

Ecobank Transnational Incorporated

Consolidated financial statements
For the year ended 31 December 2010

Consolidated income statement

(All amounts in US dollar thousands unless otherwise stated)

	Note	Year ended 31 December	
		2010	2009
Interest income	6	697 084	763 954
Interest expense	6	(222 313)	(304 927)
Net interest income		474 771	459 027
Fee and commission income	7	297 522	249 566
Fee and commission expense	7	(10 653)	(9 360)
Net fee and commission income		286 869	240 206
Lease income	8	10 223	16 894
Dividend income	9	2 587	2 209
Net trading income	10	117 233	147 628
Net gains/losses from investment securities	11	111	(1 467)
Other operating income		7 849	8 821
Operating income before impairment loss		899 643	873 318
Impairment losses for loans and advances	12	(101 473)	(139 658)
Operating income after impairment loss		798 170	733 660
Staff expenses	13	(265 381)	(258 578)
Depreciation and amortisation	13	(68 687)	(61 470)
Other operating expenses	13	(295 112)	(312 546)
Total operating expenses		(629 180)	(632 594)
Operating profit		168 990	101 066
Share of profit of associates (Note 23)		36	-
Profit before income tax		169 026	101 066
Income tax expense	14	(37 207)	(36 466)
Profit for the year		131 819	64 600
Attributable to:			
Equity holders of the parent company		112 716	51 075
Non-controlling interest		19 103	13 525
		131 819	64 600
Earnings per share for profit attributable to the equity holders of the parent company during the year (expressed in United States cents per share):			
- basic	15	1,14	0,58
- diluted	15	1,13	0,57

The notes on pages 8 to 53 are an integral part of these consolidated financial statements

Ecobank Transnational Incorporated

Consolidated financial statements

For the year ended 31 December 2010

Consolidated statement of comprehensive income

(All amounts in US dollar thousands unless otherwise stated)

	Note	Year ended 31 December	
		2010	2009
Profit for the year		131 819	64 600
Exchange difference on translation of foreign operations		(70 889)	(111 997)
Available-for-sale investments:			
Net valuation (losses)/gains taken to equity	38	29 150	(348)
Reclassified to income statement	38	(171)	1 403
Property and equipment - net revaluation gain/loss	25	-	63 522
Taxation relating to components of other comprehensive income	34	(8 300)	(16 164)
Other comprehensive income for the year, net of taxation		(50 210)	(63 584)
Total comprehensive income for the period		81 609	1 016
Total comprehensive income attributable to:			
Equity holders of the parent		68 833	58 380
Non controlling interest		12 776	(57 364)
		81 609	1 016

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Consolidated statement of financial position

(All amounts in US dollar thousands unless otherwise stated)

	Note	As at 31 December	
		2010	2009
ASSETS			
Cash and balances with central banks	16	1 126 222	901 945
Treasury bills and other eligible bills	17	588 922	531 567
Loans and advances to banks	18	1 613 322	1 380 451
Trading assets	19	6 803	7 469
Derivative financial instruments	20	10 000	10 017
Loans and advances to customers	21	5 264 184	4 766 197
Investment securities: available-for-sale	22	893 125	506 376
Investment in associate	23	3 181	-
Intangible assets	24	28 168	31 579
Property and equipment	25	464 289	474 214
Investment property	26	12 948	13 280
Deferred income tax assets (Note 34)		35 734	25 279
Other assets	27	419 973	358 149
Total assets		10 466 871	9 006 523
LIABILITIES			
Deposits from other banks	28	372 384	393 403
Due to customers	29	7 924 585	6 472 459
Other deposits	30	50 918	85 793
Derivative financial instruments (Note 20)		9 913	10 022
Borrowed funds	31	225 975	253 902
Other liabilities	32	518 964	477 001
Current income tax liabilities		35 933	36 662
Deferred income tax liabilities	34	27 442	32 743
Retirement benefit obligations	35	8 147	8 973
Total liabilities		9 174 261	7 770 958
EQUITY			
Capital and reserves attributable to the equity holders of the parent entity			
Share capital	37	866 709	866 709
Retained earnings	38	282 250	221 610
Other reserves	38	6 388	23 810
		1 155 347	1 112 129
Non-controlling interests in equity		137 263	123 436
Total equity		1 292 610	1 235 565
Total liabilities and equity		10 466 871	9 006 523

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Consolidated financial statements
For the year ended 31 December 2010

Consolidated statement of changes in equity

(All amounts in US dollar thousands unless otherwise stated)

