THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ CAREFULLY. If you are in doubt about its contents or the action to take, please consult your stockbroker, banker, solicitor, accountant or other professional adviser for guidance. For information concerning certain risk factors which should be considered by prospective investors, see "risk factors" in section 3.5.

Prospectus

ECOBANK

TRANSNATIONAL INCORPORATED

Incorporated in Togo, Registration No: 1986B1575

RIGHTS ISSUE

of 3,763,759,981 ordinary shares of US$0.025 each at US$ 0.27 per share
in a ratio of 5 new shares for every 9 existing shares held
payable in full on application

AND

OFFER FOR SUBSCRIPTION

of 5,116,499,328 ordinary shares of US$0.025 each
at US$ 0.29 per share payable in full on application

Offer opens: August 25, 2008
Offer closes: October 3, 2008

Issuing Houses and Sponsoring Stockbrokers:

Ghana:

EDC Stockbrokers Limited SIC Financial Services Limited.

Nigeria:

Ecobank Nigeria Plc
RC 89773

Stanbic IBTC Bank Plc
RC 125097

ICMG Securities Limited
RC 174789

UEMOA:

EDC Investment Corporation CGF Bourse

This Prospectus and the securities which it offers have been cleared and registered with the respective securities regulatory authorities in Ghana, Nigeria and the Union Economique et Monetaire Ouest Africaine (UEMOA). It is a civil wrong and a criminal offence under the applicable legislations in Ghana, Nigeria and UEMOA, to issue a Prospectus which contains false or misleading information. Clearance and registration of this Prospectus and the securities which it offers do not relieve the parties from any liability arising under the applicable legislations for false or misleading statements contained herein or for any omission of a material fact.

The distribution of this Prospectus and the offering of the shares in certain jurisdictions may be restricted by law and must not be distributed in the United States of America. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about, and observe any such restriction. This Prospectus does not constitute an offer and may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

This Prospectus is dated: August 18, 2008

ECOBANK GROUP

Countries in which Ecobank is currently present.

- Ecobank is Africa's leading independent Pan African banking group with a presence in 25 west, central, eastern and southern African countries - more than any other banking group.
- Ecobank comprises ETI, the parent company which operates as a bank holding company and 32 operating subsidiaries involved in commercial banking, investment banking and information technology.
- Ecobank employs over 8,000 professionals from 27 African countries (including Anglophone, Francophone and Lusophone Africa) across 500 branches and offices.
- As at June 30, 2008 total assets exceeded US$7.0 billion.
- ETI, the parent company is supervised by the *Commission Bancaire* of the UMOA and the subsidiaries by their respective country regulatory authorities.
- Ecobank operates as one banking group with common policies and standards and not as a group of banks.
- ETI, the parent company adheres to International Financial Reporting Standards (IFRS) and reports in US dollars.
- ETI is listed on the Ghana Stock Exchange (GSE), Nigerian Stock Exchange (NSE) and on the Bourse Régionale des Valeurs Mobilières (BRVM), the regional stock exchange in Abidjan.

GROUP SUBSIDIARIES

ECOBANK TRANSNATIONAL INCORPORATED
2, Avenue Sylvanus Olympio, B.P. 3261, Lomé – Togo
Tel. : +(228) 221 03 03 / 221 31 68 – Fax: + (228) 221 51 19 - Email : info@ecobank.com

BANKING SUBSIDIARIES

BENIN
Rue du Gouverneur Bayol
01 B.P. 1280- Cotonou
Benin
Tel: (229) 21 31 40 23
Fax: (229) 21 31 33 85
Email: ecobankbj@ecobank.com

BURKINA-FASO
633, Rue Maurice Bishop
01 B.P. 145- Ouagadougou 01
Burkina-Faso
Tel: (226) 50 328 328
Fax: (226) 50 318 981
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BURUNDI
6, Rue de la Science
B.P. 270 Bujumbura, Burundi
Tel: (257) 22 22 63 51
Fax: (257) 22 22 54 37
Email: ecobankbi@ecobank.com

CAPE VERDE
ECV Servicos Financieros
Agencia de Cambios
43 A Avenida Amilar Cabral,
Praia, Santiago Cabo Verde
Tel: (238) 261 78 56
Fax: (238) 261 78 60
Email: ecvcambios@cvtelecom.cv

CAMEROON
Boulevard de la Liberté
B.P. 582
Douala
Cameroon
Tel: (237) 33 43 82 50/ 53/54
Fax:(237) 33 43 86 09
Email: ecobankcm@ecobank.com

CENTRAL AFRICAN REPUBLIC
Place de la République
B.P. 910,
Bangui
République Centrafrique
Tel: (236) 61 00 42
Fax: (236) 21 61 61 36
Email: ecobankcf@ecobank.com

CHAD
Avenue Charles de Gaulle
N'Djamena
Tchad
Tel: (235) 52 43 14
Fax: (235) 53 23 45
Email: ecobanktd@ecobank.com

CONGO BRAZZAVILLE
Rond point de la coupole
B.P. 2485
Brazzaville - Congo
Tel: (242) 661 20 20
Fax:
Email: ecobankcg@ecobank.com

CÔTE D'IVOIRE
Immeuble Alliance
Avenue Terrasson de Fougères
01 B.P. 4107-Abidjan 01
Côte d'Ivoire
Tel: (225) 20 31 92 00
Fax: (225) 20 21 88 16
Email:ecobankci@ecobank.com

DEMOCRATIC REPUBLIC OF CONGO
Immeuble Future Tower
3642, Boulevard du 30 Juin
B.P 7515 Kinshasa/Gombe
Democratic Republic of Congo
Tel: (243) 99 601 6000
Fax: (243) 99 601 6070
Email: ecobankcd@ecobank.com

GAMBIA
42 Kairaba Avenue
K M C - Box 3149 - Serrekunda
Banjul
The Gambia
Tel: (220) 439 90 31/3
Fax: (220) 439 90 34
Email: ecobankgm@ecobank.com

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19, Seventh Avenue Ridge West
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Accra North
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Tel: (233) 21 68 11 66/ 67
Fax: (233) 21 68 04 28
Email: ecobankgh@ecobank.com

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Guinea Bissau
Tel: (245) 72 53 194
Fax: (245) 20 73 63
Email: ecobankgw@ecobank.com

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Fax: (224) 45 42 41
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Fax: (231) 22 70 29
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Fax: (265) 01 822 683 / 820 583
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Fax: (234) 1261 65 68
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Fax: (239) 22 26 72
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Fax: (221) 33 823 47 07
Email: ecobanksn@ecobank.com

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Fax: (228) 221 42 37
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SPECIALIZED SUBSIDIARIES

*Investment Banking unit and its subsidiaries denoted by **

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Tel: (228) 221 03 03/221 31 68
Fax: (228) 221 51 19
Email: edcinfo@ecobank.com

EDC Investment Corporation*
Immeuble Alliance
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Fax: (225) 20 21 10 46
Email: eicbourse@ecobank.com

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Fax:(237) 343 84 87
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Fax: (234) 1 4610 345
Email: eslsecurities@ecobank.com

EDC Stockbrokers Limited*
5 Second Ridge Link North Ridge
P.M.B. G.P.O., Accra
Ghana
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Fax: (233) 21 25 17 34
Email: edc@ecobank.com

Ecobank Asset Management*
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Imm. Alliance B–ler etage– Plateau
01 B.P. 4107 Abidjan 01
Tel.: (225) 20 22 26 68/69
Fax: (225) 20 22 26 70
Email: eam@ecobank.com

Specialized Technology Subsidiary

eProcess International SA
20, Avenue Sylvanus Olympio
B.P. 3302
Lomé
Togo
Tel: (228) 222 23 16
Fax: (228) 222 24 34
Email: *eprocess@ecobank.com*

TABLE OF CONTENTS

ABBREVIATIONS AND DEFINITIONS

Term	Definition
BCEAO	Banque Centrale des Etats de l'Afrique de l'Ouest
BCG	Banque Centrale de Guinea
BRVM	Bourse Régionale des Valeurs Mobilières
Business Day	Any day other than Saturday, Sunday or public holiday in Ghana, Nigeria or Côte d'Ivoire
CBN	Central Bank of Nigeria
CEEAC	Communaute Economique des états de l'Afrique Centrale
CEMAC	Communaute Economique et Monetaire de l'Afrique Centrale
CNPS	Caisse Nationale de Prevoyance Sociale
CREPMF	Conseil Regionale de l'Epargne et des Marches Financier
DRC	Democratic Republic of Congo
EBB	Ecobank Benin
EBC	Ecobank Cameroon
EBF	Ecobank Burkina Faso
EBG	Ecobank Ghana
EBID	ECOWAS Bank for Investment & Development
EBL	Ecobank Liberia
EBM	Ecobank Mali
EBN	Ecobank Nigeria
EBS	Ecobank Senegal
EBT	Ecobank Togo
ECG	Ecobank Guinea
ECI	Ecobank Côte d'Ivoire
ECN	Ecobank Niger
Ecobank (or "Ecobank Group" or "Group")	ETI and all its affiliates and subsidiaries
ECOWAS	Economic Community of West African States
ECV	Ecobank Cape Verde
EDC	Ecobank Development Corporation
EGM	Extraordinary General Meeting
ESA	East and Southern Africa
ETI (or "the Company")	Ecobank Transnational Incorporated
FCA	Fellow of the Institute of Chartered Accountants of Nigeria
Financial Adviser(s)	EDC and First Africa; and in the case of Ghana SEM International Associates Limited
GCEO	Group Chief Executive Officer
GDP	Gross Domestic Product

GDR	Global Depository Receipts
GSE	Ghana Stock Exchange
IBTC	Stanbic IBTC Chartered Bank Plc
ICMG	ICMG Securities Limited
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
Issuing Houses	The institutions advising the Company on regulatory and financial matters relating to the transaction in Nigeria.
Middle Africa	Africa south of the Sahara, excluding South Africa
MRC	Multinational and Regional Corporates
NDIC	Nigeria Deposit Insurance Corporation
NSE	The Nigerian Stock Exchange
The Offer (or "Offer")	The Offer consists of a Rights Issue of 3,763,759,981 ordinary shares and an Offer for Subscription of 5,116,499,328 ordinary shares.
Offer for Subscription	Offer for Subscription of 5,116,499,328 ordinary shares of US$0.025 each in ETI at US$0.29 per share
OHADA	L'Organisation pour l'Harmonisation en Afrique du Droit des Affaires (Organisation for the Harmonisation of Business Laws in Africa)
OTTR	Operations, Technology, Transaction and Retail
P/E Ratio	Price / Earnings Ratio
Prospectus	This legal document issued in respect of the Offer
Receiving Agent	Bank, stockbroker or other market operator authorised to receive Application Forms and monies from investors
Rights Issue	Rights Issue of 3,763,759,981 ordinary shares of US$0.025 each in ETI at US$0.27 in the ratio of 5 new ordinary shares for every 9 ordinary shares held as at August 18, 2008
ROA	Return on Assets
ROE	Return on Equity
SEC	Securities and Exchange Commission
Sponsoring Stockbrokers	The institutions advising the Company and sponsoring the Offer on the GSE and BRVM.
SSNIT	Social Security and National Insurance Trust
Stockbrokers	The institutions advising the Company and sponsoring the Offer on the NSE.
The Exchange	The NSE, GSE and BRVM collectively
UEMOA	Union Économique et Monétaire Ouest Africaine (West African Economic and Monetary Union)
UMOA	Union Monetaire Ouest Africaine
WAMZ	Six ECOWAS member countries (The Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone
US$	United States dollar

IMPORTANT NOTICE

Responsibility for the accuracy of the information in this Prospectus lies with the Directors of Ecobank Transnational Incorporated (ETI). To the best knowledge and belief of the Directors of ETI, having taken all reasonable care, the information in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

A copy each of this document has been delivered to the Registrar of Companies in Ghana and registered on August 25, 2008. The Registrar has not checked and will not check the accuracy of any statement made, and accept no responsibility therefore for the financial soundness of the Company or the value of the securities concerned. This document was registered by the Securities & Exchange Commission, Nigeria on August 25, 2008 and by CREPMF of UEMOA on August 25, 2008.

Applications have been made to the Ghana Stock Exchange and the Nigerian Stock Exchange (together referred to as "the Exchanges"), for the additional listing of 8,880,259,309 fully paid shares that will be issued under this Offer. The Exchanges have given approval for the additional listing of the said shares. In the case of the Bourse Régionale des Valeurs Mobilières (BRVM), listing approval is granted upon successful closure of an offer. The Exchanges assume no responsibility for the correctness of any of the statements made, opinions expressed and reports presented in this Prospectus. The shares are offered on the basis of the information and representations contained in this Prospectus and other documents referred to herein. The Company has not authorised any person to give any information or to make any representation other than those contained in this document, and if given or made, such information or representation must not be relied upon as having been authorised.

This Prospectus has been reviewed and approved by the securities regulatory authorities of the three jurisdictions in accordance with their securities laws. In their review, the regulatory authorities examined the contents of the Prospectus to ensure that adequate disclosures have been made. To ascertain the financial soundness or value of the securities on offer, investors are advised to consult a securities dealer, investment adviser, or other professional adviser for appropriate advice.

ECOBANK

TRANSNATIONAL INCORPORATED

Incorporated in Togo on October 3, 1985 as a Public Limited Liability Company
Registration No: 1986B1575

Rights Issue

of 3,763,759,981 ordinary shares of US$0.025 each at US$ 0.27 per share in a ratio of 5 new shares for every 9 existing shares held

and

Offer for Subscription

of 5,116,499,328 ordinary shares of US$0.025 each at US$ 0.29 per share

by:

Ghana: EDC Stockbrokers Limited and SIC Financial Services Limited

Nigeria: Ecobank Nigeria Plc, Stanbic IBTC Bank Plc and ICMG Securities Limited

UEMOA: EDC Investment Corporation and CGF Bourse

The distribution of this Prospectus and the offering of the shares in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about, and observe any such restriction. This Prospectus does not constitute an Offer and may not be used for the purpose of an Offer or solicitation by anyone in any jurisdiction or in any circumstances in which such an Offer or solicitation is not authorised or is unlawful. This prospectus and the information contained herein relate solely to the Offer and should not be relied upon for any other purpose. Any information relevant to an international offering mentioned herein will be contained in a separate offering document which may be published in due course.

The value of shares can go down as well as up. Past performance is not necessarily indicative of future performance. Before deciding whether to apply for shares, you should consider whether shares are a suitable investment for you. You should also inform yourself as to: (a) any foreign exchange restrictions or exchange control requirements, which you might encounter on the acquisition of shares, and (b) the tax consequences of the acquisition, holding or disposal of the shares. If you need advice, you should consult a suitable professional adviser.

Neither the delivery of this document nor any sale hereunder shall under any circumstances, create any impression that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date. Any material change, relevant to the Offer, in the affairs of the Company during the Offer period will be communicated to the regulatory authorities and the investing public.

EDC Stockbrokers Ltd., SIC Financial Services Ltd., Ecobank Nigeria Plc, ICMG Securities Ltd., Stanbic IBTC Bank Plc, EDC Investment Corporation Limited and CGF Bourse are acting as Issuing Houses for the Company. The Issuing Houses/Sponsoring Brokers have relied on information provided by the Company and accordingly, they do not provide any assurance of the accuracy of the information contained in this Prospectus and do not accept any responsibility or liability for any inaccuracy of the information contained in the Prospectus. The Issuing Houses/Sponsoring Brokers do however confirm that to the best of their knowledge, this Prospectus constitutes a full and fair disclosure of all material facts about the Company and the Offer.

The Date of this Prospectus is August 18, 2008.

THE OFFER TIMETABLE

Activity	Date	Time (GMT)
Offer opens	August 25, 2008	09.00 hours
Offer closes	October 3, 2008	17.00 hours
Receiving Agents make final returns	October 17, 2008	17.00 hours
Lifting of technical suspension on the NSE	October 17, 2008	17.00 hours
Allotment begins	October 31, 2008	09.00 hours
Allotment ends	November 7, 2008	17.00 hours
Results of the Offer submitted to regulators	November 7, 2008	17.00 hours
Dispatch of share certificates (where applicable)	December 5, 2008	17.00 hours
Commencement of trading in the new shares	December 12, 2008	10.00 hours

All dates provided are subject to change by the Sponsoring Stockbrokers/Issuing Houses to the Offer in consultation with the Directors of the Company and subject to obtaining the necessary regulatory approvals. Any amendment will be published in daily newspapers with wide circulation in Ghana, Nigeria and the UEMOA region not later than 72 hours of receipt of regulatory approvals.

LEGAL ADVISER'S COMPLIANCE CERTIFICATES

Lawfields
CONSULTING

#799/3, 5th Crescent
Asylum Down, Accra (off Ring Road)
PMB CT 244, Accra, Ghana
Tel: (233.21) 240 649
Fax: (233.21) 240 656
E-mail: info@lawfieldsconsulting.com
Website:www.lawfieldsconsulting.com

LEGAL ADVISOR'S COMPLIANCE CERTIFICATES

July 7, 2008

The Director-General
Securities and Exchange Commission
30, 3rd Circular Road Cantonments
Accra Ghana

The Managing Director
Ghana Stock Exchange
5th Floor, Cedi House
Accra-Ghana

Dear Sirs,

Proposed Offer for Subscription of Ecobank Transnational Incorporated (ETI) 5,116,499,328 Ordinary Shares of US$0.025 each at US$0.29 per share and Rights Issue of ETI 3,763,759,981 Ordinary Shares of US$0.025 per share each at US$0.27per share.

1 **Introduction**

1.1 Basis of instructions

We have acted as legal advisors to Ecobank Transnational Incorporated (ETI) in connection with ETI's proposed rights issues and offer for subscription and listing of additional shares on the Ghana Stock Exchange (GSE Listing).

1.2 Documents examined

1.2.1 For the purpose of giving this opinion we have examined copies certified to our satisfaction of the following documents (the Documents and each a Document):

a. The Headquarters Agreement signed between ETI and the Government of the Republic of Togo on October 7, 1985;

b. The Articles of Association of ETI adopted pursuant to an executive instrument (Ordonnance) no. 85-16 of September 5, 1985;

c. A special resolution of the members of ETI passed on January 26, 2007 authorising the rights issue and offer for subscription and listing of additional shares;

d. The prospectus (the Prospectus) to be issued by ETI in connection with the rights issue and offer for subscription and the GSE Listing;

e. A letter from the Securities and Exchange Commission dated July 21, 2008 approving the Prospectus;

f. A letter from the GSE dated July 16, 2008 approving the GSE Listing.

1.2.2 In addition, we have also examined such other documents and certificates, searches and records as are necessary under the laws of Ghana to enable us to give this opinion.

1.3 Scope and purpose of the opinion

This opinion is limited to matters of the laws of Ghana as in force and applied at the date of this opinion. We have not investigated the laws of any country other than Ghana and we express no opinion on the laws of any other jurisdiction.

This opinion is given on the basis of the assumptions set out in the Schedule.

2 **Opinion**

We are of the opinion that:

2.1 Incorporation

ETI is a public limited liability company established pursuant to executive instrument (Ordonnance) no. 85-16 of September 5, 1985.

2.2 Authorisation to do business as a bank

ETI is the holding company of the Ecobank Group authorised to establish, manage and control the activities of the operating units it may establish or acquire for the provision of banking, economic, financial and development services and has complied with all regulatory requirements necessary or advisable for the conduct of its business in Ghana.

2.3 Corporate authorisations

ETI has obtained all the necessary corporate authorisations necessary or advisable in connection with the rights issue and offer for subscription and GSE Listing.

2.4 Approvals and consents

ETI has obtained all the necessary regulatory and statutory approvals, consents, or authorisations of any governmental or other authority that are necessary or advisable in connection with the rights issue and offer for subscription and GSE Listing.

2.5 The Prospectus

The Prospectus substantially complies with the requirements of the Fifth Schedule of the Securities and Exchange Regulations, 2003 (LI 1728), the Seventh Schedule of Act 179 and listing rules contained in the Ghana Stock Exchange Rule Book of 2007

2.6 Material Contracts

All the material contracts of ETI necessary for the conduct of its business are in proper legal form for the particular matters to which they are related and are enforceable under the laws of Ghana.

2.7 The Articles of Association

2.7.1 The Articles of Association comply with the listing rules of 2007 contained in the Ghana Stock Exchange Rule Book.

2.7.3 The proposed rights issue and offer for subscription and GSE Listing do not contravene any provision of the Articles of Association.

