

Ecobank reports profit before tax of \$103 million for the first quarter. Return on equity and return on tangible equity were 18.7% and 22.1%, respectively.

| | | | | | | | |
|-------------------|-------|--------------------|----------|----------------|-------|-------------------------------|-------|
| ROE | 18.7% | EPS | \$0.0025 | Cost-to-income | 66.2% | Loan-to-deposit | 60.5% |
| ROTE ¹ | 22.1% | TBVPS ² | \$0.05 | Cost-of-risk | 0.52% | Basel II/III CAR ³ | 12.8% |

Ade Ayeyemi, Group CEO said, “We are pleased with our performance in the first quarter, especially amid a challenging macroeconomic environment. Our diversified business model continues to be of immense benefit allowing the firm to deliver the promise of the Ecobank brand to our customers across Africa.

“Our objective to drive stable non-funded revenues gained momentum, with our non-interest revenues increasing by 25% on a constant currency basis, driven by cash management, trade finance, and digital product offerings. We maintained cost discipline across our businesses and drove efficiency in our processes. We recovered a record amount of impaired loans, thanks to an effective non-performing loans recovery strategy, which helped in significantly improving our cost-of-risk.

“Overall, we are confident that Ecobank will deliver on its strategy, continue to serve our customers well, and generate attractive returns for our shareholders in the long-term.”

Performance and Business Highlights

- Profit before tax of \$103 million, decreased 8% from the prior year. Adjusted for the impact of foreign exchange (FX) translation, profit before tax increased 31% to \$145 million
- Profit attributable to shareholders of ETI and diluted earnings-per-share (EPS) declined 19% to \$62 million and \$0.0025, respectively
- The transition to the NAFEX rate in November 2018 and the Reserve Bank of Zimbabwe’s introduction of the RTGS dollar in February 2019 aimed at resolving Zimbabwe’s multi-tier pricing system, both had an adverse FX translation impact on our financial results
- Record amount in loan recoveries and impairment loss releases totaling \$68 million in the quarter compared with \$24 million in the first quarter of 2018, significantly improving the cost-of-risk to 0.52% compared with 2.5% in 1Q18
- Strong cost management led to total expenses decreasing by 10% to \$257 million
- Ecobank Transnational Inc. (ETI) successfully raised \$450 million in its debut Eurobond. The unsecured note has a 5-year maturity and coupon rate of 9.5%, and was oversubscribed
- Strong momentum in client engagement, digitalisation, and cash management drove a 9% increase in customer deposits to \$16,841 million, on a constant currency basis (\$15,191 million on a reported basis)
- Net loans and advances up 10% to \$9,794 million, on a constant currency basis (\$8,583 million on a reported basis)
- Basel II/III Tier 1 and Total Capital Adequacy Ratio of 9.6% and 12.8%, respectively, are above the 2022 regulatory required minimums
- Strong profit before tax growth in all our regions except for Nigeria where performance was primarily affected by suspension of accrual of interest income and FX translation impact
- The customers’ experience continues to be enriched with innovative products and services – such as the Ecobank Mobile App and Ecobank Pay; Our App-based Rapid Transfer, that enables diaspora to transfer money cheaper; and Omni-Lite for small business, providing effective ease of transacting

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

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

³ Group consolidated Basel II/III CAR as at 31 December 2018.

ECOBANK GROUP FINANCIAL PERFORMANCE SUMMARY

For the first three months of 2019, Ecobank reported profit before tax of \$103 million on operating income or net revenue of \$388 million, compared to a profit before tax of \$111 million on operating income of \$465 million for the first three months of 2018.

Comparisons noted in the commentary below are calculated for the three months ended 31 March 2019 versus the three months ended 31 March 2018, unless otherwise specified.

| ECOBANK GROUP | | | | |
|---|------------|------------|--------------|----------------|
| Three months ended 31 March (in millions of US dollars) | 2019 | 2018 | YoY | In Constant \$ |
| | | | | 2019 |
| Net interest income | 172 | 248 | (31)% | 184 |
| Non-interest revenue | 216 | 217 | (0.5)% | 272 |
| Operating income | 388 | 465 | (17)% | 456 |
| Operating expenses | 257 | 286 | (10)% | 283 |
| Operating profit before impairment losses & taxation | 131 | 179 | (27)% | 174 |
| Gross impairment losses on loans | (81) | (86) | (6)% | - |
| Loan recoveries and impairment releases | 68 | 24 | 183% | - |
| Net impairment losses on loans | (12) | (62) | (80)% | - |
| Impairment losses on other assets | (16) | (7) | 147% | - |
| Impairment losses on financial assets | (29) | (68) | (58)% | 29 |
| Profit before tax | 103 | 111 | (8)% | 145 |
| Profit after tax | 85 | 91 | (7)% | 117 |
| Profit attributable to owners of the parent | 62 | 77 | (19)% | - |
| Basic EPS (\$) | 0.0025 | 0.0031 | (19)% | - |
| Diluted EPS (\$) | 0.0025 | 0.0031 | (19)% | - |
| Return on average total assets (ROA) ¹ | 1.5% | 1.6% | | |
| Return on average total equity (ROE) ² | 18.7% | 19.7% | | |
| Return on average tangible equity (ROTE) ³ | 22.1% | 23.4% | | |
| Net interest margin (NIM) | 4.8% | 6.1% | | |
| Cost-to-income ratio (CIR) | 66.2% | 61.5% | | |
| Impact on returns assuming \$400m convertible debt fully converts to equity: | | | | |
| Return on average total equity (ROE) | 18.4% | - | | |
| Return on average tangible equity (ROTE) | 21.1% | - | | |

