded as a separate line item in profit or loss in the Other operating income item.

Quantitative criteria

A modification would lead to derecognition of existing financial asset and recognition of a new financial asset, i.e. substantial modification, if the discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

In addition to the above, the bank shall also consider qualitative factors as detailed below.

Qualitative criteria

Scenarios where modifications will lead to derecognition of existing loan and recognition of a new loan, i.e. substantial modification, are:

- The exchange of a loan for another financial asset with substantially different contractual terms and conditions such as the restructuring of a loan to a bond; conversion of a loan to an equity instrument of the borrower
- Roll up of interest into a single bullet payment of interest and principal at the end of the loan term
- Conversion of a loan from one currency to another currency.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss as part of impairment charge for the year.

2.30.6 Derecognition of financial liabilities

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

2.30.7 Derecognition of financial assets

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

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2.31 Financial guarantee contracts and loan commitments

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

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

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

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

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

2.32 Offsetting financial instruments

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

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

2.33 Classes of financial instruments

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

Financial assets

Category (as defined by IFRS 9)	Class (as determined by the Group)	Note
Fair Value Through Profit or Loss (FVTPL)	Trading financial assets	17
	Derivative financial instruments	18
Amortised Cost	Cash and balances with central banks	16
	Loans and advances to banks	19
	Loans and advances to customers	20
	Other assets excluding prepayments	24
Fair Value Through Other Comprehensive Income (FVTOCI)	Treasury bills and other eligible bills	21
	Investment securities	22
	Pledged assets	23

Financial liabilities

Category (as defined by IFRS 9)	Class (as determined by the Group)	Note
Financial liabilities at fair value through profit or loss	Derivative financial instruments	18
Financial liabilities at amortised cost	Deposits from banks	31
	Deposits from customers	32
	Borrowed funds	33
	Other liabilities, excluding non-financial liabilities	34

Off balance sheet financial instruments

Category (as defined by IFRS 9)	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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3 Critical accounting estimates, and judgments in applying accounting policies

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

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

a) Impairment losses on loans and advances

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

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

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

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

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

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

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

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

b) Fair value of financial instruments

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

c) Goodwill impairment

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.17. These calculations require the use of estimates. The recoverable amount of all CGUs has been determined based on value-in-use calculations. These calculations use post-tax cash flow projections based on financial budgets approved by management covering a five-year period. By adjusting the main estimates (growth rate and discount rates) by 1 per cent, and also sensitising some cashflow estimates, no impairment charge on goodwill arose in the year.

d) Taxes

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

e) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of Note 2.29.1). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

f) Hyperinflationary accounting

Beginning 1 July 2019, the Group has designated Zimbabwe as a hyper-inflationary economy in accordance with IAS 29, Financial Reporting in Hyper-Inflationary Economies, and has therefore employed the use of the hyper-inflationary accounting to consolidate and report its Zimbabwe operating subsidiary. South Sudan is also a hyperinflationary company. The determination of whether an economy is hyper-inflationary requires the Group to make certain estimates and judgements, such as assessment of historic inflation rates and anticipation of future trends. In addition, the application of hyperinflationary accounting in accordance with IAS 29 requires the selection and use of price indices to estimate the impact of inflation on the non-monetary assets and liabilities, and results of operations of the Group. The selection of price indices is based on the Group's assessment of various available price indices on the basis of reliability and relevance. Changes in any such estimates may significantly impact the carrying value of those non-monetary assets or liabilities, and results of operations, which are subject to hyper-inflationary adjustments, and the related gains and losses within the consolidated statements of loss and comprehensive loss.

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4 Financial risk management

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

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

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

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

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk other than those brought about by the adoption of IFRS 9 from 1 January 2018.

4.1 Credit risk

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

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

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

4.1.1 Credit quality analysis

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

Credit risk grading

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

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

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

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

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

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

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

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

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

The 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.

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4.1.2 Risk limit control and mitigation policies

The Group manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries and countries. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. 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 and equities.

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

b) Credit-related commitments

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

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

4.1.2 Expected credit loss measurement

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

a) A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.

b) If a SICR since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Refer below for a description of how the Group determines when a significant increase in credit risk has occurred.

c) If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Refer below for a description of how the Group defines credit-impaired and default.

d) Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Refer below for a description of inputs, assumptions and estimation techniques used in measuring the ECL.

e) A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note 5.1.3 below includes an explanation of how the Group has incorporated this in its ECL models.

f) POCI financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

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

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

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

4.1.3 Significant increase in credit risk

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

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

a) Forward transitions: credit ratings

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

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

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

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

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

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

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b) Forward transitions: days past due

Transition from Stage 1 to Stage 2 is based on the 30 days past due presumption. Transition from Stage 2 to Stage 3 is based on the 90 days past due presumption. The table below summarises the Stage classification based on the days past due.

Stage	Days Past Due
1	0 to 29
2	30 to 89
3	90+

c) Forward transitions: watchlist and restructure

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

d) Forward transitions: classification

In addition to the days past due, the Group classifies accounts as either 'Performing', 'Substandard', 'Doubtful' or 'Loss'. This classification is considered together with days past due in determining the Stage classification. The table below summarises the account classification and days past due.

Classification	Days Past Due
Performing (Current + Watchlist)	0 to 89
Substandard	90 to 179
Doubtful	180 to 364
Loss	365+

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

'Current': relate to assets classified as "Investment Grade" (no evident 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.

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

4.1.4 Grouping of instruments for losses measured on a collective basis

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

Retail – groupings for collective measurement

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

Wholesale – groupings for collective measurement

- Collateral type
- Credit rating band

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

4.1.5 Maximum exposure to credit risk

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

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

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

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

US$'000	Loans and advances to customers				
	31 December 2021				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Gross carrying amount	8,546,550	1,042,533	639,158	–	10,228,241
Loss allowance	(79,923)	(143,420)	(429,033)	–	(652,376)
Carrying amount	**8,466,627**	**899,113**	**210,125**	**–**	**9,575,865**

US$'000	Loans and advances to customers				
	31 December 2020				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Gross carrying amount	7,808,277	1,240,732	749,054	–	9,798,063
Loss allowance	(90,218)	(92,889)	(375,008)	–	(558,115)
Carrying amount	**7,718,059**	**1,147,843**	**374,046**	**–**	**9,239,948**

US$'000	Loans and advances to banks				
	31 December 2021				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Gross carrying amount	2,290,810	–	–	–	2,290,810
Loss allowance	(1,365)	–	–	–	(1,365)
Carrying amount	**2,289,445**	**–**	**–**	**–**	**2,289,445**

US$'000	Loans and advances to banks				
	31 December 2020				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Gross carrying amount	2,012,708	–	–	–	2,012,708
Loss allowance	(1,365)	–	–	–	(1,365)
Carrying amount	**2,011,343**	**–**	**–**	**–**	**2,011,343**

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US$'000	Investment securities - debt instruments				
	31 December 2021				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Gross carrying amount	6,361,916	–	–	–	6,361,916
Loss allowance	–	–	–	–	–
Carrying amount	**6,361,916**	**–**	**–**	**–**	**6,361,916**

US$'000	Investment securities - debt instruments				
	31 December 2020				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Gross carrying amount	5,913,929	–	–	–	5,913,929
Loss allowance	(1,316)	–	–	–	(1,316)
Carrying amount	**5,912,613**	**–**	**–**	**–**	**5,912,613**

US$'000	Other assets				
	31 December 2021				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Gross carrying amount	1,304,890	–	–	–	1,304,890
Loss allowance	(209,321)	–	–	–	(209,321)
Carrying amount	**1,095,569**	**–**	**–**	**–**	**1,095,569**

US$'000	Other assets				
	31 December 2020				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Gross carrying amount	1,287,266	–	–	–	1,287,266
Loss allowance	(159,066)	–	–	–	(159,066)
Carrying amount	**1,128,200**	**–**	**–**	**–**	**1,128,200**

US$'000	Off Balance sheet				
	31 December 2021				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Gross carrying amount	4,704,451	20,938	4,777	–	4,730,166
Loss allowance	(13,161)	(59)	(13)	–	(13,233)
					4,716,933
Carrying amount	**4,691,290**	**20,879**	**4,764**	**–**	**4,716,933**

US$'000	Off Balance sheet				
	31 December 2020				
ECL staging	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Gross carrying amount	3,913,481	78,433	7,094	–	3,999,007
Loss allowance	(15,088)	(302)	(27)	–	(15,418)
Carrying amount	**3,898,392**	**78,130**	**7,067**	**–**	**3,983,589**

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

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

US$'000	31 December 2021	31 December 2020
Trading assets		
• Debt securities	346,042	156,490
• Derivatives	78,404	115,162
Financial assets designated at fair value		
• Debt securities	–	–
• Loans and advances to customers	–	–

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4.1.5.3 Maximum exposure to credit risk before collateral held

	Maximum exposure	
	31 December 2021	31 December 2020
Credit risk exposures relating to on-statement of financial position assets are as follows:		
Balances with central banks	3,541,791	3,036,205
Treasury bills and other eligible bills	2,087,085	1,730,845
Loans and advances to banks	2,289,445	2,011,343
Loans and advances to customers:		
CIB		
• Overdrafts	669,825	647,414
• Term loans	6,462,455	6,137,505
Commercial		
• Overdrafts	231,035	353,508
• Term loans	1,112,486	1,011,258
Consumer		
• Overdrafts	61,531	1,342
• Credit cards	2,432	2,831
• Term loans	911,501	949,466
• Mortgages	124,600	136,624
Trading financial assets		
• Debt securities	346,042	156,490
Derivative financial instruments	78,404	115,162
Financial assets designated at fair value:		
Investment securities :		
• Debt securities	6,361,916	5,913,929
Pledged assets	206,001	423,599
Other assets	901,436	921,567
Credit risk exposures relating to off-balance sheet items are as follows:		
Financial guarantees	3,657,597	1,658,934
Loan commitments	1,072,569	1,015,603
	30,118,151	**26,223,625**

The above table represents a worse case scenario of credit risk exposure of the Group at 31 December 2021 and 2020, 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, 32 per cent (2020: 35 per cent) of the total maximum exposure is derived from loans and advances to banks and customers; 22 per cent (2020: 24 per cent) represents investments securities in debt securities.

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

- 84 per cent (2020: 80 per cent) of the loans and advances portfolio are considered to be neither past due nor impaired;
- 83 per cent (2020: 81 per cent) of loans and advances are backed by collateral;
- Investment in debt securities are largely government securities.

4.1.6 Collateral and other credit enhancements

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

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

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

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

A portion of the Group's financial assets originated by the mortgage business has sufficiently low 'loan to value' (LTV) ratios, which results in no loss allowance being recognised in accordance with the Group's expected credit loss model. The carrying amount of such financial assets is $126 million as at 31 December 2021.

The Group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Group will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown in note 5.1.9 (c) below.

4.1.7 Loss allowance

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

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

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

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

Loans and advances to customers

US$'000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Loss allowance as at 1 January 2021	90,218	92,889	375,008	–	558,115
Movements with P&L impact					
New financial assets originated or purchased	35,634	16,470	28,239	–	80,343
Transfer from Stage 1 to Stage 2	(42,631)	42,631	–	–	–
Transfer from Stage 1 to Stage 3	(12,138)	–	12,138	–	–
Changes in PDs/LGDs/EADs	16,719	19,512	55,536	–	91,767
Changes to model assumptions and methodologies	–	–	–	–	–
Modification of contractual cash flows of financial assets	24,235	(44,258)	17,523	–	(2,500)
Total net P&L charge during the year	**21,819**	**34,355**	**113,436**	**–**	**169,610**
Other movements with no P&L impact	–	–	–	–	–
FX and other movements	(32,114)	41,710	27,674	–	37,270
Transfer from Stage 2 to Stage 3	–	(27,183)	27,183	–	–
Transfer from Stage 3 to Stage 2	–	1,649	(1,649)	–	–
Financial assets derecognised during the year	–	–	–	–	–
Write-offs	–	–	(112,619)	–	(112,619)
Loss allowance as at 31 December 2021	**79,923**	**143,420**	**429,033**	**–**	**652,376**

Loans and advances to customers

US$'000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Loss allowance as at 1 January 2020	52,749	74,116	430,185	–	557,050
Movements with P&L impact					
New financial assets originated or purchased	–	–	–	–	–
Transfer from Stage 1 to Stage 2	(5,691)	5,691	–	–	–
Transfer from Stage 1 to Stage 3	(2,906)	–	2,906	–	–
Changes in PDs/LGDs/EADs	–	–	–	–	–
Changes to model assumptions and methodologies	–	–	155,767	–	155,767
Modification of contractual cash flows of financial assets	24,938	19,806	(18,956)	–	156,305
Total net P&L charge during the year	**16,341**	**25,497**	**139,717**	**–**	**181,555**
Other movements with no P&L impact	–	–	–	–	–
FX and other movements	21,128	35,040	(165,676)	–	(109,508)
Transfer from Stage 2 to Stage 3	–	(41,764,)	41,764	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–	–
Financial assets derecognised during the year	–	–	–	–	–
Write-offs	–	–	(171,422)	–	(171,422)
Loss allowance as at 31 December 2020	**90,218**	**92,889**	**375,008**	**–**	**558,115**

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

- The write-off of loans with a total gross carrying amount of $113 million (2020: $171 million) resulted in the reduction of the Stage 3 loss allowance by the same amount.

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Investment securities – debt instruments

US$'000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Loss allowance as at 1 January 2021	1,316	–	–	–	1,316
Movements with P&L impact					
Changes in PDs/LGDs/EADs	–	–	–	–	–
Changes to model assumptions and methodologies	–	–	–	–	–
Modification of contractual cash flows of financial assets	–	–	–	–	–
Unwind of discount(a)	–	–	–	–	–
Total net P&L charge during the year	**–**	**–**	**–**	**–**	**285**
Other movements with no P&L impact	–	–	–	–	–
FX and other movements	(12)	–	–	–	(12)
Transfer from Stage 2 to Stage 3	–	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–	–
Financial assets derecognised during the year	–	–	–	–	–
Write-offs	–	–	–	–	–
Loss allowance as at 31 December 2021	**1,304**	**–**	**–**	**–**	**1,304**

Investment securities - debt instruments

US$'000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Loss allowance as at 1 January 2020	1,031	–	–	–	1,031
Movements with P&L impact					
Changes in PDs/LGDs/EADs	–	–	–	–	–
Changes to model assumptions and methodologies	–	–	–	–	–
Modification of contractual cash flows of financial assets	–	–	–	–	–
Unwind of discount(a)	–	–	–	–	–
Total net P&L charge during the year	**–**	**–**	**–**	**–**	**–**
Other movements with no P&L impact	–	–	–	–	–
FX and other movements	285	–	–	–	285
Transfer from Stage 2 to Stage 3	–	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–	–
Financial assets derecognised during the year	–	–	–	–	–
Write-offs	–	–	–	–	–
Loss allowance as at 31 December 2020	**1,316**	**–**	**–**	**–**	**1,316**

Other assets

US$'000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Loss allowance as at 1 January 2021	159,066	–	–	–	159,066
Movements with P&L impact					
New financial assets originated or purchased	3,000	–	–	–	3,000
Changes in PDs/LGDs/EADs	47,255	–	–	–	47,255
Changes to model assumptions and methodologies	–	–	–	–	–
Modification of contractual cash flows of financial assets	–	–	–	–	–
Unwind of discount(a)	–	–	–	–	–
Total net P&L charge during the year	**50,255**	**–**	**–**	**–**	**50,255**
Other movements with no P&L impact	–	–	–	–	–
FX and other movements	–	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–	–
Financial assets derecognised during the year	–	–	–	–	–
Write-offs	–	–	–	–	–
Loss allowance as at 31 December 2021	**209,321**	**–**	**–**	**–**	**209,321**

Other assets

US$'000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Loss allowance as at 1 January 2020	126,363	–	–	–	126,363
Movements with P&L impact					
New financial assets originated or purchased	13,408	–	–	–	13,408
Changes in PDs/LGDs/EADs	19,295	–	–	–	19,295
Changes to model assumptions and methodologies	–	–	–	–	–
Modification of contractual cash flows of financial assets	–	–	–	–	–
Unwind of discount(a)	–	–	–	–	–
Total net P&L charge during the year	**32,703**	**–**	**–**	**–**	**32,703**
Other movements with no P&L impact	–	–	–	–	–
FX and other movements	–	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–	–
Financial assets derecognised during the year	–	–	–	–	–
Write-offs	–	–	–	–	–
Loss allowance as at 31 December 2020	**159,066**	**–**	**–**	**–**	**159,066**

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

Loans and advances to banks

US$'000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Loss allowance as at 1 January 2021	1,365	–	–	–	1,365
Movements with P&L impact					
New financial assets originated or purchased	–	–	–	–	–
Changes in PDs/LGDs/EADs	–	–	–	–	–
Changes to model assumptions and methodologies	–	–	–	–	–
Modification of contractual cash flows of financial assets	–	–	–	–	–
Unwind of discount(a)	–	–	–	–	–
Total net P&L charge during the year	**–**	**–**	**–**	**–**	**–**
Other movements with no P&L impact	–	–	–	–	–
FX and other movements	–	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–	–
Financial assets derecognised during the year	–	–	–	–	–
Write-offs	–	–	–	–	–
Loss allowance as at 31 December 2021	**1,365**	**–**	**–**	**–**	**1,365**

Loans and advances to banks

US$'000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Loss allowance as at 1 January 2020	1,365	–	–	–	1,365
Movements with P&L impact					
New financial assets originated or purchased	–	–	–	–	–
Changes in PDs/LGDs/EADs	–	–	–	–	–
Changes to model assumptions and methodologies	–	–	–	–	–
Modification of contractual cash flows of financial assets	–	–	–	–	–
Unwind of discount(a)	–	–	–	–	–
Total net P&L charge during the year	**–**	**–**	**–**	**–**	**–**
Other movements with no P&L impact	–	–	–	–	–
FX and other movements	–	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–	–
Financial assets derecognised during the year	–	–	–	–	–
Write-offs	–	–	–	–	–
Loss allowance as at 31 December 2020	**1,365**	**–**	**–**	**–**	**1,365**

Off Balance sheet

US$'000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Loss allowance as at 1 January 2021	15,088	302	27	–	15,418
Movements with P&L impact					
New financial assets originated or purchased	–	–	–	–	–
Changes in PDs/LGDs/EADs	(1,927)	(244)	(14)	–	(2,185)
Changes to model assumptions and methodologies	–	–	–	–	–
Modification of contractual cash flows of financial assets	–	–	–	–	–
Unwind of discount(a)	–	–	–	–	–
Total net P&L charge during the year	**(1,927)**	**(244)**	**(14)**	**–**	**(2,185)**
Other movements with no P&L impact	–	–	–	–	–
FX and other movements	–	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–	–
Financial assets derecognised during the year	–	–	–	–	–
Write-offs	–	–	–	–	–
Loss allowance as at 31 December 2021	**13,161**	**59**	**13**	**–**	**13,233**

Off Balance sheet

US$'000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit – impaired	Total
Loss allowance as at 1 January 2020	2,321	302	27	–	2,321
Movements with P&L impact					
New financial assets originated or purchased	–	–	–	–	–
Changes in PDs/LGDs/EADs	–	–	–	–	–
Changes to model assumptions and methodologies	–	–	–	–	–
Modification of contractual cash flows of financial assets	12,767	–	–	–	12,767
Unwind of discount(a)	–	–	–	–	–
Total net P&L charge during the year	**12,767**	**–**	**–**	**–**	**12,767**
Other movements with no P&L impact	–	–	–	–	–
FX and other movements	–	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–	–
Financial assets derecognised during the year	–	–	–	–	–
Write-offs	–	–	–	–	–
Loss allowance as at 31 December 2020	**15,088**	**302**	**27**	**–**	**15,418**

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

4.1.8 Loans and advances exposure by internal rating

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

Credit Rating	31 December 2021		31 December 2020	
	Loans and advances US$'000		Loans and advances US$'000	
1	220,323	2%	440,134	5%
2	13,695	0%	29,394	0%
3	79,301	1%	127,375	1%
4	566,416	6%	509,499	5%
5	1,078,285	11%	940,614	10%
6	6,588,530	64%	5,761,261	59%
7	487,638	5%	489,903	5%
8	554,895	5%	750,829	8%
9	306,787	3%	362,528	4%
10	332,371	3%	386,526	4%
	10,228,241	**100%**	**9,798,063**	**100%**

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

Group's rating	31 December 2021				31 December 2020			
	Loans and advances US$'000		Impairment provision US$'000		Loans and advances US$'000		Impairment provision US$'000	
1 Current	8,018,837	78%	71,663	1%	7,600,100	78%	89,557	1%
1A. Watchlist	527,713	5%	8,260	2%	208,177	2%	661	0%
II. Substandard	1,042,533	10%	143,420	14%	1,240,732	13%	92,889	7%
III. Doubtful	554,781	5%	372,395	67%	557,733	6%	270,419	48%
IV. Loss	84,377	1%	56,638	67%	191,321	1%	104,589	55%
	10,228,241	**100%**	**652,376**	**6%**	**9,798,063**	**100%**	**558,115**	**6%**

4.1.9 Loans and advances by status

Loans and advances are summarised as follows:	31 December 2021		31 December 2020	
	Loans and advances to banks US$'000	Loans and advances to customers US$'000	Loans and advances to banks US$'000	Loans and advances to customers US$'000
Neither past due nor impaired	2,290,810	8,546,550	2,012,708	7,808,277
Past due but not impaired	–	1,042,533	–	1,240,732
Impaired	–	639,158	–	749,054
Gross	**2,290,810**	**10,228,241**	**2,012,708**	**9,798,063**
Less: allowance for impairment	(1,365)	(652,376)	(1,365)	(558,115)
Net	**2,289,445**	**9,575,865**	**2,011,343**	**9,239,948**

Other financial assets are neither past due nor impaired except for investment securities 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 4.1.3 Significant increase in credit risk).