2.8 Contractual obligations

To the best of our knowledge and upon due enquiry, there are no contractual agreements, obligations or undertakings preventing ETI from undertaking the rights issue and offer for subscription and GSE Listing.

2.9 Registrations and filings

All the statutory or regulatory registration or filing requirements necessary or advisable in relation to or in connection with the rights issue and offer for subscription and GSE Listing have been complied with.

Yours faithfully,

Henry Myles-Mills
Lawfields Consulting

Schedule of Assumptions

In giving this opinion, we have assumed, and this opinion is given on the basis that:

1 All original documents supplied to us are complete, authentic and up to date, and that all copy documents supplied to us are complete and conform to the originals;

2 The person or persons who signed the Documents were authorised to do so;

3 The authorising resolutions of ETI were duly passed at properly convened meetings of ETI's shareholders and board of directors and a duly qualified quorum of such shareholders and directors voted in favour of approving the resolutions.

We have found nothing to indicate that the above assumptions are not justified.

PARTIES TO THE OFFER

THE COMPANY

Name of Company	:	**Ecobank Transnational Incorporated (ETI)**	
Directors	:	Mandé Sidibé	(Chairman)
		Arnold Ekpe	(Chief Executive Officer)
		Christian Adovelande	(Non-executive)
		Paulo Gomes	(Non-executive)
		Kolapo A. Lawson	(Non-executive)
		Ayoola Oba Otudeko	(Non-executive)
		André Siaka	(Non-executive)
		Isyaku Umar	(Non-executive)
		Offong Ambah	(Executive)
		Albert K. Essien	(Executive)
		Evelyne Tall	(Executive)
		Patrick Akinwuntan	(Executive)
Date of Incorporation	:	October 3, 1985	
Country of Incorporation	:	Lomé, Togo	
Nature of Business	:	Financial Institution / Bank Holding Company	
Registered Office and Principal Place of Business	:	2, Avenue Sylvanus Olympio BP 3261, Lomé, Togo Telephone: (228) 221 0303 / (228) 221 3168 Facsimile: (228) 221 5119 Web site: www.ecobank.com Email: *info@ecobank.com*	
Company Secretary and Chief Legal Officer	:	Samuel Ayim Ecobank Transnational Incorporated 2, Avenue Sylvanus Olympio BP 3261, Lomé, Togo	
Joint Auditors	:	PricewaterhouseCoopers, Abidjan, Côte d'Ivoire PricewaterhouseCoopers, Lagos, Nigeria	
Number of Issued Shares	:	6,774,767,965*	
Class of Shares	:	Fully Paid Ordinary Shares of US$0.025 each	

* Issued shares as at 31 December 2007 were 1,347,033,593; an additional 7,920,000 shares were issued under the Executive Share Option Scheme. 5 for 1 share split in May 2008 increased the Issued shares to 6,774,767,965.

DIRECTORS

Mr. Mandé SIDIBE
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Mr. Arnold EKPE
Chief Executive Officer
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P.O.Box 73635 Victoria Island
Lagos, Nigeria

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B.P. 4036
Douala, Cameroon

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U.D.B. Road
Kano, Nigeria

Mr. Patrick AKINWUNTAN
Director, Operations, Technology, Transaction and Retail Bank
e Process International S.A
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Kokomlemle Accra
P.O. Box AN 16746
Accra, Ghana

Mr. Offong AMBAH
Regional Head, Nigeria
Ecobank Nigeria Plc
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P.O. Box 72688, Victoria Island
Lagos, Nigeria

Mr. Albert ESSIEN
Regional Head, WAMZ
3rd Floor, Silver Star Towers
Airport City
Accra, Ghana

Mrs. Evelyne TALL
Regional Head, UEMOA Zone
Bureau Regional Ecobank: 12 Rue Felix Faure;
Appt 4b; Bp 11909 Dakar, Senegal

GHANA:
SPONSORING BROKERS

EDC STOCKBROKERS LTD.
No. 5, 2nd Ridge Link, North Ridge
P. O. Box AN 16746
Accra – North, Ghana
Tel.: (233) 21 251720/7
Fax: (233) 21 251734
Email:edc@ecobank.com

SIC FINANCIAL SERVICES LIMITED
No. 28/29 Ring Road East
P. O. Box 2363
Accra, Ghana
Tel: (233) 21 767 051
Fax: (233) 21 767 021
Email: infofsl@sic-gh.com

FINANCIAL ADVISER

SEM INTERNATIONAL ASSOCIATES LIMITED
4th Floor, Trust Towers, Farrar Ave.
Box CT 2069, Accra
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Tel.: (233) 21 240 664
Fax: (233) 21 240 666
Email: info@semfinancial.com

LEGAL ADVISER

LAWFIELDS CONSULTING
No. 799/3 5th Crescent, Asylum down
PMB CT 244
Accra, Ghana
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Email: info@lawfieldsconsulting.com

RECEIVING BANK

ECOBANK GHANA LIMITED
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Tel.: (233) 21 681 166/67
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Email: ecobankgh@ecobank.com

REGISTRARS TO THE OFFER

GHANA COMMERCIAL BANK
Share Registry
P. O. Box 134
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Fax: (233) 21 673 496
Email: gcbshare@gcb.com.gh

NIGERIA:

ISSUING HOUSES

STANBIC IBTC BANK PLC
IBTC Place, Walter Carrington Crescent,
P. O. Box 71707, Victoria Island, Lagos,
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Tel.: ((234) 1 271 2400
Fax: (234) 1 262 6541/2
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31, Marina Lagos, Nigeria
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Fax: (234) 1 2703908
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FUTUREVIEW FINANCIAL SERVICES LIMITED
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Fax: (234) 1 4618926
Email: *info@futureview.com.ng*

SPRINGBOARD TRUST & INVESTMENT LTD.
Springboard Trust & Investment,
20 Adeyemo Alakija Street,
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Fax: (234) 1 4613787
Email: *enquiries@springboardtrustng.com*

ROYAL CREST LIMITED
3rd Floor, LSDPC House,
17, Nnamdi Azikiwe Street,
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Tel: (234) 1 2661340
Fax: (234) 1 2644586

MEGA EQUITIES LIMITED
4A Force Road,
Onikan,
Lagos.
Tel: (234) 1 2669746
Fax: (234) 1 2668705
Email: *info@megaequities.com*

PARTNERSHIP INVESTMENT COMPANY LTD.
37, Ademola Street,
Off Awolowo Road,
S.W Ikoyi,
Lagos, Nigeria
Tel: (234) 1 2694080
Fax: (234) 1 2693737
Email: *partnership@cyberspace.net.ng*

CHAPEL HILL DENHAM MANAGEMENT LTD.
Chapel Hill Denham Management Limited,
Necom Building (20th Floor),
15 Marina,
Lagos, Nigeria
Tel: (234) 1 2664445
Fax: (234) 1 2661763
Email: *info@chapelhilldenham.com*

SMADAC SECURITIES LIMITED
Kingsway Building (2nd Floor),
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Tel: (234) 1 2703679
Email: *ayakubu@gmail.com*

LEAD CAPITAL LIMITED
Plot 281, Ajose Adeogun Street,
Victoria Island,
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Tel: (234) 1 4611269
Fax: (234) 1 4627052
Email: *info@leadcapitalng.com*

ARIAN CAPITAL MANAGEMENT LIMITED
22B Udi Street, Osborne Phase 1,
Ikoyi, Lagos, Nigeria
Tel: (234) 1 2799053
Email: *akin.akeredoluale@ariancapital.com*

HERITAGE CAPITAL MARKETS LIMITED
7B, Ishawu Adewale Street,
Off Bode Thomas Street,
Surulere,
Lagos, Nigeria
Tel: (234) 1 8504310

TOPMOST SECURITIES LIMITED
Bookshop House (12th Floor),
50/52 Broad Street,
Victoria Island,
Lagos, Nigeria
Tel: (234) 1 2633268
Fax: (234) 1 2633268
Email: topmostsec@yahoo.com

AMYN INVESTMENT LIMITED
10th Floor, Stock Exchange House,
2/4 Customs Street,
Lagos, Nigeria
Tel: (234) 1 2643973
Fax: (234) 1 2662043
Email: info@amyninvestments.com

CASHCRAFT ASSET MANANGEMET LIMITED
Foreshore Towers,
2A, Osborne Road,
Ikoyi,
Lagos, Nigeria
Tel: (234) 1 2694287
Fax: (234) 1 2694287-9
Email: lagos@cashcraft.com

NOVA FINANCE & SECURITIES LIMITED
1st Floor Speedway House
21, Araromi Street Onikan
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Tel: (234) 1 7939351
Fax: (234) 1 2647040
Email: info@novafinsec.com

EUROCOMM SECURITIES
18th Floor, Stock Exchange House,
2/4 Custom Street,
Lagos, Nigeria
Tel: (234) 1 2641726
Fax: (234) 1 2664700
Email: euro@eurocommsecurities.com

TRANSWORLD INVESTMENT LIMITED
Baico Plaza (8th Floor),
12 Abibu Oki Street
Marina, Lagos, Nigeria
Tel: (234) 1 2642550
Fax: (234) 1 2662275
Email: transworld000@hotmail.com

AFRINVEST WEST AFRICA LTD.
12th Floor, Foreshore Towers,
2a Osborne Road,
P. O. Box 51045, Falomo, Ikoyi, Lagos.
Telephone: 234-01-2695479-81, 2694005, 2690861;
Fax: 234-01-2694392

CLEARVIEW INVESTMENTS CO. LIMITED
6th Floor, NCR Building,
6 Broad Street,
P. O. Box 6166, Marina, Lagos.
Tel: 234-01-2637820;
Fax: 234-01-2602413.
E-mail: clearviewinv@yahoo.com

GLOBAL ASSET MANAGEMENT (NIG.) LTD
Investment House,
21/25 Broad Street, (2nd Floor), Lagos.
P. O. Box 7721, Ikeja, Lagos.
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Plot 1698A, Oyin Jolayemi Street,
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Tel: 234-01-4619261, 4619262;
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Website: http://www.greenwich-trust.com/;
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GTI CAPITAL LIMITED
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Website: www.gticapitalltd.com

LB SECURITIES LIMITED
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FSDH SECURITIES DISCOUNT HOUSE LTD.
8th Floor UAC Building
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Email: fsdh@fsdhgroup.com

SUPPORT SERVICES LIMITED.
19, Tinubu Street, (5th Floor),
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Tel: 234-01-2646798, 4755429.
E-mail: dipwil@yahoo.com

DAKAL SEFVICES LIMITED
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REGISTRARS TO THE COMPANY

EDC REGISTRARS
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FIRST AFRICA SA (PTY) LTD
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Fax: (27)117835370
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REPORTING ACCOUNTANTS

KPMG Professional Services
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Tel.: (234) 1 269 4660
Fax: (234) 1 269 1248

PUBLIC RELATIONS CONSULTANTS

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Fax: +233 21 24 37 27
Email: email@origi8saatchi.com

OCEAN OGILVY
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Tel.: +225 22 40 41 70
Fax: +225 22 48 78 60

OFFER, SHARES AND CAPITAL

SHARE OFFER

The Offer:	
Right issue	3,763,759,981 Ordinary shares at a Rights Issue price of US$0.27 each
Offer for Subscription	5,116,499,328 Ordinary shares at a Public Offer price of US$ 0.29 per share
Authorised Shares	50,000,000,000 ordinary shares of US$ 0.025 each
Issued and fully paid shares	6,774,767,965 ordinary shares of US$0.025 each
Commencement date of Offer	August 25, 2008
Closing date of Offer	October 3, 2008
Commencement of trading in the new shares	November 10, 2008

CAPITAL AND LIABILITIES

Amounts (US$' 000) Year Ended 31 December	2007	2006	2005	2004	2003
Share capital*	265,155	264,115	179,256	90,779	66,511
Retained earnings	145,314	65,209	23,558	16,122	55,051
Other reserves	103,079	52,764	18,733	20,318	(16,060)
Shareholders' equity attributable to ETI	513,548	382,088	221,547	127,219	105,502
Minority interests	138,212	100,227	82,332	38,039	30,351
Total equity	651,760	482,315	303,879	165,258	135,853
Total deposits	5,176,993	2,623,822	1,672,278	1,560,055	1,242,954
Borrowed funds	216,298	50,660	25,977	25,189	15,284
Total liabilities	5,898,464	3,021,424	1,895,351	1,745,087	1,387,238
Total liabilities & equity	6,550,224	3,503,739	2,199,230	1,910,345	1,523,091

EARNINGS HISTORY

Year Ended 31 December	2007	2006	2005	2004	2003
Total revenue (US$'000)	543,988	348,464	236,351	203,852	156,690
Profit After Tax (US$'000)	138,936	86,365	50,939	40,427	30,214
Profit attributable (US$'000)	107,373	69,350	41,502	31,431	22,197
Dividend paid (US$'000)	26,941	18,335	10,712	6,234	6,104
Issued shares as at 31/12/2007 ('000)**	1,347,034	1,344,464	882,967	622,798	146,352
Issued shares for per share data ('000)	1,347,034	1,253,709	821,799	712,332	702,356
Earnings per share (US cents)**	7.97	5.53	5.05	4.41	3.16
Dividend per share (US cents)**	2.00	1.50	1.40	0.90	0.50

* These figures were extracted from the Reporting Accountant Report. The Share Premium is included in the Share Capital from 2004 to 2007.

** Restated for the 2 for 1 share split and the 1 for 5 bonus share issue in 2007

PART 1 – PROSPECTUS SUMMARY

1.1 Summary of the Offer

The following is only a summary of the key terms of the Offer and should be read in conjunction with the Prospectus.

Issuer:	Ecobank Transnational Incorporated
The Offer:	The Offer consists of a Rights Issue of 3,763,759,981 ordinary shares and an Offer for Subscription of 5,116,499,328 ordinary shares.
Rights Issue:	3,763,759,981 ordinary shares representing forty percent (40%) of the Offer are being made to existing shareholders on the basis of 5 new ordinary shares for every 9 ordinary shares held as at August 18, 2008. Any shares not subscribed for under the Rights Issue will be made available for allotment under the Offer for Subscription.
Offer for Subscription:	This consists of 5,116,499,328 ordinary shares representing sixty percent (60%), of the Offer as well as any rights not taken up and are being made to individuals and institutions in jurisdictions whose laws permit them to invest under the terms of the Offer.
International Offer:	Any shares not allocated in the Rights Issue and the Offer for Subscription may be offered through an international offering in the form of Global Depositary Receipts (the "GDRs") and an application may be made for such GDRs to be listed on the London Stock Exchange (LSE). Any offering of GDRs will be pursuant to a separate offering document which may be published in due course. The International Offer will have a different timetable from the Rights Issue and the Offer for Subscription and the purchase price for the GDRs may be different from the subscription price for the Rights Issue and the Offer for Subscription. The information in this Prospectus relating to the Offer (including but not limited to the Offer price, subscription amount, closing date and underwriting) relate solely to the Rights Issue and the Offer for Subscription.

Sponsoring Brokers/ Issuing Houses:	Ghana:	EDC Stockbrokers Ltd. SIC Financial Services Ltd.
	Nigeria:	Ecobank Nigeria Plc. ICMG Securities Limited Stanbic IBTC Bank Plc
	UEMOA:	EDC Investment Corporation CGF Bourse

Share Capital as at 31 December 2007		Number of Shares	Value (US$'000)
	Authorised:	10,000,000,000[1]	1,250,000
	Issued & Fully Paid:	1,347,033,593[2]	168,268
	Minority Interests		138,212
	Retained Earnings		145,314
	Total Equity		651,760
	Total Liabilities & Equity		6,550,224

Share Capital after the Offer		Number of Shares	Value (US$'000)
	Authorised:	50,000,000,000	1,250,000
	Now Being Offered:	8,880,259,309	222,006
	Issued & Fully Paid:	15,655,027,274	391,376

Offer Price:

Rights Issue	US$0.27 per share.
Offer for Subscription	US$0.29 per share

Subscription Amount: A minimum of 500 shares and in multiples of 100 shares thereafter.

Reasons for the Offer: Ecobank's strategy is to be among the top 3 banks in each market in which it operates and to be the dominant bank in Middle Africa. Starting in 2005, the Ecobank Group has embarked on an accelerated plan to implement this strategy by expanding its network of branches and presence in countries through acquisitions and organic growth. Alongside this growth strategy has been a conscious effort to recapitalise its banking subsidiaries to meet the increased capital requirements in the markets in which it operates and to upgrade and modernize its technology platform with the establishment of a Shared Services Centre in Accra, Ghana capable of handling, in one location, the middle and back office operations of the subsidiaries of the Group in its present and future locations.

[1] The May 2008 resolution for a 5 for 1 share split increased the authorised shares to 50 billion ordinary shares.

[2] Issued shares as at 31 December 2007 were 1,347,033,593; an additional issue of 7,920,000 under the Executive Share Option Scheme and a 5 for 1 share split of May 2008 increased the issued shares to 6,774,767,965.

The directors therefore plan to utilise the proceeds of this share offer to significantly transform the Ecobank Group into a strong Pan African banking group that, will take advantage of its first mover advantage as a pan-African Bank.

Consequently, the directors have obtained shareholders' approval to raise up to three billion United States dollars (US$3,000,000,000) in equity, debt, quasi equity, Global Depository Receipts (GDR's) or a combination of any or all of these forms of capital. Pursuant to this approval, the company seeks to raise equity capital of up to $2.5 billion through The Rights Issue and Offer for Subscription.

Utilisation of Proceeds: The anticipated net proceeds of approximately US$2.376 billion (assuming completion and full subscription of both the Rights Issue and Offer for Subscription and after flotation expenses of approximately US$ 124 million) are expected to be used as follows:

Purpose	Approximate Amount (US$'000)	Approximate Percentage	Expected Completion Date
Capitalisation of Existing Subsidiaries	1,400,000	56.00%	Dec. 2009
Expansion into New Markets	350,000	14.00%	Dec. 2009
Acquisitions	550,000	22.00%	Jun. 2010
Technology and Process Upgrade	76,000	3.04%	Jun. 2009
Total net proceeds	**2,376,000**	**95.04%**	
Flotation expenses	124,000	4.96%	
Total offer proceeds	**2,500,000**	**100.00%**	

Opening Date: August 25, 2008.

Closing Date: October 3, 2008.

Lifting of technical suspension On NSE: October 17, 2008.

Commencement of trading in new shares: November 10, 2008.

Target Investors: The Offer is open to individuals and institutions in jurisdictions in which the making of this Offer is not prohibited by law. Investors should ensure that it is legal for them to invest before subscribing for the shares.

Application Procedure: Applications for the Rights Issue and Offer for Subscription must be made on the accompanying Application Forms.
The completed Application Form together with the full amount payable on application must be lodged during normal business hours, while the Offer is open, at the offices of the Stockbrokers or any of the Receiving Agents indicated in Appendix 1. No application will be accepted for consideration by the Directors or treated as binding until after close of the Offer. Applications received after close of the Offer will not be considered.

Payment:	Payment must be made in full on application in US dollars. Payment may be made in Ghana cedis, naira and CFA francs (in Ghana, Nigeria and UEMOA countries respectively) at the prevailing rates of exchange on the day of application.

Where payment is made in a currency other than US dollars, the actual amount of the subscription will be determined using the exchange rate at the time the currency is converted into US dollars.

The Issuer's ability to convert local currency into US dollars is dependent on prevailing exchange control regulations and availability of US dollars in the respective countries. Unconverted subscription proceeds will not be eligible for subscription and will therefore be returned to applicants. The Issuer has obtained the required foreign exchange control approvals from the appropriate regulatory authorities for repatriation of subscription proceeds. However, the Issuer will not be liable nor will it accept responsibility for any inability to repatriate subscription proceeds. In that event, the Issuer will return subscription proceeds to applicants, in line with the respective regulatory requirements.

The Payment may be made in cash (except in Nigeria), by cheque, postal order, money order or wired transfer to any office of Ecobank or the Receiving Agents where the Application Form is lodged. All such cheques, postal or money orders should be crossed ETI SHARE OFFER and, if for payment in Ghana, endorsed COMMISSION TO DRAWER'S ACCOUNT. This endorsement must be signed by the drawer. Bank commissions and transfer charges on application monies must be paid by the applicant. Applications in respect of which cheques are returned unpaid for any reason whatsoever will be rejected.