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

Profit before tax of \$103 million, decreased 8%, reflecting adverse FX translation impact. Excluding the impact, profit before tax increased by 31% to \$145 million.

Operating income of \$388 million declined 17% compared to the first quarter of 2018, predominantly driven by significantly lower net interest income. Operating income decreased by 2%, if the impact of FX translation is excluded.

- **Net interest income** was \$172 million, a decrease of 31%. Excluding the impact of FX translation, net interest income decreased 26%, due to several factors – suspension of interest income accruals on mainly subsidy-related Oil and Gas exposures in Nigeria, subdued client activity in Nigeria around the presidential elections in February, compression in net interest spreads due to lower average gross yields on earning assets, and a decline in average balances of treasury bills and customer loans. The net interest margin declined to 4.8% compared with 6.1% in the prior year.
- **Non-interest revenue** was \$216 million, stable compared with the prior year period. Excluding the impact of FX translation, non-interest revenue increased 25%. The increase was primarily driven by income from fixed-income trading, and fees from cash management, credit, and card management.

Operating expenses decreased 10% to \$257 million. Expenses decreased marginally if the impact of FX translation is excluded, due primarily to lower other operating and staff costs, marginally offset by an increase in depreciation and

amortisation expenses, which were associated with systems development and head office investments. The cost-to-income ratio was 66.2% compared with 61.5% in the first quarter of 2018, reflecting the lower revenue growth. Our investments in technology continue to positively impact costs, therefore we expect the cost-to-income ratio to trend towards the mid-50% +/- in the medium-term.

Impairment losses on financial assets for the first quarter were \$29 million (of which \$12 million were on loans and advances to customers), compared with \$68 million (of which \$62 million were on loans and advances to customers) for the first quarter of 2018. The decrease in impairment losses was predominantly driven by the acceleration in loan recoveries and partly by the release of provisions no longer required totaling \$68 million compared with \$24 million in the prior year's quarter. The cost-of-risk, as a result, improved significantly to 0.52% from 2.5% in the prior year.

Selected Balance Sheet Information

| Period As At: (in millions of US dollars, except per share amounts) | 31 Mar 2019 | 31 Dec 2018 | 31 Mar 2018 |
|---|----------------|----------------|----------------|
| Gross loans and advances to customers | 9,192 | 9,807 | 9,678 |
| Less: allowance for impairments | 609 | 639 | 735 |
| Net loans and advances to customers | 8,583 | 9,169 | 8,943 |
| Deposits from customers | 15,191 | 15,936 | 15,462 |
| Total assets | 21,751 | 22,582 | 22,407 |
| Equity attributable to owners of the parent | 1,502 | 1,537 | 1,528 |
| Total equity | 1,806 | 1,812 | 1,827 |
| Loan-to-deposit ratio | 60.5% | 61.5% | 62.6% |
| Basel II/III total capital adequacy ratio (CAR) ¹ | - | 12.8% | - |
| End-of-period ordinary shares outstanding (millions of shares) | 24,730 | 24,730 | 24,730 |
| # of ordinary shares to be issued if issued dilutive instruments converted (see appendix) | 1,302 | 1,302 | - |
| # of ordinary shares to be issued if convertible bond converts | 6,667 | 6,667 | 6,667 |
| Per share data (\$) | | | |
| Book value per ordinary share, BVPS | 0.062 | 0.062 | 0.062 |
| Tangible book value per ordinary share, TBVPS | 0.051 | 0.051 | 0.050 |
| Share price | 0.037 | 0.039 | 0.045 |

(1) Basel II/III CAR is reported semi-annually to the Regulator

Net loans and advances to customers were \$8,583 million, a decrease of 4% year-on-year, and 6% year-to-date. Excluding the impact of FX translation, customer loans increased 10% year-on-year to \$9,794 million. The increase was primarily driven by loan growth within Corporate and Investment Bank within the Anglophone West Africa (AWA) and Central, Eastern, and Southern Africa (CESA) regions.