31 December 2021

Loans and advances to customers												
	CIB			Commercial				Consumer				Total
Grades:	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgages	
Current	632,640	5,272,098	–	176,608	–	991,344	–	68,078	2,529	764,952	110,588	8,018,837
Watchlist	7,696	356,027	–	1,570	–	38,030	–	109	-	113,098	11,183	527,713
Total	**640,336**	**5,628,125**	**–**	**178,178**	**–**	**1,029,374**	**–**	**68,187**	**2,529**	**878,050**	**121,771**	**8,546,550**

31 December 2020

Loans and advances to customers												
	CIB			Commercial				Consumer				Total
Grades:	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgages	
Current	607,408	4,944,191	–	209,778	–	818,116	–	29,639	2,835	857,414	130,719	7,600,100
Watchlist	19,769	87,223	–	16,962	–	47,849	–	33	–	35,592	749	208,177
Total	**627,177**	**5,031,414**	**–**	**226,740**	**–**	**865,965**	**–**	**29,672**	**2,835**	**893,006**	**131,468**	**7,808,277**

All loans and advances to banks are neither past due nor impaired and all fall under the ‘current’ grade.

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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 2021

	CIB			Commercial				Consumer				Total
Past due:	**Overdrafts**	**Term loans**	**Others**	**Overdrafts**	**Credit cards**	**Term loans**	**Others**	**Overdrafts**	**Credit cards**	**Term loans**	**Mortgages**	
Past due up to 30 days	–	101,983	–	–	–	–	–	–	–	16	–	101,999
Past due 30-60 days	–	308,763	–	6	–	–	–	–	–	23	–	308,792
Past due 60-90 days	5,288	419,534	–	38,205	–	134,733	–	3,947	–	26,088	3,947	631,742
Total	**5,288**	**830,280**	**–**	**38,211**	**–**	**134,733**	**–**	**3,947**	**–**	**26,127**	**3,947**	**1,042,533**
Fair value of collateral	2,927	459,527	–	21,148	–	74,569	–	2,185	–	14,460	2,185	577,001
Amount of (over)/under collateralisation	**2,361**	**370,753**	**–**	**17,063**	**–**	**60,164**	**–**	**1,762**	**–**	**11,667**	**1,762**	**465,532**

31 December 2020

	CIB			Commercial				Consumer				Total
Past due:	**Overdrafts**	**Term loans**	**Others**	**Overdrafts**	**Credit cards**	**Term loans**	**Others**	**Overdrafts**	**Credit cards**	**Term loans**	**Mortgages**	
Past due up to 30 days	4,706	208,263	–	1,482	–	23,251	–	32	–	2,540	1,726	242,000
Past due 30-60 days	7,204	152,852	–	3,944	–	54,525	–	300	–	13,344	1,365	233,534
Past due 60-90 days	1,385	662,874	–	59,737	–	37,209	–	653	1	3,117	222	765,198
Total	**13,295**	**1,023,989**	**–**	**65,163**	**–**	**114,985**	**–**	**985**	**1**	**19,001**	**3,313**	**1,240,732**
Fair value of collateral	7,904	603,577	–	38,509	–	68,358	–	585	–	11,526	1,971	732,430
Amount of (over)/under collateralisation	**5,391**	**420,412**	**–**	**26,654**	**–**	**46,627**	**–**	**400**	**1**	**7,475**	**1,342**	**508,302**

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.

c) Loans and advances individually impaired

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 2021

	CIB			Commercial				Consumer				Total
Past due:	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgages	
Gross	64,575	304,007	–	78,661	–	121,682	–	21,074	–	47,804	1,355	639,158
Impairment allowance	(1,032)	(197,942)	–	(61,150)	–	(118,151)	–	(10,328)	–	(39,914)	(516)	(429,033)
	63,543	**106,065**	**–**	**17,511**	**–**	**3,531**	**–**	**10,746**	**–**	**7,890**	**839**	**210,125**
Fair value of collateral	(119,663)	(199,740)	–	(39,626)	–	(38,531)	–	(26,557)	–	(19,810)	(2,073)	(446,000)
Amount of (over)/under collateralisation	**(56,120)**	**(93,675)**	**–**	**(22,115)**	**–**	**(35,000)**	**–**	**(15,811)**	**–**	**(11,920)**	**(1,234)**	**(235,875)**

31 December 2020

	CIB			Commercial				Consumer				Total
Past due:	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgages	
Gross	50,277	248,189	–	128,143	–	236,906	–	27,114	1,125	52,657	4,643	749,054
Impairment allowance	(3,857)	(84,357)	–	(63,895)	–	(170,733)	–	(17,845)	(1,030)	(31,883)	(1,408)	(375,008)
	46,420	**163,832**	**–**	**64,248**	**–**	**66,173**	**–**	**9,269**	**95**	**20,774**	**3,235**	**374,046**
Fair value of collateral	(47,076)	(449,301)	–	(86,751)	–	(88,329)	–	(8,198)	–	(23,189)	(3,933)	(706,777)
Amount of (over)/under collateralisation	**(656)**	**(285,469)**	**–**	**(22,503)**	**–**	**(22,156)**	**–**	**1,071**	**95**	**(2,415)**	**(698)**	**(332,731)**

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d) Other assets with exposure to credit risks

	Balances with central banks	Trading financial assets	Derivative financial instruments	Treasury bills and other eligible bills	Investment securities	Pledged assets	Other assets less prepayments	Total
31 December 2021								
Neither past due nor impaired	3,541,791	346,042	78,404	2,087,085	6,361,916	206,001	1,110,757	13,731,996
Past due but not impaired								
Impaired	–	–	–	–	–	–	209,321	209,321
Gross	**3,541,791**	**346,042**	**78,404**	**2,087,085**	**6,361,916**	**206,001**	**1,320,078**	**13,941,317**
Less: allowance for impairment	–	–	–	–	–	–	(209,321)	(209,321)
Net	**3,541,791**	**346,042**	**78,404**	**2,087,085**	**6,361,916**	**206,001**	**1,110,757**	**13,731,996**
Carrying amounts	3,541,791	346,042	78,404	2,087,085	6,361,916	206,001	1,110,757	13,731,996
31 December 2020								
Neither past due nor impaired	3,036,205	156,490	115,162	1,730,845	5,915,245	423,599	1,093,400	12,470,946
Past due but not impaired								
Impaired	–	–	–	–	–	–	171,833	171,833
Gross	**3,036,205**	**156,490**	**115,162**	**1,730,845**	**5,915,245**	**423,599**	**1,265,233**	**12,642,779**
Less: allowance for impairment	–	–	–	–	(1,316)	–	(171,833)	(173,149)
Net	**3,036,205**	**156,490**	**115,162**	**1,730,845**	**5,913,929**	**423,599**	**1,093,400**	**12,469,630**
Carrying amounts	3,036,205	156,490	115,162	1,730,845	5,913,929	423,599	1,093,400	12,469,630

4.1.10 Concentration of risks of financial assets with credit risk exposure

a) Geographical sectors

The following table breaks down the Group's main credit exposure at their carrying amounts, as categorised by geographical region as of 31 December 2021 and 31 December 2020. For this table, the Group has allocated exposures to regions based on the country of domicile of our counterparties.

As at 31 December 2021

	UEMOA	NIGERIA	AWA	CESA	OTHERS	Total
Cash and balances with central banks	1,017,259	1,339,456	663,036	946,708	242,679	4,209,138
Trading financial assets	–	64,846	253,188	28,008	–	346,042
Derivative financial instruments	23,197	8,529	–	–	46,678	78,404
Loans and advances to banks	495,397	362,441	171,342	555,157	705,108	2,289,445
Loans and advances to customers:						
CIB						
• Overdrafts	293,841	28,441	213,605	174,312	-	710,199
• Term loans	2,394,229	2,230,323	633,537	918,112	586,211	6,762,412
Consumer						
• Overdrafts	14,016	46,595	16,485	13,551	–	90,647
• Credit cards	–	25	2,317	187	–	2,529
• Term loans	532,729	38,078	164,646	219,782	–	955,235
• Mortgages	69,170	2	38,146	19,062	–	126,380
Commercial						
• Overdrafts	50,576	88,611	58,201	98,699	–	296,087
• Term loans	448,013	139,248	251,373	446,118	–	1,284,752
Treasury bills and other eligible bills	84,674	663,016	489,193	850,202	–	2,087,085
Investment securities – debt securities	3,747,841	409,274	1,100,949	1,090,437	13,415	6,361,916
Pledged assets	–	206,001	–	–	–	206,001
Other assets	455,981	193,609	139,650	269,496	62,603	1,121,339
Total	**9,626,923**	**5,818,495**	**4,195,668**	**5,629,831**	**1,656,694**	**26,927,611**
Credit commitments	**1,691,087**	**1,022,090**	**737,021**	**988,949**	**291,019**	**4,730,166**

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

4.1.10 Concentration of risks of financial assets with credit risk exposure (continued)

As at 31 December 2020

	UEMOA	NIGERIA	AWA	CESA	OTHERS	Total
Cash and balances with central banks	971,739	1,129,510	496,265	880,367	274,714	3,752,596
Financial assets held for trading	27	60,731	85,123	10,609	–	156,490
Derivative financial instruments	23,892	63,472	–	–	27,798	115,162
Loans and advances to banks	378,254	244,214	413,414	800,311	175,150	2,011,343
Loans and advances to customers:						
CIB						
• Overdrafts	288,163	24,608	178,060	199,918	–	690,749
• Term loans	2,287,123	2,099,097	566,850	771,085	579,437	6,303,592
Consumer						
• Overdrafts	13,062	18,339	11,726	14,644	–	57,771
• Credit cards	–	1,216	2,559	186	–	3,961
• Term loans	552,301	43,830	168,645	199,888	–	964,664
• Mortgages	76,429	3,190	35,981	23,824	–	139,424
Commercial						
• Overdrafts	107,676	103,040	66,847	142,482	–	420,045
• Term loans	538,143	93,343	182,668	403,704	–	1,217,858
Treasury bills and other eligible bills	192,506	492,177	369,645	676,517	–	1,730,845
Investment securities – debt securities	3,603,481	379,204	986,798	940,863	3,583	5,913,929
Pledged assets	–	423,599	–	–	–	423,599
Other assets	444,936	113,067	72,758	246,453	44,353	921,567
Total	**9,477,732**	**5,292,637**	**3,637,339**	**5,310,851**	**1,105,035**	**24,823,594**
Credit commitments	**2,761,243**	**64,635**	**18,455**	**1,366**	**1,153,818**	**3,999,517**

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 2021							
Cash and balances with central banks	4,209,138	–	–	–	–	–	4,209,138
Trading financial assets	82,158	–	–	263,884	–	–	346,042
Derivative financial instruments	55,207	–	–	23,197	–	–	78,404
Loans and advances to banks	2,226,704	32,526	–	–	–	30,215	2,289,445
Loans and advances to customers:							
• Overdrafts	24,522	319,385	112,291	46,913	81,848	511,974	1,096,933
• Credit cards	–	–	–	–	–	2,529	2,529
• Term loans	282,882	1,754,516	811,011	1,858,453	1,009,657	3,285,880	9,002,399
• Mortgages	2,484	4,502	6,010	7,072	6,242	100,070	126,380
Treasury bills and other eligible bills	1,227,913	–	–	859,172	–	–	2,087,085
Investment securities – debt securities	269,629	–	50,556	6,015,158	–	26,573	6,361,916
Pledged assets	206,001	–	–	–	–	–	206,001
Other assets	413,607	6,702	–	7,163	–	693,867	1,121,339
Total	**9,000,245**	**2,117,631**	**979,868**	**9,081,012**	**1,097,747**	**4,651,108**	**26,927,611**
Credit commitments	**1,581,004**	**371,988**	**172,126**	**1,595,191**	**192,833**	**817,024**	**4,730,166**
31 December 2020							
Cash and balances with central banks	3,752,596	–	–	–	–	–	3,752,596
Financial assets held for trading	146,311	–	–	10,179	–	–	156,490
Derivative financial instruments	115,162	–	–	–	–	–	115,162
Loans and advances to banks	1,959,984	–	–	5,500	–	45,859	2,011,343
Loans and advances to customers:							
• Overdrafts	51,391	317,351	106,393	81,517	93,765	518,149	1,002,264
• Credit cards						3,961	2,831
• Term loans	272,181	1,884,260	601,583	1,595,454	819,381	3,313,253	8,098,229
• Mortgages	7,280	7,924	22,532	12,915	3,069	85,704	136,624
Treasury bills and other eligible bills	822,793	–	–	908,052	–	–	1,730,845
Investment securities – debt securities	1,368,694	25,463	–	4,359,547	–	160,225	5,913,929
Pledged assets	423,599	–	–	–	–	–	423,599
Other assets	357,673	840	148	577	–	734,162	921,567
Total	**9,277,664**	**1,985,910**	**690,807**	**6,894,735**	**916,353**	**4,499,365**	**24,265,479**
Credit commitments	**2,302,735**	**26,303**	**148**	**867,891**	**1,320**	**801,120**	**3,999,517**

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4.2 Market risk

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

It will be worth noting that due to significant currency evolution, the year end exposure of foreign exchange and interest rate sensitivity analysis may be unrepresentative of the exposure during the year.

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

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

Our VaR model is designed to take into account a comprehensive set of risk factors across all asset classes in our trading book. Our VaR model is predominantly based on historical simulation which derives plausible future trading losses from the analysis of historic market prices.

We use a three-year historical dataset, a one-day holding period and a 99 per cent confidence level. This means that we would expect daily mark-to-market trading losses to exceed the reported VaR not more than once in 100 trading days. These assumptions are aligned with international standards for market risk management.

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

	31 December 2021			31 December 2020		
	Low	Average	High	Low	Average	High
Foreign exchange risk	141	956	2,594	31	273	152
Interest risk	258	1,988	4,872	486	1,736	4,333

4.2.1 Foreign exchange risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board of directors 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 2021 and 31 December 2020. Included in the table are the Group's financial instruments at carrying amounts, categorised by currency.

As at 31 December 2021	Dollar	Euro	CFA	Naira	Cedi	Others	Total
Assets							
Cash and balances with central banks	403,217	262,877	1,313,081	1,456,815	313,509	459,639	4,209,138
Trading financial assets	16,876	–	–	64,234	253,188	11,744	346,042
Derivative financial instruments	–	46,677	23,198	8,529	–	–	78,404
Loans and advances to banks	865,645	313,266	275,571	55,680	7,885	771,398	2,289,445
Loans and advances to customers	2,301,572	295,442	4,629,645	963,048	984,712	401,446	9,575,865
Treasury bills and other eligible bills	30,504	–	361,322	663,016	115,164	917,079	2,087,085
Investment securities	623,643	89,500	4,547,424	361,806	570,023	367,832	6,560,228
Pledged assets	–	–	–	206,001	–	–	206,001
Other assets	190,781	19,920	311,884	93,026	25,775	260,050	901,436
Total financial assets	**4,432,238**	**1,027,682**	**11,462,125**	**3,872,155**	**2,270,256**	**3,189,188**	**26,253,644**
Liabilities							
Deposits from banks	335,107	404,018	835,770	45,499	38,518	571,023	2,229,935
Deposit from customers	4,153,030	679,302	8,579,095	3,001,841	1,306,185	1,993,896	19,713,349
Derivative financial instruments	–	22,131	–	6,970	–	–	29,101
Other borrowed funds	1,739,555	8,812	126,547	142,171	12,517	322,835	2,352,437
Other liabilities	125,312	65,950	153,426	178,393	64,602	169,241	756,924
Total financial liabilities	**6,353,004**	**1,180,213**	**9,694,838**	**3,374,874**	**1,421,822**	**3,056,995**	**23,440,733**
Net on-statement of financial position	**(1,920,766)**	**(152,531)**	**1,767,287**	**497,281**	**848,434**	**132,193**	**1,171,898**
Credit commitments	**1,646,917**	**349,499**	**1,022,073**	**1,143,402**	**8,130**	**560,145**	**4,730,166**

As at 31 December 2020	Dollar	Euro	CFA	Naira	Cedi	Others	Total
Assets							
Cash and balances with central banks	464,002	334,389	1,305,264	1,099,416	265,317	284,208	3,752,596
Financial assets held for trading	–	–	27	61,189	85,123	10,151	156,490
Derivative financial instruments	–	51,691	–	63,471	–	–	115,162
Loans and advances to banks	1,289,699	215,436	162,712	31,023	86,489	225,984	2,011,343
Loans and advances to customers	2,026,882	570,410	4,801,361	860,969	394,440	585,888	9,239,948
Treasury bills and other eligible bills	54,994	–	451,898	492,177	58,237	673,539	1,730,845
Investment securities	422,613	124	4,311,789	453,292	583,948	302,479	6,074,244
Pledged assets	12,000	–	–	411,599	–	–	423,599
Other assets	243,757	85,069	403,449	67,675	28,744	92,873	921,567
Total financial assets	**4,513,947**	**1,257,119**	**11,436,500**	**3,540,811**	**1,502,298**	**2,175,122**	**24,425,794**
Liabilities							
Deposits from banks	434,556	386,299	863,637	38,539	4,270	659,445	2,386,746
Deposits from customers	3,590,109	708,483	8,533,298	2,609,843	1,241,237	1,613,982	18,296,952
Derivative financial instruments	–	11,069	–	67,839	–	–	78,908
Other borrowed funds	907,848	292,751	75,035	173,396	7,499	466,653	1,923,182
Other liabilities	123,325	43,539	270,026	153,978	57,624	106,452	754,944
Total financial liabilities	**5,055,838**	**1,442,141**	**9,741,996**	**3,043,595**	**1,310,630**	**2,846,532**	**23,440,733**
Net on-statement of financial position	**(541,891)**	**(185,022)**	**1,694,504**	**497,216**	**191,668**	**(671,410)**	**985,065**
Credit commitments	**1,678,646**	**18,909**	**745,379**	**759,891**	**376,741**	**419,951**	**3,999,517**

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Currency sensitivity analysis

ETI periodically performs sensitivity analysis to determine the impact on Group's balance sheet resulting from a potential appreciation of the United States Dollars (USD) relative to the currencies to which the Group has major exposure namely; CFA Franc (FCFA), the Euro (EUR), the Nigerian Naira (NGN) and the Ghana Cedi (GHS). The results using data as of 31 December 2021 and 2020 are shown in the table below.

	31 December 2021			31 December 2020		
Overall impact						
Projected Appreciation of the USD	5%	10%	20%	5%	10%	20%
Estimated Impact on Net Asset Value ($ Million)	(110)	(220)	(440)	(80)	(160)	(320)
Impact for NGN						
Projected Appreciation of the USD	5%	10%	20%	5%	10%	20%
Estimated Impact on Net Asset Value ($ Million)	(18)	(37)	(74)	(23)	(45)	(91)
Impact for CFA						
Projected Appreciation of the USD	5%	10%	20%	5%	10%	20%
Estimated Impact on Net Asset Value ($ Million)	(66)	(131)	(263)	(60)	(120)	(240)
Impact for EUR						
Projected Appreciation of the USD	5%	10%	20%	5%	10%	20%
Estimated Impact on Net Asset Value ($ Million)	6	11	23	18	35	70
Impact for GHS						
Projected Appreciation of the USD	5%	10%	20%	5%	10%	20%
Estimated Impact on Net Asset Value ($ Million)	(32)	(63)	(126)	(15)	(30)	(60)

4.2.2 Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. 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.

4.2.2 Interest rate risk (continued)

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

As at 31 December 2021	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	3,420,372	122,459	63,380	-	-	666,376	4,272,587
Trading financial assets	23,447	45,684	372,873	-	-	11,153	453,157
Derivative financial instruments	46,677	-	8,529	-	23,197	-	78,403
Loans and advances to banks	3,287,157	455,349	663,206	495,303	-	-	4,901,015
Loans and advances to customers	1,923,138	1,314,740	1,833,297	3,380,592	1,379,584	-	9,831,351
Treasury bills and other eligible bills	201,363	406,282	1,466,437	10,338	15,133	-	2,099,553
Investment securities	195,098	285,774	1,355,688	3,639,977	1,188,292	-	6,664,829
Pledged assets	-	-	139,117	66,884	-	-	206,001
Other assets	303,283	53,330	294,826	64,495	34,629	150,873	901,436
Total financial assets	**9,400,535**	**2,683,618**	**6,197,353**	**7,657,589**	**2,640,835**	**828,402**	**29,408,332**
Liabilities							
Deposits from banks	2,052,803	85,923	33,815	-	-	534,466	2,707,007
Deposit from customers	10,784,745	1,345,321	2,994,775	1,463,879	723,776	2,598,796	19,911,292
Derivative financial instruments	27,799	-	63,472	-	-	-	91,271
Borrowed funds	501,066	412,293	342,107	1,308,197	714,010	5,213	3,282,886
Other liabilities	144,303	107,047	106,073	150,780	44,129	204,592	756,924
Total financial liabilities	**13,510,716**	**1,950,584**	**3,540,242**	**2,922,856**	**1,481,915**	**3,343,067**	**26,749,380**
Total interest repricing gap	**(4,110,181)**	**733,034**	**2,657,111**	**4,734,733**	**1,158,920**	**(2,514,665)**	**2,658,952**
As at 31 December 2020							
Assets							
Cash and balances with central banks	2,108,468	85,923	33,815	-	-	1,524,390	3,752,596
Financial assets held for trading	27,008	50,187	79,295	-	-	-	156,490
Derivative financial instruments	27,799	-	87,363	-	-	-	115,162
Loans and advances to banks	1,406,795	323,680	141,696	139,172	-	-	2,011,343
Loans and advances to customers	1,833,955	943,081	2,223,418	3,127,050	1,112,444	-	9,239,948
Treasury bills and other eligible bills	345,575	280,031	1,058,319	45,952	968	-	1,730,845
Investment securities	1,263,600	387,066	468,431	2,532,219	1,422,928	-	6,074,244
Pledged assets	-	-	344,466	79,133	-	-	423,599
Other assets	61,345	32,646	360,120	28,445	39,175	399,836	921,567
Total financial assets	**7,074,545**	**2,102,614**	**4,796,923**	**5,951,971**	**2,575,515**	**1,924,226**	**24,425,794**
Liabilities							
Deposits from banks	847,833	6,305	25,017	-	-	1,507,592	2,386,747
Deposit from customers	12,603,164	983,317	1,526,061	823,933	142,384	2,218,093	18,296,952
Derivative financial instruments	5,488	-	73,420	-	-	-	78,908
Borrowed funds	443,610	67,222	195,494	938,323	262,000	16,533	1,923,182
Other liabilities	135,064	49,333	249,390	176,347	38,791	106,019	754,944
Total financial liabilities	**14,035,159**	**1,106,177**	**2,069,382**	**1,938,603**	**443,175**	**3,848,237**	**23,440,733**
Total interest repricing gap	**(6,960,614)**	**996,437**	**2,727,541**	**4,013,368**	**2,132,340**	**(1,924,011)**	**985,061**

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

4.2.2 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 2021 and 31 December 2020 are shown below.