Applicants outside countries where Ecobank has a presence may make payment directly into the account with the following details:

Bank Name & Address:	Citibank 111 Wall St New York NY 10043-0001
Account Name:	Ecobank Transnational Incorporated Share Offer
Account Number:	36246424
Swift Code:	CITIUS33
Reference Text	ETI Share Offer

Completed application forms and evidence of deposit should be immediately scanned and emailed to edc@ecobank.com or faxed to +233 21 251734. Original copies should then be sent by registered mail or courier to:

EDC Stockbrokers Ltd.
5 Second Ridge Link, North Ridge.
P. O. Box AN 16746
Accra, Ghana
Tel.: (233) 21 251720/7
Fax: (233) 21 251734
Email: edc@ecobank.com

Escrow Accounts: All application monies collected in respect of the Offer shall be lodged immediately into Escrow Accounts as follows:

Ghana: HFC Bank

Nigeria: Stanbic IBTC Bank Plc and Citibank Nigeria Limited

Market Allocation: The Offer for Subscription is allocated equally to each of the three markets on which ETI shares are listed. In the event that there are unsatisfied applications in any market, any unsubscribed shares in other markets may be allotted to applicants in any market in which there are unsatisfied applications.

Oversubscription: In the event of oversubscription, the Company will not issue additional shares to take up the excess subscription.

Allotment: The directors of the Company in consultation with its advisers, and subject to clearance from the relevant regulatory authorities, shall allot the shares on the basis described in Section 4.6 of the this Prospectus, with the view to achieving a broad and equitable distribution of the shares in accordance with the shareholders' resolution dated May 16, 2008.

The directors reserve the right to accept or reject any application. The basis for the allotment proposal will also be subject to the clearance of the relevant regulatory authorities.

Existing shareholders shall receive a preferential allotment, pro-rata to their respective shareholdings as at August 18, 2008 up to the amount of the Rights Issue. (40% of the Offer amount).
The remaining sixty percent (60%) as well as any rights not taken up under the Rights Issue (which are hereby renounced and forfeited to the Company) shall be allotted to valid applicants under the offer for subscription as the board of directors may deem appropriate.

Return of Excess Application Monies: If an Application is not accepted or is accepted for a smaller number of shares than applied for, the balance of the amount paid on Application will be returned to the affected applicants or the Receiving Agents for onwards distribution to the affected applicants within 5 working days of the allotment

	date. ETI will announce such refunds in line with applicable regulatory requirements. If refunds of excess application monies are not concluded within the stipulated period, ETI will pay interest on the un-refunded amounts in line with applicable regulatory requirements.
Registration of Shares:	Shares will be issued in registered form, records of which will be kept and maintained in Registers in each of the three markets – Ghana, Nigeria and the UEMOA region.
Share Certificates:	Share certificates in respect of the allotted shares will be sent by registered post to the address indicated on the Application Form within 15 working days from the allotment date. Any applicant who does not wish to receive the physical share certificate himself or herself should state the name of his or her broker (and the Central Depository account number in the case of applicants who elect to go on the Nigeria share register) in the appropriate space provided in the Application Form. The Company has made arrangements for the lodgement/registration of all the shares offered hereunder in the names of persons entitled thereto in the securities depositories of Nigeria and the BRVM. Share certificates will be issued to applicants who elect to go on the Ghana register.
Regulatory Approvals:	Approvals have been obtained from the securities regulators in Ghana, Nigeria and the UEMOA region for the Offer.
Quotation:	Applications have been made to the GSE and the NSE for listing of 8,880,259,309 new ETI shares which will be issued under this Offer. The approvals were obtained from the GSE on July 16, 2008 and the NSE on July 24, 2008. In the case of the BRVM, listing approval is granted upon successful closure of an offer. Upon a successful offer, 8,880,259,309 additional shares of ETI will be listed on the exchanges.
Status:	The shares hereby offered are subject to the terms of the share offer set forth in Part 7 of the Prospectus, and the Articles of Association. The shares shall be ordinary shares and rank equally in all respects with all other issued ordinary shares of the Company including voting rights and all other rights attached thereto. The purchase of shares offered herein and subsequent transfers thereof shall only be made subject to applicable laws.
Minimum Subscription:	The Company has set a minimum amount of US$500 million, which should be realised from the Offer. In the event that this amount is not obtained, then all monies will be returned in accordance with regulatory requirements.
Underwriting:	At the instance of the Issuer, this Offer is not underwritten in Ghana and the UEMOA. The portion of the Offer for Subscription allocated to the Nigerian market is 80% underwritten on a firm basis in Nigeria in line with applicable regulatory requirements.
Indebtedness:	As at the date of this Prospectus, the Company had no outstanding debentures, mortgages, charges or similar indebtedness or material contingent liabilities other than in the ordinary course of business as disclosed in ETI's Financial Statements shown in Part 5 of this Prospectus.

Claims and Litigations:	Details of claims and litigations involving the Company as at the date of this Prospectus are outlined under Part 6 of this Prospectus.
Cost of the Offering:	Total expenses for this offering are not expected to exceed 5% of the total proceeds from the Rights Issue and the Offer for Subscription.
Dividend Policy:	Based on the Company's performance and future plans, the directors of ETI may declare such sum out of the Company's net profit for the year or its income surplus account, as they deem appropriate, for the approval of a general meeting of the shareholders and distribution as dividend. Payment of dividend on ordinary shares is at the discretion of the directors and will be determined on the basis of the Company's cash flow, net earnings, operating conditions, legal requirements and any other relevant factors. The directors, however, will exercise reasonable care that any dividend distribution will not jeopardise the Company's ability to operate effectively.
Where to Obtain Copies Of the Prospectus:	Copies of this Prospectus and the mini Prospectus can be obtained from the offices of the Receiving Agents listed in Appendix 1 of this Prospectus and directly by mail from any of the Ecobank subsidiaries listed at the beginning of this Prospectus. This Prospectus and the mini Prospectus can also be downloaded from www.ecobank.com or www.stanbicibtcbank.com.
Risk Factors:	An investment in securities entails certain risks. The value of shares may go up or down and investors may not be able to sell their shares at the desired price at the desired time or at all. Prior to investing in the shares under this Offer, prospective investors are advised to consider all the information contained in this Prospectus, and in particular the "risk factors" in Section 3.5.

1.2 Overview of the Issuer

1.2.1 Vision & Mission

Ecobank's vision is to provide our retail and wholesale customers with convenient, accessible and reliable banking and financial products and services.

To achieve this, ETI shall:

- Provide a broad range of banking, financial and other economic services;
- Operate to the highest professional standards; and
- Exercise management control of all operating units at all times.

Ecobank's mission is to be a world class African bank and to contribute to the economic and financial development of Africa.

1.2.2 Authorised Business

ETI's authorised business is to establish, manage and control the activities of the operating units it may establish or acquire for the provision of banking, economic, financial and development services within ECOWAS and in all such other parts of the world as may be deemed necessary for the attainment of the objectives of the Company. The Company may also do all such things as are incidental or conducive to the attainment of its objective.

1.2.3 Shareholders' Funds Statement

Year Ended 31 December 2007	
Authorised Ordinary Shares	10,000,000,000
Ordinary Shares Issued and Fully Paid	1,347,033,593*
Share Capital (US$'000)	265,155
Retained Earnings (US$'000)	145,314
Other Reserves (US$'000)	103,079
Total equity attributable to equity holders of the Company (US$'000)	513,548
Minority Interest (US$'000)	138,212
Total Equity (US$'000)	651,760
Total Liabilities and Equity (US$'000)	6,550,224

1.2.4 Structure and Operations

Ecobank Transnational Incorporated (ETI) is the holding company of the Ecobank Group – the leading independent regional banking group in sub-Saharan Africa with a presence in more African countries than any other bank. Established from inception as a regional bank holding company in 1985, ETI has grown to a group comprising 32 subsidiaries, over 500 branches, and over 8,000 employees across 25 west, central, southern and east African countries. Its principal business is the provision of banking and financial services through its subsidiaries. The Company enjoys special fiscal, exchange control and legal rights under an agreement with the Government of Togo as described under Sections 2.15 and 2.16 of the Prospectus. For the year ended 31 December 2007, ETI generated consolidated gross revenues of US$544.0 million and profit after tax of US$138.9 million from its wholesale, retail and investment banking businesses. As of December 31 2007, ETI had total assets of US$6,550.2 million and shareholders' funds of US$513.6 million.

The Ecobank Group operates under the Ecobank brand name in all of its banking operations. ETI's objective is to develop Ecobank as a pan-African brand respected for its superior banking products and services. The Ecobank brand slogan "The Pan African Bank" appropriately describes the unique history and positioning of the Group within the African banking industry.

ETI is committed to enhancing shareholder value by building a world class African bank based on international standards, processes, people, and customer service. The ETI Board has adopted the International Finance Corporation (IFC) guidelines for Corporate Governance to guide its composition and terms of reference. ETI prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) and uses the United States dollar as its reporting currency. Dividends to ETI shareholders are declared and paid in United States dollars.

From its head office in Lomé, Togo, ETI has implemented a decentralized management structure that supports its subsidiaries. ETI monitors and oversees each country's operations and provides

* Issued shares as at 31 December 2007 were 1,347,033,593; an additional 7,920,000 shares were issued under the Executive Share Option Scheme and a 5 for 1 share split in May 2008 increased the number of issued shares to 6,774,767,965.

extensive support in the areas of strategy and business development, management information systems, banking operations, risk management, correspondent banking, marketing, financial management, corporate governance, compliance and business ethics, and human resource management. Management receives monthly management accounts and regular reports on credit, operational and market risk management from each subsidiary.

1.2.5 Products, Services and Alliances

Ecobank focuses on providing quality financial products and services to its diversified customer base which comprises individuals, small and medium scale companies, larger local private companies, parastatals, governments, non-governmental organizations and multinational corporations. The range of products and services include:

Current Accounts	Savings Accounts
Deposits Accounts	Foreign Exchange
Funds Transfer	Loans and Overdrafts
Trade Finance	Cash Management
Internet Banking	Credit and Debit Cards
Investment Services	ATMs
Asset Management	Stockbroking
Structured Financing	

Standardized, centralized processing and information technology are handled by the Group's international technology shared services subsidiary, e-Process International. New products and services including SMS Banking have recently been launched.

Ecobank has developed important strategic alliances with other world class institutions in specific areas, designed to produce synergies and enhance value to customers and to the Group. Some of the key alliances include:

Ecobank - Western Union Money Transfer

Under an agency arrangement, selected Ecobank branches provide Western Union money transmission services. This partnership provides Africans resident abroad with the widest single regional network for sending remittances back home.

Ecobank – ACCION Microfinance

Under this partnership, Ecobank and ACCION are rolling out microfinance institutions across the countries in which Ecobank is present. The key objective is the development of African talent and management capacity. Ecobank provides micro loans while ACCION spearheads business training to the customers. The products include loans, savings and insurance products, financial and business management skills training.

1.2.6 Competitive Strengths

The Group has developed certain key competitive strengths, which have supported its growth to date and will support future growth. ETI believes that its key competitive strengths include the following:

Geographical footprint

The Ecobank Group presently has banking operations in 25 countries in west, central, eastern and southern Africa. As a result, the Group is well positioned to provide banking services to customers conducting business within these countries and to promote trade and investment flows across the region. This unique footprint gives Ecobank broad reach to its customers across the region. The Group's geographic spread diversifies and protects its earnings stream against country specific adverse events.

Broad banking network

ETI has an extensive distribution infrastructure comprising over 500 branches and over 700 kiosks, direct sales agents and strategic alliances as the primary channels through which it interfaces with its' clients. This network gives Ecobank direct access to banking customers across its footprint. The Ecobank Group plans to further broaden and deepen its network countries where it operates.

Local knowledge and expertise

Ecobank has operated successfully in Africa for over 20 years and gained substantial local knowledge and expertise on banking solutions unique to Africa. This local knowledge and expertise represent a competitive advantage in being able to design financial solutions that address the needs of the African retail and wholesale banking customers.

All Ecobank subsidiaries are led by a local management team who are senior and respected bankers in the domestic market. As a result, Ecobank is well positioned to serve each country in which it operates while leveraging its group wide knowledge base.

Common standards

Ecobank seeks to provide common and consistent standard of services throughout its network.

Strong brand recognition

The Ecobank brand is recognized as a leader among local and regional financial institutions. Its home grown regional character as well as the fact that it is an independent group not controlled by any nationality, shareholder or interest group differentiates it from other banks operating in the region and anchors the strong growth that the Group has achieved.

Dedicated and experienced management team

ETI has dedicated and experienced management teams at both the parent and operating company levels. Its management teams have long managerial, operational and financial experience in the banking industry especially in sub-Saharan Africa. The senior management, supported by strong local teams, have been responsible for the aggressive expansion of the business.

Controlling interest in each subsidiary

ETI maintains a controlling interest in each subsidiary which enables the company to exercise management control of its operations. The Group believes this level of control over local operations enhances its ability to operate as "One Bank" and to manage costs and implement stronger corporate governance and financial controls. It also enables it to ensure strategic focus and a distinct and common corporate culture across the group.

Execution capability and solid track record

Ecobank's business model, driven by its decentralized management team and structure, has delivered strong growth both organically and by acquisitions whilst achieving good financial results.

Strong international and local partners

ETI benefits from a diversified shareholder base of international, regional and local investors.

1.2.7 Strategy

The Group's strategy is to build a world class financial institution focused on Africa. All initiatives of the Group are geared towards positioning the brand as a symbol of convenient, accessible and reliable banking. Its values are transparent, committed, pioneering and multinational. ETI's strategy and actions are shaped by three key themes driving the banking industry, namely profitable growth, efficiency and scale with the aim of achieving superior shareholder value.

Growth

The Ecobank Group will continue to position its business for profitable growth across Africa. Its growth strategy is driven by a combination of factors including (a) increasing market share in existing markets through opening new branches and channels and combination with local banks; (b) expansion into new markets with strong earnings potential across the continent; (c) introducing new banking products and services; and (d) seeking to tap the un-banked and under-banked sectors of the markets in which it operates.

Efficiency

Ecobank's objective is to become an efficient operator in inefficient markets by utilizing modern technology to keep costs down and grow revenues. The Group has established a Shared Services Centre in Accra, Ghana capable of handling, in one location, the middle and back office operations of the subsidiaries of the Group in its present and future locations. This shared services centre, one of the first of its kind in Middle Africa is expected to significantly reduce the Group's cost of operations and improve service quality in the medium term.

ETI's strategy for improving efficiency will also mean introducing those practices that have succeeded in other more advanced emerging markets whilst recognizing unique local conditions. The Group intends to adopt and adapt to business processes and practices that have been successful in the existing markets in which it operates.

Scale

Commercial banking is essentially a commodity business in which scale is important. Major international and South African banks with considerable resources have rekindled their interest in sub-Saharan Africa. The bank consolidation program in Nigeria has created a number of major banks with the resources to expand into the rest of Africa. If Ecobank is to compete within the changing industry, it needs to adopt measures to ensure that it is positioned as one of the largest banks in the markets in which it operates.

The strategy to build scale is designed to position Ecobank as the leading banking group in Middle Africa. This region includes some of the fastest growing natural resource economies (including oil and gas) in Africa. In building scale, Ecobank seeks to operate not as a group of banks but as "One Bank" with common operating standards in all countries in which it operates, taking into account local regulations, market conditions and business culture. The Group has an ongoing program of identifying opportunities to grow its business through acquisition of controlling interests in banks in markets in which it operates and in new markets.

Shareholder Value

By building scale, growing the franchise and improving efficiency, the management of the Ecobank Group is putting in place the foundation for sustainable long-term shareholder value creation through earnings growth, dividend growth and capital gains.

1.2.8 Financial Summary

The following summaries of the Company's income statement, balance sheet and statement of cash flow (at 31 December) are extracted from the Reporting Accountant's Report prepared by Messrs KPMG Professional Services.

Income Statement

Amounts (US$' 000) Year Ended 31 December	2007	2006	2005	2004	2003
Net interest income	278,077	181,403	109,284	101,441	80,623
Net fee and commission income	182,426	107,921	85,675	67,807	51,271
Other income	83,484	59,140	41,392	34,604	24,796
Operating income	543,988	348,464	236,351	203,852	156,690
Operating expenses	(334,269)	(206,074)	(147,724)	(125,401)	(102,556)
Impairment losses on loans and advances	(19,148)	(13,091)	(14,898)	(18,136)	(5,672)
Profit before income tax	190,570	129,299	73,729	60,315	48,462
Profit After Tax	138,936	86,365	50,939	40,427	30,214
Attributable to equity holders of the Company	107,373	69,350	41,502	31,431	22,197
Minority interest	31,563	17,015	9,437	8,996	8,017

Balance Sheet

Amounts (US$' 000) Year Ended 31 December	2007	2006	2005	2004	2003
Loans and advances to customers	3,117,036	1,919,366	1,022,140	923,661	785,983
Total assets	6,550,224	3,503,739	2,199,230	1,910,345	1,523,091
Deposits from customers	4,714,327	2,500,178	1,532,478	1,465,117	1,153,235
Total liabilities	5,898,464	3,021,424	1,895,351	1,745,087	1,387,238
Share capital	265,155	264,115	179,256	90,779	66,511
Total equity attributable to equity holders of the Company	513,548	382,088	221,547	127,219	105,502
Minority interest	138,212	100,227	82,332	38,039	30,351
Total equity	651,760	482,315	303,879	165,258	135,853
Total liabilities and equity	6,550,224	3,503,739	2,199,230	1,910,345	1,523,091

Cash Flow Statement

Amounts (US$' 000) Year Ended 31 December	2007	2006	2005	2004	2003
Cash flows from operating activities before changes in operating assets and liabilities	149,166	120,187	64,564	55,624	44,225
Net cash from / (used in) operating activities	619,315	82,284	179,938	(46,459)	(11,122)
Net cash used in investing activities	(258,571)	(267,714)	(90,282)	(65,483)	(17,440)
Net cash from financing activities	141,913	92,169	108,106	6,238	1,185
Net increase/(decrease) in cash and cash equivalents	502,657	(93,261)	197,764	(105,704)	(27,377)
Cash and cash equivalents at beginning of the year	413,496	509,980	309,087	415,638	314,036
Effects of exchange difference on cash and cash equivalents	(59,999)	(3,223)	3,131	(847)	8,185
Cash and cash equivalents at the end of the year	856,154	413,496	509,980	309,087	294,844

Key Statistics

Year Ended 31 December	2007	2006	2005	2004	2003
Issued shares ('000)*	1,347,034	1,344,464	882,967	622,798	146,352
Weighted average number of ordinary shares in issue	1,347,034	1253,709	821,799	712,332	702,356
Dividend paid (US$'000)	26,941	18,335	10,712	6,234	6,104
Earnings per share (US cents)	7.97	5.53	5.05	4.41	3.16
Dividend per share (US cents)	2.00	1.50	1.40	0.90	0.50
Return on average equity (%)	23.98	22.98	23.80	26.90	24.33
Return on average assets (%)	2.76	3.03	2.48	2.35	2.27
Efficiency ratio (%)	61	59	63	61	63

1.3 Statutory and General Information

1.3.1 Incorporation and Directors

ETI was incorporated in Lomé, Togo as a public limited liability company on October 3, 1985 under a private sector initiative led by the Federation of West African Chambers of Commerce and Industry and ECOWAS. According to its Articles of Association, ETI can have a minimum of 5 and a maximum of 15 directors. There are currently 12 directors.

1.3.2 Transferability of Shares

As a public company, ETI's shares are fully transferable. No shares are agreed or proposed to be issued for any consideration other than cash.

1.3.3 Issue of Securities

- All the issued shares of ETI are ordinary shares of US$ 0.025 par value.
- ETI has no debt securities in issue.
- There are no outstanding liabilities on any of the issued shares of ETI.

* Restated for 2 for 1 share split and 1 for 5 bonus share issue in 2007

PART 2 – ECOBANK TRANSNATIONAL INCORPORATED

2.1 History and Incorporation

ETI, a public limited liability company, was established as a bank holding company in 1985 under a private sector initiative spearheaded by the Federation of West African Chambers of Commerce and Industry with the support of ECOWAS. In the early 1980's the banking industry in West Africa was dominated by foreign and state-owned banks. There were hardly any commercial banks in West Africa owned and managed by the African private sector. ETI was founded with the objective of filling this vacuum.

The Federation of West African Chambers of Commerce promoted and initiated a project for the creation of a private regional banking institution in West Africa. In 1984, Ecopromotions S.A. was incorporated. Its founding shareholders raised the seed capital for the feasibility studies and the promotional activities leading to the creation of ETI.