Deposits from customers were \$15,191 million, a decrease of 2% year-on-year, and 5% year-to-date. Excluding the impact of FX translation, customer deposits increased 9% year-on-year to \$16,841 million. The increase was driven by solid deposit growth in Nigeria, AWA, and CESA, partially offset by a modest decrease in customer deposits within Francophone West Africa region (UEMOA). Cash management and digital product offerings continue to support solid customer deposit growth, especially in the more stable current account deposits.

Total equity was \$1,806 million compared with \$1,827 million in quarter one of 2018. The decrease in equity over the period was primarily driven by FX translation differences and dividends related to non-controlling interests.

The Group calculated its Basel II/III total capital adequacy ratio (CAR) at 12.8% is at 31 December 2018.

| Asset Quality | | | |
|--|------------------------|----------------|----------------|
| | 31 Mar 2019 | 31 Dec 2018 | 31 Mar 2018 |
| In millions of US dollars | | | |
| Impairment losses: | | | |
| On loans and advances (net) | 12 | 240 | 62 |
| On other financial assets | 16 | 24 | 7 |
| Impairment losses on financial assets | 29 | 264 | 68 |
| Cost-of-risk ⁽²⁾ | 0.5% | 2.4% | 2.5% |
| As at: | | | |
| Gross loans and advances to customers | 9,192 | 9,807 | 9,678 |
| Of which stage 1 | 7,398 | 7,677 | n.a. |
| Of which stage 2 | 895 | 1,186 | n.a. |
| Of which stage 3, credit impaired loans (non-performing loans) | 898 | 945 | n.a. |
| Less: allowance for impairments (expected credit loss) | 609 | 639 | 735 |
| Of which stage 1: 12-month ECL | 136 | 89 | n.a. |
| Of which stage 2: Life-time ECL | 61 | 81 | n.a. |
| Of which stage 3: Life-time ECL | 411 | 468 | n.a. |
| Net loans and advances to customers | 8,583 | 9,169 | 8,943 |
| Impaired loans or non-performing loans (NPLs) | 898 | 945 | 965 |
| NPL ratio | 9.8% | 9.6% | 10.0% |
| NPL coverage | 67.8% | 67.6% | 76.2% |
| Stage 3 cover ratio ⁽³⁾ | 45.8% | 49.5% | n.a. |
| Stage 3 gross loans / individually credit impaired | 898 | 945 | - |
| Less: allowance for impairments | 411 | 468 | - |
| | 487 | 477 | - |
| Fair value of collateral ⁽⁴⁾ | (512) | (565) | - |
| Amount of (over) / under collateralisation | (26) | (89) | - |

(1) Expected Credit Losses (2) Cost-of-risk is computed on an annualised basis; (3) Stage 3 cover ratio is for the period as at 31 December 2018 only (4) The collateral amount for 1Q19 is an 'Open Market Value'.
 NB: totals may not add up due to rounding
 n.a. = not applicable

Impaired loans (non-performing loans) were \$898 million as at 31 March 2019 compared with \$945 million and \$965 million, as at 31 December 2018 and 31 March 2018, respectively. The decrease in non-performing loans (NPLs) was predominantly driven by loan write-offs. The NPL ratio was 9.8% compared with 10.0% in the prior year period. The coverage of NPLs by impairment allowances was 67.8% (45.8% on stage 3 coverage) for the first quarter compared with 67.6% for 31 December 2018 (49.5% on stage 3 coverage) and 76.2% for the first quarter of 2018. The reserve allowance for impairment losses was \$609 million for the first quarter compared with \$639 million and \$735 million for 31 December 2018 and 31 March 2018, respectively. The decrease was driven by lower impairment losses on stage 3 loans, driven by write-offs and episodic improvements in the portfolio.

GEOGRAPHICAL REGION FINANCIAL PERFORMANCE

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

In the first quarter of 2019 we made changes to our regional reportable operating segments to bring simplicity and better alignment to the way management views the operations. The financial results of the constituent affiliates of Ecobank Development Corporation (EDC), the Group's Investment Banking (IB) and Securities, Wealth, and Asset Management (SWAM) business across our geographic footprint, were segmented by their country of domicile and added accordingly into a regional segment – UEMOA, Nigeria, AWA, or CESA. The financial results for the first quarter of 2018 for the regions have not been restated and as such year-on-year results are not comparable.

