

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 includes 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 its consolidated financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

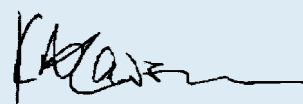
The Directors accept responsibility for the annual consolidated financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards.

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 the financial statements, as well as adequate systems of internal financial control.

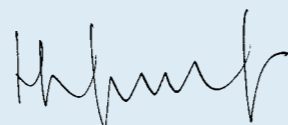
Nothing has come to the attention of the Directors to indicate that the company and its subsidiaries will not remain a going concern for at least twelve months from the date of this statement.

Approval of annual consolidated financial statements

The accompanying consolidated financial statements were approved by the Board of Directors on 16 March 2012 and signed on its behalf by:



Kolapo Lawson
Group Chairman
Board of Directors



Arnold Ekpe
Group Chief Executive Officer

Report of the Independent Auditors to the Shareholders 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 2011 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 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria
28 March 2012



PricewaterhouseCoopers, SA
Chartered Accountants
Abidjan, Côte d'Ivoire
28 March 2012

Consolidated income statement

(All amounts in thousands of US dollars unless otherwise stated)

	Year ended 31 December	
	2011	2010
Interest income	878,493	697,084
Interest expense	(295,103)	(222,313)
Net interest income	583,390	474,771
Insurance premium income	2,466	-
Insurance premium ceded to reinsurers	(418)	-
Net insurance premium	2,048	-
Fee and commission income	404,475	297,522
Fee and commission expense	(21,453)	(10,653)
Net fee and commission income	383,022	286,869
Lease income	8,706	10,223
Dividend income	4,209	2,587
Net trading income	182,737	117,233
Net gains / (losses) from investment securities	(549)	111
Other operating income	32,065	7,849
Other income	227,168	138,003
Operating income before impairment loss	1,195,628	899,643
Impairment losses for loans and advances	(85,748)	(101,473)
Operating income after impairment loss	1,109,880	798,170
Insurance benefits	53	-
Insurance claims and loss adjustment expenses	(772)	-
Insurance claims and loss adjustments recovered from insurers	26	-
Expenses for acquisition of insurance and investment contracts	(87)	-
Staff expenses	(346,660)	(265,381)
Depreciation and amortization	(81,846)	(68,687)
Other operating expenses	(403,418)	(295,112)
Total operating expenses	(832,704)	(629,180)
Operating profit	277,176	168,990
Share of profit of associates	246	36
Profit before income tax	277,422	169,026
Income tax expense	(70,582)	(37,207)
Profit for the year	206,840	131,819
Attributable to:		
Equity holders of the parent company	182,207	112,716
Non-controlling interest	24,633	19,103
	206,840	131,819

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	1.76	1.14
- Diluted	1.55	1.13

Consolidated statement of comprehensive income

(All amounts in thousands of US dollars unless otherwise stated)

	Year ended 31 December	
	2011	2010
Profit for the year	206,840	131,819
Exchange difference on translation of foreign operations	(81,296)	(70,889)
Available-for-sale investments:		
- Net valuation (losses) / gains taken to equity	(87,969)	29,150
- Reclassified to income statement	(14)	(171)
Property and equipment - net revaluation gain / (loss)	21,874	-
Taxation relating to components of other comprehensive income	23,236	(8,300)
Other comprehensive income for the year, net of taxation	(124,169)	(50,210)
Total comprehensive income for the period	82,671	81,609
Total comprehensive income attributable to:		
- Equity holders of the parent	62,752	68,833
- Non-controlling interest	19,919	12,776
	82,671	81,609

Consolidated statement of financial position

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

	As at 31 December	
	2011	2010
Assets		
Cash and balances with central banks	1,707,380	1,126,222
Treasury bills and other eligible bills	745,943	588,922
Loans and advances to banks	2,558,590	1,613,322
Trading assets	1,570	6,803
Derivative financial instruments	8,611	10,000
Reinsurance assets	3,282	-
Loans and advances to customers	7,359,940	5,264,184
Investment securities: available-for-sale	2,697,911	893,125
Pledged assets	97,446	-
Investment in associate	3,436	3,181
Intangible assets	460,510	28,168
Property and equipment	820,366	464,289
Investment property	72,177	12,948
Deferred income tax assets	38,752	35,734
Other assets	585,998	419,973
Total assets	17,161,912	10,466,871
Liabilities		
Deposits from other banks	936,612	372,384
Due to customers	12,076,495	7,924,585
Other deposits	170,099	50,918
Derivative financial instruments	10,270	9,913
Insurance liabilities	3,282	-
Borrowed funds	1,403,021	225,975
Other liabilities	1,040,294	518,964
Current income tax liabilities	42,992	35,933
Deferred income tax liabilities	3,328	27,442
Retirement benefit obligations	16,183	8,147
Total liabilities	15,702,576	9,174,261
Equity		
Capital and reserves attributable to the equity holders of the parent entity		
Share capital	1,080,186	866,709
Retained earnings and reserves	274,019	288,638
	1,354,205	1,155,347
Non-controlling interests in equity	105,131	137,263
Total equity	1,459,336	1,292,610
Total liabilities and equity	17,161,912	10,466,871