In October 1985, ETI was incorporated with an authorised capital of US$100 million. The initial paid up capital of ETI of US$32 million was raised from over 1,500 individuals and institutions from West African countries. The largest shareholder was the ECOWAS Fund for Cooperation, Compensation and Development (ECOWAS Fund), the development finance arm of the ECOWAS.

A Headquarters' Agreement was signed with the government of Togo in 1985 which granted ETI the status of an international organisation with the rights and privileges necessary for it to operate as a regional institution, including the status of a non-resident financial institution. Details of the Headquarters Agreement are set out in Section 2.16 of the Prospectus.

ETI commenced operations with its first subsidiary in Togo in March 1988. Today, the Ecobank Group is a full-service regional banking institution employing over 8,000 staff in over 500 branches and offices in twenty five (25) west, central, east and southern African countries namely Benin, Burkina Faso, Burundi, Cape Verde, Cameroon, Central African Republic, Chad, Congo Brazzaville, Democratic Republic of Congo, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Liberia, Malawi, Mali, Niger, Nigeria, Rwanda, Sao Tome & Principe, Senegal, Sierra Leone and Togo. The Group's expansion plan includes the opening of new subsidiaries and branches in other Middle African countries as well as representative offices and international banking facilities in the major financial centres that have substantial trading and transaction links with Africa such as London, Paris, Dubai and Beijing.

ETI has two specialised subsidiaries: Ecobank Development Corporation (EDC) and eProcess International (eProcess). EDC was incorporated with a broad mandate to develop Ecobank's investment banking and advisory businesses throughout the countries where Ecobank operates. EDC operates brokerage houses on all 3 stock exchanges in West Africa and has obtained licences to operate on the 2 stock exchanges in Central Africa: the Douala Stock Exchange in Cameroon and the Libreville Exchange in Gabon. The mandate of eProcess is to manage the Group's information technology function with a view to ultimately centralising the Group's middle and back office operations to improve efficiency, service standards and reduce costs.

2.2 Major Historical Milestones

Year	Event
1983	The Federation of West African Chambers of Commerce initiates a project to establish a regional, private sector bank.
1984	Establishment of EcoPromotions S.A. and initiation of feasibility studies.
1985	ETI is established as a bank holding company. In October a Headquarters Agreement is executed with the Government of the Republic of Togo. ETI is granted the status and rights necessary for it to operate as a regional, non-resident financial institution.
1987	A technical services agreement is signed with Citibank and remains in force until 1989. A project team is sent to Ecobank to provide the initial technical expertise for the establishment of the Group's banking operations.
1988	Ecobank commences banking operations through its first subsidiary in Togo.
1989	A second bank is opened in Côte d'Ivoire when Ecobank successfully acquires Chase Manhattan Bank in Abidjan. Almost simultaneously Ecobank Nigeria opens its first branch in Lagos.
1990	Two new banking subsidiaries are opened in Ghana and Benin.
1995	Ecobank Benin commences an agency relationship with Western Union, which soon extends to the rest of the Group.
1997	Ecobank-Burkina, a new subsidiary, is opened in Ouagadougou, the capital of Burkina Faso.
1998	To expand its capital base, Ecobank opens up the shareholder base to individuals and institutions outside ECOWAS. Ecobank raises US$22.4 million to finance the capitalisation and expansion of the group. Notable investors are the IFC, West Africa Growth Fund and Prince Alwaleed's Kingdom Holdings.
1998	Ecobank opens in Mali.
1999	Ecobank opens in Guinea, Liberia, Niger and Senegal.
2000	Ecobank Development Corporation commences operations.
2001	Ecobank opens in the Cameroon.
2001	eProcess commences operations.
2004	ECV Servicos commences offering money transfer services in Cape Verde.
2005	US$88.5 million right issue and private placement to fund the capitalisation and expansion of the group.
2005	Strategic plan adopted to transform the Group from a largely wholesale bank to a more balanced retail and wholesale group and to expand into eastern and southern Africa.
2006	Memorandum of Understanding signed with ACCION to establish microfinance banks across Africa.
2006	Ecobank establishes in Chad by acquiring BIAT.
2006	Simultaneous listing of ETI shares on the GSE, NSE and BRVM on September 11, 2006.
2007	Signing of a Memorandum of Understanding with 3i-Infotech Ltd. for collaboration in data centre management and shared services.
2007	Ecobank opens in Guinea Bissau, Gambia, Central African Republic and Sao Tome & Principe.
2008	Ecobank expands Group's network with new subsidiaries in Burundi, Congo Brazzaville, Democratic Republic of Congo, Kenya and Malawi.
2008	International Technology and Shared services centre in Accra, Ghana commissioned.

2.3 Business Objectives and Operations

Listed on the three stock exchanges in West Africa, Ecobank is the leading pan African bank, with operations in 25 countries across the continent. The Group has been a pioneer in various respects including, institutionalising corporate governance principles as part of the group's corporate culture, adoption of International Financial Reporting Standards (IFRS) and reporting in an international currency.

Ecobank is a full-service bank providing a broad range of products and services to governments, financial institutions, multinationals, international organisations, medium, small and micro businesses and individuals.

The Group operates as "One Bank" with a common brand and common standards, policies and processes, which means customers get a consistent and reliable service across its network of branches, offices and alliance locations.

The Ecobank Group is developing a balanced business mix with the launch of an aggressive retail strategy and an equally dynamic offering in wholesale and investment banking. A leading underwriter of debt and equity securities in Nigeria, Ghana and the Union Economique et Monétaire Ouest Africaine (UEMOA), Ecobank is also a pioneer in credit cards in Ghana and Nigeria and a leader in debit cards with the Ecobank Regional Card.

Ecobank has data centres based in Accra, Lagos and Lomé which provide a common technology platform including a regional switch connecting all subsidiaries and, which supports our "one bank" brand. The group also has its own fully integrated telecoms network which provides 24/7 connectivity, thus ensuring reliability of its products and services.

Through the Ecobank Foundation, Ecobank supports charitable projects relating to women, children, health and culture. Ecobank invests substantially in developing African talent and management capacity and through a partnership with Accion is rolling out microfinance units in countries in which it is present.

2.4 Ownership

Of the 50 billion authorized ordinary shares of the Company, 6,774,767, 965 have been issued and fully paid up. The issued shares are held by over 7,000 individual and institutional shareholders. The Company has no class of shares other than ordinary shares. The following are the main characteristics of the Company's share ownership:

	No. of shareholders	No. of Shares	Percentage Holding
1 - 10,000	3,857	9,609,460	0.1
10,001 - 50,000	1,521	52,892,325	0.8
50,001 - 500,000	1,817	509,203,135	7.5
1,000,001 - 10,000,000	316	708,542,465	10.5
Over 10,000,000	122	5,494,520,580	81.1
Total	**7,633**	**6,774,767,965**	**100.0**

2.5 Capitalization as at 31 December 2007

	No. of Shares ('000)		Value (US$'000)	
	2007	2006	2007	2006
Stated Capital Authorized Ordinary shares with par value of $0.125 (2006: US$0.25)	10,000,000	5,000,000	1,250,000	1,250,000
Issued and fully paid ordinary shares	**1,347,034***	**611,003**	**168,268**	**152,667**

* Issued shares as at 31 December 2007 were 1,347,033,593. 7, 920,000 shares issued under the Executive Share Option Scheme and the May 2008 5 for 1 share split further increased the number of issued shares to 6,774,767,965.

	Value (US$'000)	
	2007	2006
Reserves and Retained Earnings		
Share premium	96,887	111,448
General banking reserve	14,953	8,548
Statutory reserve	67,709	55,771
Revaluation reserve	8,311	1,902
Translation reserve	12,106	(13,457)
	103,079	**52,764**
Retained earnings	145,314	65,209
Share Capital	**265,155**	**264,115**
Minority interests*	138,212	100,227
Total Equity	651,760	482,315

2.6 Dividend History

In the last five years, ETI has paid dividends as follows:

	2007	2006	2005	2004	2003
Dividend paid (US$'000)	26,941	18,335	10,712	6,234	6,104
Amount per share (US$ cents)	2.0	1.5	1.4	0.9	0.5
Payout ratio	25.1%	26.4%	25.8%	19.8%	27.5%

2.7 History of ETI's Capital

ETI's capital has undergone a number of changes over the years.

At establishment of the Company in 1985, there were two classes of shares: founders' shares and ordinary shares. Founders' shares were issued to the promoters of the Company who raised the seed capital for the feasibility study by investing in Ecopromotions S.A. This represented US$500,000 of the initial capital of US$32 million. The difference of US$31.5 million represented ordinary shares that were issued to other shareholders. The founders' shares were entitled to preferential dividends and a greater number of votes.

In 1995, the capital of the Company was reduced by half to US$16 million due to accumulated losses incurred during the formative years of the Company and compounded in 1994 by a 50 per cent devaluation of the CFA franc. At the same time each existing share was split into 1,000 shares thereby reducing the nominal value of the shares from US$1,000 to US$1 per share. As part of the restructuring process, there was an undertaking by the management to restore the capital of the Company within five years.

In 1997, in order to equalise the rights of founder and ordinary shareholders, the founders' shares were abolished and two and one-half ordinary shares were issued to the founder shareholders in compensation for giving up their preferential rights. 525,000 ordinary shares were issued in this respect.

* Minority Interests represent the part of the net assets of the subsidiaries, together with portion of the net results which are attributable to shareholders outside ETI

In 1997, the restoration of the capital began with the first issue of 6,375,000 bonus shares. In 1998, 9,787,000 bonus shares were issued, thus restoring the capital to its original level of US$32.6 million.

After the Company had recorded profits for three consecutive years following the 1995 restructuring a rights issue was launched in 1998. Of the 14.5 million rights offered, 9.4 million shares, being 64 percent, were taken up. The directors were authorised under the terms of the rights issue to sell the unsubscribed rights shares to other shareholders. The shareholders also authorised the directors to issue new shares to selected international investors. Prince Alwaleed's Kingdom Holdings and IFC subscribed to the capital of the Company in 1998 and 1999 respectively. The IFC acquired 3,750,000 convertible preference shares of US$1 each whilst Kingdom acquired 3.5 million ordinary shares at an average price of US$2.60 per share. A total of 3.3 million unsubscribed rights shares were also sold to various shareholders at a price of US$2.60. The remainder of the rights was sold over the next three years (i.e. 2000 to 2003).

In 1998, 855,402 new shares were issued to employees of the Ecobank Group under a newly established Group Employees Share Ownership Scheme. 582,678 shares were issued under the scheme in 1999.

In 2003 and 2004, bonus shares of 10.4 million and 6.3 million respectively were issued. In 2004 the IFC's convertible preference shares were converted into 1.5 million ordinary shares.

In 2004, a senior executive exercised options to purchase 192,307 ordinary shares. In March 2005, an Extraordinary General Meeting (EGM) agreed to the split of shares in the ratio of four for one, thereby reducing the nominal value of each share from a dollar to twenty-five cents. The same EGM also authorized a 4-for-5 rights issue of 226,431,274 new shares.

In 2006, bonus shares were issued in the ratio of 1 new ordinary share for every 5 existing ordinary shares, resulting in 101,533,183 new shares. An additional 1,801,205 shares were issued prior to the listing by introduction in September of that year.

In January 2007, a total of 1,284,449 shares were issued under the Employee Share Ownership Scheme. An Extraordinary Shareholders Meeting held in January 2007, approved a two for one share split resulting in the issue of an additional 612,287,997 new shares and reducing the nominal value of each share from 0.25 US cents to 0.125 US cents. In addition, a Bonus Issue in the ratio of 1 new share for every 10 shares held were completed resulting in the issuance 122,457,599 new shares.

In 2008, a total of 7,920,000 shares were issued under the Executive Share Options Agreement. On May 16, 2008, at the Annual General Meeting (AGM) of shareholders a Resolution was passed to split the shares in the ratio of five for one, thereby reducing the nominal value of each share from 0.125 US cents to 0.025 US cents.

The table below summarises the history of the Company's capital since its incorporation.

Date	Corporate Event	Price of Issue	Founders/ Preference Shares	Ordinary Shares	Share Capital
		US$	Units	Units	Units
1985	Initial Issues	1,000.0	500	31,362,000	31.862,000
1995	50% Reduction of Capital	1.0	250	15,685,000	15,935,000
1997	1st Bonus Shares (2 for 5)	1.0	100,000	6,275,000	22,310,000
1997	Equalization of Founders shares			525,000	22,835,000
1997	Audit Adjustment			1,100	22,836,100
1998	2nd Bonus Shares (3 for 7)	1.0		9,786,900	
1998	Kingdom Holdings	2.6		3,498,543	
1998	Rights Issue (including sale of Outstanding rights)	1.5		9,440,155	
1998	Employee Share Issue	1.0		855,402	46,417,100
1999	IFC Shares	1.0	3,750,000		
1999	Sale of Outstanding Rights	2.6		1,000,000	
1999	Sale of Outstanding Rights	2.6		1,722,222	
1999	Employee Share Issue			582,678	53,472,000
2000	Sale of Outstanding Rights			309,007	53,781,007
2001	Sale of Outstanding Rights			2,110,140	55,891,147
2002	Sale of Outstanding Rights			28,731	55,919,878
2003	Sale of Outstanding Rights			157,587	56,077,465
2003	3rd Bonus Issue (1 for 5)			10,433,662	66,511,127
2004	Cancellation of IFC Pref. Shares		(3,750,000)		62,721,127
2004	Conversion and sale of IFC Pref. Shares	3.0		1,530,612	64,291,739
2004	4th Bonus Issue (1 for 10)			6,275,727	70,567,466
2004	Executive Share Option Agreement	2.6		192,307	70,759,773
2005	Share split (4 for 1)			212,279,319	283,039,092
2005	Rights Issue (4 for 5)	0.7		69,586,281	352,625,373
2005	Private Placement	0.8		102,294,906	454,920,279
				101,533,183	609,202,343
2006	5th Bonus Issue (1 for 5)				
2006	Issued for Market Making	Various		1,801,205	611,003,548
2007	Employee Share Issue			1,284,449	612,287,997
2007	Share Split (2 for 1)			612,287,997	1,224,575,994
2007	6th Bonus Issue (1 for 10)			122,457,599	1,347,033,593
2008	Executive Share Option			7,920,000	1,354,953,593
2008	Share Split (5 for 1)			5,419,814,372	6,774,767,965

2.8 Shareholding Structure

ETI is owned by over 7,000 individuals and institutional shareholders. As at June 30, 2008, the shareholding structure was as follows:

2.8.1 Shareholding Composition as at *June 30, 2008*

	No. of Shares	Percentage Holding
Directors*	449,054,170	6.63
Institutions	4,488,612,975	66.25
Other Individuals	1,826,931,190	26.97
Staff	10,169,630	0.15
TOTAL	**6,774,767,965**	**100.0**

20 Largest Shareholders as at *June 30, 2008*

	No. of Shares	Percentage Holding
STD Nominees TVL PTY Renaissance Direct Investment	1,259,008,325	18.6
Social Security & National Insurance Trust	490,973,265	7.2
Interlink Securities Limited	327,618,815	4.8
Africa Investment Sub 1 Ltd	297,000,000	4.4
ECOWAS Bank For Investment & Development	293,176,000	4.3
Blakeney GP III Ltd-Main	175,979,605	2.6
ICMG Securities / Clients	159,331,550	2.4
GLG/HSBC-Trading	158,930,045	2.3
Metropolitan Trust Nig. Ltd.	116,174,495	1.7
Djondo G. Koffi	98,903,120	1.5
Kayotunde Investment Limited	89,494,680	1.3
Ojo Ade Michael	84,450,650	1.2
Estate Of Chief Lawson A. Olusola	83,628,320	1.2
New World Investment Ltd Trading Account	64,102,560	0.9
Stanbic Nominees Nigeria Limited -SNNL	57,952,975	0.9
Ekpe O. Arnold	56,500,355	0.8
SNCPFA Fund Held By FPCNL- Trading Account	56,070,000	0.8
ICMG Securities Limited	53,306,680	0.8
Lawson Kolapo Adesola	52,196,960	0.8
Stanbic Nominees Nig. Ltd - Trading Account	49,222,080	0.7
Total	**4,024,020,480**	**59.4**

2.8.2 Major Institutional Shareholders

- *STD Nominees TVL PTY Renaissance Direct Investments*

Renaissance Direct Investments is part of the Renaissance Group operating in Russia and the Commonwealth of Independent States. Renaissance Group consists of companies in investment banking, asset management and consumer finance. Renaissance has declared beneficial interest in shares held by Africa Investment Sub 1 Limited, ICAP Securities Limited and Stanbic Nominees Nigeria Limited.

* Includes institutional shareholders with seats on the Board

- *ECOWAS Bank for International Development (EBID)*

The ECOWAS Bank for Investment and Development (EBID), previously known as ECOWAS Fund, is the financing arm of the ECOWAS. It is headquartered in Lomé, Togo. EBID is a founder shareholder in the Ecobank Group and has a permanent seat on the board of directors.

- *Social Security and National Insurance Trust (SSNIT)*

The Social Security and National Insurance Trust is the national pension organization of Ghana. It has been a shareholder of ETI since 1992 and further increased its holding in 2001 and 2008.

- *Blakeney GP III Ltd – Main*

Blakeney is an independent London based asset management firm dedicated to investment in developing markets. Blakeney has been a pioneer investor in many stock markets in Africa and the Middle East.

2.8.3 Directors Shareholdings as at *June 30, 2008*

Director	No. of Shares	% Held
Mande Sidibé	586,220	0.01
Ekpe O. Arnold	56,500,355	0.83
Adovelande Christian	89,340	0.00
Ayoola Oba Otudeko (Interlink Securities Limited)	327,618,815	4.84
Lawson Kolapo Adesola	52,196,960	0.77
Umar Isyaku,	8,572,605	0.13
Tall Evelyne	619,815	0.01
Akinwuntan Patrick, Akin	1,609,310	0.02
Ambah Offong	428,150	0.01
Essien Albert, Kobina	832,600	0.01
Total	**449,054,170**	**6.63**

2.9 Corporate Governance and Board Practices

The Ecobank Group Corporate Governance Charter was adopted in 2002 and updated in 2007. This document sets out the corporate governance policies applicable throughout the Group and defines the governance and authority structures to be implemented across the Group.

The charter covers three essential areas:

1. Role of the corporate centre i.e. head office;
2. Relationships and interface between the Group and subsidiaries; and
3. The extent of and limits to delegated powers across different levels of the Group.

The key principles underlying the Group's governance structure are as follows:

- The Parent Company, ETI acts as a "strategic architect" with appropriate involvement in operational management and decision making at subsidiary level;
- Operational decision making is decentralised and is maintained at a level, as close as possible to required action and the customers;
- Individual accountability and responsibility is institutionalised and embedded through empowerment and the granting of relevant levels of authority;

- Co-ordination at the corporate centre and Group level is achieved through high levels of interaction between the Group head office and subsidiaries as well as amongst subsidiaries at board and executive management levels;
- Clear terms of reference and accountability for committees at board and executive levels; and
- Effective communication and information sharing outside of meetings.

These principles guide the operations of the governance units listed below:

- ETI Board of Directors;
- Country Board of Directors;
- Group Executive Management Committee;
- Country Executive Management Committee; and
- Annual Country Heads Meeting.

Appropriate sub-committees are also set up, either on a permanent or ad hoc basis to handle issues as they arise. A brief overview of the roles of each of the governance units is provided in the following paragraphs.

The ETI board of directors is accountable to the Company's shareholders for the proper and effective management of the Ecobank Group. Their primary responsibility is to foster the long term success of the Company consistent with its fiduciary responsibility to the shareholders. The Group Governance Charter requires the board of directors to be guided by the following principles:

- Clear delineation and separation of responsibilities between executive management and board to ensure non-interference of board in management prerogatives;
- Objective judgment on corporate affairs independent in particular from executive management;
- Actions on fully informed basis, in good faith, with due diligence and care and in the best interests of the Group and shareholders;
- Compliance with applicable laws and regulations, interest of stakeholders and Group strategy and direction;
- Local legislation to prevail in the event of any conflict between ETI policies and local laws;
- Transparency and avoidance of conflict of interest between directors and the business of Ecobank Group; and
- Full disclosure of accurate, adequate and timely information regarding personal interest of Directors.

2.10 Board of Directors

ETI has a twelve-member Board of Directors, which oversees and directs the management of the Group. The Board is made up of five executive members and seven non-executive members from west and central Africa, all of whom are distinguished businessmen and professionals.