Comparisons noted in the commentary below are calculated for the three months ended 31 March 2019 versus the three months ended 31 March 2018, unless otherwise specified.

| In millions of \$, except for ratios | | | | | | |
|---|-------------|------------|-------------|------------|-----------------------------|---------------|
| | NIGERIA | UEMOA | AWA | CESA | ETI & OTHERS ⁽¹⁾ | Ecobank Group |
| Income Statement Highlights | | | | | | |
| Operating income (net revenue) | 51 | 118 | 100 | 122 | (3) | 388.0 |
| Total operating expenses | 63 | 74 | 47 | 61 | 12 | 257 |
| Operating profit before impairment losses & taxation | (12) | 44 | 53 | 61 | (15) | 131 |
| Impairment losses on loans and advances | (11) | (20) | (13) | (6) | (31) | (81) |
| Recoveries | 28 | 33 | 2 | 6 | (1) | 68 |
| Impairment charge on other financial assets | (2) | - | (1) | (2) | (11) | (16) |
| Impairment losses on financial assets | 15 | 13 | (12) | (2) | (43) | (29) |
| Profit before tax | 3 | 57 | 41 | 59 | (57) | 103 |
| Profit after tax | 3 | 48 | 28 | 46 | (43) | 82 |
| Balance Sheet Highlights | | | | | | |
| Loans and advances to customers, net | 2,207 | 3,440 | 1,167 | 1,516 | 253 | 8,583 |
| Total assets | 5,622 | 8,208 | 3,284 | 4,733 | (97) | 21,751 |
| Deposits from customers | 3,556 | 5,565 | 2,495 | 3,410 | 165 | 15,191 |
| Total equity | 761 | 625 | 397 | 479 | (456) | 1,806 |
| Ratios | | | | | | |
| ROA | 0.2% | 2.3% | 3.4% | 3.7% | - | 1.5% |
| ROE | 1.9% | 31.4% | 28.7% | 36.9% | - | 18.7% |
| Cost-to-income ratio | 122.7% | 62.5% | 47.0% | 49.8% | - | 66.2% |
| NPL ratio | 13.8% | 5.6% | 12.0% | 11.0% | - | 9.8% |
| NPL coverage | 72.8% | 43.9% | 47.2% | 79.0% | - | 67.8% |
| Loan-to-deposit ratio | 69.0% | 63.4% | 49.6% | 48.7% | - | 60.5% |

1. ETI & Others comprise, the Holdco ETI, eProcess (the Group's technology service company), the International business in Paris, and the impact of other affiliates and structured entities of ETI. The impact of consolidation eliminations is also included in 'ETI & Others'

Francophone West Africa (UEMOA)

| Three months ended 31 March (in millions of US dollars) | 2019 | 2018 | YoY | In Constant \$ |
|---|------------|-------|-------|----------------|
| | | | | 2019 |
| Net interest income | 67 | 69 | (3)% | 72 |
| Non-interest revenue | 50 | 56 | (10)% | 54 |
| Operating income | 118 | 125 | (6)% | 126 |
| Operating expenses | (74) | (76) | (4)% | (79) |
| Operating profit before impairment losses & taxation | 44 | 49 | (9)% | 47 |
| Gross impairment losses on loans | (20) | (20) | (1)% | - |
| Loan recoveries and impairment releases | 33 | 6.3 | 414% | - |
| Net impairment losses on loans | 13 | (14) | n.m. | - |
| Impairment losses on other assets | - | - | n.m. | - |
| Impairment losses on financial assets | 13 | (14) | n.m. | (14) |
| Profit before tax | 57 | 35 | 63% | 61 |
| Loans & advances to customers (net) | 3,440 | 3,781 | (9)% | 3,771 |
| Total assets | 8,208 | 8,611 | (5)% | 8,770 |
| Deposits from customers | 5,565 | 6,035 | (8)% | 5,798 |
| Total equity | 625 | 546 | 14% | 662 |
| Cost-to-income | 62.5% | 61.2% | | |
| ROE | 31.4% | 27.7% | | |
| Loan-to-deposit ratio | 63.4% | 65.0% | | |
| NPL ratio | 5.6% | 5.9% | | |
| NPL coverage ratio | 43.9% | 60.1% | | |

Note: Selected income statement line items only and thus may not sum up
n.m. = not meaningful

Highlights

- UEMOA reported profit before tax of \$57 million, an increase of 63%. Excluding the impact of FX translation, profit before tax increased by 77%.
- Operating income was \$118 million, a decrease of 6%. If FX translation impact is excluded, operating income increased marginally as growth in net interest income was offset by a decrease in non-interest revenue.
 - Net interest income was \$67 million, a decrease of 3%. If FX translation impact is excluded, net interest income increased by 5%. The modest increase was primarily driven by growth in investment securities holdings.
 - Non-interest revenue was \$50 million, a decrease of 10%. The decrease is lower at 3%, if FX translation impacted is excluded. The decrease primarily reflected significantly lower client FX sales, due to reduced margins, and cash management and related fees.
- Operating expenses were \$74 million, a decrease of 4%. Excluding the impact of FX translation, expenses increased 3%, driven by legal and revenue-driven costs. The cost-to-income ratio was little unchanged at 62.5%.
- Impairment loss on financial assets for the first quarter was a benefit of \$13 million compared with an impairment loss of \$14 million in the prior year. The current period's impairment benefit was driven by an acceleration in loan recoveries, which increased 414% compared with the prior year, thanks to significant provision release (write-back) in Côte d'Ivoire, Senegal and Togo.