31 December 2021

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/ Equity ($ Million)	8.3	16.6	33.3	(8.3)	(16.6)	(33.3)

31 December 2020

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/ Equity ($ Million)	5.9	11.8	23.6	(5.9)	(11.8)	(23.6)

Effect of IBOR reform

The London Interbank Offered Rate (LIBOR) is the reference interest rate that underpins trillions of loan and derivative contracts worldwide. The reform of these reference interest rates and their replacement with ARRs ('Alternative Reference Rates') has become a priority for global regulators.

In July 2017, the U.K. Financial Conduct Authority (FCA) announced that the market should stop relying on LIBOR rates from December 31, 2021. Hence, the non-USD LIBORs have ceased from December 31, 2021 and only USD LIBOR exists at this point.

ARRs ('Alternative Reference Rates') are the rates that will be used to replace the existing benchmarks as set by London Interbank Offered Rates. This was suggested and driven by the regulators in order to improve the transparency and credibility of the benchmarks. In order to meet these criteria these ARRs are based on overnight rates derived from actual transactions conducted. Industry in conjunction with regulators has thus moved to various reference rates such as --- USD SOFR (Secured overnight Financing Rate), SONIA (Sterling Overnight index Average), Japanese YEN TONAR (Tokyo Overnight Average Rate), EURO ESTR (Euro Short Term Rate) and Swiss Franc SARON (Swiss average overnight).

The emerging LIBOR transition program and the direction of thought is also heavily influenced by several notable market bodies:

- ICE Benchmark Administration (IBA) – The authorised administrator of LIBOR influencing the timing of the LIBOR quotation.
- IBA announced an extension to the cessation of 1, 3, 6 and 12 months LIBOR USD till June 2023.
- The International Swaps and Derivatives Association (ISDA) – Influencing derivatives contracts fall back language.
- SDA has published a protocol and fallback language which will address most historical and all future derivative contracts.
- The Loan Market Association (LMA) – Influencing loan contracts fallback language in Europe, Middle East and Africa (EMEA). LMA released an exposure draft for term and revolving loan agreement with a mechanism to switch from LIBOR to ARRs.
- Loan Syndications and Trading Association (LSTA) – Influencing loan contracts fallback language in North America.

As other financial Institutions, Ecobank uses benchmark rates like USD LIBOR, to price specifics clients contract or international transactions. Since the announcement that the market should stop relying on LIBOR USD rates from December 31, 2021, a LIBOR Transition program was launched under the lead of a Steering Committee with the objective to prepare the bank for the alternative rates to be used as benchmarks – Risk Free Rates (RFR), build spread and term structure on par with LIBOR, Determine LIBOR exposure and Manage the transition across different risk areas.

To meet these objectives, the Libor Transition Program Steering Committee has established key Working Group consisting of key contributors across departments impacted by the transition. The following work groups were formed to ensure a successful transition to the RFRs: Legal and Regulatory Work, Communication and Training Work Group, Risk, Compliance and Finance Work group, System rollout Workgroup.

An impact assessment was done within the Group and we identified a total 497 contracts which were linked to USD Libor and which were outstanding as at 31 December 2021.

There was no impact on longer dated derivatives as the underlying pricing is FX and fixed already.

Financial assets and liabilities subject to LIBOR Reform as at 31 December 2021 :

31 December 2021

Assets	USD LIBOR
Loans and advances to customers	766,016
Total financial assets	**766,016**

Liabilities	USD LIBOR
Borrowed funds	591,364
Total financial liabilities	**591,364**

4.3 Liquidity risk

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

4.3.1 Liquidity risk management process

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

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

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4.3.2 Undiscounted cash flows

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

As at 31 December 2021	Up to 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Total
Cash and balances with central banks	2,532,201	–	–	–	1,676,937	4,209,138
Trading financial assets	23,010	45,726	104,503	101,881	101,751	376,871
Derivative financial instruments	46,737	588	11,435	24,538	–	83,298
Loans and advances to banks	2,443,592	798,339	344,434	–	–	3,586,365
Loans and advances to customers	2,512,835	1,598,742	2,011,593	3,162,176	1,398,399	10,683,745
Treasury bills and other eligible bills	383,510	737,754	1,091,532	38,051	18,657	2,269,504
Investment securities	1,302,652	293,083	1,096,817	3,029,331	1,891,634	7,613,517
Pledged assets	–	–	148,299	71,299	–	219,598
Other assets	574,815	165,292	83,997	36,577	40,755	901,436
Total assets (expected maturity dates)	**9,819,352**	**3,639,524**	**4,892,610**	**6,463,853**	**5,128,133**	**29,943,472**
Liabilities						
Deposits from banks	2,713,500	230,735	562,501	273,048	–	3,779,784
Deposit from customers	17,300,643	523,032	1,172,884	844,892	109,320	19,950,771
Other borrowed funds	162,176	409,982	278,383	1,155,906	892,390	2,898,837
Other liabilities	405,669	207,047	606,073	150,780	44,129	1,413,698
Derivative financial instruments	22,131	–	6,970	–	–	29,101
Total liabilities (contractual maturity dates)	**20,604,119**	**1,370,796**	**2,626,811**	**2,424,626**	**1,045,839**	**28,072,191**
Gap analysis	**(10,784,767)**	**2,268,728**	**2,265,799**	**4,039,227**	**4,082,294**	**1,871,281**
Off-balance sheet items						
Loan commitments	–	–	729,347	343,222	–	1,072,569
Guarantees, acceptances and other financial facilities	–	–	2,487,166	1,170,431	–	3,657,597
Total	**–**	**–**	**3,216,513**	**1,513,653**	**–**	**4,730,166**

As at 31 December 2020	Up to 1 month	1–3 months	3–12 months	1–5 years	Over 5 years	Total
Assets						
Cash and balances with central banks	2,732,831	–	–	–	1,177,359	3,910,190
Financial Asset held for trading	12,940	36,350	37,088	26,196	93,562	206,136
Derivative financial instruments	27,799	–	63,478	–	–	91,277
Loans and advances to banks	2,734,366	485,218	336,578	–	–	3,556,162
Loans and advances to customers	1,249,742	1,178,480	2,045,565	3,307,366	1,596,048	9,377,201
Treasury bills and other eligible bills	651,724	237,142	770,479	160,323	–	1,819,668
Investment securities	346,970	346,887	1,307,147	2,613,078	2,033,527	6,647,609
Pledged assets	–	–	423,600	–	–	423,600
Other assets	221,270	151,318	250,622	111,852	186,505	921,567
Total assets (expected maturity dates)	**7,977,642**	**2,435,395**	**5,234,557**	**6,218,815**	**5,087,001**	**26,953,410**
Liabilities						
Deposits from banks	2,875,823	43,844	637,485	220,514	–	3,777,666
Deposit from customers	15,047,313	801,335	1,621,283	749,645	194,383	18,413,959
Borrowed funds	27,062	180,694	103,608	1,719,708	419,655	2,450,727
Derivative financial instruments	179,698	106,670	130,997	311,915	25,664	754,944
Other liabilities	11,069	–	67,839	–	–	78,908
Total liabilities (contractual maturity dates)	**18,140,965**	**1,132,543**	**2,561,212**	**3,001,782**	**639,702**	**25,476,204**
Gap analysis	**(10,163,323)**	**1,302,852**	**2,673,345**	**3,217,033**	**4,447,299**	**1,477,206**
Off-balance sheet items						
Loan commitments	–	–	771,725	324,993	–	1,096,718
Guarantees, acceptances and other financial facilities	–	–	2,371,940	530,859	–	2,902,799
Total	**–**	**–**	**3,143,665**	**855,852**	**–**	**3,999,517**

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

4.4 Offsetting

At 31 December 2021

	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	58,032	–	58,032	–	58,032
• swaps	20,372	–	20,372	–	20,372
• options	–	–	–	–	–
Derivative financial liabilities					
• forwards	10,643	–	10,643	–	10,643
• swaps	18,458	–	18,458	–	18,458
• options	–	–	–	–	–

At 31 December 2020

	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	107,164	–	107,164	–	107,164
• swaps	7,998	–	7,998	–	7,998
• options	–	–	–	–	–
Derivative financial liabilities					
• forwards	73,271	–	73,271	–	73,271
• swaps	5,637	–	5,637	–	5,637
• options	–	–	–	–	–

There are no amounts that have been offsetted as at the year ended 31 December 2021 (December 2020 : nil).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

4.5 Fair value of financial assets and liabilities

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

a) Financial instruments not measured at fair value

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

	Carrying value		Fair value	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 20120
Financial assets:				
Cash and balances with central banks	4,209,138	3,752,596	4,209,138	3,752,596
Loans and advances to banks	2,289,445	2,011,343	2,988,638	3,556,162
Loans and advances to customers	9,575,865	9,239,948	9,720,135	9,377,201
Other assets (excluding prepayments)	901,436	921,567	901,436	921,567
Financial liabilities:				
Deposits from banks	2,229,935	2,386,747	2,412,243	2,467,491
Deposit from customers	19,713,349	18,296,952	19,950,771	18,413,959
Other liabilities (excluding deferred income)	756,924	754,944	756,924	754,944
Borrowed funds	2,352,437	1,923,182	2,898,837	2,450,727

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

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

4.5 Fair value of financial assets and liabilities (continued)

(i) Cash
The carrying amount of cash and balances with banks is a reasonable approximation of fair value.

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

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

(iv) Deposit from banks, due to customers and other deposits
The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand.

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

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

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

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

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

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

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

4.5 Fair value of financial assets and liabilities (continued)

	31 December 2021			31 December 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Treasury and other eligible bills	148,405	1,938,680	-	449,241	1,281,604	-
Trading financial assets	64,043	281,999	-	-	156,490	-
Derivative financial instruments	-	78,404	-	-	115,162	-
Pledged assets	-	206,001	-	-	423,599	-
Investment securities	369,775	6,070,554	119,899	860,572	4,999,663	114,080
Total financial assets	**582,223**	**8,575,638**	**119,899**	**1,309,813**	**6,976,518**	**114,080**
Derivative financial instruments	-	29,101	-	-	78,908	-
Total financial liabilities	**-**	**29,101**	**-**	**-**	**78,908**	**-**

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

	31 Dec. 2021	31 Dec. 2020
	Level 3	Level 3
Opening balance	114,080	111,608
Disposal	–	(5)
Transfer from level 2 to level 3	334	–
Exchange difference	(3,581)	(5,832)
Gain recognised in the income statement	9,100	8,309
Loss recognised in other comprehensive income	(34)	–
Closing balance	**119,899**	**114,080**
Total gain for the year included in profit or loss for assets held at the end of the year	**18,563**	**16,617**

Level 3 fair value measurement

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

Type of financial instrument	Fair value as at 31 Dec 2021	Valuation technique	Significant unobservable input	Change in unobservable input by 10 basis point	Change in unobservable input by 50 basis point
African Finance Corporation	92,523	Dividend discount model	Weighted average cost of capital	98,964	103,314
Accion Microfinance Limited	1,391	Average of Income and Market Approach	Weighted average cost of capital	1,488	1,553
Afreximbank	2,938	Dividend discount model	Weighted average cost of capital	3,143	3,281
Nigerian Automated Clearing System/ NIBSS	5,496	Income Approach (Average of operating profit model and Free Cash Flow to Equity model)	Weighted average cost of capital	5,879	6,137
FMDQ	9,295	Income Approach (Average of operating profit model and Free Cash Flow to Equity model)	Weighted average cost of capital	9,942	10,379
Unified Payment Services Limited	505	Income Approach (Average of operating profit model and Free Cash Flow to Equity model)	Weighted average cost of capital	540	564
AGSMEIS	7,366	Discounted cash flow	Weighted average cost of capital	7,879	8,225
Credit Reference Company	269	Income Approach (Average of operating profit model and Free Cash Flow to Equity model)	Weighted average cost of capital	288	300
SANEF	118	Discounted cash flow	Weighted average cost of capital	126	132
OCEANIC HEALTH MANAGEMENT	85	Discounted cash flow	Weighted average cost of capital	91	95

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

4.5 Fair value of financial assets and liabilities (continued)

At 31 December 2021	Amortised cost	FVTPL	FVTOCI - Debt Instruments	Equity Instruments at FVTPL	FVTOCI – Equity instruments	Liabilities at fair value through profit or loss	Liabilities at amortised cost	Total
Assets								
Cash and balances with central banks	4,209,138	–	–	–	–	–	–	4,209,138
Trading financial assets	–	346,042	–	–	–	–	–	346,042
Derivative financial instruments	–	78,404	–	–	–	–	–	78,404
Loans and advances to banks	2,289,445	–	–	–	–	–	–	2,289,445
Loans and advances to customers	9,575,865	–	–	–	–	–	–	9,575,865
Treasury bills and other eligible bills	–	–	2,087,085	–	–	–	–	2,087,085
Investment securities - Equity instruments	–	–	–	78,413	119,899	–	–	198,312
Investment securities - Debt instruments	–	–	6,361,916	–	–	–	–	6,361,916
Pledged assets	206,001	–	–	–	–	–	–	206,001
Other assets, excluding prepayments	901,436	–	–	–	–	–	–	901,436
Total	**17,181,885**	**424,446**	**8,449,001**	**78,413**	**119,899**	**–**	**–**	**26,253,644**
Liabilities								
Deposits from banks	–	–	–	–	–	–	2,229,935	2,229,935
Deposit from customers	–	–	–	–	–	–	19,713,349	19,713,349
Derivative financial instruments	–	–	–	–	–	29,101	–	29,101
Borrowed funds	–	–	–	–	–	–	2,352,437	2,352,437
Other liabilities, excluding non-financial liabilities	–	–	–	–	–	–	756,924	756,924
Total	**–**	**–**	**–**	**–**	**–**	**29,101**	**25,052,645**	**25,081,746**

At 31 December 2020	Amortised cost	FVTPL	FVTOCI - Debt Instruments	Equity Instruments at FVTPL	FVTOCI – Equity instruments	Liabilities at fair value through profit or loss	Liabilities at amortised cost	Total
Assets								
Cash and balances with central banks	3,752,596	–	–	–	–	–	–	3,752,596
Trading financial assets	–	156,490	–	–	–	–	–	156,490
Derivative financial instruments	–	115,162	–	–	–	–	–	115,162
Loans and advances to banks	2,011,343	–	–	–	–	–	–	2,011,343
Loans and advances to customers	9,239,948	–	–	–	–	–	–	9,239,948
Treasury bills and other eligible bills	–	–	1,730,845	–	–	–	–	1,730,845
Investment securities – Equity instruments	–	–	–	47,551	114,080	–	–	161,631
Investment securities – Debt instruments	–	–	5,912,613	–	–	–	–	5,912,613
Pledged assets	423,599	–	–	–	–	–	–	423,599
Other assets, excluding prepayments	921,567	–	–	–	–	–	–	921,567
Total	**16,349,053**	**271,652**	**7,643,458**	**47,551**	**114,080**	**–**	**–**	**24,425,794**
Liabilities								
Deposits from banks	–	–	–	–	–	–	2,386,747	2,386,747
Deposits from customers	–	–	–	–	–	–	18,296,952	18,296,952
Derivative financial instruments	–	–	–	–	–	78,908	–	78,908
Borrowed funds	–	–	–	–	–	–	1,923,182	1,923,182
Other liabilities, excluding non-financial liabilities	–	–	–	–	–	–	754,944	754,944
Total	**–**	**–**	**–**	**–**	**–**	**78,908**	**23,361,825**	**23,440,733**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

5 Financial Capital Management

The Group's objectives in managing capital are:

- To comply with the capital requirements set by regulators in the markets where the Group's entities operate and safeguard the Group's ability to continue as a going concern;
- To maintain a strong capital base that supports the development of the business; and
  To sustain a sufficient level of returns for the Group's shareholders.
- On a consolidated basis, the Group is required to comply with capital requirements set by the BCEAO for banks headquartered in the UEMOA zone. On a standalone basis, banking subsidiaries are required to maintain minimum capital levels and minimum capital adequacy ratios which are determined by their national or regional regulators.

The Group's capital is divided into three tiers:

- Common Equity Tier 1 capital is made up of share capital (net of treasury shares), retained earnings, reserves created by appropriations of retained earnings, and non-controlling interests allowed as Common Equity Tier 1 capital by the regulator. Certain intangibles and goodwill are deducted in calculating Common Equity Tier 1 capital;
- Tier 1 capital is made up of Common Equity Tier `1 (CET1), instruments recognised as Additional Tier 1 by the regulator, and non-controlling interests allowed as Additional Tier 1 capital by the regulator; and
- Tier 2 capital is made up of subordinated debt and other loss-absorbing instruments, certain revaluation reserves, and non-controlling interests allowed as Tier 2 capital by the regulator.

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

The table below summarises the composition of regulatory capital and the ratios of the Group. Final UEMOA requirements will go up to 8.5 per cdent Tier 1 CAR and 11.5 per cent Total CAR in 2023. The Group has remained compliant with the UEMOA minimum regulatory capital adequacy ratio requirements (7.875 per cent Tier 1 CAR and 10.375 per cent Total CAR in 2021). Regulatory capital ratios are submittted to our regulator every 6 months.The ratios for December 2021 are expected to be filed with regulator by April 30 2022.

	31 Dec 2021	31 Dec 2020
Common Equity Tier 1 capital		
Share capital	2,113,961	2,113,961
Retained earnings	434,419	199,172
IFRS 9 transition adjustment	99,767	99,767
Statutory reserve	635,814	632,762
Other reserves	(1,848,142)	(1,688,385)
Non-controlling interests	220,170	233,108
Less: goodwill	(18,339)	(18,844)
Less: intangibles	(103,949)	(133,026)
Less: other deductions	–	–
Total CET 1 capital	**1,533,701**	**1,438,515**
Additional Tier 1 capital		
Additional Tier 1 instrument	75,000	–
Minority interests included in Tier 2 capital	22,931	24,415
Total Additional Tier 1 capital	**97,931**	**24,415**
Total qualifying Tier 1 capital	**1,631,632**	**1,462,930**
Tier 2 capital		
Subordinated debt and other instruments	481,362	285,405
Revaluation reserve	83,305	102,955
Minority interests included in Tier 2 capital	59,131	65,725
Total qualifying Tier 2 capital	**623,798**	**454,085**
Total regulatory capital	**2,255,430**	**1,917,015**
Risk-weighted assets:		
Credit risk-weighted assets	12,059,454	12,334,703
Market risk-weighted assets	77,745	103,260
Operational risk-weighted assets	3,135,424	3,189,821
Total risk-weighted assets	**15,272,623**	**15,627,784**
CET 1 Capital Adequacy Ratio	**10.0%**	**9.2%**
Tier 1 Capital Adequacy Ratio	**10.7%**	**9.4%**
Total Capital Adequacy Ratio	**14.8%**	**12.3%**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

6 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.

The Group operating segments are described below:

a) **Corporate and Investment Banking:** Focuses on providing one-stop banking services to multinationals, regional companies, government and government agencies, financial institutions and international organisations across the network. This unit provides also Treasury activities.

b) **Commercial Banking:** Focuses on serving local corporates, small and medium corporates, SMEs, Schools, Churches and local NGOs and Public Sector.

c) **Consumer Banking:** Focuses on serving banking customers that are individuals.

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

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

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

At 31 December 2021	CIB	Commercial	Consumer	Others	Total business segment	Consolidation adjustments	Ecobank Group
Net interest income	550,718	199,710	240,613	(47,218)	943,823	607	944,430
Non interest income	388,728	210,371	185,505	264,596	1,049,200	(236,916)	812,284
Operating income	**939,446**	**410,081**	**426,118**	**217,378**	**1,993,023**	**(236,309)**	**1,756,714**
Impairment charges on financial assets	(104,514)	(51,870)	(20,877)	(40,419)	(217,680)	-	(217,680)
Operating expenses	(421,427)	(279,738)	(314,048)	(153,943)	(1,169,156)	134,458	(1,034,698)
Operating profit	**413,505**	**78,473**	**91,193**	**23,016**	**606,187**	**(101,851)**	**504,336**
Share of post-tax results of associates	73	–	–	(861)	(788)	296	(492)
Net monetary loss arising from hyperinflationary economies	(9,562)	(11,403)	(4,541)	(346)	(25,852)	–	(25,852)
Profit before tax from continuing operations	**404,016**	**67,070**	**86,652**	**21,809**	**579,547**	**(101,555)**	**477,992**
Total assets	**15,301,941**	**1,930,386**	**1,105,350**	**4,036,776**	**22,374,453**	**5,187,340**	**27,561,793**
Total liabilities	**14,680,738**	**4,981,533**	**6,374,166**	**1,889,906**	**27,926,343**	**(2,528,856)**	**25,397,487**
At 31 December 2020							
Net interest income	550,319	179,047	229,307	(52,001)	906,672	554	907,226
Non interest income	398,349	192,840	170,670	238,199	1,000,058	(227,519)	772,539
Operating income	**948,668**	**371,887**	**399,977**	**186,198**	**1,906,730**	**(226,965)**	**1,679,765**
Impairment charges on financial assets	(126,214)	(52,345)	(21,681)	(26,785)	(227,025)	-	(227,025)
Operating expenses	(426,713)	(280,181)	(326,274)	(147,475)	(1,180,643)	126,605	(1,054,038)
Operating profit	**395,741**	**39,361**	**52,022**	**11,938**	**499,062**	**(100,360)**	**398,702**
Share of post-tax results of associates	(103)	–	–	–	(103)	(194)	(297)
Net monetary loss arising from hyperinflationary economies	(31,464)	(16,294)	(9,678)	(3,087)	(60,523)	–	(60,523)
Goodwill Impairment	–	–	–	–	–	(163,564)	(163,564)
Profit before tax from continuing operations	**364,174**	**23,067**	**42,344**	**8,851**	**438,436**	**(264,118)**	**174,318**
Total assets	**14,594,715**	**1,587,584**	**1,075,198**	**3,893,508**	**21,151,005**	**4,788,468**	**25,939,473**
Total liabilities	**12,251,226**	**4,509,393**	**6,416,268**	**1,802,357**	**24,979,244**	**(1,067,484)**	**23,911,760**

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

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

6.1 Entity-wide disclosures

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

i) Union Economique et Monétaire Ouest Africaine (UEMOA) region comprises all subsidiaries within the UEMOA monetary zone. Countries in this zone share a common currency except Cape Verde. This region currently includes subsidiaries in Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Mali, Niger, Senegal, Togo and Guinea Bissau and any other related entities;

ii) Nigeria region is made up of Ecobank Nigeria and other related entities;

iii) Anglophone West Africa (AWA) region comprises all in West African countries not included in the common monetary zone described as UEMOA. This region currently includes subsidiaries in Ghana, Guinea, Liberia, Sierra Leone and Gambia and any other related entities;

iv) CESA Central, Eastern and Southern region comprises all subsidiaries within the CEMAC (Central African Economic and Monetary Community) , EAC (East African Community) and SADC (Southern African Development Community) monetary zone. Countries in this zone share a common currency except Sao Tomé. These countries are: Cameroon, Chad, Central Africa, Congo Brazzaville, Gabon, Sao Tome and Equatorial Guinea, Burundi, Kenya, Rwanda, Tanzania, Uganda and South Sudan, Democratic Republic of Congo, Malawi, Zambia, Zimbabwe and Mozambique and any other related entities.