Mandé Sidibé (68) *Chairman since 2006*
Non-Executive Director from 1998 to 2000 and since 2002. Mandé Sidibé is a former Prime Minister of the Republic of Mali. Before that, he was special adviser to the President of the Republic of Mali. He served with the Central Bank of West African States (BCEAO) in various capacities including General Secretary in charge of the monetary policy and special adviser to the governor of

BCEAO. He also worked for the International Monetary Fund (IMF) in many capacities including Divisional Head, Africa Department. Mandé Sidibé attended the University of Paris, from which he graduated with a degree in Economics, and the George Washington University, from which he graduated with an MBA. He graduated from the Universite of Paris, France in 1965

Arnold Ekpe (54) *Chief Executive Officer from 1996 to 2001 and since 2005*
Arnold Ekpe returned as the Group Chief Executive Officer. He was previously the Group Chief Executive Officer from 1996 to 2001 when he left to join United Bank for Africa, one of the top three banks in Nigeria as Chief Executive Officer from 2002 until 2004. He has over 28 years of African and international banking experience having also worked in Europe, South Africa and West Africa for Citibank and First Chicago. He was Vice President and Head of Structured Trade and Corporate Finance for Sub-Sahara Africa for Citibank. Arnold Ekpe holds degrees in Mechanical Engineering and Business Administration from Manchester University and Manchester Business School respectively. He graduated from the University of Manchester, in the United Kingdom in 1976.

Christian N. Adovelande (57) *Non Executive director since 2002*
Christian Adovelande is the Chairman and Chief Executive Officer of the ECOWAS Bank for Investment and Development (EBID). He was previously Chairman/Managing Director of Cauris Management SA and managing Director of Cauris Investissement SA, a regional venture capital Company based in Lomé, Togo. He has also held the position of Secretary General and acting General Manager for the Africa Private Investment Guarantee Fund (Fonds GARI S.A.) and also held a number of key positions at the West African Development Bank (BOAD). He represents EBID on the Board of Directors. Christian Adovelande holds a degree in Finance and Banking from the Centre Ouest Africain d'Etudes Financières, Dakar. He graduated in 1977.

Oba Otudeko (64) *Non Executive director since 2002*
Dr. Ayoola Oba Otudeko, OFR is Chairman of several local and international companies in Nigeria and abroad; Honeywell Group in Nigeria and Delmar Overseas Limited abroad. He had been at various times a Director of the Central Bank of Nigeria, Guinness Nigeria Plc and British American Tobacco Company Limited. He is a Director of the First Bank of Nigeria Plc, and Chairman, FBN Bank (UK) Limited, London. He is President of the Nigerian Stock Exchange and Chairman of the Nigerian-South African Chamber of Commerce. He is a member, Regional Advisory Board of the London Business School and Chancellor of the Olabisi Onabanjo University, the State University of Ogun State, Nigeria. Oba Otudeko is a Chartered Accountant and Chartered Banker. He graduated from the Leeds College of Commerce in the United Kingdom in 1968.

Paolo Gomes (44) *Non Executive director since 2006*
Paulo Gomes was an Executive Director of the World Bank Group (Washington D.C.) from 1998 to 2006. From 1995 to 1998, he worked for the Ministry of Finance, Planning and Trade of Guinea Bissau where he was a Principal Adviser, Director of Strategic Planning, Public Investment and Debt. Paolo Gomes holds a Certificate in Political Studies (Institut d'Etudes Politiques de Paris), a Bachelor in Economics and International Trade (Institut d'Etudes Libres de Relations Internationales, Paris) and Masters in Economics Policy and Management (Kennedy School of Government, Harvard). He graduated from the Institut d'Etudes Libres de Relations Internationales in 1986.

Kolapo Lawson (58) *Non Executive director since 1993*
Kolapo Lawson is the Chief Executive Officer of a diversified industrial and trading Group with operations in the United Kingdom and across West Africa. He is the Chairman of Polfa Nigeria and Director of two publicly quoted companies: Beta Glass PIc. and Pharma-Deko PIc. He was a Director of Ecobank Nigeria from 1989 to 1997 and of Ecobank Togo from 1990 to 1993. Kolapo Lawson has a degree in Economics and is a fellow of the Institute of Chartered Accountants in England and Wales and of the Institute of Chartered Accountants of Nigeria. Mr. Lawson graduated from the London School of Economics and Political Science in 1972.

André Siaka (59) *Non Executive director since 2006*
André Siaka is the Chief Executive Officer of S.A. Brasseries du Cameroun (SABC) since 1988. He has been working with SABC since 1977, rising from Production Engineer, to Plant Manager, Deputy Regional Manager, Regional Manager and Deputy Managing Director. Before SABC, André Siaka worked with Société Générale in Paris. André Siaka is President of the GICAM (Groupement Interpatronal Camerounais – Cameroon Employers Association) and a Director of Orange Cameroun and Chanas Assurances SA. André Siaka holds an Engineering degree from Ecole Polytechnique, Paris. He graduated in 1974.

Isyaku Umar (60) *Non Executive director since 2006*
Isyaku Umar started his career with UAC of Nigeria. From 1972 to 1976, he was employed in the Kano State Government and was at various times Secretary of the Draught Relief Committee and Principal Private Secretary to the Military Governor. Following that, he became the General Manager of Mai-Naisara and Sons Ltd from 1977 to 1979 and the Managing Director of Tofa General Enterprises Ltd. from 1979 to date. Isyaku Umar holds a Bachelor in Economics degree and a Masters of Public Administration degree from Pittsburgh University. Mr. Umar graduated from Ahmadu Bello University, Zaria in 1972.

Evelyne Tall (49) *Executive director since 2005*
Evelyne Tall is Regional Head for the UEMOA Zone (Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo) and Cape Verde. She started her banking career in 1981 with Citibank in Dakar. She left Citibank to join Ecobank Mali as Deputy-Managing Director in 1998, and was made Managing Director in 2000. She was later transferred to Ecobank Senegal as Managing Director. She was appointed Regional Head of the UEMOA Zone in October 2005. Evelyne Tall holds a Bachelor's degree in English (Dakar) and a diploma in International Trade, Distribution and Marketing from the Ecole d'Administration et de Direction des Affaires, Paris. Mrs Tall graduated from the University of Dakar, Senegal in 1979.

Patrick Akinwutan (46) *Executive director since 2005*
Patrick Akinwuntan is in charge of Operations, Technology, Transaction & Retail Bank. He is also the Managing Director of eProcess International SA. He joined Ecobank in 1996 as Head of Commercial Banking and Zonal Head of Ecobank Nigeria. He also held the positions of Group Chief Financial Officer and Executive Director at Ecobank Nigeria. Before Ecobank, he worked for Ernst and Young, Manufacturers Merchant Bank and Springfountain Management Consultants in Nigeria. Patrick Akinwuntan holds an MBA and he is a fellow of the Institute of Chartered Accountants of Nigeria and an associate of the Institute of Taxation. Mr. Akinwuntan graduated in 1985.He is also an alumnus of the Harvard Business School's Senior Executive Program.

Offong Ambah (48) *Executive director since 2006*
Between 1985 and 1991, Offong Ambah worked with International Merchant Bank and City Trust Merchant Bank in Nigeria. In 1991 he started work with Ecobank. In 1999, he was transferred to Liberia to set up Ecobank Liberia as Managing Director. He left the Ecobank Group in 2002 for United Bank for Africa PLC where he worked as Executive Director. He left UBA in 2005 and was appointed Interim Chairman of Allstates Trust Bank. In March 2006, he returned to Ecobank Group as Managing Director of Ecobank Nigeria and Regional Head of the Nigeria Zone. Offong Ambah holds a Bachelor in Economics and a Masters in Economics. He graduated from the University of Lagos in 1982.

Albert Essien (53) *Executive director since 2005*
Albert Essien is Regional Head for the WAMZ (Ghana, Guinea, Liberia, Sierra Leone and Gambia). He has also responsibility for Ecobank's expansion into East and Southern Africa. He started his banking career in 1986 with the National Investment Bank in Accra, Ghana. He joined the Corporate Banking Department of Ecobank Ghana in 1990. In 1997, he became Country Risk Manager. He was appointed Deputy Managing Director in 2001 and became Managing Director in December 2002. Albert Essien has a degree in Economics from the University of Ghana (Graduated in 1979) and is an alumnus of the Executive Development Program of INSEAD (France/Singapore). He is also an honorary fellow of the Chartered Institute of Bankers, Ghana.

2.11 Other Group Executives

Kassimou Abou Kabassi (50), *Regional Head, CEMAC*
Mr. Kassimou Kabassi started his banking career in 1985 as a financial analyst with the Development Bank of Benin. In 1990, he joined Ecobank Benin and held a number of positions including Credit and Marketing Officer and Risk Manager. In 1999, he was appointed acting Managing Director of Ecobank Togo. He moved to Ecobank Mali in 2000 as Managing Director and in 2005 he was appointed Managing Director of Ecobank Cameroon and Regional Head for Central Africa. He holds a BSc. in Economics and a postgraduate diploma in International banking.

Christophe Jocktane-Lawson (50), *Regional Head, International*
Mr. Christophe Jocktane-Lawson is Regional Head, International. He started his banking career in 1985 with Citibank in Libreville, Gabon where he worked in various capacities as Relationship Manager, Private Sector Head, Public Sector Head, Branch Manager, Corporate Bank Head, Risk Manager, and Deputy General Manager. He joined Ecobank as General Manager for its Benin operations in 2000 and later became Deputy Managing Director and Managing Director in 2002. He was appointed Head, Corporate Development & Wholesale Bank in 2005 and moved to Head, International in 2007.

Yves Coffi Quam-Dessou (48), *Head, Wholesale Bank*
Mr. Yves Coffi Quam-Dessou is Group Head, Wholesale Banking. Prior to his appointment he held several positions in the Group including Managing Director of Ecobank Mali, Group Treasurer and Group Company Secretary. Mr. Coffi Quam-Dessou has over 18 years of extensive experience in finance and banking. He has participated in high level training programmes including the Harvard Business School Executive Program. Mr. Coffi Quam-Dessou holds both Bachelor and Masters Degrees in Applied Economics from Paris I□ Dauphine.

Samuel Ayim (44), *Company Secretary and Group Legal Officer*
Mr. Samuel Ayim has 17 years of professional experience in law, capital markets, banking and finance, corporate governance and company secretarial practice. Prior to joining Ecobank he was Company Secretary & Legal Adviser of the Ghana Stock Exchange. Mr. Ayim joined Ecobank Transnational Incorporated in 1997 as assistant to the Company Secretary and Group Legal Adviser. Between January 2001 and June 2002, he was seconded to Ecobank Development Corporation (EDC) as the Company Secretary and Legal Adviser. He was returned to ETI as Group Legal Officer in 2002, and Deputy Company Secretary. He was appointed Company Secretary/ Group Legal Officer in October, 2005. Mr. Ayim holds an LLB Degree from the University of Ghana; a Barrister-at-Law (BL), Professional Law Certificate, from the Ghana Law School and an MBA in International Financial Management from Exeter University, UK (1995). He is a member of the Ghana Bar Association.

Laurence do Rego (43), *Group Financial Officer*
Mrs. Laurence do Rego joined the Ecobank Group in 2002 as Head of Financial Control for Ecobank Benin. Prior to joining Ecobank, she was Financial Director at Binney & Smith, France, a subsidiary of the Hallmark Group (USA) and Group Thoer (France). She also worked as a chartered accountant and Managing Director of SOCIEC an accounting firm in France. Mrs. do Rego is a Certified Chartered Accountant and holds bachelors and a post-graduate degrees in Finance & Accounting.

Sani Yaya (44), *Chief Audit and Compliance Officer*
Mr. Sani Yaya joined ETI in 2006. Prior to joining the Group, Mr. Yaya worked with *Commission Bancaire*. He was also previously with Union Togolaise de Banque Société Nationale d'Investissement et Fonds Annexes. Mr. Yaya holds a Masters Degree of Sciences from the University of Lomé in Togo.

Ibironke O. Wilson (46), *Group Human Resource Officer*
Mrs. Ibironke Wilson has been ETI Group Chief Human Resource Officer since April 2006. She joined Ecobank in 1995 as a Deputy Financial Controller of Ecobank Ghana and rose to the position of Financial Controller before moving to head Ecobank Ghana's investment banking unit. Prior to joining the Ecobank Group, Mrs. Wilson worked with Coopers & Lybrand in Lagos, Nigeria. Mrs. Wilson is a certified Chartered Accountant and holds an Executive MBA from the University of Ghana, Legon.

Ahmed Iyane Dia (48), *Chief Risk Officer*
Mr. Ahmed Dia joined Ecobank as Group Risk Officer in October 2006 as the Group Risk Officer designate. Prior to joining the Group Mr. Dia worked with Citibank where he started his banking career in 1982. He held several positions in marketing and risk management, including regional head of risk for western and central French-speaking Africa, rising to the position of a Senior Credit Officer. Mr. Dia holds a masters degree in Management with a major in Finance and a minor in International Business.

2.12 Board Committees

The board has three committees, namely, the Governance Committee, the Audit and Compliance Committee and the Risk Committee.

2.12.1 Governance Committee

Composition:

- Comprises three to five members (including the Chairman and Chief Executive Officer) with the majority being non-executive Directors.
- Chaired by the Chairman of the Board of Directors.

Responsibilities

- Formulates reviews and generally ensures implementation of policies applicable to all units of the group and ensure good governance throughout the Group.
- Manages the relationship between ETI and its shareholders and subsidiaries, including relationships with the boards of subsidiaries.
- Formulates new and reviews existing Group-wide policies including organizational structure.
- Handles relationships with regulators and third parties.
- Manages board affairs in between two meetings of the board or when the board is not sitting.

2.12.2 Audit and Compliance Committee

Composition

- Comprised of three to eight members, including 2 shareholders.
- Members with business knowledge and skills and familiarity with accounting practices and concepts.
- The Group Internal Auditor, the Group Financial Controller and representatives of the external auditors sit in attendance at the meetings of the committee.

Responsibilities:

- Reviews internal controls including financial and business.
- Reviews internal audit function and mandate audit activities.
- Facilitates dialogue between auditors and management regarding outcomes of audit activities.
- Makes proposals with regards to external auditors and their remuneration.
- Works with external auditor to finalize annual financial statements before full board approval.
- Ensures compliance with all applicable laws and regulations and operating standards.

2.12.3 Risk Committee

Composition

- Comprises three to five members including the Chief Executive Officer.
- Board members with good business acumen and knowledge of finance, banking, general management or entrepreneurial experience, and credit where possible.

Responsibilities:

- Participates in the determination and definition of policies and guidelines for review and approval of credits within the Group, defining acceptable risk and clearly specifying criteria for determining unacceptable risk.
- Sets and reviews credit approval limits for management.
- Reviews and ratifies 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.
- Reviews all other risks i.e. technology, market, insurance, reputation, regulations, etc.

2.12.4 Country Boards of Directors

Ecobank subsidiaries are registered as separate legal entities in their respective countries of operation. ETI is the majority shareholder in all the subsidiaries but local citizens are encouraged to invest in the local subsidiaries. Each subsidiary has a board of directors comprising of up to seven members, including executive directors.

The Group Governance Charter requires that country boards are guided by principles similar to those which are followed at the ETI board level. As a rule, the boards of directors of subsidiaries have the same range of working committees as does ETI. In addition to the foregoing, the following guidance is provided:

The boards of directors of the subsidiaries are accountable to the subsidiaries' shareholders for the proper and effective administration of the subsidiary in line with the overall Group direction and intent. These boards also have statutory obligations based on company and banking laws in the respective countries. In the event of any conflict between ETI and local laws, the local legislation will supersede.

2.12.5 Group Executive Management Committee

The Group Executive Management Committee is comprised of the Chief Executive Officer and other key management executives. They are responsible for the management of the day-to-day activities of ETI and carry out ETl's technical management responsibilities with the subsidiaries as set out in the respective management agreements.

The Group Executive Management Committee is responsible to the ETI board and plays an important role in ETI's corporate governance structure. The Group Executive Management Committee manages the broad strategic and policy direction of the Group, submits them to the board for approval where necessary, and oversees their implementation.

The Group Executive Management Committee is composed of senior executives of the Group appointed by the ETI Board of Directors. Major decisions are run through the committee before presentation to the Board of Directors. The committee has decision-making powers in specific areas of Group management. In particular, the committee works with and assists the Chief Executive Officer to:

- Chart and refine Group strategy.
- Confirm alignment of individual subsidiaries' plans with overall Group strategy.

- Track and manage strategic and business performance against articulated plans and expected results and outcomes.
- Make decisions on major Group policy and principles (e.g. selection and deployment of Group staff, major capital spending).
- Make recommendations on various issues relating to the staff (e.g. deployment and discipline of executive staff across the Group)
- Track and monitor progress and accomplishments on major Group initiatives and projects at subsidiary level.
- Recommend opening or closing of subsidiaries.
- Articulate appropriate response to environmental factors, regulation, government policies, competition, etc. across the Group.
- Articulate policies for advancing Group objectives.
- Make important decisions in areas where delegation of authority is granted to the committees.

2.12.6 Country Executive Management Committee

A Country Executive Management Committee consists of the country head, and other senior executive members of each subsidiary. In addition to the day-to-day management of the subsidiary's operations, the role of a country's Executive Management Committee includes the following:

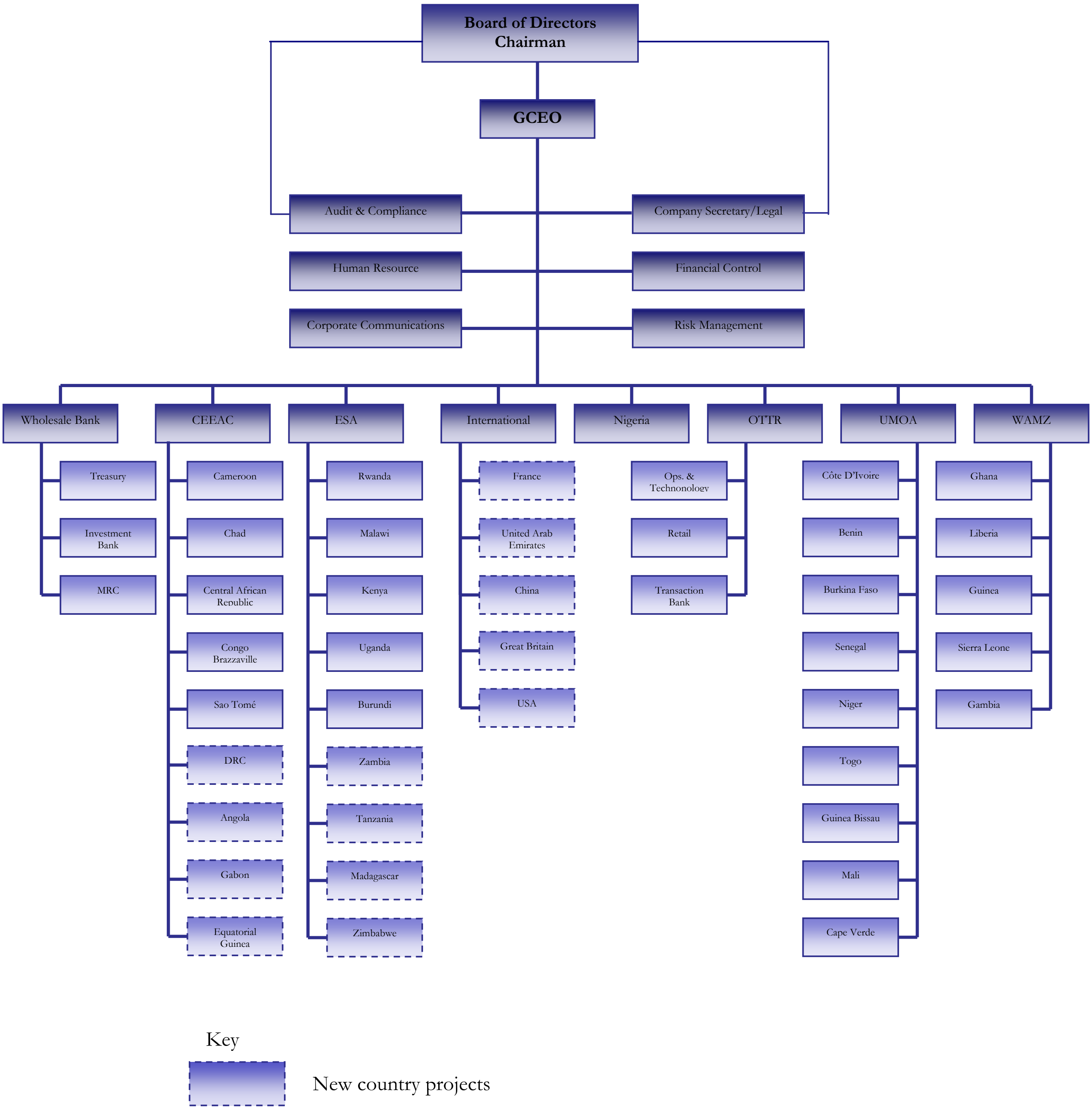
- Managing the strategic objectives of the country's operation in line with Group strategy.
- Defining overall business goals and objectives for the country's operation.
- Ensuring alignment of operating plans with overall Group strategy.
- Approving business unit direction and strategies.
- Making decisions on operating plans and budgets.
- Reviewing financial reporting and control framework.
- Tracking and managing strategic and business performance against articulated plans and expected results and outcomes.
- Tracking and monitoring progress and accomplishments on major initiatives and projects at country level.
- Articulating appropriate response to environmental factors, regulation, government policies, competition, etc. in the respective country.
- Articulating policies for advancing business objectives of the respective country.
- Advising ETI on adaptation of overall strategy to the specificities of the local environment.