| NIGERIA | | | | |
|---|-------------|-------|--------|----------------|
| Three months ended 31 March (in millions of US dollars) | 2019 | 2018 | YoY | In Constant \$ |
| | | | | 2019 |
| Net interest income | 19 | 73 | (74)% | 22 |
| Non-interest revenue | 32 | 46 | (29)% | 39 |
| Operating income | 52 | 119 | (57)% | 61 |
| Operating expenses | (63) | (75) | (16)% | (72) |
| Operating profit before impairment losses & taxation | (12) | 43 | (127)% | (11) |
| Gross impairment losses on loans | (11) | (19) | (39)% | - |
| Loan recoveries and impairment releases | 28 | 1.0 | 2,585% | - |
| Net impairment losses on loans | 17 | (18) | n.m. | - |
| Impairment losses on other assets | (1.5) | (0.8) | 94% | - |
| Impairment losses on financial assets | 15 | (19) | (182)% | (2) |
| Profit before tax | 3.5 | 25 | (86)% | (9) |
| Loans & advances to customers (net) | 2,207 | 2,505 | (12)% | 2,625 |
| Total assets | 5,622 | 6,100 | (8)% | 6,334 |
| Deposits from customers | 3,556 | 3,389 | 5% | 3,923 |
| Total equity | 761 | 918 | (17)% | 843 |
| Cost-to-income | 122.7% | 63.4% | | |
| ROE | 1.9% | 12.4% | | |
| Loan-to-deposit ratio | 69.0% | 80.3% | | |
| NPL ratio | 13.8% | 8.9% | | |
| NPL coverage ratio | 72.8% | 88.4% | | |

Note: Selected income statement line items only and thus may not sum up
n.m. = not meaningful

Highlights

- Nigeria posted a profit before tax of \$3.5 million, a decrease of 86%. Results were adversely impacted by the suspension of interest income accruals on subsidy-related Oil and Gas exposures, lower client activity ahead of the presidential elections in February, the net impact of lower yields, and a decrease in interest earning asset balances.
- Operating income was \$52 million, a decrease of 57%, driven by decreases in both net interest income and non-interest revenue. Excluding the impact of FX translation, operating income decreased by 49%.
 - Net interest income was \$19 million, a decrease of 74%, primarily driven by the suspension of nearly \$25 million of interest income accruals on subsidy-related Oil and Gas loans for the quarter, lower average gross yields on interest earning assets, and lower earning asset balances.
 - Non-interest revenue was \$32 million, a decrease of 29%, predominantly driven by a decrease in trading income due to subdued client activity during the presidential election season.
- Operating expenses were \$63 million, a decrease of 16%. Excluding the impact of FX translation, expenses decreased by 4%, reflecting stringent expense discipline across the business. The cost-to-income ratio deteriorated to 122.7% compared with 63.4% in the prior year, primarily due to the aforementioned factors that affected revenues, despite strong cost management.
- Impairment losses on financial assets was a provision benefit of \$15 million compared with an impairment loss of \$19 million in the prior year. The provision benefit in the first quarter was primarily driven by significantly higher loan recoveries and provisions no longer required of \$28 million compared with \$1.0 million in the prior year.

| Anglophone West Africa (AWA) | | | | |
|---|------------|-----------|----------------|------------|
| Three months ended 31 March (in millions of US dollars) | 2019 | 2018 | In Constant \$ | |
| | | | YoY | 2019 |
| Net interest income | 60 | 56 | 8% | 68 |
| Non-interest revenue | 40 | 34 | 18% | 44 |
| Operating income | 100 | 89 | 12% | 112 |
| Operating expenses | (47) | (48) | (2)% | (53) |
| Operating profit before impairment losses & taxation | 53 | 42 | 27% | 59 |
| Gross impairment losses on loans | (13) | (12) | 17% | - |
| Loan recoveries and impairment releases | 1.9 | 1.2 | 54% | - |
| Net impairment losses on loans | (12) | (10) | 12% | - |
| Impairment losses on other assets | (0.8) | - | n.m. | - |
| Impairment losses on financial assets | (12) | (10) | 20% | 14 |
| Profit before tax | 41 | 31 | 30% | 45 |
| Loans & advances to customers (net) | 1,167 | 891 | 31% | 1,309 |
| Total assets | 3,284 | 2,991 | 10% | 3,573 |
| Deposits from customers | 2,495 | 2,330 | 7% | 2,761 |
| Total equity | 397 | 318 | 25% | 428 |
| Cost-to-income | 47.0% | 53.5% | | |
| ROE | 28.7% | 28.5% | | |
| Loan-to-deposit ratio | 49.6% | 42.7% | | |
| NPL ratio | 12.0% | 17.3% | | |
| NPL coverage ratio | 47.2% | 60.3% | | |

