

## Ecobank Group 2009 Results : 15 billion Naira Profit Before Tax

- A growing Group : Gross revenue reached US\$1.2billion (NGN178 billion)
- A solid Group : Total total assets reached US\$9 billion (NGN1,329 billion)
- A resilient Group : An enhanced capital base at US\$1.2 billion (NGN182 billion)
- A rewarding Group : 50% increase in dividend per share to 0.3 cents (45 kobo) per share

Financial Highlights	31 December 2009		31 December 2008		Variance	
	US\$'000	NGN'000	US\$'000	NGN'000	US\$	NGN
Gross Revenue	1 187 605	177 733 995	1 155 517	138 229 877	3%	29%
Profit before tax	101 066	15 125 285	162 241	19 408 242	-38%	-22%
Profit after tax	64 600	9 667 875	111 140	13 295 234	-42%	-27%
Total assets	9 006 523	1 329 362 795	8 306 186	1 159 045 188	8%	15%
Loans and advances to customers	4 766 197	703 490 677	3 754 206	523 861 905	27%	34%
Deposits from customers	6 472 459	955 334 948	5 798 895	809 177 808	12%	18%
Total equity	1 235 565	182 369 394	1 157 622	161 534 601	7%	13%
Earnings per share (in cents/kobos)	0,58	86,54	1,39	194,49	-59%	-56%
Dividend per share (in cents/kobos)	0,30	44,90	0,20	23,93	50%	88%

2009 was particularly difficult due to the global economic and financial crises. Nonetheless, we continued to build scale and liquidity. We also opened four new subsidiaries, bringing our presence to 29 countries by the close of the year.

As our geographical expansion is coming to an end, we are now well positioned to accelerate our financial and operating performance in the coming years.

Due to strong liquidity and our commitment to higher shareholder returns, we are proposing a 50% increase in dividend per share to 0.3 cents (2008: 0.2 cents) at the forthcoming Annual General Meeting.



**Ecobank Transnational Incorporated**  
**For the year ended 31 December 2009**

**Statement of directors' responsibilities**

**Responsibility for annual consolidated financial statements**

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

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

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

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

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

**Approval of annual consolidated consolidated financial statements**

The annual consolidated financial statements were approved by the board of directors on 23 April 2010 and signed on its behalf by:

Signed \_\_\_\_\_  
**Kolapo Lawson**  
Chairman

Signed \_\_\_\_\_  
**Arnold Ekpe**  
Group Chief Executive Officer

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ECOBANK TRANSNATIONAL INCORPORATED

### Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Ecobank Transnational Incorporated and its subsidiaries (the 'Group') which comprise the consolidated statement of financial position as of 31 December 2009 and the consolidated income statement and statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

#### *Directors' responsibility for the financial statements*

The directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditors' responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion*

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Signed \_\_\_\_\_

PricewaterhouseCoopers  
Chartered Accountants  
Lagos, Nigeria

Signed \_\_\_\_\_

PricewaterhouseCoopers SA  
Abidjan, Cote d' Ivoire

28 April 2010

**Ecobank Transnational Incorporated**

**Consolidated financial statements  
For the year ended 31 December 2009**

**Consolidated income statement**

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

**Year ended 31 December**  
**2009**                      **2008**

Interest income	763 954	710 249
Interest expense	(304 927)	(319 848)
<b>Net interest income</b>	<b>459 027</b>	<b>390 401</b>
Fee and commission income	249 566	275 683
Fee and commission expense	(9 360)	(9 545)
<b>Net fee and commission income</b>	<b>240 206</b>	<b>266 138</b>
Lease income	16 894	5 625
Dividend income	2 209	2 679
Net trading income	147 628	117 259
Gains less losses from investment securities	(1 467)	(11 299)
Other operating income	8 821	55 321
<b>Operating income before impairment loss</b>	<b>873 318</b>	<b>826 124</b>
Impairment losses for loans	(139 658)	(113 071)
<b>Operating income after impairment loss</b>	<b>733 660</b>	<b>713 053</b>
Staff expenses	(258 578)	(266 709)
Depreciation and amortisation	(61 470)	(49 869)
Other operating expenses	(312 546)	(234 234)
<b>Total operating expenses</b>	<b>(632 594)</b>	<b>(550 812)</b>
<b>Operating profit</b>	<b>101 066</b>	<b>162 241</b>
Share of profit of associates	-	144
<b>Profit before income tax</b>	<b>101 066</b>	<b>162 385</b>
Income tax expense	(36 466)	(51 245)
<b>Profit for the year</b>	<b>64 600</b>	<b>111 140</b>
<b>Attributable to:</b>		
Equity holders of the parent company	<b>51 075</b>	<b>94 195</b>
Non-controlling interest	13 525	16 945
	<b>64 600</b>	<b>111 140</b>
Earnings per share for profit attributable to the equity holders of the parent company during the year (expressed in United States cents per		
- basic	0,58	1,39
- diluted	0,57	1,35