2.12.7 Business Leaders Meeting

The Business Leaders Meeting is an annual meeting of all managing directors and Group functional heads, who review and reflect on the overall Group strategy and policies. The meeting plays a key role in facilitating the harmonization and integration of the Group strategy. It is a consultative meeting. Its role includes:

- Sharing and disseminating information, experiences and best practices across the Group.
- Initiating policies that encourage integration and promote the 'one-bank concept'.
- Continually determining aspects of integration objectives that can be standardized across the Group (e.g. standard layout of branches, etc.).
- Promoting and monitoring compliance with Group operational standards.
- Contributing to the formulation of Group policies.

2.13 ETI - Organisational Structure



2.14 Directors' Term of Office

Under the Articles of Association (Article 26), directors are elected for a three-year renewable period.

1. A retiring Director shall be eligible for re-election.

2. If at any meeting at which an election of Directors ought to take place, the places of any or all of the vacating Directors are not filled, the vacating Directors, or such of them as have not had their places filled, shall continue in office until the ordinary meeting in the following year, and so on from time to time until their places are filled.

3. Any vacancy occurring in the Board of Directors may be filled by the Directors. Provided that any director so appointed shall hold office only until the next Ordinary General Meeting of the Company and shall then be eligible for re-election.

4. Continuing directors may act notwithstanding any vacancy in their body, but where their number is reduced below the minimum number fixed by the Articles of Association, the continuing directors may, except in an emergency, act only for the purpose of increasing the number of directors to such minimum number or to summon a General Meeting of the Company.

5. The appointments made in accordance with the provisions of paragraphs 3 and 4 above shall be approved by the next General Meeting.

6. A Director who attains the age of seventy (70) years shall retire at the next Ordinary General Meeting following his seventieth birthday provided that the Board may, subject to ratification by shareholders in a General Meeting, extend his mandate on a yearly basis for a further two-year period only.

7. The Board of Directors elects a Chairman whose term of office shall not exceed six (6) years.

2.15 Governing Law

ETI is registered as a 'Société Anonyme' (equivalent of a public limited liability company) under the laws of the Republic of Togo. However, in view of the special privileges needed by the Company to operate as a regional institution, its establishment was authorised by an executive instrument ("Ordonnance") no. 85-16 of September 5, 1985. Pursuant to the "Ordonnance", a Headquarters Agreement was signed between ETI and the Government of the Republic of Togo granting ETI the status of a non-resident financial institution, with rights and privileges equivalent to those of international organisations. Furthermore, the Articles of Association were made the primary governing legal instrument.

ETI is therefore governed by the following legal instruments:

a) The Headquarters Agreement (signed pursuant to the "Ordonnance")
b) Articles of Association (as amended from time to time and including internal regulations made by the Company), and

c) Secondarily, the laws of the Republic of Togo where there are no contrary provisions in (a) or (b) above.

The following is a brief overview of the respective instruments:

2.16 The Headquarters Agreement

The Headquarters Agreement was signed between ETI and the Government of the Republic of Togo on 7 October 1985. The following are the key provisions of the agreement:

a) The Agreement grants ETI the right to make rules governing its internal operations. Officials, including administrative, judicial, police and military officials, may enter the headquarters to perform their duties only with the permission of the chairman of the Company. ETI is however under obligation not to allow its offices to be used for illegal activities.

b) ETI's official communications, including publications are accorded the same treatment as those of international organisations.

c) ETI is granted immunities, privileges, financial facilitations and fiscal exemptions as a 'non-resident company' or an international financial institution. Consequently ETI's operations are not subject to foreign exchange restrictions as other local companies. Apart from Ecobank Development Corporation, the regional investment banking arm of the Ecobank Group which has the same status as ETI, these privileges do not extend to the subsidiaries of ETI, which are subject to the laws and regulations of the countries in which they operate.

d) ETI's income is exempt from tax. It also enjoys wide ranging exemptions from several direct and indirect taxes in Togo. Consequently, dividends paid by ETI to its shareholders are not subject to withholding tax. Interest on bonds issued by ETI is also exempt from tax in Togo.

e) The officials of ETI, including its Directors, consultants and certain categories of staff also enjoy privileges, immunities and tax exemptions equivalent to those of international organisations.

2.17 Articles of Association

The Articles of Association of the Company defines the nature of the Company, its business, as well as its management. It also sets out the respective rights and responsibilities of its shareholders and directors and makes provision for the winding up of the Company.

The following is a summary of the salient provisions of the Articles:

2.17.1 Nature of the Company

The registered name of the Company is Ecobank Transnational Incorporated. The Company is a société anonyme (equivalent of public limited liability company). Its registered office is 2 Rue Sylvanus Olympio, BP 3261, Lomé, Togo. It may be relocated to any other city in Togo or in any member country of the ECOWAS. It has unlimited duration. It has English and French as its official languages. Subject to the provisions of the Articles of Association and the Headquarters' Agreement, it is subject to the laws of the Republic of Togo where there are no contrary provisions with the Articles of Association.

2.17.2 Capital and Shares

The Company has an authorised share capital of US$ 1,250 million divided into 50,000 million ordinary shares of US$0.025 each. The Company has no other type or class of shares. However, the general meeting of shareholders has the authority to create different classes of shares. Each ordinary share of the Company is entitled to one vote subject to the Articles of Association and the applicable law. There are no restrictions on the transferability of shares of the Company.

Existing shareholders have pre-emptive rights to new shares issued but this right may be waived by a majority of shareholders holding 55% or more of the share capital. The shareholders also have a right to create one or several categories of shares by a special resolution.

2.17.3 General Meeting of Shareholders

The Company is required to convene a general meeting of shareholders annually within six months of the closing of the Company's financial year. An extraordinary general meeting may be convened by the directors as they deem fit or on the requisition of shareholders holding not less than ten (10) percent of the capital of the Company. Every shareholder is entitled to attend or be represented at general meetings. Twenty-one days' notice is to be given for all general meetings. The quorum for general meetings is twenty shareholders.

2.17.4 Voting Rights

Any shareholder who has fully paid up his shares shall be entitled to vote at any General Meeting. Votes may be given either personally or by proxy.

2.17.5 Alteration of Capital

The Company's capital may be divided into shares of such respective amounts, and with such rights or privileges (if any) as the Directors think expedient; any capital raised by the creation of new ordinary shares shall be considered as part of the original capital, and shall be subject to the same provisions.

2.17.6 Dividend Provision

The Directors may declare a dividend, but no dividend shall be payable except after payment of any share of profit due to the technical partner if any.

2.17.7 Administration of the Company

The Company is administered by a Board of Directors and a management team. The Articles of Association provides for between five and fifteen directors elected by a general meeting of shareholders. Directors are elected for a term of three years but are eligible for re-election until they attain the age of 70 years after which they can only serve for a maximum of two one year terms.

2.17.8 Accounts and Auditors

The Company's financial year is from 1 January to 31 December. The Company's accounts are kept in United States dollars although its subsidiaries' accounts are kept in the local currencies of their respective countries. The general meeting appoints the external auditors annually to audit the accounts of the Company.

The directors propose the appropriation of the net profits for each financial year, including dividend, but this is subject to the approval of the general meeting. The directors may however pay interim dividends during the year provided the profits of the Company justify it. Before the declaration of a final dividend however, the directors are required to set aside 15 per cent of the net profits as a transfer to special reserves. They may also transfer any portion of the profits to general reserves. The Company is also entitled to capitalise any part of its profits upon the recommendation of the board and the approval of the general meeting.

2.17.9 Arbitration

Disputes between shareholders and the Company are settled through arbitration.

2.18 Togolese Law

Where there are no contrary provisions in the Company's Articles of Association or the Headquarters' Agreement, the laws of Togo apply to the Company.

Togo has a civil law, as oppose to a common law, system. As a former French colony, Togolese laws and legal system are largely influenced by, and in most cases adopt, French law. Secondly, Togo is a member of the Organisation for the Harmonisation of the Business Laws in Africa (OHADA), an organisation of 16 French-speaking countries aimed at harmonising business laws for member countries. OHADA has harmonised a number of business laws (called Uniform Acts) which have come into operation in member countries. One Uniform Act which is of relevance to ETI is the Uniform Act on Commercial Companies and Economic Interest Groups. This is the company law for the OHADA region.

2.19 Supervisory Authority

ETI as a bank holding Company is supervised and subject to inspection by the *Commission Bancaire*. All Ecobank subsidiaries are supervised and regulated by the relevant banking authorities of the countries in which they operate.

2.20 Securities Laws

By virtue of ETI's listing on the BRVM, Ghana Stock Exchange and the Nigerian Stock Exchange, ETI is subject to the securities laws governing these markets and is subject to the jurisdiction of the respective stock exchanges and independent securities regulatory authorities supervising these markets.

2.21 Research and Development

ETI has a policy to develop new financial products and services, improved banking and operating processes in order to grow revenues, enhance efficiency, reduce costs and improve profitability.

PART 3 – THE ECOBANK GROUP

3.1 Introduction

The Ecobank Group comprises ETI, the parent company, and 32 operating subsidiaries and affiliates. ETI is a bank holding company whose activities consist of providing banking and financial services through its banking network and subsidiaries to individuals, corporate entities, financial institutions, multilateral development institutions, non-governmental organizations and governments.

ETI provides its subsidiaries with management, technical and operational support in technology, training, and the development of new businesses. ETI is responsible for policy making, strategy and management control of the Group through the following arrangements:

a) Majority shareholding in all the subsidiaries
b) Technical management agreements
c) Appointment of senior staff

ETI strives to ensure common standards and policies in the areas of strategy, controls, ethics, anti-money laundering, conflict of interest and corporate governance throughout the Group. These policies and standards are periodically reviewed and updated to reflect local requirements and international practices.

3.2 Services Provided by ETI to Subsidiaries

1. *Corporate and Business Development* – In addition to capital, ETI provides services for the establishment of new subsidiaries to ensure the growth and development of the group. These include preparing feasibility studies, establishing contact with local regulatory authorities, obtaining the relevant registrations and licences, securing office premises, providing the initial human resources and installing the relevant technology.

2. *Intellectual Property* – ETI owns the intellectual property rights of the Ecobank Group including the Ecobank name, logos, trademarks, brand names, etc. ETI permits its subsidiaries to use these instruments for the furtherance of their businesses. All Ecobank units enjoy the goodwill, reputation and access to the Ecobank network and the benefits and synergies that derive from the Ecobank franchise.

3. *Manuals* – ETI provides operational manuals and defines policies on the group's businesses – including processing, credit, and foreign exchange. Such manuals and policies are reviewed regularly by ETI to reflect changing trends in international banking as well as experience and developments within the Group.

4. *Reviews and Audits* – ETI undertakes periodic audits and reviews of the operations of all operating units. The audits and reviews typically cover areas such as operations, business risk, technology, human resources and compliance. Such audits are not only aimed at compliance with Group policies and objectives but also assist the units to improve upon their operational efficiency.

5. *Human Resources* – ETI recruits and seconds senior level executives for all of its units. The Company employs an extensive in-house database and works with employment agencies in recruiting personnel. ETI also formulates appropriate human resources policies for the guidance of units in the Group.

6. *Advertising and Marketing* – To ensure uniformity, minimise cost and maintain group standards, ETI implements uniform advertisements (visual, electronic and print) for Ecobank products throughout all countries where Ecobank operates.

7. *Preferred Service Providers* – For general services that are consumed across the Group, ETI may enter into a preferred service agreement with third party service providers on behalf of the Ecobank Group to ensure that such services are provided to all units at uniform costs and to common standards.

8. *Strategic Direction* – ETI develops strategic plans, products and services and generally provides strategic direction for the Ecobank Group including the establishment of new subsidiaries. ETI seeks to ensure that all units within Ecobank operate to a consistent standard.

9. *Technology* – ETI provides technological support for the Ecobank Group through reviews, advice, and training and, in some cases, contracting with technology providers, to provide uniform hardware and software for the Group. Such Group technology includes the Globus operational system, common email platform, Intranet and Internet facilities and VSAT interconnection.

10. *Correspondent Banking* – ETI ensures that its network of correspondent banks provides to all its subsidiaries similar standards of service that they would otherwise not have enjoyed on a standalone basis.

11. *Compliance and Ethics* – Through policy formulation and reviews ETI ensures that all Ecobank units comply with international, national, environmental as well as Group standards, regulations and requirements including ethical and anti-money laundering standards.

12. *Risk Management* – ETI provides risk management support to all its units thus enhancing the quality of their risk assets and the organisation of their risk exposure in the areas of credit, treasury, operations, investments, etc.

13. *Management Information Systems* – ETI is implementing enhanced management information systems for the Ecobank Group to assist in resource allocation and to improve financial performance and management decision-making.

14. *Operations and Service Banking* – ETI supports all Ecobank units to ensure that their operations, services and processes are carried out to approved minimum and common standards.

3.3 Ecobank's Market

	GDP(US$bn)	Real GDP Growth (%)	Inflation (%)	Population (m)	Exports(US$m)	Imports(US$m)	Exports/GDP ratio (%)	Imports/GDP ratio (%)	Current Account Balance (US$m)	Foreign Exchange Reserves excl gold (US$m)	Total External Debt (US$bn)	Debt Service Ratio due (%)	Exchange rate (average for period) C:US$
UEMOA													
Benin	5.50	4.50	1.30	9.00	584.70	1,095.10	10.63	19.90	(452.80)	1,209.20	n/a	n/a	479.30
Burkina Faso	7.30	4.20	(0.20)	14.80	621.90	(1,332.10)	8.52	(18.25)	(673.10)	1,029.20	1.40	5.30	479.27
Cote d'Ivoire	19.74	1.60	1.90	19.20	9,154.00	(6,137.00)	46.37	(31.09)	259.00	n/a	13.99	n/a	445.6[a]
Guinea Bissau	0.39	2.70	3.80	1.70	66.50	(124.50)	17.27	(32.34)	(5.80)	108.40	1.01	n/a	479.30
Mali	6.84	4.30	1.50	14.10	1,623.00	1,652.00	23.72	24.15	(517.00)	1,056.70	n/a	n/a	479.30
Niger	4.05	3.20	0.00	14.23	796.00	1,025.00	19.64	25.30	(312.00)	593.00	0.83	3.00	479.30
Senegal	13.02	4.60	6.20	12.40	1,604.00	(3,892.00)	12.32	(29.88)	(1,682.00)	1,660.00	2.15	n/a	479.30
Togo	2.50	2.50	1.00	6.60	0.69	1,208.00	0.03	48.24	(160.00)	470.00	1.90	n/a	479.30
Cape Verde	1.55	6.70	4.40	0.53	80.40	767.60	5.18	49.43	(119.80)	348.30	n/a	n/a	80.66
Sub Total/Average for UEMOA	60.90	3.81	2.21	92.56	14,531.19	(5,737.90)	15.96	6.16	(3,663.50)		21.27		
WAMZ													
Ghana	13.48	5.50	12.70	23.50	4,105.00	(7,732.00)	30.46	(57.38)	(1,555.00)	n/a	4,836.00	n/a	0.94
Guinea	10.30	9.50	6.00	0.50	9,915.00	(3,097.00)	96.26	(30.07)	395.00	3,837.00	341.10	n/a	445.59[a]
Liberia	1.02	9.40	11.40	3.65	184.00	(499.00)	17.99	(48.78)	(112.00)	119.40	4,725.00	n/a	61.30
Sierra Leone	1.65	7.00	11.70	5.85	300.00	390.00	18.18	23.64	(160.00)	216.60	n/a	n/a	2,985.20
Gambia	0.68	7.00	5.10	1.70	92.70	271.10	13.64	39.90	(67.10)	142.80	na/	n/a	24.88
Sub Total/Average before Nigeria	27.13	7.68	9.38	35.20	14,596.70	(10,666.90)	35.31	(14.54)	(1,499.10)		9,902.10		
Nigeria	135.50	6.30	5.40	146.20	62,415.00	(38,380.00)	48.90	(20.45)	2,854.00	51,334.00	8,031.00		125.80
Sub Total/Average for WAMZ	161.95	7.54	9.44	179.70	76,919.00	(49,318.00)	42.36	(26.61)	1,422.00		17,933.10		
CEEAC													
Cameroon	18.88	2.70	2.00	18.60	3,820.00	(3,714.00)	20.23	(19.67)	(330.00)	2,909.00	2.56	n/a	479.27
Chad	7.40	1.30	4.00	10.80	4,200.60	1,158.00	56.76	15.65	(171.30)	959.90	n/a	n/a	479.30
Central African Republic	1,796.00	4.00	4.50	4.30	196.90	223.50	0.01	0.01	(73.00)	82.10	277.00	n/a	479.30
Congo Brazaville	9.80	(1.00)	7.00	3.80	6,250.90	1,762.10	63.78	17.98	762.20	2,196.90	n/a	n/a	479.27
Sao Tome & Principe	0.10	6.00	18.00	0.16	4.40	71.20	4.32	69.94	(55.80)	34.60	n/a	n/a	13,536.00
Subtotal/Average for CEMAC	1,832.18	2.60	7.10	37.66	14,472.80	(499.20)	29.02	16.78	132.10		279.56		
ESA													
Rwanda	2.90	6.00	9.10	9.70	167.20	585.30	5.77	20.18	(202.90)	516.60	n/a	n/a	551.00
Malawi	2.43	8.00	7.50	13.90	604.00	(866.00)	24.83	(35.59)	(318.00)	217.00	894.00	n/a	140.17[a]
Kenya	27.51	7.00	9.60	37.50	4,075.00	(8,540.00)	14.82	(31.05)	(1,134.00)	3,355.00	6,713.00	n/a	62.68[a]
Burundi	1.00	3.60	8.30	8.30	44.50	271.60	4.45	27.16	(101.40)	176.30	n/a	n/a	176.30
Uganda*	12.00	6.00	6.10	30.90	1,626.00	(2,803.00)	13.55	(23.36)	(217.00)	2,560.00	1,498.00	n/a	1,723.00
Zambia*	11.14	6.40	8.90	11.90	4,348.00	(3,622.00)	39.02	(32.51)	(184.00)	1,090.00	2,598.00	n/a	3,845[a]
Subtotal/Average for ESA	23.14	6.20	8.25	112.20	10,864.70	(14,974.10)	17.07	(12.53)	(2,157.30)		11,703.00		
Total/Average Region	2,045.13	4.83	6.05	423.82	116,880.39	(70,258.10)	23.72	(1.11)	(4,333.80)		29,936.93		

a- year end — *end of year figures*
n/a- not available — *sub total figures relate only to GDP, population, export, current account balance , external debt and total debt*
** opening soon*

Source: EIU Country Reports (2008)

3.3.1 Regional Presence

Ecobank currently operates across western, central, eastern and southern Africa and is present in a total of 25 countries: 15 countries in West Africa, 6 countries in Central Africa and 4 countries in East and Southern Africa.

The countries of Middle Africa are largely agrarian although there are considerable amounts of mineral and crude oil extraction as well as light manufacturing activities. Their economies are mainly trade dependent, exporting commodities such as cocoa, coffee, cotton, crude oil and gold in a largely unprocessed state and importing capital and manufactured consumer goods in return.

Growth in Middle Africa has been very resilient during the recent global economic downturn, with GDP growth rates of 3% to 5% per annum in many countries of the region. Inflation rates, according to EIU reports, have declined in most countries; trade and current account balances have stabilized; and to a large extent, external debt burdens are declining.