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

Segment results of operations

The segment information provided to the Group Executive Board for the reportable segments for the period ended 31 December 2021 and 2020 are as follows:

	UEMOA	NIGERIA	AWA	CESA	Others and consolidation adjustment	Ecobank Group
At 31 December 2021						
Net interest income	344,947	90,880	343,836	274,675	(109,908)	944,430
Non interest income	213,695	132,254	176,024	244,968	45,343	812,284
Operating income	**558,642**	**223,134**	**519,860**	**519,643**	**(64,565)**	**1,756,714**
Impairment charges on financial assets	(63,591)	14,598	(40,168)	(26,532)	(101,987)	(217,680)
Operating expenses	(302,742)	(181,215)	(241,050)	(273,632)	(36,059)	(1,034,698)
Operating profit	**192,309**	**56,517**	**238,642**	**219,479**	**(202,611)**	**504,336**
Share of post-tax results of associates	–	–	–	73	(565)	(492)
Net monetary loss arising from hyperinflationary economies	–	–	–	(25,852)	–	(25,852)
Profit before tax	**192,309**	**56,517**	**238,642**	**193,700**	**(203,176)**	**477,992**
Taxation	(18,253)	(2,520)	(79,243)	(50,585)	28,320	(122,281)
Profit after tax	**174,057**	**53,996**	**159,399**	**143,116**	**(173,202)**	**357,366**
Total assets	**10,072,445**	**5,985,460**	**4,812,643**	**6,695,297**	**(4,052)**	**27,561,793**
Total liabilities	**9,178,558**	**5,551,776**	**4,163,432**	**6,005,531**	**498,190**	**25,397,487**
At 31 December 2020						
Net interest income	310,815	160,608	317,349	210,713	(92,259)	907,226
Non interest income	200,600	108,829	167,455	247,267	57,253	772,539
Operating income	**511,415**	**269,437**	**484,804**	**457,980**	**(35,006)**	**1,679,765**
Impairment charges on financial assets	(55,642)	(12,197)	(39,706)	(28,857)	(90,623)	(227,025)
Operating expenses	(304,042)	(222,064)	(235,077)	(249,059)	(43,796)	(1,054,038)
Operating profit	**151,731**	**35,176**	**210,021**	**180,064**	**(169,425)**	**398,702**
Share of post-tax results of associates	–	–	–	(103)	(194)	(297)
Net monetary loss arising from hyperinflationary economies	–	–	–	(60,523)	-	(60,523)
Goodwill impairment	–	–	–	–	(163,564)	(163,564)
Profit before tax	**151,731**	**35,176**	**210,021**	**119,438**	**(333,183)**	**174,318**
Taxation	(10,761)	(1,908)	(62,025)	(30,740)	16,099	(89,335)
Profit after tax	**140,970**	**33,268**	**147,996**	**88,698**	**(313,748)**	**88,319**
Total assets	**9,969,419**	**5,629,754**	**4,303,693**	**5,961,280**	**75,327**	**25,939,473**
Total liabilities	**9,147,215**	**5,124,621**	**3,718,862**	**5,366,479**	**554,583**	**23,911,760**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

7 Net interest income

	2021	2020
Interest income		
Loans and advances to banks	34,245	34,567
Loans and advances to customers:		
• Corporate	511,862	507,136
• Commercial	140,898	125,653
• Consumer	131,352	123,826
Treasury bills and other eligible bills	198,596	222,003
Investment securities	437,263	358,100
Trading financial assets	15,723	16,442
Others	3,615	2,711
	1,473,554	**1,390,438**
Interest expense		
Deposits from banks	48,714	77,758
Due to customers:		
• Corporate	183,327	140,200
• Commercial	40,934	39,142
• Consumer	100,358	109,333
Borrowed funds	148,029	108,308
Interest expense for lease liabilities	4,533	4,425
Others	3,229	4,046
	529,124	**483,212**

8 Net fee and commission income

	2021	2020
Fee and commission income		
Credit related fees and commissions	144,412	127,099
Corporate finance fees	8,438	16,264
Portfolio and other management fees	9,525	10,900
Brokerage fees and commissions	10,174	3,418
Cash management and related fees	218,671	187,226
Card management fees	78,177	64,553
Other fees	30,752	15,129
	500,149	**424,589**
Fee and commission expense		
Brokerage fees paid	2,069	1,911
Other fees paid	46,651	33,732
	48,720	**35,643**

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

8 Net fee and commission income (continued)

Analysis of net fees and commissions by region

	UEMOA	NIGERIA	AWA	CESA	Other and consolidation adjustment	Total
31 December 2021						
Fee and commission income						
Credit related fees and commissions	33,133	24,988	28,624	48,954	8,713	144,412
Corporate finance fees	4,136	–	2,288	2,014	–	8,438
Portfolio and other management fees	8,583	326	–	616	–	9,525
Brokerage fees and commissions	676	960	3,581	4,956	1	10,174
Cash management and related fees (*)	67,310	20,303	48,596	78,050	4,412	218,671
Card management fees	19,926	11,583	18,964	27,705	(1)	78,177
Other fees	4,211	469	20,621	7,359	(1,908)	30,752
Total	**137,975**	**58,629**	**122,674**	**169,654**	**11,217**	**500,149**
Fee and commission expense						
Brokerage fees paid	776	1,243	–	49	1	2,069
Other fees paid	5,889	11,993	9,110	14,762	4,897	46,651
Total	**6,665**	**13,236**	**9,110**	**14,811**	**4,898**	**48,720**
Net fees and commission	**131,310**	**45,393**	**113,564**	**154,843**	**6,319**	**451,429**
31 December 2020						
Fee and commission income						
Credit related fees and commissions	31,197	10,285	29,333	44,626	11,658	127,099
Corporate finance fees	4,321	–	1,595	2,697	7,651	16,264
Portfolio and other management fees	10,105	333	154	305	3	10,900
Brokerage fees and commissions	543	762	1,823	292	(2)	3,418
Cash management and related fees (*)	60,804	17,849	36,144	69,589	2,840	187,226
Card management fees	16,166	9,480	14,648	23,977	282	64,553
Other fees	3,805	442	13,182	2,326	(4,626)	15,129
Total	**126,941**	**39,151**	**96,879**	**143,812**	**17,807**	**424,589**
Fee and commission expense						
Brokerage fees paid	1,081	311	–	518	1	1,911
Other fees paid	6,805	3,617	5,454	12,657	5,199	33,732
Total	**7,886**	**3,928**	**5,454**	**13,175**	**5,200**	**35,643**
Net fees and commission	**119,055**	**35,223**	**91,425**	**130,637**	**12,607**	**388,946**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

8 Net fee and commission income (continued)

Analysis of net fees and commissions by business unit

	CIB	Commercial	Consumer	Other and consolidation adjustment	Total
31 December 2021					
Fee and commission income					
Credit related fees and commissions	103,087	32,371	8,948	6	144,412
Corporate finance fees	8,438	–	–	–	8,438
Portfolio and other management fees	9,522	–	3	–	9,525
Brokerage fees and commissions	5,680	2,477	2,018	(1)	10,174
Cash management and related fees (*)	66,909	75,561	76,193	8	218,671
Card management fees	1,764	7,813	68,602	(2)	78,177
Other fees	21,530	3,128	8,160	(2,066)	30,752
Total	**216,930**	**121,350**	**163,924**	**(2,055)**	**500,149**
Fee and commission expense					
Brokerage fees paid	2,068	62	–	(61)	2,069
Other fees paid	29,194	6,282	9,112	2,063	46,651
Total	**31,262**	**6,344**	**9,112**	**2,002**	**48,720**
Net fees and commission	**185,668**	**115,006**	**154,812**	**(4,057)**	**451,429**
31 December 2020					
Fee and commission income					
Credit related fees and commissions	87,471	29,430	7,937	2,261	127,099
Corporate finance fees	8,614	–	–	7,650	16,264
Portfolio and other management fees	9,341	–	1,557	2	10,900
Brokerage fees and commissions	3,311	(108)	215	–	3,418
Cash management and related fees (*)	57,000	59,514	69,146	1,566	187,226
Card management fees	608	4,416	59,264	265	64,553
Other fees	17,452	1,812	974	(5,109)	15,129
Total	**183,797**	**95,064**	**139,093**	**6,635**	**424,589**
Fee and commission expense					
Brokerage fees paid	1,849	62	–	–	1,911
Other fees paid	22,344	6,282	3,977	1,129	33,732
Total	**24,193**	**6,344**	**3,977**	**1,129**	**35,643**
Net fees and commission	**159,604**	**88,720**	**135,116**	**5,506**	**388,946**

* Cash management and related fees is the sum of: Funds transfer commissions , Euro commissions, Rapidtransfer, Current account servicing, Draft issuance commissions, Western Union commissions, Internet and SMS banking commissions, Mobile money revenues, Other cash management commissions, MoneyGram Commissions, RIA Commissions, WARI Commissions, Bancassurance Commissions, Cash management from affiliates.

9 Net trading income

	2021	2020
Foreign exchange	268,776	265,459
Trading income on securities	26,841	80,817
	295,617	**346,276**

10 Net investment income

	2021	2020
Net gains from investment securities	18,563	16,617
	18,563	**16,617**

11 Other operating income

	2021	2020
i) Lease income	420	206
	420	**206**
ii) Dividend income		
Trading securities	37	255
Other equity securities	4,786	5,412
	4,823	**5,667**
iii) Others		
Fair value loss on investment properties	(592)	(2,730)
Profit on sale of property and equipment	15,778	1,928
Gain on modified financial instruments	1,825	1,243
Profit on deemed associates disposal (Pan African Savings and Loans of Cameroon)	543	-
Others	23,878	14,386
	41,432	**14,827**
Total other operating income	**46,675**	**20,700**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

12 Operating expenses

Year ended 31 December	2021	2020
a) Staff expenses		
Salaries, allowances and other compensation	395,488	398,483
Social security costs	43,707	44,303
Pension costs:		
• defined contribution plans	8,809	15,562
Other post-retirement benefits	6,933	4,644
	454,937	**462,992**
b) Depreciation and amortisation		
Depreciation of property and equipment (Note 28)	54,079	61,687
Depreciation of right-of-use assets (Note 29)	21,098	20,992
Amortisation of software and other intangibles (Note 26)	33,492	21,527
	108,669	**104,206**
c) Other operating expenses		
Directors' emoluments	1,696	2,137
Restructuring costs	681	31,682
Social responsibility	1,361	2,097
Rent and utilities	41,350	42,978
Insurance	34,659	31,423
Advertising and promotion	20,361	18,929
Professional and legal costs	54,282	63,949
Operational losses and fines	8,319	6,115
Communications and technology	133,967	136,180
Business travels	6,977	8,391
AGM and board activities	1,500	1,602
Training	4,929	3,875
Employee activities	13,725	12,135
Repairs and maintenance	18,726	20,605
Supplies and services	10,017	9,378
Cash transportation	19,244	17,301
Fuel	7,544	6,849
Other taxes	24,895	20,665
Listing fees	2,180	2,072
Banking resolution sinking fund cost (Amcon)	35,079	34,671
Other administrative expenses	29,600	13,806
Total	**471,092**	**486,840**
Total operating expenses	**1,034,698**	**1,054,038**

13 Impairment charges on financial assets

	2021	2020
Impairment charges on loans and advances	374,117	312,072
Recoveries / Release of provisions	(204,507)	(130,517)
Net impairment charges on loans and advances	169,610	181,555
Impairment charges on off balance sheet	(2,185)	12,767
Impairment charges on other financial assets (Note 24)	50,255	32,703
	217,680	**227,025**

14 Taxation

	2021	2020
Current income tax	158,019	140,619
Deferred income tax (Note 36)	(35,738)	(51,284)
	122,281	**89,335**

The income tax rate applicable to the majority of income of the subsidiaries ranged from 25 per cent to 45 per cent.

Further information about deferred income tax is presented in Note 37. The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the parent as follows:

Profit before tax	477,992	174,318
Tax calculated at local tax rates applicable to profits in the respective countries	182,457	158,355
Tax impact on income not subject to tax	(43,378)	(42,524)
Tax impact on expenses not deductible for tax purposes	3,778	6,850
Utilisation of previously unrecognised tax losses	(20,576)	(33,346)
Income tax expense	**122,281**	**89,335**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

15 Earnings per share

Basic

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

	2021	2020
Profit attributable to equity holders of the Company from continuing operations	**261,340**	**2,401**
Profit attributable to equity holders of the Company from discontinued operations	**894**	**1,801**
Weighted average number of ordinary shares in issue (in thousands)	**24,592,619**	**24,592,619**
Basic earnings per share (expressed in US cents per share) from continuing operations	**1.063**	**0.010**
Basic earnings per share (expressed in US cents per share) from discontinued operations	**0.004**	**0.007**

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 dilution impact of share options granted are immaterial in the computation of dilutive earnings per share.

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	261,340	2,401
Interest expense on dilutive convertible loans	–	–
	261,340	2,401
Profit attributable to equity holders of the company from discontinued operations	894	1,801
Interest expense on dilutive convertible loans	–	–
	894	1,801
Weighted average number of ordinary shares in issue (in thousands)	24,592,619	24,592,619
Adjustment for dilutive convertible loans		
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	24,592,619	24,592,619
Dilutive earnings per share (expressed in US cents per share) from continuing operations	1.063	0.010
Dilutive earnings per share (expressed in US cents per share) from discontinued operations	0.004	0.007

16 Cash and balances with central banks

	2021	2020
Cash in hand	667,347	716,391
Balances with central banks other than mandatory reserve deposits	1,864,854	1,385,611
Included in cash and cash equivalents (Note 41)	**2,532,201**	**2,102,002**
Mandatory reserve deposits with central banks	1,676,937	1,650,594
	4,209,138	**3,752,596**

Mandatory reserve deposits are not available for use in the Group's day-to-day operations. All balances are current.

17 Trading financial assets

	2021	2020
Debt securities:		
• Government bonds	346,042	156,490
Total	**346,042**	**156,490**
Current	346,042	156,490
	346,042	**156,490**

18 Derivative financial instruments

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

	31 December 2021			31 December 2020		
		Fair Value Assets			Fair Value Assets	
Derivatives	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Currency forwards	884,793	58,032	10,643	1,633,892	107,164	73,271
Cross-currency interest rate swaps	51,734	20,372	18,458	20,311	7,998	5,637
Total	**936,527**	**78,404**	**29,101**	**1,654,203**	**115,162**	**78,908**

The Group has not designated at initial recognition any financial liability as at fair value through profit or loss.

All derivative financial instruments are current.

19 Loans and advances to banks

	2021	2020
Items in course of collection from other banks	46,151	56,031
Deposits with other banks (Note 41)	1,579,657	1,279,772
Placements with other banks	663,637	675,540
	2,289,445	**2,011,343**

All loans and advances to banks are current.

20 Loans and advances to customers

	31 December							
	CIB		Commercial		Consumer		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
a) Analysis by type:								
Overdrafts	710,199	690,749	296,087	420,046	90,647	57,771	1,096,933	1,168,566
Credit cards	–	–	–	–	2,529	3,961	2,529	3,961
Term loans	6,762,412	6,303,592	1,284,752	1,217,856	955,235	964,664	9,002,399	8,486,112
Mortgage loans	–	–	–	–	126,380	139,424	126,380	139,424
Gross loans and advances	**7,472,611**	**6,994,341**	**1,580,839**	**1,637,902**	**1,174,791**	**1,165,820**	**10,228,241**	**9,798,063**
Less: allowance for impairment	(340,331)	(209,422)	(237,318)	(273,136)	(74,727)	(75,557)	(652,376)	(558,115)
Net loans and advances	**7,132,280**	**6,784,919**	**1,343,521**	**1,364,766**	**1,100,064**	**1,090,263**	**9,575,865**	**9,239,948**
b) Analysis by stage:								
Gross loans								
Stage 1	6,268,461	5,690,903	1,207,552	1,063,966	1,070,537	1,053,408	8,546,550	7,808,277
Stage 2	835,568	1,004,973	172,944	208,887	34,021	26,872	1,042,533	1,240,732
Stage 3 (Impaired)	368,582	298,465	200,343	365,049	70,233	85,540	639,158	749,054
Total	**7,472,611**	**6,994,341**	**1,580,839**	**1,637,902**	**1,174,791**	**1,165,820**	**10,228,241**	**9,798,063**
Impairment								
Stage 1	(41,101)	(18,918)	(20,362)	(26,298)	(18,460)	(7,533)	(79,923)	(90,218)
Stage 2	(100,256)	(26,581)	(37,655)	(36,951)	(5,509)	(10,584)	(143,420)	(92,889)
Stage 3 (Impaired)	(198,974)	(163,924)	(179,301)	(209,887)	(50,758)	(57,439)	(429,033)	(375,008)
Total	**(340,331)**	**(209,422)**	**(237,318)**	**(273,136)**	**(74,727)**	**(75,557)**	**(652,376)**	**(558,115)**
c) Analysis by security:								
Secured against real estate	2,587,751	898,241	616,527	638,782	278,271	225,945	3,482,549	1,762,967
Otherwise secured	3,689,242	4,977,005	885,270	917,225	427,449	523,169	5,001,961	6,417,399
Unsecured	1,195,618	1,119,095	79,042	81,895	469,071	416,706	1,743,731	1,617,697
	7,472,611	**6,994,341**	**1,580,839**	**1,637,902**	**1,174,791**	**1,165,820**	**10,228,241**	**9,798,063**
Current							6,341,509	6,074,799
Non current							3,886,732	3,723,264
							10,228,241	**9,798,063**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

20 Loans and advances to customers (continued)

d) Movements in loans and advances

Reconciliation of loans and advances by class is as follows:

At 31 December 2021

	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January	690,749	6,303,592	–	420,046	–	1,217,856	–	57,771	3,961	964,664	139,424	9,798,063
Disbursed during the period	628,901	4,153,088	982	292,504	–	972,267	–	70,660	188	439,375	98,009	6,655,974
Paid off during the period	(547,809)	(3,507,562)	(82)	(338,203)	–	(914,845)	–	(34,872)	(1,459)	(278,931)	(101,500)	(5,725,263)
Amounts written off as uncollectible	–	(70,786)	–	–	–	(27,186)	–	–	–	(14,647)	–	(112,619)
Reclassification	–	–	–	–	–	–	–	–	–	–	–	–
Exchange difference	(61,642)	(115,920)	(900)	(78,260)	–	36,660	–	(2,912)	(161)	(155,226)	(9,553)	(387,914)
At 31 December 2021	**710,199**	**6,762,412**	**–**	**296,087**	**–**	**1,284,752**	**–**	**90,647**	**2,529**	**955,235**	**126,380**	**10,228,241**

At 31 December 2020

	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
At 1 January	1,060,015	6,085,231	–	430,407	–	1,178,417	–	74,039	3,450	860,147	141,952	9,833,658
Disbursed during the year	446,682	3,191,797	–	277,868	–	1,041,949	100	72,755	3,297	332,115	208,085	5,574,648
Paid off during the year	(645,577)	(2,971,377)	(1,859)	(304,657)	–	(1,134,810)	(87)	(82,306)	(2,760)	(191,265)	(219,768)	(5,554,466)
Amounts written off as uncollectible	–	(171,422)	–	–	–	–	–	–	–	–	–	(171,422)
Reclassification	(185,844)	108,435	1,859	10,145	–	115,098	(13)	(7,798)	(76)	(48,889)	7,083	–
Exchange difference	15,473	60,928	–	6,283	–	17,202	–	1,081	50	12,556	2,072	115,645
At 31 December 2020	**690,749**	**6,303,592**	**–**	**420,046**	**–**	**1,217,856**	**–**	**57,771**	**3,961**	**964,664**	**139,424**	**9,798,063**

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 2021

	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
Specific impairment (Stage 3)												
At 1 January	3,857	84,357	–	63,895	–	170,733	–	17,845	1,030	31,883	1,408	375,008
Provision for loan impairment	2,154	150,763	–	2,873	–	57,118	–	2,151	–	56,392	254	271,705
Recoveries/Release of provisions	(124)	(18,179)	–	(85,903)	–	(34,680)	–	(10,838)	(935)	(476)	(1,285)	(152,420)
Loans written off during the period	1,173	(78,736)	–	1,564	–	(37,596)	–	1,170	–	(333)	139	(112,619)
Reclassification	(5,672)	64,530	–	75,830	–	(27,330)	–	1,649	–	(44,607)	130	64,530
Exchange difference	(356)	(4,793)	–	(640)	–	(6,563)	–	(1,649)	(95)	(2,945)	(130)	(17,171)
At 31 December 2021	**1,032**	**197,942**	**–**	**57,619**	**–**	**121,682**	**–**	**10,328**	**–**	**39,914**	**516**	**429,033**