Note : Selected income statement line items only and thus totals may not sum up
n.m. = not meaningful

Highlights

- AWA delivered a profit before tax of \$41 million, an increase of 30%, driven by positive operating leverage. Excluding the impact of FX translation, profit before tax increased 44% to \$45 million.
- Operating income was \$100 million, an increase of 12%. Excluding the impact of FX translation, the increase in operating income was 25%, led by growth in both net interest income and non-interest revenue.
 - Net interest income was \$60 million, an increase of 8%, or 21%, if FX translation impact is excluded. The increase reflected growth in loans and debt securities.
 - Non-interest revenue was \$40 million, an increase of 18%, or 32%, if FX translation impact is excluded. The increase was predominantly driven by income from trading, cash management, and client FX sales.
- Operating expenses were \$47 million, a decrease of 2%. If the impact of FX translation is excluded, expenses increased 10%, driven by investments in the business. The cost-to-income ratio improved to 47% compared with 53.5%, reflecting positive operating leverage.
- Impairment losses on financial assets were \$12 million compared with \$10 million in the prior year. The increase reflected an increase in provisions primarily in Guinea and Gambia, and overall loan growth. The NPL ratio was 12% compared with 17.3% in the prior year period.

Central, Eastern & Southern Africa (CESA)

| Three months ended 31 March (in millions of US dollars) | 2019 | 2018 | YoY | In Constant \$ |
|---|------------|-------|-------|----------------|
| | | | | 2019 |
| Net interest income | 45 | 54 | (16)% | 42 |
| Non-interest revenue | 77 | 61 | 26% | 113 |
| Operating income | 122 | 115 | 6% | 154 |
| Operating expenses | (61) | (66) | (7)% | (61) |
| Operating profit before impairment losses & taxation | 61 | 49 | 24% | 94 |
| Gross impairment losses on loans | (5.9) | (19) | (69)% | - |
| Loan recoveries and impairment releases | 5.7 | 6.8 | (15)% | - |
| Net impairment losses on loans | (0.2) | (12) | (98)% | - |
| Impairment losses on other assets | (2.1) | (1.6) | 26% | - |
| Impairment losses on financial assets | (2.3) | (14) | (84)% | 2.3 |
| Profit before tax | 59 | 35 | 66% | 91 |
| Loans & advances to customers (net) | 1,516 | 1,512 | 0.2% | 1,662 |
| Total assets | 4,738 | 4,656 | 2% | 5,526 |
| Deposits from customers | 3,410 | 3,537 | (4)% | 4,062 |
| Total equity | 481 | 457 | 5% | 597 |
| Cost-to-income | 49.8% | 57.0% | | |
| ROE | 36.9% | 22.3% | | |
| Loan-to-deposit ratio | 48.7% | 49.7% | | |
| NPL ratio | 11.0% | 16.2% | | |
| NPL coverage ratio | 79.0% | 86.0% | | |

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

Highlights

- CESA posted profit before tax of \$59 million, an increase of 66%. If the impact of FX translation is excluded profits increased 158% to \$91 million. The annualised ROE was 37.5% compared with 22.3% in the prior year.
- Operating income was \$122 million, an increase of 6%, or 34%, if the impact of FX translation is excluded. The increase was predominantly driven by significantly higher growth in non-interest revenue.
 - Net interest income was \$45 million, a decrease of 16%, or 23%, if FX translation impact is excluded.
 - Non-interest revenue was \$77 million, an increase of 26%, or 86%, if FX translation impact is excluded. The increased was driven by cash management and related fees, credit related fees and commissions, and FX and fixed-income sales.
- Operating expenses were \$61 million, a decrease of 7% both on a nominal and constant currency basis. The decrease in expenses reflected continued cost management initiatives following restructuring efforts in the recent past. The cost-to-income ratio of 49.8% improved significantly from 57% in the first quarter of 2018, driven by positive operating leverage.
- Impairment losses on financial assets was \$2.3 million compared with \$14 million for the prior year. The NPL ratio improved to 11.0% from 16.2% in the prior year.

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About Ecobank: Incorporated in Lomé, Togo, Ecobank Transnational Incorporated (ETI) is the parent company of the leading independent pan-African banking Group, Ecobank, present in 36 African countries. The Ecobank Group is also represented in France through its subsidiary EBI SA in Paris. ETI also has representative offices in Dubai-United Arab Emirates, London-UK, Beijing-China, Johannesburg-South Africa, and Addis Ababa-Ethiopia. ETI is listed on the stock exchanges in Lagos, Accra, and the West African Economic and Monetary Union (UEMOA) – the BRVM – in Abidjan. The Group is owned by more than 600,000 local and international institutional and individual shareholders. It employs 16,000 people in 40 different countries in 888 branches and offices. Ecobank is a full-service bank, providing wholesale, retail, investment and transaction banking services and products to governments, financial institutions, multinationals, international organisations, medium, small and micro businesses and individuals. Additional information may be found on the Group's corporate website at: www.ecobank.com.