The driving factors behind these developments include progress in improving macroeconomic policies and supporting democratic political institutions as well as in resolving regional conflicts. The external environment has also become more favourable through a modest improvement in the terms of trade (mainly higher export prices of some major commodities) and increases in development assistance and debt relief. Prospects for lower trade barriers into industrial countries have improved with the passage of the European Union's "Everything But Arms" initiative and the United States' African Growth and Opportunity Act (AGOA).

The main economic blocs in Middle Africa are the ECOWAS, UEMOA and the WAMZ – all in West Africa; CEMAC in Central Africa, the Southern African Development Community (SADC) and the Eastern African Community.

3.3.2 ECOWAS

ECOWAS consists of 15 member countries (Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo). Ecobank is present in all 15 ECOWAS countries. Trade in goods in the sub-region as a percentage of GDP is still relatively small, which puts Ecobank in a strong position to grow its business as trade develops among the countries of the sub-region. Côte d'Ivoire, Ghana, Nigeria and Senegal dominate trade within the sub-region.

3.3.3 UEMOA

In 1994, seven member countries of ECOWAS (all French-speaking) set up the UEMOA to work towards a customs union and other aspects of economic convergence. Currently, UEMOA has eight members (Guinea Bissau joined in 1997). The UEMOA member countries (Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo) share the same currency, the CFA franc, and a common set of business laws. Ecobank is present in all eight UEMOA countries.

3.3.4 CEMAC

The CEMAC treaty was signed in N'djaména on March 16, 1994 and the community itself came into existence on June 25, 1999 following the adoption of the action plan called the Malabo Declaration. Similar to UEMOA, the six member countries of CEMAC (Cameroon, Chad, Central African Republic, Gabon, Equatorial Guinea and the Republic of Congo) share the same currency, the CFA franc, and a common set of business laws. Ecobank is present in four of the six CEMAC countries.

3.3.5 ECCAS (CEEAC)

The Economic Community of Central African States (ECCAS) comprises 11 member states, namely, Angola, Burundi, Cameroon, Central African Republic, Chad, Congo Brazzaville, Democratic Republic of Congo, Equatorial Guinea, Gabon, Rwanda and Sao Tome and Principe. ECCAS has overlapping membership with CEMAC to which Cameroon, Central African Republic, Chad, Congo Brazzaville, Equatorial Guinea and Gabon also belong.

In 2003, the European Union sponsored an agreement to merge ECCAS and CEMAC into one organization. ECCAS began functioning in 1985 but remained inactive for several years due to non-payment of membership fees and the conflict in the Great Lakes area.

At its Heads of States and Government Conference in Malabo in 1999, ECCAS reaffirmed its objective of forming a wider economic community of central African states focused on the following priority areas:

- Develop the capacity to maintain peace, security and stability within the region;
- Promote economic and monetary integration;
- Develop a culture of human integration; and
- Establish an autonomous financing mechanism for the ECCAS.

3.3.6 The Franc Zones

The eight member countries of the UEMOA Zone share a common currency, the Communauté Financière Africaine franc (the CFA franc), while the six member countries of the CEMAC Zone also share a common currency, the Coopération Financière Africaine franc (the CFA franc). Both CFA francs are fixed to and convertible to the euro through special monetary arrangements with France. Although the CFA francs were created in 1945, the Franc Zone was shaped by a series of post-colonial treaties drawn up in the early 1970's.

Each Franc Zone has its own regional Central Bank, the Banque Centrale des États de l'Afrique de l'Ouest (BCEAO) based in Dakar for West Africa and the Banque des États de l'Afrique Centrale (BEAC) based in Yaoundé for Central Africa.

The French Treasury guarantees the convertibility and stability of the currencies issued by the regional central banks, which in return are required to maintain a minimum of 65 percent of their reserves in euros with the French Treasury. The stability of the CFA franc is founded on tight monetary and credit discipline, which is underpinned by two specific measures, which are required of the two regional central banks:

1. maintain at least 20 percent foreign exchange cover for their short term liabilities; and
2. maintain a cap on credit extended to each member country equivalent to 20 per cent of that country's public revenue in the preceding year.

In January 1994, the two CFA francs were devalued for the first time in 46 years, from CFA fr50 = FFr 1 to CFA fr 100 = FFr 1. With the advent of European economic and monetary union, the CFA franc's peg was switched automatically from the French franc to the Euro in January 1999, at a fixed rate of CFAfr655.957: EUR1, and has remained fixed since. Although there have been rumours of a further devaluation, especially at the time of the introduction of the Euro, that has not happened.

3.3.7 WAMZ

Six ECOWAS member countries (The Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone) signed an agreement in December 2000 to create a second monetary union in the sub-region and defined a set of convergence criteria: a budget deficit of less than 4 percent of GDP; central bank financing of budget deficits limited to 10 percent of the previous year's tax revenue; an inflation rate of not more than 5 percent; and foreign reserves equivalent to at least six months of imports.

The first step towards monetary integration was the creation of the West African Monetary Institute, an interim organization that was to pave the way for the creation of a West African Central Bank and the introduction of a common monetary unit in January 2003. The West African Monetary Zone (WAMZ) Stabilization and Co-operation Fund was created in 2001 with planned capital of US$100 million to assist member countries with temporary balance of payments problems. However, progress has been slow and the WAMZ countries agreed in November 2004 to postpone the creation of their new currency since none of the countries had met the convergence criteria.

3.3.8 Southern African Development Community (SADC)

In August 1992 Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe signed a treaty establishing the Southern African Development Community (SADC). It replaced the Southern African Development Co-ordination Conference (SADCC), which was formed in 1980 by the Southern African states in a largely unsuccessful attempt to reduce the region's economic dependence on white-ruled South Africa. Namibia joined the SADCC shortly after independence in 1990; South Africa became a member of SADC in 1994; Mauritius joined in 1995; the Democratic Republic of Congo (DRC, formerly Zaïre) in 1997; and Madagascar in August 2005. Although Seychelles joined in 1997, it withdrew from SADC in 2003 to cut costs and because it had difficulty adhering to all of the organisation's protocols.

The admission of South Africa into SADC in August 1994 had a profound effect on the organization. In mid-1994, before South Africa joined, only 4% of members' trade was within the community, but this figure has now risen to around 25%, with most of the countries being major trading partners with South Africa, although not with each other. There has also been a wave of South African investment into many of the countries. After several years of negotiation, on September 1, 2000 the SADC trade protocol came into effect, having been ratified by all member states. This aims to achieve a free-trade area by 2008, when substantially all trade will be duty-free. However, progress has been limited and will depend on the speed at which member governments dismantle their existing barriers to trade, with the SADC likely to be increasingly divided into those countries making progress, such as South Africa and the countries in its immediate economic orbit, and those that are laggards, such as Angola and Zimbabwe.

3.3.9 East African Community (EAC)

The EAC is the regional intergovernmental organization of the Republics of Kenya, Uganda, Tanzania and Republic of Rwanda with its headquarters in Arusha, Tanzania. The regional integration process is at a high pitch at the moment, and augurs well for a community with a combined population of 120 million, land area of 1.85 million sq kilometers and a combined gross domestic product of US$41 billion. The encouraging progress of the East African Customs Union; the enlargement of the Community with admission of Rwanda and Burundi; the ongoing negotiations of the East African Common Market as well as the consultations on fast tracking the process towards East African Federation all underscore the serious determination of the East African leadership and citizens to construct a powerful and sustainable East African economic and political bloc.

3.4 Ecobank Subsidiaries

As At 31 December 2007[1]

SN	Subsidiaries	Operations Commencement Date	Equity Held by ETI (%)	Total Equity (US$'000)	Total Assets (US$ M)	2007 (PBT US$'000)	2007 PAT (US$'000)	Contribution to Group PAT (%)
1	Ecobank Benin	1990	78	36,749	487,563	7,575	5,153	4%
2	Ecobank Burkina	1997	82	25,797	299,183	7,063	4,905	3%
3	Ecobank Cameroon	2001	79	17,733	285,160	4,385	1,731	1%
4	Ecobank Cape Verde	2004	98	(43)	994	(45)	(45)	0%
5	Ecobank Central African Rep.	2007	75	8,070	88,169	3,154	2,403	2%
6	Ecobank Chad	2006	73	8,697	122,645	4,245	2,445	2%
7	Ecobank Côte d'Ivoire	1989	94	38,820	581,491	13,361	10,527	7%
8	Ecobank Gambia	2007	100	2,570	9,168	(449)	(470)	0%
9	Ecobank Ghana	1990	87	67,366	686,375	31,040	22,978	16%
10	Ecobank Guinea Bissau	2007	100	1,562	26,149	(1,903)	(1,918)	-1%
11	Ecobank Guinea	1999	83	12,188	112,518	6,511	4,094	3%
12	Ecobank Liberia	2000	100	10,165	94,744	4,141	2,644	2%
13	Ecobank Mali	1998	92	28,737	279,652	11,934	7,856	5%
14	Ecobank Niger	1999	100	7,530	141,688	2,516	1,678	1%
15	Ecobank Nigeria	1989	71	306,505	2,806,318	79,982	65,285	45%
16	Ecobank Rwanda	2007	90	6,773	81,267	1,022	689	0%
17	Ecobank Sao Tome & Prin.	2007	98	1,736	4,106	(762)	(420)	0%
18	Ecobank Senegal	1999	80	26,360	366,515	9,830	8,140	6%
19	Ecobank Sierra Leone	2006	100	2,812	19,707	(1,130)	(871)	-1%
20	Ecobank Togo	1988	81	27,438	253,965	10,848	7,776	5%
21	Ecobank Development Corporation[2]	2000	85	11,939	75,524	4,787	2,892	2%
22	eProcess	2002	100	4,057	31,442	(3,102)	(3,102)	-2%

3.4.1 Subsidiary Overview

This section provides an outline of ETI's subsidiaries. For each subsidiary the outline includes an overview of the country, the banking industry and the company, including a summary of historical financial performance.

[1] Six subsidiaries (Ecobank Burundi, Malawi, Congo Brazzaville, Democratic Republic of Congo, Kenya and EDC Investment Corporation (CEEAC) opened in 2008 are not shown in the table above.

[2] Ecobank Development Corporation consolidates all investment banking businesses (EDC Stockbrokers Limited, EDC Securities Limited and EDC Investment Corporation and Ecobank Asset Management).

The growth of the subsidiaries is attributable to the following factors:

- Revenue growth and cost control drives across the Group;
- Expansion in distribution channels, branches, kiosks and direct sales outlets;
- Introduction of new services and products;
- Business expansion and recapitalization including the acquisition of All States Trust Bank in Nigeria and initial public offerings of Ecobank Nigeria and Ecobank Ghana.

BENIN

Country Overview

Macroeconomic Highlights*	2003	2004	2005	2006	2007
GDP (US$ bn)	3.6	4.0	4.4	4.7	5.5
Real GDP growth (%)	3.9	3.1	3.9	3.8	4.5
Consumer price inflation (av.%)	1.5	0.9	5.4	3.8	1.3
Population (million)	8.0	8.2	8.5	8.8	9.0
Export fob (US$ m)	540.8	568.6	578.3	501.2	584.7
Imports fob (US$ m)	(818.7)	(842.0)	(865.7)	(885.9)	(1,095.1)
Principal exports	Cotton, textiles and re-exports				

Source: EIU Country Reports

Benin attained independence from France in 1960 and is a multi-party democracy with a population of 9.0 million people over a geographical area of 112,620 square kilometers. The capital city is Porto-Novo, the official language is French and the currency is the "Communaute Financiere Africaine" franc (CFA franc).

The coalition of the current President's party, the Force Cauris pour un Benin (FCBE) secured the highest number of seats in the March 2007 legislative election thus forming the majority in the National Assembly. The country's constitution provides for a President who is Head of State and who serves a maximum of two five-year terms, a cabinet appointed by the President and a unicameral National Assembly, whose members serve a four-year term.

Real GDP growth is expected to rise to 5% in 2008 and 5.5% in 2009 as a result of the increased export activity in cotton production, growth in the construction industry and the inflow of funds from the IMF Poverty Reduction and Growth Facility economic reform program.

* 2003 to 2005 – Actual; 2006 to 2007 – EIU Estimates

Industry Overview

The Banking Industry is supervised and regulated by the *Commission Bancaire* (Banking Commission) which is the supervisory arm of the Banque Centrale des Etats de l'Afrique de l'Ouest ("BCEAO"). There are currently 11 banks operating in Benin. Ecobank Benin ("EBB") is the second largest bank in Benin and accounts for 20.42% of the industry's total assets. The banking industry is dominated by 3 banks which collectively account for 65.6% of the industry's total assets as highlighted below:

US$' m	Total Assets	Total Deposits	Total Loans	Total Equity	Market Share
BOA BENIN	788	577	388	63	33.95%
ECOBANK BENIN	488	355	276	36	20.42%
SGBBE	260	191	176	23	11.20%
DIAMOND BANK	182	128	73	27	7.85%
FINANCIAL	148	138	95	6	6.36%

Source: ETI

Company Overview

EBB commenced operations in 1990 and currently has 253 employees in 27 branches distributed county-wide. It contributed about 4% to Group profit after tax in 2007. Total deposits and assets have increased by compounded annual growth rates of 18.9% and 17.2% respectively over the last five years. ROE recorded an average of 20.6% between 2003 and 2007. ROA averaged 1.9% over the same period. EBB's proximity to Nigeria has helped its performance through the provision of banking solutions to Nigerian companies doing business in the country, and cross-border trade flows. The bank's historical financial performance is summarised below:

US$ '000 Year ended 31 December	2003	2004	2005	2006	2007
Profit After Tax	5,287	5,143	3,503	4,125	5,153
Total Assets	258,440	270,406	236,697	320,448	487,563
Loans and Advances	159,406	167,531	154,654	224,996	275,732
Total Deposits	176,142	182,468	185,344	237,275	351,735
Total Equity	23,880	28,866	27,793	30,512	36,749

Source: ETI

BURKINA FASO

Country Overview

Macroeconomic Highlights*	2003	2004	2005	2006	2007
GDP (US$ bn)	4.3	5.1	5.6	6.1	7.3
Real GDP growth (%)	6.5	3.9	3.8	5.5	4.2
Consumer price inflation (av.%)	2.0	-0.4	6.4	2.3	-0.2
Population (million)	13.1	13.5	13.9	14.4	14.8
Export fob (US$ m)	320.5	463.2	556.2	610.1	621.9
Imports fob (US$ m)	(685.3)	(942.5)	(1,024.7)	(1,187.6)	(1,332.1)
Principal exports	Cotton, Livestock products and Gold				

Source: EIU Country Reports

Burkina Faso attained independence from France in 1960. Repeated military coups during the 1970s were followed by multi-party elections in the early 1990's. The country has a population of 14.8 million people over a geographical area of 274,200 square kilometers. The capital city of Burkina Faso is Ouagadougou, the official language is French and the currency is the CFA franc.

The most recent presidential elections, held in November 2005, saw the current President reelected for a third term in office. The next presidential elections are due in November 2010. Legislative elections held in May 2007 resulted in an increase of the ruling party's seats from 57 to 73 in the 111 seat parliament. The country's constitution provides for a President who appoints a Prime Minister who in turn appoints a Council of Ministers. A unicameral National Assembly is elected by popular vote to serve a five-year term.

Estimated real GDP growth rates of 5.3% and 5.8% are expected to be reported in 2008 and 2009 respectively following high world cotton prices and gold exports. The country's current account deficit is projected to narrow from an estimated 8.3% of GDP in 2008 to 8.2% of GDP in 2009. This decline is expected to be as a result of exports growing faster than imports and a strong real GDP growth.

* 2003 to 2006: Actual; 2007 – EIU Estimates

Industry Overview

The Banking Industry is supervised and regulated by the *Commission Bancaire* of the BCEAO. There are currently 11 banks operating in Burkina Faso. Ecobank Burkina Faso accounts for 19.1% of the industry's total assets making it the 3rd largest bank in Burkina Faso. The 5 largest banks account for 82% of the industry's total assets as highlighted in the table below:

US$' m	Total Assets	Total Deposits	Total Loans	Total Equity	Market Share
BIB	430	345	238	N/A	27.46%
BICIA B	303	249	172	N/A	19.31%
ECOBANK	299	207	147	26	19.10%
SGBB	272	217	185	N/A	17.39%
BOA	262	222	149	N/A	16.73%

Source: ETI

Company Overview

Ecobank Burkina Faso ("EBF") commenced operations in 1997 and currently has 202 employees 13 branches distributed county-wide. It contributed about 3.4% to Group profit after tax in 2007. EBF had compounded annual growth rates of 21.8% in total assets and 16.9% in total deposits between 2003 and 2007. Profit after tax has grown at a compounded annual growth rate of 8.6%. ROE has been consistent over the last five years averaging 35% while ROA averaged 3.1% over the same period. EBF's historical financial performance is summarised below:

US$ '000 Year ended 31 December	2003	2004	2005	2006	2007
Profit After Tax	3,525	4,547	5,282	5,946	4,905
Total Assets	136,152	154,776	154,131	211,813	299,183
Loans and Advances	60,603	86,778	93,046	139,876	147,319
Total Deposits	111,024	129,282	130,986	170,666	207,091
Total Equity	10,998	15,228	16,646	22,184	25,797

Source: ETI

CAMEROON

Country Overview

Macroeconomic Highlights*	2003	2004	2005	2006	2007
GDP (US$ bn)	12.5	14.4	15.1	16.5	18.8
Real GDP growth (%)	7.6	4.4	2	3.2	2.7
Consumer price inflation (av.%)	2.9	0.6	0.3	2	4.5
Population (million)	17	17.4	16.1	15.8	17.5
Export fob (US$ m)	2,483	2,708	2,861	3,590	3,820
Imports fob (US$ m)	(2,224.0)	(2,635.0)	(2,829.0)	(3,140.0)	(3,714.0)
Principal exports	Crude Oil, cocoa, cotton and timber				

Source: EIU Country Reports

Cameroon attained independence from French administered UN trusteeship in 1960, and merged with part of British Cameroon in 1961 to form the present country. The country has a population of 17.5 million and geographical area of 475,440 square kilometers. The capital city is Yaoundé, the official languages are French and English and the currency is the CFA franc.

The last presidential elections were held in October 2004 with the next presidential elections due in October 2011. The country's constitution provides for a Head of State who serves a seven-year term, a prime minister appointed by the Head of State and a cabinet appointed by the Head of State on the Prime Minister's recommendation. The constitution also provides for a unicameral National Assembly elected to serve a five-year term.

The government is expected to make progress in improving its fiscal stance and accelerate execution of the poverty reduction programs although the ongoing privatization process is expected to remain erratic. Real GDP growth is expected to remain stable at 3.6% in 2008 and increase to 4.8% in 2009, driven by the non-oil sectors.

* EIU Estimates

Industry Overview

The banking industry is supervised and regulated by the *Commission Bancaire* (Banking Commission), the supervisory arm of the Central Bank of Central African States (BEAC). There are currently 11 banks operating in Cameroon. Ecobank Cameroon is the 7th largest bank in the country by total assets. The largest 5 banks account for 79.9% of the industry's total assets as illustrated below:

US$' m	Total Assets	Total Deposits	Total Loans	Total Equity	Market Share
SGBC	816	623	465	69	20.19%
BICEC	799	603	378	63	19.54%
Credit Lyonnais	511	458	275	26	16.00%
Afriland Bank	567	448	256	39	14.5%
CBC	402	276	276	28	8.94%

Source: ETI

Company Overview

Ecobank Cameroon ("EBC") commenced operations in June 2001 and currently has 18 branches and 234 staff members. It contributed about 1.2% to Group profit after tax in 2007, and has had a compounded annual growth rate of 33.7% in total assets over the last five years. Since 2003, profits after tax have grown by a compounded annual growth rate of 18.1% while total deposits have increased by a compounded annual rate of 42.8%. ROE averaged 30.2% between 2003 and 2007 while ROA averaged 1.4% over the same period. The bank's historical financial performance is summarised below:

US$ '000 Year ended 31 December	2003	2004	2005	2006	2007
Profit After Tax	889	2,037	1,827	2,260	1,731
Total Assets	89,157	116,462	129,978	212,592	285,160
Loans and Advances	54,464	81,072	70,954	121,359	153,382
Total Deposits	55,266	75,527	119,910	191,318	229,899
Total Equity	2,916	5,377	6,414	14,955	17,733

Source: ETI

CAPE VERDE

Country Overview

Macroeconomic Highlights*	2003	2004	2005	2006	2007
GDP (US$ m)	825	956	983	1,202	1,554
Real GDP growth (%)	4.7	4.4	5.8	10.8	6.7
Consumer price inflation (av.%)	1.2	-1.9	0.4	5.4	4.4
Population ('000)	484	495	507	520	533
Export fob (US$ m)	52.7	57.4	89	83.9	80.4
Imports fob (US$ m)	(360.1)	(436.6)	(438.1)	(560.4)	(764.6)
Principal exports	fuel, shoes, garments, fish, hides				

Source: EIU Country Reports

Cape Verde was discovered and colonized by the Portuguese in the 15th century and subsequently became a trading center for African slaves and later an important re-supply stop for whaling and transatlantic shipping. Cape Verde attained independence in 1975, and has a population of 533,000 people over a geographical area of 4,033 square kilometers. The capital city of Cape Verde is Praia, the official language is Portuguese and the currency is the Cape Verdean Escudo.