At 31 December 2021

	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
Collective impairment (Stages 1 and 2)												
At 1 January	39,478	81,730	–	2,643	–	35,865	–	38,584	100	(16,685)	1,392	183,107
Provision for loan impairment	9,398	9,354	–	8,003	–	26,990	–	10,795	4	35,819	2,049	102,412
Recoveries/Release of provisions	(8,429)	(25,114)	–	(4,934)	–	(6,086)	–	(6,372)	–	(279)	(873)	(52,087)
Reclassification	2,542	38,358	–	2,484	–	(4,984)	–	(23,699)	–	(13,526)	(1,175)	–
Exchange difference	(3,647)	(2,313)	–	(763)	–	(1,201)	–	(520)	(7)	(1,509)	(129)	(10,089)
At 31 December 2021	**39,342**	**102,015**	**–**	**7,433**	**–**	**50,584**	**–**	**18,788**	**97**	**3,820**	**1,264**	**223,343**
Total allowance for impairment	**40,374**	**299,957**	**–**	**65,052**	**–**	**172,266**	**–**	**29,116**	**97**	**43,734**	**1,780**	**652,376**

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

20 Loans and advances to customers (continued)

e) Allowance for impairment (continued)

At 31 December 2020

	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
Specific impairment (Stage 3)												
At 1 January	6,533	126,558	–	88,379	–	170,871	–	29,275	1,377	6,531	661	430,185
Provision for loan impairment	468	107,128	1,098	10,664	–	86,904	455	2,276	–	30,963	201	240,157
Recoveries / Release of provisions	(6,330)	(52,230)	(2,675)	(19,831)	–	(67,628)	2	(3,405)	(1,276)	(4,681)	(619)	(158,673)
Loans written off during the period	–	(171,422)	–	–	–	–	–	–	–	–	–	(171,422)
Reclassification	3,292	76,383	1,577	(13,878)	–	(16,632)	(457)	4,377	951	(15,025)	1,176	41,764
Exchange difference	(106)	(2,060)	–	(1,439)	–	(2,782)	–	(14,678)	(22)	14,095	(11)	(7,003)
At 31 December 2020	**3,857**	**84,357**	**–**	**63,895**	**–**	**170,733**	**–**	**17,845**	**1,030**	**31,883**	**1,408**	**375,008**

At 31 December 2020

	CIB			Commercial				Consumer				Total
	Overdrafts	Term loans	Others	Overdrafts	Credit cards	Term loans	Others	Overdrafts	Credit cards	Term loans	Mortgage	
Collective impairment (Stages 1 and 2)												
At 1 January	35,943	30,743	–	–	–	18,471	–	39,257	99	1,622	730	126,865
Provision for loan impairment	3,182	16,125	3,918	32,953	–	21,833	3,208	1,695	–	(11,975)	976	71,915
Recoveries / Release of provisions	(1,495)	39,387	(188)	(3,168)	–	3,247	(757)	(723)	–	(7,318)	(829)	28,156
Reclassification	2,433	(4,025)	(3,730)	(27,142)	–	(7,385)	(2,451)	(1,006)	3	1,012	527	(41,764)
Exchange difference	(585)	(500)	–	–	–	(301)	–	(639)	(2)	(26)	(12)	(2,065)
At 31 December 2020	**39,478**	**81,730**	**–**	**2,643**	**–**	**35,865**	**–**	**38,584**	**100**	**(16,685)**	**1,392**	**183,107**
Total allowance for impairment	**43,335**	**166,087**	**–**	**66,538**	**–**	**206,598**	**–**	**56,429**	**1,130**	**15,198**	**2,800**	**558,115**

20 Loans and advances to customers (continued)

f) Investment in finance leases

At 31 December	2021	2020
Loans and advances to customers include finance lease receivables analysed below.		
Gross investment in finance leases, receivable		
No later than 1 year	-	123
Later than 1 year and no later than 5 years	4,027	1,695
	4,027	**1,818**
Unearned future finance income on finance leases	1,026	121
Net investment in finance leases	**5,053**	**1,939**
Analysis by industry on gross loans		
The net investment in finance lease may be analysed as follows:		
No later than 1 year	255	98
Later than 1 year and no later than 5 years	4,798	1,841
	5,053	**1,939**

21 Treasury bills and other eligible bills

At 31 December	2021	2020
Maturing within three months (Note 41)	607,646	637,364
Maturing after three months	1,479,439	1,093,481
	2,087,085	**1,730,845**
Current	2,074,082	1,683,925
Non current	13,003	46,920
	2,087,085	**1,730,845**

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 US dollars unless otherwise stated)

22 Investment securities

At 31 December	2021	2020
Debt securities		
• At FVTOCI listed	3,002,391	2,654,410
• At FVTOCI unlisted	3,359,525	3,258,203
Total	**6,361,916**	**5,912,613**
Equity securities		
• At FVTOCI unlisted	119,899	114,080
• At FVTPL listed	2,148	1,797
• At FVTPL unlisted	76,265	45,754
Total	**198,312**	**161,631**
Total investment securities	**6,560,228**	**6,074,244**
Current	2,240,149	2,119,097
Non current	4,320,079	3,955,147
	6,560,228	**6,074,244**

The movement in investment securities may be summarised as follows:

	2021	2020
At 1 January	6,074,244	4,857,763
Additions	4,160,242	3,419,589
Disposals (sale and redemption)	(3,152,384)	(2,547,499)
Net gain from investment securities	18,563	16,617
Accrued interest on debt securities	36,439	29,842
(Loss)/gain from changes in fair value	(53,482)	76,639
Exchange differences	(523,394)	221,293
At 31 December	**6,560,228**	**6,074,244**

23 Pledged assets

At 31 December	2021	2020
Treasury bills	138,362	389,033
Government bonds	67,639	22,566
Eurobonds	-	12,000
	206,001	**423,599**

Pledged assets have been stated at fair values

Current	139,117	344,466
Non-current	66,884	79,133
	206,001	**423,599**

24 Other assets

At 31 December	2021	2020
Fees receivable	8,758	10,642
Accounts receivable	790,098	733,769
Prepayments	194,133	206,633
Repossessed assets	168,480	198,647
Sundry receivables	143,421	137,575
	1,304,890	**1,287,266**
Impairment charges on receivable balances	(209,321)	(159,066)
	1,095,569	**1,128,200**
Current	989,634	1,058,426
Non-current	105,935	69,774
	1,095,569	**1,128,200**

The movement in impairment allowance on other assets may be summarised as follows:

1 January	159,066	126,363
Increase in impairment	50,255	32,703
At 31 December	**209,321**	**159,066**

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

25 Investment in associates

At 31 December	2021	2020
At 1 January	3,468	3,664
Share of results	(492)	(297)
Derecognition of Pan African Savings and Loans of Cameroon	(788)	–
Exchange differences	2,675	101
At 31 December	**4,863**	**3,468**

Investment in associates balances are non-current.

	At 31 December 2021			At 31 December 2020		
	OLD MUTUAL General insurance	Pan African Savings and Loans of Cameroon	Accion Microfinance Bank Ltd (Nigeria)	OLD MUTUAL General insurance	Pan African Savings and Loans of Cameroon	Accion Microfinance Bank Ltd (Nigeria)
Current assets	35,035		33,229	18,614	14,992	29,640
Non-current assets	353		1,755	79	378	2,154
Total assets	**35,388**		**34,984**	**18,693**	**15,370**	**31,793**
Liabilities	12,678	Deemed disposal in 2021	20,590	8,852	13,834	19,018
Total liabilities	**12,678**		**20,590**	**8,852**	**13,834**	**19,018**
Revenues	5,590		11,225	2,983	2,743	10,202
(Loss)/profit after tax	(2,949)		1,805	(387)	(227)	(311)

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 the 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 entity is in general insurance business.

	At 31 December 2021			At 31 December 2020		
	Principal place of business/Country of incorporation	Net assets of associates	Share Holding (Direct and Indirect)	Country of incorporation	Net assets of associate	Share Holding (Direct and Indirect)
Pan African Savings and Loans of Cameroon				Cameroon	1,536	49.87%
Accion Microfinance Bank Ltd (Nigeria)	Nigeria	14,394	21.73%	Nigeria	12,776	21.73%
OLD MUTUAL General insurance	Nigeria	22,710	30.00%	Nigeria	9,841	30.00%

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

At 31 December 2021	OLD MUTUAL General insurance	EB-ACCION Nigeria	Pan African Savings and Loans of Cameroon	Total
Opening net assets	9,841	12,776	1,536	24,153
(Loss)/profit for the year	(2,949)	1,805	–	(1,144)
Exchange differences	15,818	(187)	(1,536)	14,095
Closing net assets	**22,710**	**14,394**	**–**	**37,104**
Interest in associates	6,813	3,128	–	9,941

At 31 December 2020	OLD MUTUAL General insurance	EB-ACCION Nigeria	Pan African Savings and Loans of Cameroon	Total
Opening net assets	8,869	14,750	1,410	25,029
Loss for the year	(387)	(311)	(227)	(925)
Exchange differences	1,358	(1,663)	354	49
Closing net assets	**9,841**	**12,776**	**1,536**	**24,153**
Interest in associates	2,952	2,776	766	6,495

26 Intangible assets

At 31 December	2021	2020
At 1 January	18,844	191,634
Acquisition	552	–
Goodwill impairment	–	(163,564)
Exchange differences	(1,057)	(9,226)
At 31 December	**18,339**	**18,844**

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

26 Intangible assets (continued)

	2021	2020
Software costs		
At 1 January	133,026	118,340
Purchase	20,353	25,393
Amortisation (Note 12)	(33,492)	(21,527)
Exchange differences	(15,938)	10,820
At 31 December	**103,949**	**133,026**
Total intangible assets	**122,288**	**151,870**

Impairment testing for cash-generating units containing goodwill

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

The goodwill is arising on acquisitions of the following subsidiaries:

At 31 December	2021	2020
Ecobank Ghana (The Trust Bank)	6,729	7,048
Ecobank Rwanda	3,760	3,904
Ecobank Zimbabwe	60	79
SOFIPE	608	659
Ecobank Chad	2,642	2,863
Ecobank Central Africa	1,626	1,762
Ecobank Burundi	935	964
Ecobank Sierra Leone (ProCredit)	367	408
Ecobank Malawi	120	127
Ecobank Burkina Faso	501	543
Pan African Savings and Loans Ghana (PASL Ghana)	465	487
Pan African Savings and Loans Cameroon (PASL Cameroon)	526	–
	18,339	**18,844**

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

At 31 December	2021		2020	
Entities	Discount factor	Long-term growth rate	Discount factor	Long-term growth rate
Ecobank Ghana (The Trust Bank)	13.8%	2.3%	14.0%	6.5%
Ecobank Rwanda	13.1%	2.3%	16.3%	6.8%
Ecobank Zimbabwe	15.5%	2.3%	23.6%	4.3%
SOFIPE	13.1%	2.3%	16.3%	7.2%
Ecobank Chad	13.2%	2.3%	18.0%	5.5%
Ecobank Central Africa	13.2%	2.3%	18.0%	4.9%
Ecobank Burundi	13.2%	2.3%	21.1%	4.3%
Ecobank Sierra Leone (ProCredit)	15.5%	2.3%	18.0%	6.6%
Ecobank Malawi	15.5%	2.3%	19.7%	7.3%
Ecobank Burkina Faso	13.1%	2.3%	16.3%	7.2%
PASL Ghana	13.8%	2.3%	16.3%	7.2%
PASL Cameroon	13.2%	2.3%	17.3%	6.5%

1. The cash flows were projected based on the Group's approved budget. The cash flows were based on past experiences and were adjusted to reflect expected future performances of the company taking into consideration the country's gross domestic product.
2. A terminal growth rate of 2.3 per cent was applied in determining the terminal cash flows depending on the country the entity is domiciled.
3. In 2021, the cost of equity approach was adopted. Discount rates ranging from 13.1 per cent to 15.5 per cent, representing pre-tax cost of equity of an entity, was applied in determining the value in use. The growth rate used to extrapolate terminal cash flows for goodwill impairment testing is consistent with long-term average growth rate for industry and countries.
4. The Group expects that through these acquisitions, it would create synergy that enhances its ability to tap into opportunities in the respective countries where the entities are domiciled.
5. The key assumptions described above and summarised below may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of either CGU to decline below the carrying amount.

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27 Investment property

At 31 December	2021	2020
1 January	12,365	21,710
Additions	–	7,023
Fair value loss	(592)	(2,730)
Reclassifications	–	(10,950)
Disposal	–	(3,985)
Exchange rate adjustments	(755)	1,297
At 31 December	**11,019**	**12,365**

The following amounts have been recognised in the income statement:

Rental income	508	362
Direct operating expenses arising from investment properties that generate rental income	(77)	(56)
Fair value	(592)	(2,730)
	(161)	**(2,424)**

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

As per IAS 1.60 and for the purpose of providing a more reliable information regarding the order of liquidity of the balance sheet, the investment property has been been reclassify after the intangible assets.

28 Property and equipment

	Motor Vehicles	Land & Buildings	Furniture & Equipment	Installations	Construction in progress	Total
At 1 January 2020						
Cost or Valuation	50,624	681,250	421,302	156,762	118,548	1,428,486
Accumulated depreciation	40,579	142,288	312,072	102,365	–	597,304
Net book amount	**10,045**	**538,962**	**109,230**	**54,397**	**118,548**	**831,182**
Year ended 31 December 2020						
1 January	10,045	538,962	109,230	54,397	118,548	831,182
Purchase of property, plant and equipment	17,315	170,381	40,600	10,819	25,886	298,027
Initial recognition of ROU assets	63	31,572	820	571	–	33,027
Revaluation	–	29,268	(37)	11	(34)	29,208
Disposals – cost	(17,180)	(193,441)	(49,827)	(23,106)	(31,248)	(314,802)
Disposals – accumulated depreciation	7,295	16,713	27,714	8,354	812	60,888
Reclassifications – cost	280	5,471	(1,208)	(595)	(3,948)	–
Reclassifications – accumulated depreciation	280	5,471	(1,208)	(5,994)	1,451	–
Depreciation charge	(4,270)	(23,952)	(25,462)	(8,003)	–	(61,687)
Exchange rate adjustments	(2,596)	(24,141)	2,042	(273)	(7,327)	(32,295)
31 December 2020	**11,232**	**556,304**	**102,664**	**36,181**	**104,140**	**810,521**
At 31 December 2020/1 January 2021						
Cost or Valuation	49,233	716,796	425,128	155,804	104,140	1,451,101
Accumulated depreciation	38,001	160,492	322,464	119,623	–	640,580
Net book amount	**11,232**	**556,304**	**102,664**	**36,181**	**104,140**	**810,521**
Year ended 31 December 2021						
1 January	11,232	556,304	102,664	36,181	104,140	810,521
Purchase of property, plant and equipment	17,548	153,684	82,025	10,253	12,740	276,250
Initial recognition of ROU assets	35	17,515	455	317	–	18,322
Revaluation	–	16,199	59	–	–	16,258
Disposals – cost	(20,930)	(128,359)	(44,826)	(16,860)	(41,343)	(252,318)
Disposals – accumulated depreciation	11,112	18,729	23,757	7,857	722	62,177
Reclassifications – cost	–	(271)	(12,013)	12,284	–	–
Reclassifications – accumulated depreciation	44	1,429	(864)	(749)	140	–
Depreciation charge	(4,842)	(23,523)	(20,010)	(5,704)	–	(54,079)
Exchange rate adjustments	(2,879)	(67,151)	(39,823)	(12,103)	(4,560)	(126,516)
31 December 2021	**11,320**	**544,556**	**91,424**	**31,476**	**71,839**	**750,615**
At 31 December 2021						
Cost	43,749	709,026	403,514	146,973	71,839	1,375,101
Accumulated depreciation	32,429	164,470	312,090	115,497	–	624,486
Net book amount	**11,320**	**544,556**	**91,424**	**31,476**	**71,839**	**750,615**

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28 Property and equipment (continued)

Land and buildings are measured using the revaluation model. The valuation of land and buildings has been done using the level 2 technique (inputs other than quoted prices that are observable for the asset). There has been no change in the valuation techniques used in the valuation of the land and buildings. The valuation of the Group's land and buildings was performed by independent valuers to determine the fair value of the land and buildings as at 31 December 2021. The fair values are derived by applying internationally acceptable and appropriately benchmarked valuation techniques such as depreciated replacement cost or market value approach. The depreciated replacement cost approach involves estimating the value of the property in its existing use and the gross replacement cost. For this, appropriate deductions are made to allow for age, condition and economic or functional obsolescence, environmental and other factors that might result in the existing property being worth less than a new replacement. The 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.

The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in 'revaluation reserve – property and equipment' in shareholders equity (Note 40).

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

At 31 December	2021	2020
Cost	1,302,693	1,278,761
Accumulated depreciation	277,333	285,431
Net book amount	**1,025,360**	**993,330**

29 Right-of-use assets

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

	2021	2020
Motor Vehicles	433	821
Land & Buildings	55,590	66,861
Furniture & Equipment	2,153	1,914
Installations	582	964
	58,758	**70,560**

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

	Motor Vehicles	Land & Buildings	Furniture & Equipment	Installations	Total
At 1 January	**821**	**66,861**	**1,914**	**964**	**70,560**
Additions	35	17,515	455	317	18,322
Depreciations	(217)	(20,414)	(331)	(136)	(21,098)
Exchange rate adjustments	(206)	(8,372)	115	(563)	(9,026)
At 31 December	**433**	**55,590**	**2,153**	**582**	**58,758**

30 Assets and Liabilities Held for sale

At 31 December	2021	2020
Union Bank of Cameroon (UBC)	–	153,783
ETI Property	9,961	10,553
Ecobank Nigeria Property	13,274	–
	23,235	**164,336**

	2021	2020
Liabilities Held for sale		
Union Bank of Cameroon (UBC)	**–**	**175,167**

30.1 Union Bank of Cameroon (UBC)

UBC is a public limited company under Cameroonian law, originally owned by Oceanic Bank of Nigeria at 54 per cent. Following the acquisition by ETI in 2011 of Oceanic Bank Nigeria, which resulted in a merger-absorption of Oceanic Bank Nigeria by Ecobank Nigeria, ETI took over the 54 per cent initially held by Oceanic Bank Nigeria.

As a result of losses recorded by UBC and to avoid liquidation, the shareholders of UBC submitted to the approval of the Government of Cameroon a restructuring plan which provided for the exit of ETI from the capital of UBC in line with ETI's strategic objectives.

On February 28, 2020, the ETI Board approved a one-off payment for UBC exit. ETI's contribution to the net asset shortfall, for its 54 per cent of the shareholding in UBC, was fixed and later on, a General assembly was held on 24 April 2021 in Douala and the resolution was that ETI pays an amount of FCFA 5.771 billion out of the FCFA 10.687 billion total insufficient assets. ETI recognised the payment ($10.496 million) of the above amount on 31 July 2021 after all necessary approvals. All entries were booked both in ETI books and in the Group financials.

	2021	2020
Profit on discontinued operations	1,655	3,336
Cash payment for Union Bank of Cameroon (UBC) Exit	(10,496)	–

30.2 ETI: Property in Ogombo, Lagos, Nigeria

	2021	2020
Assets held for sale		
ETI Property	9,961	10,553

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

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

	2021	2020
Assets held for sale		
Land	137	–
Freehold buildings	13,137	–
	13,274	**–**

On 6 December 2021, Ecobank Nigeria publicly announced the decision of its Board of Directors to sell its former head office building located at 21 Ahmadu Bello Way, Victoria Island, Lagos and some other of the Bank's properties. These land and buildings were previously accounted for in the Bank's book as property and equipment. The sale of the land and buildings are expected to be completed within a year from the reporting date. At 31 December 2021, the land and buildings were classified as an assets held for sale. The Bank has currently relocated to its new head office – Ecobank Pan African Centre (EPAC) located at 270, Ozumba Mbadiwe Avenue, Victoria Island to continue its day-to-day operation.

31 Deposits from other banks

At 31 December	2021	2020
Operating accounts with banks	733,195	691,917
Other deposits from banks	1,496,740	1,694,830
	2,229,935	**2,386,747**

All deposits from banks are current and have variable interest rates.

32 Deposit from customers

	2021	2020
CIB		
• Current accounts	6,149,502	5,571,251
• Term deposits	2,428,782	1,988,355
	8,578,284	7,559,606
Commercial		
• Current accounts	3,991,425	3,560,036
• Term deposits	633,300	598,054
• Savings deposits	139,374	127,059
	4,764,099	4,285,149
Consumer		
• Current accounts	2,451,800	2,418,144
• Term deposits	554,827	624,470
• Savings deposits	3,364,339	3,409,583
	6,370,966	6,452,197
Total	**19,713,349**	**18,296,952**
Current	18,790,771	17,330,635
Non current	922,578	966,317
	19,713,349	**18,296,952**

Customer deposits carry variable interest rates.