	Note	Attributable to equity holders of the company			Non-controlling interest	Total
		Share capital	Retained earnings	Other reserves		
At 1 January 2009		774 496	206 401	52 313	124 412	1 157 622
Reclassification of share issue expenses		(1 005)	1 005			-
Restated		773 491	207 406	52 313	124 412	1 157 622
Net changes in available for sale investments, net of tax	38	-	-	541	-	541
Net gains on revaluation of property	38			47 872		47 872
Currency translation differences		-	-	(95 068)	(16 929)	(111 997)
Net income recognised directly in equity		-	-	(46 655)	(16 929)	(63 584)
Profit for the year		-	51 075	-	13 525	64 600
Total comprehensive income for the year		-	51 075	(46 655)	(3 404)	1 016
Dividend relating to 2008	39	-	(17 500)	-	(12 363)	(29 863)
Transfer to general banking reserves	38	-	(9 449)	9 449	-	-
Transfer to statutory reserve	38	-	(13 235)	13 235	-	-
Share options granted	38	-	3 313	-	-	3 313
Convertible loans - equity component	32	93 218	-	(4 532)	-	88 686
Proceeds from shares issued:						
- Rights issue	38	-	-	-	14 791	14 791
At 31 December 2009 / 1 January 2010		<u>866 709</u>	<u>221 610</u>	<u>23 810</u>	<u>123 436</u>	<u>1 235 565</u>
Net changes in available for sale investments, net of tax	38	-	-	20 679	-	20 679
Currency translation differences	38	-	-	(64 562)	(6 327)	(70 889)
Net gains on revaluation of property				-		-
Net loss recognised directly in equity		-	-	(43 883)	(6 327)	(50 210)
Profit for the year		-	112 716	-	19 103	131 819
Total comprehensive income for the year		-	112 716	(43 883)	12 776	81 609
Dividend relating to 2009	39	-	(29 745)	-	(13 469)	(43 214)
Transfer to general banking reserves	38	-	(11 180)	11 180	-	-
Transfer to statutory reserve	38	-	(15 281)	15 281	-	-
Share options granted	37	-	4 130	-	-	4 130
Net proceeds from shares issued:						
- Rights issue		-	-	-	14 520	14 520
At 31 December 2010		<u>866 709</u>	<u>282 250</u>	<u>6 388</u>	<u>137 263</u>	<u>1 292 610</u>

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Consolidated financial statements
For the year ended 31 December 2010

Consolidated statement of cash flows

(All amounts in US dollar thousands unless otherwise stated)

	Note	Year ended 31 December	
		2010	2009
Cash flows from operating activities			
Interest income received		697 084	756 557
Interest expense paid		(222 313)	(322 468)
Dividends received		2 587	2 209
Net fee and commission receipts		320 620	179 780
Fee and commission paid			
Net trading and other incomes		135 341	173 067
Cash payments to employees and suppliers		(557 355)	(710 760)
Income taxes paid		(53 692)	(51 004)
Cash flows from operating profits before changes in operating assets and liabilities:			
Changes in operating assets and liabilities			
- net decrease/(increase) in trading assets		666	(363)
- net decrease in other financial assets at fair value		-	-
- net decrease/(increase) in derivative financial assets		17	(10 017)
- net decrease/(increase) in other treasury bills		(7 584)	(304 708)
- net decrease/(increase) in loans and advances to banks		(254 411)	353 567
- net increase in loans and advances to customers		(628 616)	(1 011 991)
- net increase in other assets		(107 099)	10 550
- net increase in mandatory reserve deposits		(98 429)	(55 283)
- net increase in other deposits		50 918	85 793
- net increase in amounts due to customers		1 452 126	673 564
- net (decrease)/ increase in derivative liabilities		(109)	10 022
- net increase in other liabilities		40 499	(1 283)
Net cash from/(used in) operating activities		<u>770 250</u>	<u>(222 768)</u>
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		3 122	4 180
Purchase of software	24	(5 409)	(2 642)
Purchase of property and equipment	25	(83 235)	(135 311)
Proceeds from sale of property and equipment		13 574	1 559
Purchase of investment securities	22	(2 724 432)	(2 499 265)
Proceeds from sale and redemption of securities		2 338 776	2 542 535
Net cash used in investing activities		<u>(457 604)</u>	<u>(88 944)</u>
Cash flows from financing activities			
Proceeds from borrowed funds		(27 927)	1 963
Issue of shares (minority interest)		14 520	14 791
Dividends paid to minority shareholders		(13 469)	(12 363)
Dividends paid	38	(29 745)	(17 500)
Net cash from/(used in) financing activities		<u>(56 621)</u>	<u>(13 109)</u>
Net (decrease)/increase in cash and cash equivalents		256 025	(324 822)
Cash and cash equivalents at start of year	40	1 016 726	1 493 804
Effects of exchange differences on cash and cash equivalents		(80 927)	(152 256)
Cash and cash equivalents at end of year	40	<u>1 191 824</u>	<u>1 016 726</u>

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