Conference Call Information

Ecobank will not be holding an Earnings Conference Call to discuss the financial results for the three months ended 31 March 2019. The financial results, which have been submitted to the NSE, BRVM and GSE, can be accessed, including the Earnings Press Release, by visiting www.ecobank.com. If you should have any questions related to these results please contact Ecobank Investor Relations via ir@ecobank.com

Investor Relations

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

Investor contact:

Ato Arku

T: +228 22 21 03 03

M: +228 92 40 90 09

E: aarku@ecobank.com

APPENDIX

POTENTIAL DILUTIVE INSTRUMENT

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

A total outstanding balance of \$4.29 million in loans granted by OFID are convertible into ordinary shares. The conversion price is the lower of i) 10.41 \$ cents plus a premium that varies from 30% to 50%, depending on exercise date; and ii) the prevailing market price, based on a 45 day average.

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

ETI \$400 million convertible debt

The \$400 million convertible debt due 2022 has a maturity of five (5) years from date of issuance, a coupon rate comprising a reference rate of **3-month LIBOR plus a spread of 6.46%** (i.e. 3-month LIBOR + 6.46%), payable semi-annually in arrears. The debt will be convertible into ETI ordinary shares at an exercise price of **\$0.06** (NGN21.58, GHS0.31, XOF35.26 at current exchange rates for illustrative purposes only) during the conversion period of **19 October 2019 to 13 October 2022**. This debt will be redeemed at 110% of principal amount if the conversion option is not exercised.

Cautionary note regarding forward-looking statements

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

Ecobank Group

CONDENSED UNAUDITED CONSOLIDATED INCOME STATEMENT

3 Months Ended 31 March

| In thousands of US dollars, except per share amounts | 2019 | 2018 |
|--|------------------|------------------|
| Interest income | 322,537 | 414,031 |
| Interest expense | (150,182) | (165,933) |
| Net interest income | 172,355 | 248,098 |
| Fee and commission income | 118,939 | 124,577 |
| Fee and commission expense | (10,292) | (18,310) |
| Net trading income | 96,032 | 112,104 |
| Other operating income | 11,146 | (1,506) |
| Non-interest revenue | 215,825 | 216,865 |
| Operating income | 388,180 | 464,963 |
| Staff expenses | (117,119) | (123,904) |
| Depreciation and amortization | (26,215) | (24,682) |
| Other operating expenses | (113,694) | (137,371) |
| Total operating expenses | (257,028) | (285,957) |
| Operating profit before impairment losses and taxation | 131,152 | 179,006 |
| Impairment losses on loans and advances | (80,587) | (85,664) |
| Recoveries | 68,344 | 24,162 |
| Impairment charge on other financial assets | (16,420) | (6,654) |
| Impairment losses on financial assets | (28,663) | (68,156) |
| Operating profit after impairment losses before taxation | 102,489 | 110,850 |
| Share of profit of associates | 28 | 56 |
| Profit before tax | 102,517 | 110,906 |
| Taxation | (20,551) | (20,133) |
| Profit for the period from continuing operations | 81,966 | 90,773 |
| Profit for the year from discontinued operations | 2,574 | 362 |
| Profit for the period | 84,540 | 91,135 |
| Attributable to: | | |
| Owners of the parent (total) | 62,410 | 77,076 |
| Continuing operations | 61,020 | 76,881 |
| Discontinued operations | 1,390 | 195 |
| Non-controlling interest (total) | 22,130 | 14,059 |
| Continuing operations | 20,946 | 13,892 |
| Discontinued operations | 1,184 | 167 |
| | 84,540 | 91,135 |
| Earnings per share from continuing operations attributable to owners of the parent during the period (expressed in United States cents per share) | | |
| Basic | 0.25 | 0.31 |
| Diluted | 0.25 | 0.31 |