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

32 Deposit from customers (continued)

At 31 December 2021	CIB		Commercial			Consumer			Total
	Current account	Term deposits	Current account	Term deposits	Savings	Current account	Term deposits	Savings	
At 1 January	5,571,251	1,988,355	3,560,036	598,054	127,059	2,418,144	624,470	3,409,583	18,296,952
Additions	1,799,307	987,603	1,044,809	142,869	18,712	4,100,970	125,097	618,633	8,838,000
Withdrawals	(955,685)	(472,252)	(370,007)	(70,785)	(6,259)	(3,876,301)	(158,959)	(473,549)	(6,383,797)
Exchange difference	(265,371)	(74,924)	(243,413)	(36,838)	(138)	(191,013)	(35,781)	(190,328)	(1,037,806)
At 31 December 2021	**6,149,502**	**2,428,782**	**3,991,425**	**633,300**	**139,374**	**2,451,800**	**554,827**	**3,364,339**	**19,713,349**

At 31 December 2020	CIB		Commercial			Consumer			Total
	Current account	Term deposits	Current account	Term deposits	Savings	Current account	Term deposits	Savings	
At 1 January	5,078,619	2,105,570	2,840,124	628,759	87,930	1,899,004	840,588	2,765,526	16,246,120
Additions	2,021,030	734,633	1,146,697	150,896	54,803	608,520	38,120	639,263	5,393,962
Withdrawals	(1,479,760)	(782,622)	(346,629)	(169,648)	(12,263)	(122,916)	(235,393)	(38,925)	(3,188,156)
Exchange difference	(48,638)	(69,226)	(80,156)	(11,953)	(3,411)	33,536	(18,845)	43,719	(154,974)
At 31 December 2020	**5,571,251**	**1,988,355**	**3,560,036**	**598,054**	**127,059**	**2,418,144**	**624,470**	**3,409,583**	**18,296,952**

33 Borrowed funds

	At 31 December	2021	2020
a	Eurobond	504,495	502,454
b	Eurobond II	342,419	-
c	Eurobond Nigeria	304,352	-
d	Deutsche Bank	248,658	245,610
e	Credit Europe	-	129,829
f	FMO	67,038	110,510
g	Qatar National Bank	151,394	149,322
h	Development Bank of Nigeria	119,097	127,665
i	Bank of Industry of Nigeria (BOI)	23,497	39,276
j	AL Khaliji	50,201	34,986
k	A/B Syndicated Subordinated Term Facility	-	47,427
l	European Investment Bank	-	13,760
m	Societe de Promotion et Participation pour la Coopération Economique (PROPARCO)	74,378	20,423
n	Nigeria Sovereign Investment Authority -- NSIA	50,843	64,293
o	Central Bank of Nigeria	42,115	45,531
p	Caisse Régionale de Refinancement Hypothécaire (CRRH)	2,763	1,871
q	Lease liability	44,563	87,290
	Other loans	326,624	302,936
		2,352,437	**1,923,182**
	Current	531,063	783,645
	Non current	1,821,374	1,139,537
		2,352,437	**1,923,182**

a) ETI issued a $500 million 9.5 per cent Senior Unsecured 5-year Eurobond (Reg S / 144A) with a maturity date of 18 April 2024. An initial issuance of $450 million in April 2019 was followed by a tap issuance of $50 million in July 2019.

b) ETI raised $350 million Basel III-compliant Tier 2 Sustainability Notes in June 2021. The bond matures in June 2031 and has a call option in June 2026. The bond was issued with a coupon rate of 8.75 per cent which is payable semi-annually in arrears, on June 17 and December 17 each year.

c) On 16 February 2021, the Ecobank Nigeria issued a $300 million eurobond at 7.125 per cent coupon rate. The Bond is a 5-year tenor with maturity date of 16 February 2026.

d) Deutsche Bank provided a $250 million 5-year convertible loan to ETI in September 2017. The loan which is maturing in September 2022 is held by the Public Investment Corporation (PIC).

e) ETI obtained 1-year term loans of $100 million and $30 million in February 2020 and September 2020, respectively, from Credit Europe Bank. The loans were prepaid in June 2021.

f) A group of development finance institutions led by FMO disbursed EUR42 million and $150 million for on-lending to ETI affiliates in August 2018. The final repayment date for the facility is in January 2025.

g) ETI issued a $150 million 5-year convertible bond on the London International Securities Market in October 2017; Qatar National Bank purchased $148.89 million and Convertible Bond Investment Company Mauritius purchased $1.11 million. The loans mature in October 2022.

h) Ecobank Nigeria secured a 50 billion Nairas ($121 million) loan from Development Bank of Nigeria (DBN) in December 2020. The facility has a tenor of 10 years, maturity date of November 29, 2030 with an interest rate of 6.5 per cent, fixed for the first 5 years and subject to repricing afterwards.

i) The Bank of Industry (BOI) loan to Ecobank Nigeria represents the Central Bank of Nigeria's intervention funds on-lent to some of the Bank's customers in the manufacturing sector through BOI. The fund is administered at an all-in interest rate of 7 per cent per annum payable on a quarterly basis. The maximum tenor of the facility is 15 years.

j) ETI obtained 1-year term loan of $50 million from Al Khaliji Bank in August 2021 maturing August 12, 2022.

k) $75 million Syndicated Subordinated Term Facility was obtained by Ecobank Nigeria in 2015 from FMO. The facility was reimbursed in 2021.

l) EIB granted a 7-year facility of $40 million to ETI on July 6, 2015. The funds received were on-lent to eProcess, Ecobank Tanzania, Ecobank Rwanda, and ETI Holding. The loan was paid down in July 2021.

m) PROPARCO granted a facility of $50 million and $60 million to ETI respectively in November 2013 and October 2021, to support development of the Ecobank Group. The respective final repayment dates are April 2024 and October 2024.

n) NSIA granted some facilities to Ecobank Nigeria through ETI. These amounted to $51 million and all maturing in March 2022.

o) Central Bank of Nigeria loan represents 7-year intervention funds for on-lending to customers of the Bank in the agricultural sector with maturity date of 28 May 2027. The Fund is administered at an interest rate of 9 per cent per annum.

p) Caisse Régionale de Refinancement Hypothécaire (CRRH) facilities to Ecobank Côte d'Ivoire and Ecobank Senegal are repayable over ten years and mature in 2023. Interest is payable semi-annually at an annual rate of 6 per cent.

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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	Tenor (Years)	Face value	Amount
Deutsche AG (see note d)	6.46% + 3 month Libor	5	250,000	248,658
Qatar National Bank (see note g)	6.46% + 3 month Libor	5	148,890	151,394
CBICMU (see note c)	6.46% + 3 month Libor	5	1,110	1,071
			400,000	**401,123**

	2021	2020
Initial recognition:		
• Face value of convertible bond issued	400,000	400,000
• Equity conversion component net of deferred tax liability (Note 39)	(5,084)	(5,084)
Liability component	**394,916**	**394,916**

Interest on the convertible loan is calculated on the effective yield basis by applying the effective interest rate for an equivalent non-convertible loan to the liability component of the convertible loan and for the year ended 31 December 2021 amounted to $401 million (2020: $396 million). The actual interest paid year to date in 2021 was $23.8 million (2020: $23.6 million).

Lease liabilities

Maturity analysis - contractual undiscounted cash flows	2021	2020
Less than one year	2,288	23,113
One to five years	28,763	12,543
More than five years	20,049	64,009
Total undiscounted lease liabilities	**51,100**	**99,665**
Lease liabilities included in borrowings		
Current	2,234	22,571
Non current	42,329	64,719
	44,563	**87,290**

Borrowed funds movement

Borrowed funds movement	2021	2020
At 1 January	**1,923,182**	**2,075,001**
Interest expenses	148,029	108,308
Additions Borrowings	729,361	327,671
Additions Lease liabilities	18,322	33,027
Repayments	(448,579)	(592,220)
Exchange difference	(17,878)	(28,605)
At 31 December	**2,352,437**	**1,923,182**

34 Other liabilities

At 31 December	2021	2020
Accrued income	64,340	68,168
Unclaimed dividend	11,650	4,503
Accruals	222,734	226,042
Obligations under customers' letters of credit	72,230	60,465
Bankers draft	57,313	29,151
Accounts payable	48,913	61,339
Allowance for off balance sheet receivables	13,233	15,418
Others	330,851	360,211
	821,264	**823,112**

Other liabilities are expected to be settled within no more than 12 months after the reporting date.

35 Provisions

	2021	2020
At 1 January	60,462	68,482
Additional provisions charged to income statement	17,644	13,264
Provision no longer required	(3,643)	(3,737)
Utilised during the year	(1,079)	(21,793)
Exchange differences	(1,154)	4,246
At 31 December	**72,230**	**60,462**

Provisions represent amounts provided for in respect of various litigations pending in court. Based on professional advice, the amounts for pending litigations have been set aside to cover the expected losses to the Group on the determination of these litigations.

36 Deferred income taxes

Deferred income taxes are calculated using substantively enacted tax rate of each subsidiary.

The movement on the deferred income tax account is as follows:

	2021	2020
At 1 January	(87,958)	(48,868)
Income statement charge	(35,738)	(51,284)
Investment securities directly in OCI:		
• fair value remeasurement	6,607	2,025
Revaluation of property and equipment (directly in OCI)	4,076	9,605
Exchange differences	(1,232)	564
At 31 December	**(114,245)**	**(87,958)**

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36 Deferred income taxes (continued)

	2021	2020
Deferred income tax assets and liabilities are attributable to the following items:		
Deferred income tax liabilities		
Accelerated tax depreciation	5,495	4,232
Investment securities	10,476	7,570
Revaluation of property and equipment	49,619	53,695
Other temporary differences	22,161	11,031
	87,751	**76,528**
Deferred income tax assets		
Pensions and other post-retirement benefits	315	744
Provisions for loan impairment	69,043	46,218
Other provisions	13,311	12,992
Tax loss carried forward	42,250	40,708
Other temporary differences	58,615	54,923
On unutilised capital allowances	693	645
Investment securities	17,769	8,256
	201,996	**164,486**
Deferred tax liabilities		
• To be recovered within 12 months	55,818	44,621
• To be recovered after more than 12 months	31,933	31,907
	87,751	**76,528**
Deferred tax assets		
• To be recovered within 12 months	136,440	129,538
• To be recovered after more than 12 months	65,556	34,948
	201,996	**164,486**

The deferred tax charge in the income statement comprises the following temporary differences:

Accelerated tax depreciation	1,263	1,400
Pensions and other post retirement benefits	429	(197)
Allowances for loan losses	(22,825)	(35,895)
Other provisions	(319)	(2,308)
Tax losses carry forward	(1,542)	(96)
Other temporary differences	11,130	(7,598)
Exchange differences	(23,874)	(5,887)
	(35,738)	**(51,284)**

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:

	31 Dec. 2021			31 Dec. 2020		
	Gross	Tax	Net	Gross	Tax	Net
Fair value (loss)/gain on investment securities	(55,122)	(6,607)	(61,729)	76,718	(2,025)	74,693
Revaluation gain on properties and equipment	16,258	(4,076)	12,182	29,208	(9,605)	19,603
	(38,864)	**(10,683)**	**(49,547)**	**105,926**	**(11,630)**	**94,296**

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 2.20. The Group operates a post employment gratuity payment scheme. The amounts recognised in the statement of financial position are as follows:

	2021	2020
Present value of funded obligations	29,758	33,244
Fair value of plan assets	(18,075)	(20,617)
	11,683	**12,627**
Present value of unfunded obligations	13,395	9,541
Liability in the statement of financial position	**25,078**	**22,168**

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37 Retirement benefit obligations (continued)

In 2021, the movement in the defined benefit obligation over the period is as follows:

	31 December 2021			31 December 2020		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
At 1 January	**44,468**	**(20,617)**	**23,851**	**51,959**	**(15,077)**	**36,882**
Current service cost	705	–	705	931	–	931
Interest expense and income	492	(825)	(333)	523	(603)	(80)
	1,197	(825)	372	1,454	(603)	851
Remeasurements						
Return on plan assets	–	(1,443)	(1,443)	–	(1,055)	(1,055)
Actuarial loss	(1,199)	–	(1,199)	(4,094)	–	(4,094)
	(1,199)	(1,443)	(2,642)	(4,094)	(1,055)	(5,149)
Exchange difference	(240)	227	(13)	(4,649)	–	(4,649)
Contributions	901	4,583	5,484	473	(3,882)	(3,409)
Benefit payments	(1,974)	–	(1,974)	(675)	–	(675)
At 31 December	**43,153**	**(18,075)**	**25,078**	**44,468**	**(20,617)**	**23,851**

The defined benefit obligation and plan assets are composed by regions/countries as follows:

	ETI	UEMOA/ CEMAC	Others	Total	ETI	UEMOA/ CEMAC	Others	Total
Present value obligation	13,395	26,979	2,779	43,153	9,541	24,045	9,199	42,785
Fair value loss of plan assets	–	(18,075)	–	(18,075)	–	(20,617)	–	(20,617)
Total liability	13,395	8,904	2,779	25,078	9,541	3,428	9,199	22,168

Income tax effects relating to components of other comprehensive income

At 31 December	2021	2020
The amounts recognised in the income statement are as follows:		
Current service cost	705	931
Net interest cost	492	523
Total included in staff costs	1,197	1,454
Other Comprehensive Income		
Actuarial loss on obligations	(931)	(233)
Actuarial loss on plan assets	–	–
	(931)	**(233)**

As the plan assets include significant investments in government bonds, the Group is also exposed to interest rate risks and impact of changes in monetary policies on bond yields. The defined benefit plan does not have any significant impact on the Group's cash flows.

The net actuarial gain on the fair value of plan assets arose as a result of the actual returns on the assets being greater than the calculated expected return on assets.

Plan assets are comprised as follows:

	31 December 2021				31 December 2020			
	%	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total
Cash	13%	2,350	–	2,350	14%	2,975	–	2,975
Equity instruments	0%	9	–	9	0%	10	–	10
Debt instruments (Bonds)	87%	12,573	3,143	15,716	86%	14,106	3,526	17,632
	100%	**12,582**	**3,143**	**18,075**	**100%**	**14,116**	**3,526**	**20,617**

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy.

The principal assumptions used for ETI and the subsidiaries operating in UEMOA region were as follows:

	ETI		UEMOA	
	2021	2020	2021	2020
Discount rate	5.5%	5.5%	4%	4%
Expected return on plan assets	4.45%	4.45%	1.8%	1.8%
Future salary increases	1.8%	1.8%	2%	2%

Sensitivity analysis on actuarial assumptions for ETI	Increase in assumption by 1%	Liability changes to	Decrease in assumption by 1%	Liability changes to
Discount rate	Decrease in the liability by 4.5%	9,111	Increase in the liability by 8%	10,015
Exit rate	Decrease in the liability by 5%	9,064	Increase in the liability by 13%	10,062
Dismissal rate	Increase in the liability by 5.2%	10,033	Decrease in the liability by 9%	9,088

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

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38 Contingent liabilities and commitments

a) Legal proceedings

The Group is a party to various legal actions arising out of its normal business operations. The Directors believe that, based on currently available information and advice of counsel, none of the outcomes that result from such proceedings will have a material adverse effect on the financial position of the Group, either individually or in the aggregate. The amounts that the directors believe will materialise are disclosed in Note 35.

b) Capital commitments

At 31 December 2021, the Group had capital commitments of $9 million (December 2020: $6.1 million) in respect of buildings and equipment purchases. The Group's management is confident that future net revenues and funding will be sufficient to cover this commitment.

c) Loan commitments, guarantee and other financial facilities

At 31 December 2021 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:

	2021	2020
Guaranteed commercial papers and banker acceptances	55,811	55,025
Documentary and commercial letters of credit	1,977,046	1,256,562
Performance bond, guarantees and indemnities	1,624,740	1,591,212
Loan commitments	1,072,569	1,096,718
	4,730,166	**3,999,517**

An ECL amount of $13 million (December 2020: $15 million) has been recognised on the off balance sheet items shown above. This is reported in 'Other liabilities' (see note 34).

d) Tax exposures

The Group is exposed to ongoing tax reviews in some subsidiary entities. The Group considers the impact of tax exposures, including whether additional taxes may be due. This assessment relies on estimates and assumptions and may involve series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the period in which such a determination is made. The total amount of tax exposure as at 31 December 2021 $131 million (December 2020 : $138 million). Based on Group's assessment, the probable liability is not likely to exceed $6 million (December 2020: $9 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 2020	**24,592,619**	**618,255**	**1,499,145**	**(3,443)**	**2,113,957**
Adjustment to Ordinary shares	–	4	–	–	–
At 31 December 2020/ 1 January 2021	**24,592,619**	**618,259**	**1,499,145**	**(3,443)**	**2,113,961**
Treasury shares	–	–	–	–	–
At 31 December 2021	**24,592,619**	**618,259**	**1,499,145**	**(3,443)**	**2,113,961**

The total authorised number of ordinary shares at year end was 50 billion (December 2020: 50 billion) with a par value of US$0.025 per share (December 2020: US$0.025 per share). Total issued shares as of 31 December 2021 were 24 730 billion shares. The adjustment for treasury shares on consolidation resulted in the share count of 24.592 billion shares.

Treasury shares were ETI shares held by subsidiaries and related entities within the Group as at period end. The treasury shares count as at 31 December 2021 is 137.7 million shares.

The adjustment of ordinary shares is to align with the ordinary shares Shareholders register.

Share options

The Company offers share option to certain employees with more than three years' service. Options are conditional on the employee completing three years' service. The options are exercisable starting three years from the grant date. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Movement in the number of share options outstanding are as follows:

	2021	2020
At 1 January	**83,000**	**110,488**
Forfeited	(3,500)	(27,488)
Lapsed	–	–
At 31 December	**79,500**	**83,000**

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 the period ended 31 December 2021 is 6 cents to 9.2 cents (average price 7.6 cents). All of the outstanding shares as at 31 December 2021 were exercisable.

New share options totalling 119 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. This has been extended by two additional years.

The number of shares outstanding at the end of the year was as follows:

Expiry date:	2021	2020
2022	79,500	83,000
	79,500	**83,000**

For the general employees share option plan, options may be exercised prior to the tenth anniversary of the grant.

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Measurement of fair values – share options

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using the Black-Scholes formula. The service and non-market performance conditions attached to the transactions were not taken into account in measuring fair value.The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows.

Fair value of share options and assumptions	2012 scheme	2015 scheme
Fair value at grant date (US$)	0.012	0.025
Share price at grant date (US$)	0.063	0.092
Exercise price (US$)	0.063	0.092
Expected volatility	0.75%	1.73%
Expected life (number of years)	4	5
Expected dividends	6%	3%
Risk-free interest rate	11.8%	11.8%

The expected volatility is based on both historical average share price.

40 Retained earnings and other reserves

	2021	2020
Retained earnings	434,419	199,172
Other reserves	(1,015,989)	(809,737)
	(581,570)	**(610,565)**

a) Retained earnings

Movements in retained earnings were as follows:

At 1 January	199,172	245,563
Profit for year	262,234	4,202
Transfer to general banking reserve	(23,935)	(2,227)
Transfer to statutory reserve	(3,052)	(48,366)
At 31 December	**434,419**	**199,172**

b) Other reserves

	2021	2020
General banking reserve	287,368	263,433
Statutory reserve	635,814	632,762
Revaluation reserve – investment securities	12,575	74,304
Convertible bond – equity component	5,084	5,084
Revaluation reserve – property and equipment	178,680	166,498
Hyper-inflation reserve	(67,439)	(67,439)
Share option reserve	1,251	1,251
Remeasurements of post-employment benefit obligations	(8,063)	(7,132)
Translation reserve	(2,326,915)	(2,151,349)
Other Group reserves	265,656	272,851
	(1,015,989)	**(809,737)**

Movements in the other reserves were as follows:

i) General banking reserve

At 1 January	263,433	261,206
Transfer from retained earnings	23,935	2,227
At 31 December	**287,368**	**263,433**

The general banking reserve represents transfers from retained earnings for unforeseeable risks and future losses. General banking reserves can only be distributed following approval by the shareholders in general meeting.

ii) Statutory reserve

At 1 January	632,762	584,396
Transfer from retained earnings	3,052	48,366
At 31 December	**635,814**	**632,762**

Statutory reserves represents accumulated transfers from retained earnings in accordance with relevant local banking legislation. These reserves are not distributable.

iii) Share option reserve

At 1 January	1,251	1,251
Transfer to retained earnings	–	
At 31 December	**1,251**	**1,251**

iv) Remeasurements of post-employment benefit obligations

At 1 January	(7,132)	(6,899)
Actuarial loss on retirement benefit	(931)	(233)
At 31 December	**(8,063)**	**(7,132)**

v) Revaluation reserves

At 1 January	74,304	(389)
Net (loss)/gain from changes in fair value debt securities	(55,631)	76,639
Deferred income taxes (Note 36)	(6,607)	(2,025)
Fair value gain in equity instruments designated at FVOCI	509	79
At 31 December	**12,575**	**74,304**

The revaluation reserve shows the effects from the fair value measurement of investment securities after deduction of deferred taxes.

Convertible bond – equity component

Movement in equity component of convertibles were as follows:

At 1 January	5,084	5,084
Exercise of the convertible option	–	–
At 31 December	**5,084**	**5,084**

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

40 Retained earnings and other reserves (continued)

vi) Hyperinflation reserve

At 1 January	(67,439)	(35,542)
Movement arising during the year	–	(31,897)
At 31 December	**(67,439)**	**(67,439)**

vii) Revaluation Reserve – property and equipment

At 1 January	166,498	146,895
Net gains from changes in fair value	16,258	29,208
Deferred income taxes	(4,076)	(9,605)
At 31 December	**178,680**	**166,498**

viii) Translation reserve

At 1 January	(2,151,349)	(2,122,530)
Currency translation difference arising during the year	(175,566)	(28,819)
At 31 December	**(2,326,915)**	**(2,151,349)**

ix) Other Group reserves

At 1 January	272,851	283,701
Change in minority interest	–	(10,850)
Movement arising during the year	(7,195)	–
At 31 December	**265,656**	**272,851**

c) Other equity instruments

At 1 January	–	–
Addition	75,000	–
Issue cost	(912)	–
At 31 December	**74,088**	**–**

As at 31 December 2021, perpetual subordinated notes (Additional Tier 1 – AT1) issued by the Group and recognised under 'other equity instruments' totaled $74.1 million (2020: nil). This is the net proceeds after deducting the issuance costs. The parent company raised this instrument with a nominal value of $75 million in September 2021 at a fixed coupon rate of 9.75 per cent, with coupon payment dates of 3 March and 3 September and a first reset date of 3 September 2026. The AT1 instrument was raised for general business purposes and to increase the regulatory capital base of the Group.

41 Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents comprise the following balances with less than three months maturity.

	2021	2020
Cash and balances with central banks (Note 16)	2,532,201	2,102,002
Treasury Bills and other eligible bills (Note 21)	607,646	637,364
Deposits with other banks (Note 19)	1,579,657	1,279,772
Deposits from other banks (Note 31)	(733,195)	(691,917)
	3,986,309	**3,327,221**

42 Group entities

a) Significant subsidiaries

	Country of incorporation	Ownership interests	
		2021	2020
Ecobank Nigeria Limited	Nigeria	100%	100%
Ecobank Ghana Limited	Ghana	69%	69%
Ecobank Côte d'Ivoire	Côte d'Ivoire	75%	75%
Ecobank Burkina	Burkina Faso	78%	78%
Ecobank Senegal	Senegal	78%	78%
Ecobank Benin	Benin	79%	79%
Ecobank Cameroon	Cameroon	80%	80%
Ecobank Mali	Mali	93%	93%
Ecobank Togo	Togo	82%	82%

b) Non-controlling interests in subsidiaries that are material to the Group

The following table summarises the information relating to the Group's subsidiary that has material non-controlling interests (NCI), before any intra-group eliminations as at 31 December 2021 and 2020.