Consolidated statement of changes in equity

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

	Attributable to equity holders of the company			Non-controlling interest	Total
	Share capital	Retained earnings	Other reserves		
At 1 January 2010	866,709	221,610	23,810	123,436	1,235,565
Net changes in available for sale investments, net of tax	-	-	20,679	-	20,679
Currency translation differences	-	-	(64,562)	(6,327)	(70,889)
Net income recognized 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	-	(29,745)	-	(13,469)	(43,214)
Transfer to general banking reserves	-	(11,180)	11,180	-	-
Transfer to statutory reserve	-	(15,281)	15,281	-	-
Share options granted	-	4,130	-	-	4,130
Proceeds from shares issued:					
- Rights issue	-	-	-	14,520	14,520
At 31 December 2010 / 1 January 2011	866,709	282,250	6,388	137,263	1,292,610
Net changes in available for sale investments, net of tax	-	-	(59,802)	-	(59,802)
Currency translation differences	-	-	(76,582)	(4,714)	(81,296)
Net gains on revaluation of property	-	-	16,929	-	16,929
Net loss recognized directly in equity	-	-	(119,455)	(4,714)	(124,169)
Profit for the year	-	182,207	-	24,633	206,840
Total comprehensive income for the year	-	182,207	(119,455)	19,919	82,671
Dividend relating to 2010	-	(39,653)	-	(15,319)	(54,972)
Transfer to general banking reserves	-	(10,722)	10,722	-	-
Transfer to statutory reserve	-	(22,617)	22,617	-	-
Reclassification of share option reserve	-	(13,037)	13,037	-	-
Share options granted	-	(12,538)	-	-	(12,538)
Convertible loans - equity component	-	-	25,501	-	25,501
Net proceeds from shares issued:					
- Private placement	187,320	-	-	3,493	190,813
- Share issue to purchase minority interest of Ecobank Nigeria	26,362	13,863	-	(40,225)	-
- Share option exercised	1,964	-	-	-	1,964
- Transfer from retained earnings - Share option exercised	369	(369)	-	-	-
Share issue expenses	(2,538)	-	-	-	(2,538)
Elimination of investments in Oceanic subsidiaries	-	(64,175)	-	-	(64,175)
At 31 December 2011	1,080,186	315,209	(41,190)	105,131	1,459,336

Consolidated statement of cash flows

(All amounts in thousands of US dollars unless otherwise stated)

	Year ended 31 December	
	2011	2010
Cash flows from operating activities		
Interest income received	878,493	697,084
Interest expense paid	(295,103)	(222,313)
Dividends received	4,209	2,587
Net fee and commission receipts	396,013	320,620
Net trading and other incomes	223,754	135,341
Cash payments to employees and suppliers	(762,398)	(557,143)
Income taxes paid	(90,655)	(53,692)
Changes in operating assets and liabilities		
– Net decrease / (increase) in trading assets	5,233	666
– Net decrease / (increase) in derivative financial assets	1,389	17
– Net decrease / (increase) in other treasury bills	(176,847)	(7,584)
– Net decrease / (increase) in loans and advances to banks	(744,641)	(254,411)
– Net increase in loans and advances to customers	(520,111)	(628,616)
– Net increase in pledged assets	(97,446)	–
– Net (increase) / decrease in other assets	22,625	(107,099)
– Net increase in mandatory reserve deposits	(104,858)	(98,429)
– Net increase in other deposits	119,181	50,918
– Net increase in amounts due to customers	965,096	1,452,126
– Net (decrease) / increase in derivative liabilities	357	(109)
– Net (decrease) / increase in other liabilities	(2,732)	40,499
Net cash from / (used in) operating activities	(178,441)	770,462
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	1,076,600	3,122
Purchase of software	(56,294)	(5,409)
Purchase of property and equipment	(109,298)	(83,235)
Proceeds from sale of property and equipment	30,364	13,574
Purchase of investment securities	(3,213,971)	(2,724,432)
Proceeds from sale and redemption of securities	2,185,353	2,338,776
Net cash used in investing activities	(87,246)	(457,604)
Cash flows from financing activities		
Proceeds from / (payment of) borrowed funds	719,285	(27,927)
Proceeds of subscription of ordinary shares	3,493	14,520
Dividends paid to non-controlling shareholders	(15,319)	(13,469)
Dividends paid	(39,653)	(29,745)
Net cash from / (used in) financing activities	667,806	(56,621)
Net (decrease) / increase in cash and cash equivalents	402,119	256,237
Cash and cash equivalents at start of year	1,191,824	1,016,726
Effects of exchange differences on cash and cash equivalents	(263,347)	(81,139)
Cash and cash equivalents at end of year	1,330,596	1,191,824

Five-year summary financials

(All amounts in thousands of US dollars unless otherwise stated)

	2011	2010	2009	2008	2007
At the year end					
Total assets	17,161,912	10,466,871	9,006,523	8,306,186	6,550,224
Loans and advances to customers	7,359,940	5,264,184	4,766,197	3,754,206	3,117,036
Deposits from customers	12,076,495	7,924,585	6,472,459	5,798,895	4,714,327
Total equity	1,459,336	1,292,610	1,235,565	1,157,622	651,760
Book value per share (cents)	12.1	11.4	12.1	11.4	6.5
For the year					
Revenues	1,195,628	899,643	873,318	826,124	543,988
Profit before tax	277,422	169,026	101,066	162,385	190,570
Profit after tax	206,840	131,819	64,600	111,140	138,936
Profit attributable	182,207	112,716	51,075	94,195	107,373
Earnings per share – basic (cents)	1.76	1.14	0.58	1.39	1.56
Earnings per share – diluted (cents)	1.55	1.13	0.57	1.35	1.51
Dividend per share (cents)	0.4	0.4	0.3	0.2	0.4
Return on average equity	15.9%	10.4%	5.6%	17.1%	24.5%
Return on average assets	1.5%	1.4%	0.7%	1.5%	2.8%
Efficiency ratio	69.6%	69.9%	72.4%	66.7%	61.4%