Ecobank Group
CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION

| In thousands of US dollars | March 2019 | December 2018 |
|--|-------------------|-------------------|
| Assets | | |
| Cash and balances with central banks | 2,914,884 | 2,797,417 |
| Trading financial assets | 253,599 | 122,283 |
| Derivative financial instruments | 46,313 | 49,914 |
| Loans and advances to banks | 1,302,484 | 1,717,575 |
| Loans and advances to customers | 8,582,705 | 9,168,669 |
| Treasury bills and other eligible bills | 1,533,002 | 1,828,251 |
| Investment securities | 4,522,134 | 4,568,262 |
| Pledged assets | 272,359 | 240,434 |
| Other assets | 887,293 | 739,168 |
| Investment in associates | 8,210 | 6,147 |
| Intangible assets | 274,503 | 278,334 |
| Property and equipment | 897,870 | 827,165 |
| Investment properties | 27,838 | 29,787 |
| Deferred income tax assets | 129,835 | 118,715 |
| | 21,653,029 | 22,492,121 |
| Assets held for sale | 97,596 | 90,075 |
| Total assets | 21,750,625 | 22,582,196 |
| Liabilities | | |
| Deposits from banks | 1,539,857 | 1,465,646 |
| Deposits from customers | 15,191,220 | 15,935,999 |
| Derivative financial instruments | 29,322 | 29,907 |
| Debt securities | 4,525 | - |
| Borrowed funds | 1,956,057 | 2,059,690 |
| Other liabilities | 900,478 | 996,557 |
| Provisions | 63,687 | 52,979 |
| Current income tax liabilities | 45,030 | 52,076 |
| Deferred income tax liabilities | 55,619 | 55,099 |
| Retirement benefit obligations | 36,339 | 3,896 |
| | 19,822,134 | 20,651,849 |
| Liabilities held for sale | 122,266 | 117,856 |
| Total liabilities | 19,944,400 | 20,769,705 |
| Equity | | |
| Equity attributable to owners holders of the parents | | |
| Share capital and premium | 2,113,957 | 2,113,957 |
| Retained earnings and reserves | (611,543) | (577,005) |
| Shareholders' equity | 1,502,414 | 1,536,952 |
| Non-controlling interests | 303,811 | 275,539 |
| Total equity | 1,806,225 | 1,812,491 |
| Total liabilities and equity | 21,750,625 | 22,582,196 |

Ecobank Group
CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF
CASH FLOWS

3 Months Ended 31 March

| In thousands of US dollars | 2019 | 2018 |
|--|------------------|------------------|
| Cash flow from operating activities | | |
| Profit before tax | 102,517 | 110,906 |
| Net trading income - foreign exchange | (55,972) | 4,623 |
| Net loss from investment securities | - | - |
| Fair value (gain)/loss on investment properties | - | - |
| Impairment losses on loans and advances | 12,243 | 61,502 |
| Impairment losses on other financial assets | 16,420 | 6,654 |
| Depreciation of property and equipment | 21,078 | 19,869 |
| Net interest income | (172,355) | (248,098) |
| Interest expense on lease liabilities | 875 | - |
| Amortisation of software and other intangibles | 5,137 | 4,813 |
| Profit on sale of property and equipment | 58 | (287) |
| Share of profit of associates | (28) | (56) |
| Income taxes paid | (45,376) | (26,010) |
| Changes in operating assets and liabilities | | |
| Trading assets | (131,316) | (23,577) |
| Derivative financial assets | 3,601 | 12,828 |
| Treasury bills and other eligible bills | 221,641 | (300,268) |
| Loans and advances to banks | 23,147 | 92,286 |
| Loans and advances to customers | 615,545 | 33,966 |
| Pledged assets | (31,925) | 6,054 |
| Other assets | (148,125) | (243,471) |
| Mandatory reserve deposits with central banks | (200,757) | (95,538) |
| Deposits from customers | (744,779) | 258,386 |
| Deposits from banks | 96,042 | - |
| Derivative liabilities | (585) | (7,483) |
| Other liabilities | (32,394) | 434,605 |
| Provisions | 10,708 | 4,025 |
| Interest received | 322,537 | 414,031 |
| Interest paid | (150,182) | (165,933) |
| Net cashflow (used in) /from operating activities | (262,245) | 353,827 |
| Cash flows from investing activities | | |
| Purchase of software | (3,575) | (14,115) |
| Purchase of property and equipment | (10,852) | (72,725) |
| Proceeds from sale of property and equipment | 4,053 | - |
| Purchase of investment securities | (494,900) | - |
| Purchase of investment properties | - | - |
| Disposal of investment properties | - | - |
| Redemption of investment securities | 554,836 | 86,612 |
| Net cashflow used in investing activities | 49,562 | (228) |
| Cash flows from financing activities | | |
| Repayment of borrowed funds | (355,483) | 71,011 |
| Proceeds from borrowed funds | 188,165 | - |
| Proceeds of subscription of ordinary shares | - | - |
| Proceeds from sale of treasury shares | - | - |
| Dividends paid to non-controlling shareholders | (4,491) | (1,515) |
| Dividends paid to owners of the parent | - | - |
| Net cashflow from financing activities | (171,809) | 69,496 |
| Net decrease / increase in cash and cash equivalents | (384,492) | 423,095 |
| Cash and cash equivalents at at beginning of period | 2,141,855 | 1,965,611 |
| Effects of exchange differences on cash and cash equivalents | (142,519) | (45,044) |
| Cash and cash equivalents at end of the period | 1,614,844 | 2,343,662 |