Entity	Ecobank Ghana		Ecobank Côte d'Ivoire		Ecobank Burkina Faso	
NCI percentage	31%	31%	25%	25%	22%	22%
Year	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Loans and advances to customers	938,190	857,907	1,319,163	1,194,041	684,060	711,153
Investment securities	954,146	868,072	1,040,174	1,197,747	575,345	525,351
Other assets	135,632	111,470	115,335	122,092	40,093	82,343
Deposits from customers	2,187,875	2,078,602	1,856,311	1,815,781	1,288,651	1,398,737
Other liabilities	95,527	79,765	106,913	111,995	44,057	45,837
Net assets	444,729	424,813	311,101	300,194	117,804	113,527
Carrying amount of NCI	**138,166**	**131,978**	**77,792**	**75,065**	**25,710**	**24,777**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Entity	Ecobank Ghana		Ecobank Côte d'Ivoire		Ecobank Burkina	
NCI percentage	31%	31%	25%	25%	22%	22%
Year	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Operating income	344,482	323,495	160,149	149,823	89,386	85,283
Profit before tax	154,064	139,694	60,919	62,464	24,032	13,597
Profit after tax	100,381	97,886	59,314	56,654	20,686	15,396
Total comprehensive income	82,335	64,367	57,832	40,384	21,503	3,380
Profit allocated to NCI	**25,579**	**19,954**	**14,461**	**10,096**	**4,693**	**738**
Cashflows from/(used in) operating activities	37,832	(75,712)	551,722	(207,455)	630,320	496,222
Cashflows used in investing activities	(168,272)	(73,137)	(44,079)	(78,836)	(44,853)	(20,804)
Cashflows used in financing activities	(32,327)	(19,895)	(33,644)	(109,817)	(12,766)	(1,453)
Net increase/(decrease) in cash and cash equivalents	**(162,767)**	**(168,744)**	**473,999**	**(396,108)**	**572,701**	**473,965**

c) Significant restrictions

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which banking subsidiaries operate. The supervisory frameworks require banking subsidiaries to keep certain levels of regulatory capital and liquid assets, limit their exposure to other parts of the Group and comply with other ratios.

d) Involvement with unconsolidated structured entities

The table below describes the structured entities in which the Group does not hold an interest but is a sponsor. The Group considers itself a sponsor of a structured entity when it facilitates the establishment of the structured entity. These entities were not consolidated in December 2021.

Name	Type of structured entity	Nature and purpose	Investment held by the Group
FCP UEMOA DIVERSIFIE (Incorporated in Ivory Coast in 2007)	Asset-backed structured entity	a) Provide investors with an exposure to a referenced asset such as debt instrument	None
FCP UEMOA RENDEMENT (Incorporated in Ivory Coast in 2007)	Asset-backed structured entity	b) Generate fees for agent activities and funding for the Group's lending activities	None

The table below sets out information as at 31 December 2021 in respect of structured entities that the Group sponsors, but in 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	1,479	204
Carrying amount of assets transferred by third parties to conduit vehicle		
Carrying amount of the financing received from unrelated third parties	21,195	2,833
The carrying value is stated at book value (costs less impairment)		

The Group does not have any exposure to any loss arising from these structured entities.

43 Related party transactions

The related party is the key management personnel, their related companies and close family relations. The key management personnel included directors (executive and non-executive), and other members of the Group Executive Committee.

A number of banking transactions are entered into with related parties in the normal course of business and at commercial terms. These transactions include loans, deposits, and foreign currency transactions. The volumes of related party transactions, outstanding balances at the end of the year, and relating expense and income for the year as follows:

Loans and advances to related parties	Directors and key management personnel		Related companies	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Loans outstanding at 1 January	2,387	1,942	35,294	31,743
Loans outstanding at 31 December	**2,600**	**2,387**	**49,590**	**35,294**
Interest income earned	146	138	2,153	1,936

No provisions have been recognised in respect of loans given to related parties (2020: nil).

The loans issued to executive directors during the year and related companies controlled by directors were given on commercial terms and market rates..

	31 Dec. 2021	31 Dec. 2020
Directors' remuneration		
Total directors fees and allowances	1,696	2,137

Related party credits

During the year the Group through its subsidiaries granted various credit facilities to directors and companies whose directors are also directors of ETI at rates and terms comparable to other facilities in the Group's portfolio. An aggregate of $49.6 million was outstanding on these facilities at the end of the reporting period. The status of performance of each facility is as shown below:

Name of company/individual	Relationship	Type	Status	Amount
BIDC	Director related	Bonds	Non-impaired	5,180
NEDBANK	Director related	Guarantees	Non-impaired	22,721
QATAR NATIONAL BANK	Director related	Guarantees	Non-impaired	21,689
				49,590

Parent

The parent company, which is also the ultimate parent company, is Ecobank Transnational Incorporated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

44 Banking subsidiaries

	Ownership interests
Ecobank Cameroon	80%
Ecobank Chad	74%
Ecobank Sao Tomé	100%
Ecobank Central Africa	75%
Ecobank Congo Brazzaville	86%
Ecobank Gabon	77%
Ecobank Guinea Equatoriale	60%
Ecobank Benin	79%
Ecobank Burkina Faso	78%
Ecobank Côte d'Ivoire	75%
Ecobank Mali	93%
Ecobank Niger	81%
Ecobank Sénégal	78%
Ecobank Togo	82%
Ecobank Guinea Bissau	96%
Ecobank Cape Verde	99%
Ecobank Ghana	69%
Ecobank Guinea	83%
Ecobank Liberia	100%
Ecobank Sierra Leone	100%
Ecobank Gambia	97%
Ecobank Rwanda	97%
Ecobank Tanzania	100%
Ecobank Kenya	100%
Ecobank Burundi	75%
Ecobank Uganda	100%
Ecobank South Sudan	94%
Ecobank Nigeria	100%
Ecobank Malawi	96%
Ecobank Congo RDC	100%
Ecobank Zambia	100%
Ecobank Zimbabwe	100%
Ecobank Mozambique	99%
SOFIPE Burkina	78%
Ecobank Micro Finance Sierra Leone	100%
Pan-African Savings and Loans Ghana	70%
Pan-African Savings and Loans Cameroon	82%
EBI SA (France)	100%

	Ownership interests
Non Banking subsidiaries	
EDC Holding	98%
EDCN	85%
EDC Funds Management	98%
EDCNIB	98%
Oceanic Capital	98%
EIC	98%
EAM	98%
EDCGE	98%
EDCGI	98%
EDC Ghana Sec	98%
EDCA	98%
EDCC	98%
EDC Kenya	98%
Treasury Bond Protected Investment Company (TBPIC) (*)	100%
FCP Obligataire	46%
E Process international	100%
ARTSA (**)	100%
Bewcastle	100%
Ecobank Specialised Finance Company LLC	100%

(*) TBPIC is an entity for which ETI has control and so it is included in the consolidation scope as per IFRS 10.

(**) Africa Rapid Transfer SA (ARTSA), with number of staff of 90, is a public limited company incorporated under French law whose main activity is the provision of payment services, in particular with a view to making any money transfer from or to any point in France and abroad. The company started its commercial activity on November 22, 2020. Africa Rapid Transfer SA is 100% owned and controlled by EBI SA, a limited company under French law approved as a specialized credit institution and whose activity is the provision of financial and investment services. EBI SA is 100% owned and controlled by ETI. Africa Rapidtransfer SA and EBI SA are both fully consolidated directly.

As of 31 December 2021, the main information relating to the asset and financial situation of EBI SA and its subsidiary Africa Rapidtransfer SA are respectively as follows (in thousand of US Dollars) : Total assets (1 135 744 et 4 890), Total Revenue (36 916 et -67), Profit after Tax (7 371 et -887) and Total Equity (115 202 et 4 483).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

45 Comparative Information - Cash Flow Statement

The cash flow statement for the comparative period ended 31 December 2020 has been restated to make the corrections as stated below:

1. Interest received, interest paid, and net interest income have been excluded from the "Net cash flow (used)/from operating activities'. In the restated cash flow statement, the sum of the net finance income included in profit before tax and the change in advance and deposit operating assets results in the overall cash flow for advances and deposits. The items have nil impact on the aggregate 'Net cash flow (used)/from operating activities' for 31 December 2020.

2. Purchase of property, plant and equipment in investing activities has been reduced by the initial recognition of right of use assets, with a corresponding adjustment to proceeds from borrowed funds in financing activities. This is because the initial recognition of the right of use asset under IFRS 16 is a non-cash transaction.

These items have nil impact on the aggregate 'Net increase in cash and cash equivalents' for 31 December 2020

	As reported $'000	Adjustment 1 $'000	Adjustment 2 $'000	As restated $'000
Operating activities				
Interest received	1,390,438	(1,390,43)	–	–
Interest paid	(483,212)	(483,212)	–	–
Net interest income	(907,226)	(907,226)	–	–
Net cash flow from operating activities	**2,644,300**	**–**	**–**	**2,644,300**
Investing activities				
Purchase of property, plant and equipment	(298,027)	–	33,027	(265,000)
Net cash flow used in investing activities	**(942,706)**	**–**	**33,027**	**(909,679)**
Financing activities				
Proceeds from borrowed funds	396,644	–	33,027	363,617
Net cash flow used in financing activities	**(176,141)**	**–**	**33,027**	**(209,168)**
Net increase in cash and cash equivalents	**1,525,453**	**–**	**–**	**1,525,453**

46 Acquisitions

In July 2021, Ecobank Group through its subsidiary, Ecobank Cameroon, completed the acquisition of additional 32.1 per cent interest in Pan African Savings and Loans of Cameroon which brought the Group total interest to 82.0 per cent. The acquired entity contributed operating income of $2.6 million and operating profit of $0.1 million to the group for the period ending 31 December 2021.

The details of the fair value of the assets and liabilities acquired and goodwill arising from both acquisitions are as follows:

	As restated $'000
Cash and cash equivalent	5,495
Loans and advances to customers	6,353
Property, plant and equipment	440
Other assets	1,282
Deposit from customers	12,857
Other liabilities	895
Net assets acquired	**1,676**
Consideration transferred (40%)	897
FV of previously held investment by Ecobank Cameroon (49%)	1,089
FV of previously held investment by ETI (11%)	242
	2,228
Goodwill	**552**

47 Evaluation of the Impact of COVID-19

During the year ended 31 December 2021, the Group reviewed the current situation including but not limited to the current rate of infection, development, and deployment of vaccines with gradual and careful re-opening of businesses and rebound of crude oil prices during the course of the year. Based on this review, nothing has come to the attention of the Directors to indicate that the Group will not continue to operate into the foreseeable future. The Group has also assessed on a line-by-line basis the impact of COVID-19 on the amount presented on the statement of financial position and concluded that no further adjustment would be required in the consolidated financial statement.

48 Events after reporting date

There is no material event after the reporting date including up to the date of signing of the audit report.

STATEMENT OF VALUE ADDED

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

Statement of value added

Year ended 31 December (in thousands of US dollars)	2021	% of Total	2020	% of Total
Gross income	**2,335,721**		**2,201,659**	
Interest expenses paid	(529,124)		(483,212)	
Fee and commission expenses	(48,720)		(35,643)	
	1,757,877		**1,682,804**	
Impairment loss on financial assets	(217,680)		(227,025)	
	1,540,197		**1,455,779**	
Bought in material and services	(471,092)		(486,840)	
Value Added	**1,069,105**		**968,939**	
Distributions				
Employees				
Staff salaries and benefits	454,937	43%	462,992	48%
Hyper inflation				
Net monetary loss arising from hyper inflationary economies	25,852	2%	60,523	6%
Impairment of intangible assets				
Goodwill Impairment	–	–	163,564	17%
Government				
Income tax	122,281	11%	89,335	9%
Retained in the group				
Asset replacement (depreciation and amortisation)	108,669	10%	104,206	11%
Expansion(transfer to reserves and non-controlling interest)	357,366	33%	88,319	9%
	1,069,105	**100%**	**968,939**	**100%**

FIVE-YEAR SUMMARY FINANCIALS

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

	2021	2020	2019	2018 Restated ***	2017
At the year end					
Total assets	27,561,793	25,939,473	23,641,184	22,502,727	22,431,604
Loans and advances to customers	9,575,865	9,239,948	9,276,608	9,089,200	9,357,864
Deposits from customers	19,713,349	18,296,952	16,246,120	15,935,999	15,203,271
Total equity	2,164,306	2,027,713	1,885,777	1,733,022	2,172,083
For the year					
Revenue	1,756,714	1,679,765	1,622,259	1,825,171	1,831,202
Profit before tax	477,992	174,318	405,079	356,508	288,340
Profit for the Year*	357,366	88,319	274,934	249,180	228,534
Profit attributable to ordinary shareholders	262,234	4,202	193,958	182,178	178,585
Earnings per share-basic (cents)	1.063	0.010	0.778	0.740	0.720
Earnings per share-diluted (cents)	1.063	0.010	0.778	0.740	0.720
Dividend per share (US cents)	0.16	–	–	–	–
Cost to income ratio	58.90%	62.75%	66.20%	61.50%	61.80%
NPL Ratio	6.25%	7.64%	9.70%	9.60%	10.70%
NPL Cover	102.07%	74.50%	58.30%	66.63%	52.40%
Return on Average Assets	1.34%	0.40%	1.20%	1.10%	1.10%
Return on Tangible Equity (ROTE) **	18.99%	0.33%	13.20%	10.90%	11.60%
Cost of Risk	1.69%	1.85%	1.12%	3.24%	3.30%
Loans/Deposits	51.88%	53.55%	60.20%	60.98%	65.20%

*The profit results for 2020 includes the effects of goodwill impairment charge of $164m.
**Return on equity is calculated as profit attributable to ETI shareholders divided by the average end-of-periods shareholders equity.
***We restated our 2018 Financial Statements

PARENT COMPANY'S FINANCIAL STATEMENTS

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

Statement of comprehensive income

Year ended 31 December	2021	2020
Interest income	10,538	15,461
Finance cost	(122,395)	(107,701)
Net interest income	(111,857)	(92,240)
Net fees and commission income	34,486	28,047
Other operating income	5,059	2,136
Staff expense	(22,084)	(24,380)
Depreciation and amortisation	(3,852)	(4,092)
Other operating expense	(10,028)	(15,906)
Foreign exchange translation	571	(4,002)
	(107,705)	(110,437)
Impairment charges on financial assets	2,852	(26,774)
Operating loss after impairment charges	**(104,853)**	**(137,211)**
Share of results of associates and other investments	(862)	(113)
Share of affiliates' profit	**523,046**	**421,642**
Share of affiliates' tax	**(122,757)**	**(83,408)**
Profit for the year	**294,574**	**200,910**
Other comprehensive income:		
Items that will be reclassified to profit or loss:		
Share of affiliates other comprehensive income	(62,804)	88,644
Remeasurement of retirement benefit obligation	931	233
Remeasurement of retirement benefit obligation	(3,204)	4,293
Other comprehensive (loss) /income for the year	**(65,077)**	**93,170**
Total comprehensive income for the year	**229,498**	**294,080**

PARENT COMPANY'S FINANCIAL STATEMENTS

Statement of financial position

As at 31 December	2021	2020
Assets		
Operating accounts with banks	243,937	41,365
Loans and advances to banks	213,964	218,279
Investment in securities	4,241	8,576
Other assets	57,714	81,600
Investment in associates	3,500	3,503
Other Investments	273	–
Investment in subsidiaries and other entities	3,213,284	3,142,443
Intangible assets	33	977
Property and equipment	40,367	40,982
	3,777,313	**3,537,724**
Assets held for sale	9,961	10,553
Total assets	**3,787,274**	**3,548,277**
Liabilities		
Other liabilities	55,737	48,952
Short term borrowings	45,808	160,203
Long term borrowings	1,490,497	1,272,230
Lease Liabilities	1,256	187
Retirement benefit obligations	13,395	15,633
Total liabilities	**1,606,693**	**1,497,204**
Equity		
Share capital	618,259	618,259
Share premium	1,499,145	1,499,145
Retained earnings	1,280,521	985,947
Other reserves	(1,291,432)	(1,052,278)
Total shareholders' equity	**2,106,493**	**2,051,073**
Other equity instruments holder	74,088	–
Total equity	**2,180,581**	**2,051,073**
Total liabilities and equity	**3,787,274**	**3,548,277**

The financial statements were approved for issue by the board of directors on 25 February 2022 and signed on its behalf by:

Alain Nkontchou
Group Chairman

FRC/2020/003/00000021578

Ade Ayeyemi
Group Chief Executive Officer

FRC/2020/003/00000020528

Ayo Adepoju
Group Chief Financial Officer

FRC/2017/ICAN/00000017517

PARENT COMPANY'S FINANCIAL STATEMENTS

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

Statement of changes in equity

	Share capital	Share premium	Retained earnings	Other reserves	Other equity instruments	Total
At 1 January 2020	**618,255**	**1,499,145**	**785,037**	**(988,902)**	**–**	**1,913,535**
Profit for the year	–	–	200,910	–	–	200,910
Exchange difference on translation of foreign operations (associates)	–	–	–	(269)	–	(269)
Net unrealised gain on investments	–	–	–	24,499	–	24,499
Total comprehensive income for the year	**–**	**–**	**200,910**	**24,230**	**–**	**225,139**
Adjustment equity accounting (translation loss)	–	–	–	(156,546)	–	(156,546)
Adjustment to Ordinary shares	4	–	–	–	–	4
Other Comprehensive Income proceed from RBO	–	–	–	233	–	233
Exchange difference on translation of foreign operations (associates)	–	–	–	(90)	–	(90)
Net unrealised gain on investments	–	–	–	68,797	–	68,797
At 31 December 2020 /1 January 2021	**618,259**	**1,499,145**	**985,947**	**(1,052,278)**	**–**	**2,051,072**
Profit for the year	–	–	294,574	–	–	294,574
Other Comprehensive Income proceed from RBO	–	–	–	931	–	931
Net unrealised loss on investments	–	–	–	(67,140)	–	(67,140)
Exchange difference on translation of foreign operations (associates)	–	–	–	1,132	–	1,132
Total comprehensive income for the year	**–**	**–**	**294,574**	**(65,077)**	**–**	**229,497**
Adjustment equity accounting (translation loss)	–	–	–	(174,077)	–	(174,077)
Additional tier 1 capital	–	–	–	–	74,088	74,088
At 31 December 2021	**618,259**	**1,499,145**	**1,280,521**	**(1,291,432)**	**74,088**	**2,180,581**

Statement of cash flows

For year 31 December	2021	2020
Profit for the year	**294,574**	**200,910**
Adjustment for non cash items:		
Fair value loss on investment property	592	2,730
Share of associates loss	862	113
Adjustments to equity accounting	(307,722)	(247,076)
Profit on disposal of property plant and equipment	(73)	(217)
Depreciation and amortisation	3,852	4,092
Amortisation of government grant	(192)	(192)
Provision for doubtful receivables	26,556	28,897
Foreign exchange income	(571)	4,002
Current service cost and interest on benefit obligation	(1,293)	(2,913)
	16,584	**(9,656)**
Changes in working capital		
– Other assets	9,363	(2,400)
– Other liabilities	6,785	8,482
– Loans and advances	4,315	(46,685)
Net cash from/(used in) operating activities	**37,047**	**(50,258)**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(1,090)	(1,396)
Proceeds from the sale of property, plant and equipment	828	13,669
Net cash (used in) / from in investing activities	**(262)**	**12,273**
Cash flows from financing activities		
Proceeds from borrowings	406,683	497,535
Repayment of borrowed funds	(314,984)	(566,551)
Proceeds from other equity instruments	74,088	–
Net cash from/(used in) financing activities	**165,787**	**(69,016)**
Net increase /(decrease) in cash and cash equivalents	202,572	(107,001)
Cash and cash equivalent at the beginning of the year	**41,365**	**148,367**
Cash and cash equivalents at end of the year	**243,937**	**41,365**

CORPORATE INFORMATION

ESG AND CORPORATE SOCIAL RESPONSIBILITY ARE FIRMLY ON ECOBANK'S AGENDA

Ecobank consistently factors social and environmental concerns into our business operations and decision-making.

Ecobank takes the welfare and development of the communities in which we operate seriously, and we implement numerous initiatives to provide support to them. For the last three years, our annual Ecobank Day has focused on raising awareness and helping to prevent non-communicable diseases. Our charitable Ecobank Foundation focuses on health, education and financial inclusion, and, through the Ecobank Academy, we have provided skills training to the Global Fund and the IFRC, amongst others.

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EXECUTIVE MANAGEMENT ECOBANK GROUP

Group Executive Committee	Title	Nationality
Ade Ayeyemi	Group Chief Executive Officer	Nigerian
Nana Araba Abban	Group Executive, Consumer Banking	Ghanaian
Josephine Annan-Ankomah	Group Executive, Commercial Banking	Ghanaian
Akin Dada[1]	Group Executive, Corporate & Investment Banking	Nigerian
Paul-Harry Aithnard	Regional Executive, UEMOA & Managing Director, Ecobank Cote d'Ivoire	Togolese
Patrick Akinwuntan[2]	Regional Executive, Nigeria & Managing Director, Ecobank Nigeria	Nigerian
Daniel Sackey	Regional Executive, AWA & Managing Director, Ecobank Ghana	Ghanaian
Cheikh Travaly	Regional Executive, CESA & Managing Director, Ecobank Kenya	Senegalese
Ayo Adepoju	Group Chief Financial Officer	Nigerian
Eric Odhiambo[3]	Group Executive, Chief Risk Officer	Kenyan
Madibinet Cisse	Group General Counsel and Company Secretary	Guinean
Tomisin Fashina	Group Executive, Operations & Technology	Nigerian
Yves Mayilamene	Group Executive, Human Resources	Congolese
Moustapha Fall	Group Executive, Internal Audit and Management Services	Senegalese
Divine Fola	Head, Group Compliance	Cameroonian

1 Eric Odhiambo replaced Akin-Dada in January 2022.
2 Jubril Mobolaji Lawal replaced Patrick Akinwuntan in February 2022.
3 Chinedu Ikwudinma replaced Eric Odhiambo in January 2022.