**Ecobank Transnational Incorporated**

**Consolidated financial statements  
For the year ended 31 December 2009**

**Consolidated statement of financial position**

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

	<b>As at 31 December</b>	
	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>		
Cash and balances with central banks	901 945	810 393
Treasury bills and other eligible bills	531 567	420 316
Loans and advances to banks	1 380 451	1 994 951
Loans and advances to customers	4 766 197	3 754 206
Trading assets	7 469	7 106
Derivative financial instruments	10 017	-
Investment securities: available-for-sale	506 376	584 000
Investments in associates	-	1 514
Intangible assets	31 579	34 924
Property and equipment	474 214	315 802
Investment property	13 280	12 083
Deferred income tax assets	25 279	9 589
Other assets	358 149	361 302
	<b>9 006 523</b>	<b>8 306 186</b>
<b>LIABILITIES</b>		
Deposits from other banks	393 403	334 446
Due to customers	6 472 459	5 798 895
Other deposits	85 793	93 819
Derivative financial instruments	10 022	-
Borrowed funds	253 902	345 157
Other liabilities	477 001	495 825
Current income tax liabilities	36 662	37 073
Deferred income tax liabilities	32 743	31 180
Retirement benefit obligations	8 973	12 169
	<b>7 770 958</b>	<b>7 148 564</b>
<b>EQUITY</b>		
<b>Capital and reserves attributable to the equity</b>		
Share capital	867 714	774 496
Retained earnings	220 605	206 401
Other reserves	23 810	52 313
	<b>1 112 129</b>	<b>1 033 210</b>
<b>Non-controlling interests in equity</b>	<b>123 436</b>	<b>124 412</b>
	<b>1 235 565</b>	<b>1 157 622</b>
<b>Total liabilities and equity</b>	<b>9 006 523</b>	<b>8 306 186</b>

**Ecobank Transnational Incorporated**

**Consolidated financial statements  
For the year ended 31 December 2009**

**Consolidated statement of cash flows**

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

	<b>Year ended 31 December</b>	
	<b>2009</b>	<b>2008</b>
<b>Cash flows from operating activities</b>		
Interest and similar income received	756 557	667 225
Interest paid	(322 468)	(292 822)
Dividends received	2 209	2 679
Net fee and commission receipts	179 780	266 138
Net trading and other incomes	173 067	178 194
Cash payments to employees and suppliers	(710 760)	(604 458)
Income taxes paid	(51 004)	(51 426)
Changes in operating assets and liabilities		
- net decrease/(increase) in trading assets	(363)	3 269
- net decrease/(increase) in derivative financial assets	(10 017)	75 003
- net decrease/(increase) in other treasury bills	(304 708)	200 926
- net decrease/(increase) in	353 567	(461 374)
- net increase in loans and advances to customers	(1 011 991)	(637 170)
- net increase in other	10 550	(155 709)
- net increase in mandatory	(55 283)	(95 744)
- net increase in other deposits	85 793	93 819
- net increase in amounts due to customers	673 564	1 084 568
- net (decrease)/ increase in derivative liabilities	10 022	(75 000)
- net increase in other liabilities	(1 283)	119 740
Net cash from/(used in) operating activities	<u>(222 768)</u>	<u>317 858</u>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries, net of	4 180	25 656
Purchase of software	(2 642)	(18 322)
Purchase of property and equipment	(135 311)	(164 891)
Proceeds from sale of property and equipment	1 559	17 452
Purchase of investment securities	(2 499 265)	(172 351)
Proceeds from sale and redemption of securities	<u>2 542 535</u>	<u>71 948</u>
Net cash used in investing activities	<u>(88 944)</u>	<u>(240 508)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowed funds	1 963	133 391
Proceeds of subscription of ordinary shares	-	509 341
Issue of shares (minority interest)	14 791	-
Dividends paid to minority shareholders	(12 363)	(22 236)
Dividends paid	<u>(17 500)</u>	<u>(26 940)</u>
Net cash from/(used in) financing activities	<u>(13 109)</u>	<u>593 556</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(324 821)</b>	<b>670 906</b>
Cash and cash equivalents at start of year	1 493 804	856 154
Effects of exchange differences on cash and cash equivalents	<u>(152 257)</u>	<u>(33 256)</u>
<b>Cash and cash equivalents at end of year</b>	<b><u>1 016 726</u></b>	<b><u>1 493 804</u></b>

**Ecobank Transnational Incorporated**

**Consolidated financial statements  
For the year ended 31 December 2009**

**Notes**

**1 General information**

Ecobank Transnational Incorporated (ETI) and its subsidiaries (together, the group) provide retail, corporate and investment banking services throughout sub Saharan Africa outside South Africa. The Group has operations in 29 countries and employs 11,097 people (2008: 11,211) as at 31 December 2009.

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: 2 Avenue Sylvanus Olympio, Lome, Togo. The company has a primary listing on the Ghana Stock Exchange, the Nigerian Stock Exchange and the Bourse Regionale Des Valeurs Mobilières (Abidjan) Cote D'Ivoire.

The consolidated financial statements for the year ended 31 December 2009 have been approved for issue by the Board of Directors on 23 April 2010.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis of presentation**

The group's consolidated financial statements for the year 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements are prepared in accordance with going concern principle under the historical cost basis as modified by the revaluation of certain assets and liabilities where required or elected in terms of IFRS.

**2.2 Changes in accounting policies**

Accounting policies are consistent with those adopted in the previous year.

**3 Non performing loan ratio**

Non performing loans to total loans ratio was 16.0% (2008: 17.0%)

**4 Corporate Social Responsibility**

In 2009 the Group spent a total of US\$1.2 million (2008: US\$1.9 million) on social activities such as sports sponsorships and donations to hospitals, and education.

**5 Contingent Liabilities**

Contingent liabilities in respect of bankers acceptance, guarantees, letters of credits and commitments to extend credit not provided for in the financial statements were US\$1,616 million (2008: US\$2,258 million)

**6 Dividend**

At the forthcoming annual general meeting, a dividend in respect of 2009 of 0.3 cents per share (2008: 0.2 cents per share) is to be proposed. This amounts to a total of US\$29.7 million (2008: US\$17.5 million).