Managing Directors	Ecobank Banking Affiliate
Name	**Country**
NIGERIA	
Patrick Akinwuntan[1]	Nigeria
Francophone West Africa (UEMOA) Region	
Lazare Noulekou	Benin
Noellie Cecile Djimon Dandjinou Tiendrebeogo	Burkina Faso
Aminata Nana Sakho	Cape Verde
Paul-Harry Aithnard	Côte d'Ivoire
Ghislaine Tankeu Samake	Guinea-Bissau
Mamady Diakite	Mali
Didier Correa	Niger
Sahid Yalou	Senegal
Souleymane Toure	Togo
Anglophone West Africa (AWA) Region	
Carl Selasi Asem	Gambia
Daniel Sackey	Ghana
Diawadou Bah	Guinea
George Mensah-Asante	Liberia
Aina Moore	Sierra Leone
Central, Eastern and Southern Africa (CESA) Region	
Desire Butwabutwa Chanou	Burundi
Gwendoline Abunaw	Cameroon
Sylvain Pendi	Central Africa Republic
Alassane Sorgo	Chad
Jean-Baptiste Siate	Democratic Republic of the Congo
Olivier Brou	Equatorial Guinea
Nicholas Achiri Asangwi	Gabon
Cheick Travaly	Kenya
Raymond Fordwuo	Malawi
Jose Manuel Mendes	Mozambique
Ibrahima Bagarama	Republic of the Congo
Alice Kilonzo Zulu	Rwanda
Dalton Goncalves	Sao Tome and Principe
Didier Koffi Yobou[2]	South Sudan (acting MD)
Charles Asiedu	Tanzania
Grace Bo Muliisa	Uganda
Charmel Ognin	Zambia
Moses Kurenjekwa	Zimbabwe

1 Jubril Mobolaji Lawal replaced Patrick Akinwuntan in February 2022.
2 Confirmed as MD in February 2022.

Heads of Representative Offices and Paris Subsidiary	
James Kanagwa	Addis Ababa, Ethopia (Country Rep)
Chanou Moukaram	MD, EBI SA, Paris, France
Akin Dada	Johannesburg, South Africa
Nathalie Villette	London, United Kingdom
Ara Bakjejian	Dubai, United Arab Emirates
Shen LI	Beijing, China

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.

SHARE CAPITAL OVERVIEW

Share capital

Ordinary shares — Authorised share capital of 50,000,000,000 at 2.5 US cents ($0.025) per share, of which 24,730,354,443 are issued and outstanding.

	Shareholders	Number of shares held	% Share of TSO
1	Nedbank Group Ltd.	5,249,014,550	21.22%
2	Qatar National Bank	4,970,904,524	20.10%
3	Arise B.V.	3,487,337,828	14.10%
4	Government Employees Pension Fund/PIC	3,333,333,333	13.48%
5	Social Security and National Insurance Trust (SSNIT)	955,730,453	3.86%
6	Nkontchou Alain Francis	261,714,332	1.06%
7	Ecowas Bank for Investment and Development (BIDC)	225,196,010	0.91%
8	Mikeade Investment Company Ltd.	166,675,914	0.67%
9	ZPC/SIBTC PFA - Main A/C	126,605,908	0.51%
10	Onuoha David Ogba	73,159,453	0.30%
	Top 10 shareholders	18,849,672,305	76.22%
	Other shareholders	5,880,682,138	23.78%
	Total shares outstanding (TSO)	**24,730,354,443**	**100.00%**

Data as of 31 December 2021

Ecobank Transnational Inc: share range analysis as at 31 December 2021

Share range	Number of ETI shareholders	% of Total shareholders	Number of ETI shares	% of Total ETI shares
1 - 1,000	456,026	72.09%	120,314,131	0.49%
1,001 - 5,000	131,575	20.80%	257,217,216	1.04%
5,001 - 10,000	21,479	3.40%	142,878,270	0.58%
10,001 - 50,000	17,645	2.79%	337,211,922	1.36%
50,001 - 100,000	2,558	0.40%	177,339,809	0.72%
100,001 - 500,001	2,346	0.37%	487,384,349	1.97%
500,001 - 1,000,000	469	0.07%	350,889,777	1.42%
1,000,001 - 10,000,000	360	0.06%	1,084,529,602	4.39%
10,000,001 and above	84	0.01%	21,772,589,367	88.04%
TOTAL	**632,542**	**100%**	**24,730,354,443**	**100%**

Potential dilutive securities

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 per cent (i.e. 3-month LIBOR plus 6.46 per cent), payable semi-annually in arrears. The debt will be convertible into ETI ordinary shares at an exercise price of $0.06 (6.00 US cents), which translates into NGN24.88, GHS0.45 or XOF36.74 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 per cent of principal amount if the conversion option is not exercised.

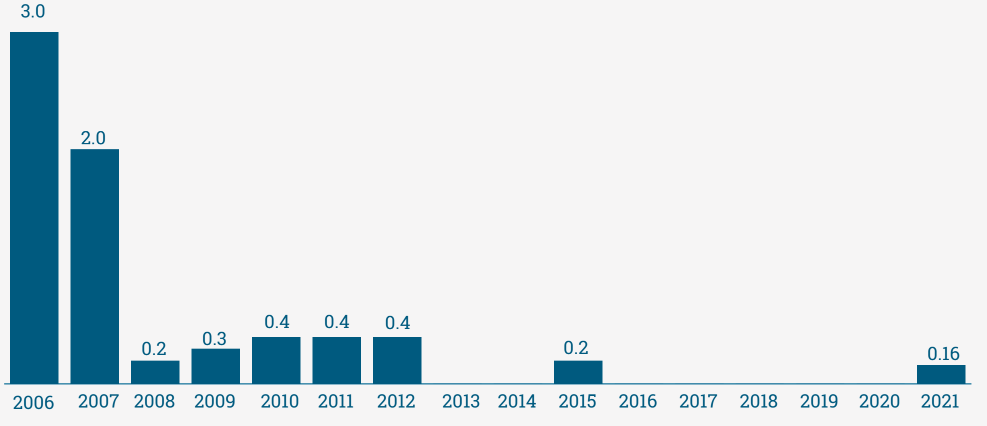
Share options

These are options outstanding to staff and management in respect of 79.5 million shares.

Ordinary share dividend history

Financial year	Dividend per ordinary share		Total dividend
	US$	US$ cents	US$ thousands
2006	0.030	3.0	18,355
2007	0.020	2.0	26,940
2008	0.002	0.2	17,500
2009	0.003	0.3	29,744
2010	0.004	0.4	39,653
2011	0.004	0.4	51,349
2012	0.004	0.4	68,849
2013	0.000	0.0	-
2014	0.000	0.0	-
2015	0.002	0.2	48,200
2016	0.000	0.0	-
2017	0.000	0.0	-
2018	0.000	0.0	-
2019	0.000	0.0	-
2020	0.000	0.0	-
2021	0.0016	0.16	40,000

Ordinary share dividend history (US cents)



Listings

Ecobank Transnational Incorporated's (ETI's) ordinary shares are listed on three stock markets in Africa:

Stock market	NGX	GSE	BRVM
Location	Lagos, Nigeria	Accra, Ghana	Abidjan, Côte d'Ivoire
Share price as of 31 December 2021	8.70	0.14	18.00
% change in share price on 2020	45.0%	75.0%	38.5%
Average daily trading volume (ADTV) for 2021	3,849,996	54,178	531,875
% change in ADTV on 2020	-7%	132%	449%
Shares held (in millions)	20,380,819,119	2,563,592,868	1,785,942,456

SHARE CAPITAL HISTORY

Year	Nature of capital raise	Additional shares	Share capital
2006	Private Placement	53,648,147	454,920,279
2006	Conversion of Convertible Debt	47,500,000	502,420,279
2006	5th Bonus Issue (1:5)	101,533,183	603,953,462
2006	Private Placement	5,248,881	609,202,343
2006	Issue for Market Making at Listing	1,801,205	611,003,548
2006	Employee Share Issue	1,284,449	612,287,997
2007	Share Split (2:1)	612,287,997	1,224,575,994
2007	6th Bonus Issue (1:10)	122,457,599	1,347,033,593
2008	Share Option (CEO)	7,920,000	1,354,953,593
May 2008	Share Split (5:1)	5,419,814,372	6,774,767,965
Aug-Oct 2008	Rights Issue	681,958,227	7,456,726,192
Aug-Oct 2008	Public Offer	1,275,585,719	8,732,311,911
Nov 2009	Conversion of the IFC Convertible Loan	1,181,055,863	9,913,367,774
Nov 2011	Issue to Oceanic Shareholders	2,488,687,783	12,402,055,557
Dec 2011	Issue to Ecobank Nigeria Minority Shareholders	401,524,001	12,803,579,558
Dec 2011	Share Option (CEO)	33,572,650	12,837,152,208
Jul 2012	Issue to GEPF-PIC	3,125,000,000	15,962,152,208
Sep 2012	Issue to IFC CAP FUND	596,590,900	16,558,743,108
Sep 2012	Issue to AFRICA CAP FUND	340,909,100	16,899,652,208
Sep 2012	Issue to IFC ALAC HOLDING COMPANY II	312,500,000	17,212,152,208
Jul 2014	Issue to IFC CAP FUND	628,742,514	17,840,894,722
Jul 2014	Issue to IFC ALAC HOLDING COMPANY II	209,580,838	18,050,475,560
Oct 2014	Issue to NEDBANK GROUP LIMITED	4,512,618,890	22,563,094,450
Dec 2014	Share Option Staff	425,000	22,563,519,450
Jun 2015	Share Option Staff	3,300,000	22,566,819,450
Jul 2015	Conversion of Preference Shares	26,988,980	22,593,808,430
Jul 2015	Bonus Issue	1,506,220,104	24,100,028,534
Oct 2016	Conversion of Preference Shares	630,325,909	24,730,354,443

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

1. Benin
Rue du Gouverneur Bayol
01 B.P. 1280, Cotonou – Benin
Tel: (229) 21 31 30 69
(229) 21 31 40 23

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

3. Burundi
6-Rue de la Science
B.P. 270 Bujumbura – Burundi
Tel: (257) 22 20 81 02 – 03

4. Chad
Avenue Charles de Gaulle
B.P. 87, N'Djaména – Chad
Tel: (235) 22 52 43 14/21

5. Cameroon
Rue Ivy French- Bonanjo
B.P 582 Douala-Cameroon
Tel: (237) 233 50 07 00/01

6. Cape Verde
Avenida Cidade de Lisboa
C.P. 374 / Praia
Cape Verde
Tel: (238) 260 36 60

7. Central African Republic
Place de la République
B.P. 910 Bangui – République Centrafricaine
Tel: (236) 21 61 00 42

8. Congo (Brazzaville)
Immeuble de l'ARC, 3ème étage
Avenue du Camp
B.P. 2485, Brazzaville – Congo
Tel: (242) 06 621 08 08

9. Congo (Democratic Republic)
Siège et Agence Principale
Avenue Kasa-Vubu N°2
Commune de Gombe
Kinshasa – RD Congo
B.P. 7515, Kinshasa
Tel: (243) 99 60 16 000

10. Côte d'Ivoire
Immeuble Ecobank
Avenue Houdaille
Place de la République
01 B.P. 4107 – Abidjan 01
Côte d'Ivoire
Tel: (225) 20 31 92 00
(225) 20 21 10 41

11. Equatorial Guinea
Avenida de la Independencia
APDO.268, Malabo –
Républica 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

13. The Gambia
42 Kairaba Avenue
P.O. Box 3466
Serrekunda – The Gambia
Tel: (220) 439 90 31 – 33

14. Ghana
2 Morocco Lane, Off Independence Avenue,
Ministerial Area
P. O. Box AN16746 Accra, Ghana
Tel: (+233) 302 251 720 / 23 / 24

15. Guinea (Conakry)
Immeuble Al Iman
Avenue de la République
B.P. 5687
Guinea – Conakry
Tel: (224) 627 27 27 15
(224) 666 70 14 34
Centre d'Appel
(224) 664 100 100

16. Guinea-Bissau
Avenida Amilcar Cabral
C.P. 126, Bissau – Guinea-Bissau
Tel: (245) 95 560 40 26

17. Kenya
Ushuru Pension Plaza
off Muthangari Drive
P.O. Box 49584, Code 00100
Nairobi – Kenya
Tel: (254) 20 288 30 00
(254) 20 496 80 00
(254) 719 098 000

18. Liberia
Sinkor, 11th Street
Tubman Boulevard
P.O. Box 4825
1000 Monrovia, 10 – Liberia
Tel: (231) 886 514 298
(231) 886974 494
Cell:(231) 886 484 116

19. Malawi
Ecobank House
Corner Victoria Avenue and Henderson Street, Private Bag 389 Chichiri, Blantyre 3 – Malawi
Tel: (265) 01 822 099

20. Mali
Place de la Nation
Quartier du Fleuve
B.P. E1272
Bamako – Mali
Tel: (223) 20 70 06 00

21. Mozambique
Avenue Vladimir Lenine
nº 210 – C.P. 1106
Maputo – Mozambique
Tel: (258) 21 31 33 44

22. Niger
Angle Boulevard de La Liberté
Et Rue des Bâtisseurs
BP.13804 Niamey – Niger
Tel: (227) 20 73 10 01 / 20 73 71 81

23. Nigeria
Plot 21, Ahmadu Bello Way
P.O.: Box 72688, Victoria Island
Lagos – Nigeria
Tel: (234) 1 271 0391/92

24. Rwanda
KN3 AV4
P.O Box 3268
Kigali – Rwanda
Tel: (250) 788 16 10 00 /
(250) 788 16 33 00

25. São Tomé and Príncipe
Edifício HB, Travessa do Pelourinho
C.P. 316
São Tomé – São Tomé e Príncipe
Tel: (239) 222 21 41

26. Senegal
Km 5 Avenue Cheikh Anta DIOP
B.P. 9095, Centre Douanes
Dakar – Senegal
Tel: (221) 33 859 99 99

27. Sierra Leone
3 Charlotte Street
P.O. Box 1007
Freetown – Sierra Leone
Tel: (232) 88 141 015 - 025

28. South Sudan
Koita Complex, Ministries Road,
P.O. Box 150, Juba
South Sudan
Tel: (211) 922 018 018
(211) 922 118 118

29. Tanzania
Acacia Building
Plot no. 84, Kinondoni Road
P.O.Box 20500,
Dar es Salaam – Tanzania
Tel: (255) 22 292 3471

30. Togo
20, Avenue Sylvanus Olympio
B.P. 3302
Lomé – Togo
Tel: (228) 22 21 72 14

31. Uganda
Plot 8A Kafu Road
P.O. Box 7368
Kampala – Uganda
Tel: (256) 417 700 100
(256) 312 266 078

32. Zambia
22768 Thabo Mbeki Road
P.O. Box 30705
Lusaka – Zambia
Tel: (260) 211 67 390
(260) 211 250 056
(260) 211 250 057

33. Zimbabwe
Block A, Sam Levy's Office Park
2 Piers Road
P.O. Box BW1464
Borrowdale
Harare – Zimbabwe
Tel: (263-242) 851644-9 / 885058 / 885443 / 886607-8

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

35. EBI SA Representative Office
Dashwood House
7th Floor, 69 Old Broad Street
London EC2M 1QS,
United Kingdom
Tel: +44 (0)20 3582 8820

36. Ecobank Advisory (Beijing) Ltd
Representative Office
Suite 20709, Building B, Soho Galaxy, Nanzhugan Hutong,
Dongcheng, Beijing
Beijing, China
Tel: +86 (10) 6629 0522

37. Ecobank South Africa
Representative Office
135 Rivonia Road
Block F, 8th Floor
Sandown 2196
Johannesburg – South Africa
Tel: (27) 11 505 0300

38. Ecobank Office in Dubai
Representative Office
Emaar Square - Building 1,
Office 504
Down Town Dubai,
P.O. Box: 29926
Dubai – UAE
Tel: (+971) 4 327 6996

39. Ecobank Office in Ethiopia
Gerdi Rd Yerer Ber Area,
SAMI Building, 6th Floor 602A
P.O. Box 90598
Addis Ababa – Ethiopia
Tel: (251) 116 291 101
Cell:(251) 934 169 784

eProcess International SA
2365, Boulevard du Mono
B.P. 3261, Lomé –Togo
Tel: (228) 22 22 23 70

SHAREHOLDER CONTACTS

Questions about your shares?

Please contact the Registrars for queries about:

- Missing or outstanding dividend cheques
- Share verification and de-materialisation or lost share certificate
- Estate questions
- Change/update address on the share register
- Direct payment of dividends into bank (e-dividend registration)
- Eliminating duplicate mailings of shareholder materials
- Uncashed dividend cheques.

Registrars

Abidjan

EDC Investment Corporation
Avenue Houdaille,
Place de la République,
Plateau Imm. Ecobank,
2ème étage
01 BP 4107 Abidjan 01 – C.I.
Tel: +225 20 21 50 00/72
+225 20 21 50 00/20
Contact: Moise Cocauthrey
Email: myao@ecobank.com

Accra

GCB Bank PLC
Share Registry Unit
Thorpe Road, High Street
P. O. Box 134, Accra-Ghana
Tel: +233 0 244 338 508
+233 0 302 668 656
+233 0 302 668 712
Contact: Michael K. Wereko
Email: mwereko@gcb.com.gh
shareregistry@gcb.com.gh

Lagos

Greenwich Registrars and Data Solutions Limited
274 Murtala Mohammed Way
Yaba, Lagos
Tel: +234 (01) 2793168
+234 (01) 2793160-2
Email: info@gtlregistrars.com
Website: www.gtlregistrars.com

To buy or sell shares in ETI

Nigeria
EDC Securities Limited

8th Floor
Ecobank Pan-African Center (EPAC)
270 B1, Ozumba Mbadiwe Avenue
Victoria Island, Lagos State
Nigeria
Tel: +234 1226 5493
+234 1226 5361

Côte d'Ivoire
EDC Investment Corporation

Avenue Houdaille,
Place de la République,
Plateau Imm. Ecobank,
2ème étage
01 BP 4107 Abidjan 01 – C.I.
Tel: (+225) 27 20 21 50 00 / 74
(+225) 27 20 21 50 00 / 77
Email: eicbourse@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
Email: edcceeac@ecobank.com

Ghana
EDC Stockbrokers Ltd

2nd Floor, 2 Morocco Lane,
Off Independence Avenue,
Ministerial Area, P. O. Box AN16746
Accra – Ghana
Tel: +233 302 610 400 / 302 634 165
Email: edctrading@ecobank.com

Other investor queries

For other queries about investing in ETI shares:

Ecobank Transnational Incorporated

Investor Relations

2365, Boulevard du Mono
B.P. 3261, Lomé – Togo
Tel: (228) 22 21 03 03
Fax: (228) 22 21 51 19
Contact: Ato Arku
Email: ir@ecobank.com

Company Secretary

Madibinet Cisse
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
Email: madicisse@ecobank.com

CUSTOMER CONTACT SERVICES

Services we provide

Account services	• Balance enquiry • Account restriction • Transaction confirmations • Transfer confirmations • Account Information
Card services	• Card activation for online transaction • PIN reset • Card blocking
Complaints	• ATM and POS complaints • Card complaints • Transaction complaints • Service/product delivery days • Staff attitude
Digital support	• Ecobank Online • Omni Lite • Omni Plus • Mobile App/USSD • eAlert & eStatements • AOP (online account opening)
Feedback management	• Customer feedback management and mediation
General enquiries	• Information on Ecobank services/products • Interest rates and FX rates • ATMs and branch locations • Branch contacts • Account opening requirements • Fees and charges
Outbound and telesales	• Customer update and complaint mediation • Telesales and marketing

If you have any enquiries or complaints, kindly call one of our Regional Contact Centres (table below) or email us at: www.ecobankenquiries@ecobank.com

Country	RCC Main Number	RCC Toll Free	RCC Premier Number	RCC Advantage Number	RCC Centre
Benin	+229 21315030				Francophone
Burkina Faso	+226 25327900		+226 25327979		Francophone
Burundi	+257 22280392				Francophone
Cameroon	+237 233505300		237 233505350		Francophone
Cape Verde	238 26 03 660			238 26 03 660	Francophone
Central African Republic	236 72278960 236 72752603				Francophone
Chad	235 22524314 2235 65 72 36 23	3202			Francophone
Congo Brazzaville	+242 058020100				Francophone
Côte d'Ivoire	+225 2721210021	80080088			Francophone
DR Congo	+243 996016000				Francophone
Equatorial Guinea	240 555300203 240 555300270				Spanish
Gabon	+241 01791700		+241 (0)11791700	+241 (0)11791700	Francophone
Gambia	2204399033				Anglophone
Ghana	00233 302213999	0800003225 (MTN/ AirtelTigo only) 080030000 (Vodafone only)		00233 302213999	Ghana
Guinea Bissau	+245 965296800				Francophone
Guinea Conakry	+224 664100100				Francophone
Kenya	254709573000 254719098000 254204968000	8002212218			Anglophone
Liberia	231881506900 231881506901				Anglophone
Malawi	265999970355 265999970357 265310002329				Anglophone
Mali	+223 44979444		223 44979449		Francophone
Mozambique	258 21341300 25821313344 258828415945 258847184468				Lusophone
Niger	+227 20731360		227 20731373		Francophone
Nigeria	07005000000 2347080653700 23412701323	0700PREMIER (07007736437)	0700PREMIER (07007736437)	0700ADVANTAGE (070023268243)	Anglophone
Rwanda	250788384000 250788161000				Anglophone
Sao Tome & Principe	239 222 21 41 239 222 26 72				Lusophone
Senegal	+221 33 849 23 00				Francophone

Country	RCC Main Number	RCC Toll Free	RCC Premier Number	RCC Advantage Number	RCC Centre
Sierra Leone	+232 88326326	+232 88326326	+232 88141011		Anglophone
South Sudan	211922018018 211922118118				Anglophone
Tanzania	0800110021	800110021			Anglophone
Togo	+228 22537650				Francophone
Uganda	256757080054 256417700100 256757080054 2566312354100				Anglophone
Zambia	260211367390				Anglophone
Zimbabwe	2637713977171				Anglophone

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