General elections were last held in January 2006 and are next scheduled for January 2011. The country has a constitution which provides for an elected President and a Prime Minister who is the head of government. The constitution also provides for ministers appointed by the President on the recommendation of the prime minister. A unicameral National People's Assembly is elected to serve for a five-year term.

Real GDP growth is expected to accelerate from an estimated 6.7% in 2007 to 7.5% in 2008 and 8% in 2009, supported by high inflows of foreign direct investment in the tourism and construction sectors. Average inflation is expected to fall from an estimated 4.4% in 2007 to 4% in 2008 and 3% in 2009, as the Banco de Cabo Verde (BCV, the central bank) is expected

* 2003 to 2006 – Actual; 2007 – EIU Estimates

to maintain tight control over monetary aggregates and actively intervene to absorb excess liquidity.

Industry Overview

The country's banking industry is small and developing.

Company Overview

Ecobank Cape Verde Services (ECV) was incorporated in 2004 and currently has a workforce of 17. Currently, ECV only offers money transfer services. Ecobank has recently been granted a licence to operate an offshore bank in Cape Verde. The company's historical financial performance is summarised below:

US$ '000 Year ended 31 December	2004	2005	2006	2007
Profit After Tax	(12)	(92)	(186)	(45)
Total Assets	529	324	690	994
Total Equity	224	17	(152)	(43)

Source: ETI

CENTRAL AFRICAN REPUBLIC

Country Overview

Macroeconomic Highlights*	2003	2004	2005	2006	2007
GDP at market prices (US$ bn)	1.2	133	1.4	1.5	1.7
Real GDP growth (%)	-7.6	1.3	2.2	4.1	4
Consumer price inflation (av. %)	4.1	-2.1	2.9	3.1	4.5
Population (million)	4.1	4.1	4.2	4.3	4.3
Export fob (US$ m)	128	133.6	127.6	158.4	196.9
Imports fob (US$ m)	(117.8)	(151.2)	(175.2)	(203.1)	(223.3)

Source: EIU Country Reports

Central African Republic ("CAR") attained its independence from France in 1960. CAR has a population of 4.3 million people over a geographical area of 622,984 square kilometers. The capital city of CAR is Bangui, the official language is French and the currency is the CFA franc.

The last presidential, legislative and municipal elections were held in May 2005 with the next elections scheduled for 2010. The country has a constitution that provides for an elected President who appoints a prime minister who is the head of government. The constitution also provides for a Council of Ministers who are appointed by the President and Prime Minister. A unicameral National People's Assembly is elected to serve for a five-year term.

Real GDP grew by 4.0% in 2007 due to the expansion of the phosphate and cotton sectors. The economy is further expected to benefit from the return of donor support and rising foreign and domestic investment which may result in a real GDP growth of 4.6% in 2008 and 4.8% in 2009.

Industry Overview

The Banking Industry is supervised by the *Commission Bancaire* of the BEAC. With the entry of Ecobank Central African Republic (ECAR), there are currently 3 banks operating in CAR. Ecobank Central African Republic is the largest bank in CAR, contributing 41.8% to the total assets of the industry.

* 2003 to 2004 – Actual; 2005 – 2007 – EIU Estimates

US$' m	Total Assets	Total Deposits	Total Loans	Total Equity	Market Share
ECA	91,750	71,992	44,752	5,467	41.78%
CBCA	78,478	51,018	68,998	7,763	35.74%
BPMC	49,373	29,298	27,397	17,056	22.48%

Company Overview

Ecobank commenced business in Central African Republic by acquiring 75% of BICA in 2007. 2007. The bank has been repositioned to offer the standard products and services provided across the Ecobank Group. It currently has 5 branches and staff strength of 102.

CHAD

Country Overview

Macroeconomic Highlights*	2003	2004	2005	2006	2007
GDP (US$ bn)	2.7	4.3	5.5	6.5	7.4
Real GDP growth (%)	14.9	29.5	5.6	0.2	1.3
Consumer price inflation (av.%)	-1.7	-5.4	7.9	8.0	4.0
Population (million)	9.5	9.8	10.2	10.5	10.8
Export fob (US$ m)	602.9	2,161.9	3,107.7	3,749.0	4,200.6
Imports fob (US$ m)	(779.8)	(875.1)	(811.6)	(1,006.8)	(1,158.0)
Principal exports	Oil, cotton and meat				

Source: EIU Country Reports

Chad attained independence from France in 1960. The country has a population of 10.8 million people over a geographical area of 1.28 million square kilometers. The capital city is N'Djamena, the official language is French and the currency is the CFA franc. The country suffered a long civil war for three decades up to 1990. The government thereafter drafted a democratic constitution. The last national assembly elections were held in 2007.

Presidential elections were last held in March 2006 and are next scheduled for 2011. The country's constitution provides for an elected President, a Prime Minister appointed by the President, a Council of Ministers and a bicameral National Assembly elected to serve four-year terms. It also provides for the formation of a Senate that will serve a six-year term.

It is expected that declining oil production and continued political uncertainty will cause real GDP growth to slow from 2.1% in 2008 to 1.5% in 2009. The current account balance is forecast to move to a surplus of 4.3% of GDP in 2008 as a result of price hikes in oil prices, before narrowing to 1.7% of GDP in 2009 due to falling oil production. An agreement on oil revenue management, which allocates 70% of direct and indirect oil revenue to priority sector spending, aims to establish a stable medium term framework for enhancing technical, budgetary and financial planning support in order to improve economic accountability.

* 2003 to 2005 – Actual; 2006 and 2007 – EIU Estimates

Industry Overview

The banking industry is regulated by the *Commission Bancaire* of the BEAC. There are currently 6 banks operating in Chad. Ecobank Chad is the 2nd largest in the market in terms of total deposits. The key players in Chad's banking industry are highlighted below:

US$' m	Total Assets	Total Deposits	Total Loans	Total Equity	Market Share
SGTB	N/A	127	76	N/A	N/A
BCC	N/A	104	58	N/A	N/A
CBT	N/A	90	57	N/A	N/A
Ecobank	123	106	57	8,697	N/A
FBT	N/A	77	37	N/A	N/A

Source: ETI

Company Overview

Ecobank acquired 75% of BIAT, a local bank in 2006. The bank currently has 9 branches and 152 employees. During its first year of operations in 2006, Ecobank Chad attained an ROE of 1.8% while ROA was 0.2%. In 2007, Ecobank Chad attained an ROE of 15.8% while ROA was 1.5%. In the same year, it contributed about 1.7% to Group profit after tax. The bank's financial performance over the last two years is summarised below:

US$ '000 Year ended 31 December	2006	2007
Profit After Tax	120	2,445
Total Assets	73,324	122,645
Loans and Advances	48,253	58,452
Total Deposits	64,389	107,222
Total Equity	6,613	8,697

Source: ETI

CÔTE D'IVOIRE

Country Overview

Macroeconomic Highlights*	2003	2004	2005	2006	2007
GDP (US$ bn)	13.7	15.5	16.3	17.5	19.7
Real GDP growth (%)	(1.7)	1.6	1.8	0.9	1.6
Consumer price inflation (av.%)	3.3	1.5	3.9	2.5	1.9
Population (million)	18	18.3	18.6	18.9	19.2
Export fob (US$ m)	5,788.0	6,919.0	7,697.0	8,191.0	9,154.0
Imports fob (US$ m)	(3,231.0)	(4,291.0)	(5,251.0)	(5,039.0)	(5,137.0)
Principal exports	Cocoa, petroleum, coffee and timber				

Source: EIU Country Reports

Côte d'Ivoire attained independence from France in 1960. The country has a population of 20.8 million people over a geographical area of 322,460 square kilometers. The capital city is Yamoussoukro, the official language is French and the currency is the CFA franc.

In December 1999, a military coup - the first in the country's history - overthrew the government. Following a protracted civil conflict, a unity government under the auspices of the Linas-Marcoussis Peace Accord has now been established. The country's constitution provides for an elected President, a Prime Minister appointed by the President (although the incumbent Prime Minister was appointed by African Union mediators under the existing power sharing agreement), and a Cabinet of Ministers. The legislature consists of a unicameral National Assembly which serves a five-year term.

Côte d'Ivoire's economy has been affected by the civil conflict but has shown considerable resilience. The economy is expected to improve with implementation of the peace process. Real GDP is expected to grow at 3.7% in 2008, as donors remain unwilling to make substantive commitments until a durable peace prevails.

* 2003 to 2005 – Actual; 2006 to 2007 – EIU Estimates

Industry Overview

The banking industry is supervised and regulated by the *Commission Bancaire* of the BCEAO. There are 19 banks currently operating in Côte d'Ivoire. Ecobank Côte d'Ivoire (ECI) is the 4th largest bank in the country by total deposits. The 5 largest banks account for 63.1% of total deposits as illustrated below:

US$' m	Total Assets	Total Deposits	Total Loans	Total Equity	Market Share
SGBCI	N/A	757	726	95	20.97%
BICICI	N/A	425	428	54	11.76%
BNI	N/A	404	423	59	11.18%
ECOBANK	408	362	289	19	9.85%
BIAO-CI	N/A	336	308	21	9.29%

Source: ETI

Company Overview

ECI commenced operations in 1989 with the acquisition of the local Chase Manhattan Bank branch and currently has 16 branches and 348 employees. ECI's contribution to the Group's consolidated profit declined from 17% in 2002 to 7.3% in 2007 as a result of civil unrest in the country. In spite of that, profits after tax grew by an annual compounded rate of 26.4% over the last five years while total assets grew by 26.2% over the same period. Total deposits also grew by an annual compounded rate of 26.3%. ROE has been unstable over the last five years due mainly to changes in shareholders' funds. ROE averaged 37.9% between 2003 and 2007. ROA averaged 1.7% over the same period. The bank's historical financial performance is summarised below:

US$ '000 Year ended 31 December	2003	2004	2005	2006	2007
Profit After Tax	4,121	(2,886)	6,233	10,317	10,527
Total Assets	229,002	275,112	261,218	408,052	581,491
Loans and Advances	160,465	153,260	170,069	288,709	358,290
Total Deposits	159,177	217,138	235,624	361,972	404,485
Total Equity	14,468	11,263	8,216	19,215	38,820

Source: ETI

GHANA

Country Overview

Macroeconomic Highlights*	2003	2004	2005	2006	2007
GDP (US$ bn)	7.6	8.9	10.6	11.9	13.5
Real GDP growth (%)	5.2	5.8	5.9	6.0	5.5
Consumer price inflation (av.%)	23.5	11.8	14.8	10.5	12.7
Population (million)	21.6	22.1	22.5	23.0	23.5
Export fob (US$ m)	2,562	2,705	2,802	3,727	4,105
Imports fob (US$ m)	(3,233.0)	(4,297.0)	(5,347.0)	(6,754.0)	(7,732.0)

Source: EIU Country Reports

Ghana attained independence from Britain in 1957 and is a multi-party democracy. The country has a population of 23.5 million people and a geographical area of 239,460 square kilometers. The capital is Accra, the official language is English and the currency is the Ghana Cedi.

The last democratic elections were held in December 2004 with the next elections due in December 2008. The country's constitution provides for an executive President and a unicameral parliament elected concurrently for a four - year tenure. The President is limited to a maximum of two terms.

Real GDP growth is expected to remain strong against the background of stable inflation and a stable currency. However, election related expenditure may increase the budget deficit in 2008 when the next elections are due to be held.

Industry Overview

The banking industry is supervised and regulated by the Banking Supervision Department of the central bank, the Bank of Ghana. There are currently 23 banks operating in Ghana. Ecobank Ghana is the 4th largest bank by total assets. Nigerian banks have shown increased interest in Ghana's banking industry with the entry of 6 Nigerian banks. The 5 largest banks account for 55.6% of the total industry's assets as illustrated below:

* 2003 to 2006 – Actual; 2007 – EIU Estimates

US$' m	Total Assets	Total Deposits	Total Loans	Total Equity	Market Share
Barclays Bank	1,236	744	662	99	15.2%
Ghana Commercial Bank	1,183	867	767	174	14.6%
Standard Chartered Bank	835	552	297	91	10.3%
Ecobank Ghana Limited	686	452	295	50	8.5%
Merchant Bank	577	331	314	50	7.1%

Source: ETI

Company Overview

Ecobank Ghana ("EBG") was established in 1989 and started operations as a merchant bank in 1990 with a single branch located in Accra. EBG thereafter established four additional branches in Tema, Kumasi, Takoradi and Tarkwa. In 2003, the bank obtained a universal banking license from the Bank of Ghana and embarked on a branch expansion program to increase its reach. EBG currently has 36 branches spread across the country and employs 544 persons.

EBG was listed on the Ghana Stock Exchange in July 2006 after the conclusion of a successful initial public offer to raise capital for financing future growth and expansion. EBG has historically been one of the largest contributors to ETI's consolidated net profit. In 2007, EBG contributed about 16% to Group profit after tax in 2007, making it the second largest contributor. EBG had a compounded annual growth rate of 35.5% in total assets over the last five years. Profit after tax has increased by a compounded annual growth rate of 30.8% since 2003, while total deposits have increased by a compounded annual growth rate of 31.8% over the same period. ROE has been consistent over the past five years averaging 41.3% while ROA has averaged 4.2% over the same period. EBG's historical financial performance is summarised below:

US$ '000 Year ended 31 December	2003	2004	2005	2006	2007
Profit After Tax	7,862	9,765	13,861	16,824	22,978
Total Assets	203,537	266,622	351,154	471,144	686,375
Loans and Advances	70,766	77,668	128,656	176,092	300,464
Total Deposits	142,358	214,699	262,005	354,333	429,699
Total Equity	23,300	26,448	30,160	50,413	67,366

Source: ETI

GUINEA

Country Overview

Macroeconomic Highlights	2002	2003	2004	2005	2006
GDP (US$ bn)	3.2	3.6	3.9	3.1	2.8
Real GDP growth (%)	4.2	1.2	2.7	3.0	3.7
Consumer price inflation (av.%)	3	12.9	17.5	31.1	25
Population (million)	8.8	9	9.2	9.4	9.6
Export fob (US$ m)	709	725	743	850	1,004
Imports fob (US$ m)	(669)	(644)	(688)	(723)	(850)
Principal exports	Bauxite, alumina, gold and diamonds				

Source: EIU Country Reports

Guinea gained its independence from France in 1958. The country has a population of 9.6 million people over a geographical area of 245,857 square kilometers. The capital city of Guinea is Conakry, the official language is French and the currency is the Guinean Franc.

The country's constitution was suspended in 1981 and a ban on political party activity imposed. However in 1990, a new constitution was adopted which restored multiparty politics. The last presidential election was held in December 2003 and the next one is expected to be held in December 2010. The last legislative elections were held in 2007. The country's constitution provides for an elected President who appoints a Prime Minister and Council of Ministers. The legislature consists of a unicameral People's National Assembly which serves a five-year term.

Guinea has recorded volatile GDP growth, and high food prices and currency depreciation continue to put upward pressure on inflation. The current account deficit is expected to widen as large scale mining investment drives up imports against declining exports.

Industry Overview

The banking industry is supervised and regulated by the "Banque Centrale de Guinee", the central bank. There are 8 banks currently operating in Guinea. Ecobank Guinea is the 3rd largest bank in terms of total assets. The banking industry is dominated by four banks which collectively account for 94% of the industry's assets as illustrated below:

US$' m	Total Assets	Total Deposits	Total Loans	Total Equity	Market Share
Societe Generale de Banque en Guinee	144	128	45	9	34%
BICI-GUI	142	114	32	6	33%
ECOBANK	79	53	35	9	17%
Union Internationale de Banque en Guinea	43	38	10	2	10%
BPMG	30	15	16	2	4%

Source: ETI

Company Overview

Ecobank Guinea (ECG) commenced operations in 1999 and currently has 10 branches and 225 staff members. Ecobank Guinea contributed about 2.8% to Group profit after tax in 2007. Profit after tax has had a 2.0% compounded annual growth rate over the last five years. Ecobank Guinea had a compounded annual growth rate of 15.2% in total assets and 11.6% in total deposits over the last five years. ROE averaged 53.4% between 2003 and 2007 while ROA averaged 6.0% over the same period. The bank's historical financial performance is summarised below:

US$ '000 Year ended 31 December	2003	2004	2005	2006	2007
Profit After Tax	3,787	5,764	3,041	4,155	4,094
Total Assets	63,817	77,720	61,511	78,534	112,518
Loans and Advances	23,194	22,631	24,765	35,415	48,588
Total Deposits	51,018	52,437	42,581	53,493	79,061
Total Equity	7,245	10,066	5,869	9,355	12,188

Source: ETI

GUINEA BISSAU

Country Overview

Macroeconomic Highlights	2003	2004	2005	2006	2007
GDP (US$ m)	(239.1)	(288.5)	(311.1)	(331.8)	(385.2)
Real GDP growth (%)	(0.6)	2.2	3.5	1.8	2.7
Consumer price inflation (av.%)	1.6	0.8	3.4	2.0	3.8
Population (million)	1.5	1.55	1.6	1.65	1.7
Export fob (US$ m)	62.1	75.7	89.5	60.6	67
Imports fob (US$ m)	(70.7)	(82.9)	(106.0)	(120.9)	(124.5)
Principal exports	Buaxite, alumina, gold and diamonds				

Source: EIU Country Reports

Guinea Bissau attained independence from Portugal in 1974 and has experienced political instability caused by coups between 1980 and 2000. Guinea Bissau has a population 1.7 million people over a geographical area of 36,120 square kilometers. The capital city of Guinea Bissau is Bissau, the official language is Portuguese and the currency is the CFA franc.

Presidential elections were last held in June 2005 while the legislative elections were held in March 2004. Presidential elections are scheduled for March 2010 and the legislative elections are scheduled for March 2009. The country’s constitution provides for an elected President who serves a five-year term and appoints a Prime Minister. A unicameral National People's Assembly is elected to serve for a four-year term.

Real GDP is expected to increase to 3.7% in 2008 and 3.9% in 2009 on resumption of donor funding and strong agricultural output.

Industry Overview

The Banking Industry is supervised by the *Commission Bancaire* of the BCEAO. There are 4 banks currently operating in Guinea Bissau, with one bank, BAO dominating the industry.

US$' m	Total Assets	Total Deposits	Total Loans	Total Equity	Market Share
BAO	49	39	18	3	48%
BDU	20	12	3	4	19%
BRS	6	4	1	NA	6%
ECOBANK	27	21	14	2	26%

Source: ETI

Company Overview

Ecobank Guinea Bissau was incorporated in 2007 and currently has 2 branches and a workforce of 61. The bank does not yet have a full year's financial results for comparison.

LIBERIA

Country Overview

Macroeconomic Highlights	2003	2004	2005	2006	2007
GDP (US$ m)	(435.0)	(569.0)	(694.0)	(839.0)	(1,023.0)
Real GDP growth (%)	(31.3)	21.2	5.3	7.8	9.4
Consumer price inflation (av.%)	10.3	7.8	11.1	7.4	11.4
Population (million)	3.2	3.2	3.3	3.4	3.7
Export fob (US$ m)	109.0	104.0	131.0	158.0	184.0
Imports fob (US$ m)	(170.0)	(337)	(310.0)	(467.0)	(499.0)
Principal exports	Rubber, timber, iron, diamonds, cocoa and coffee				

Source: EIU Country Reports

Liberia was established as a republic in 1847 and is a multi-party democratic country with a population of 3.4 million people over a geographical area of 111,370 square kilometers. The country's capital is Monrovia, the official language is English and the currency is the Liberian dollar.

Liberia has suffered a number of military coups and a protracted civil war but has now returned to peace and democratic governance. The last presidential elections were held in October 2005, and the next elections are due in 2011. The country's constitution provides for an elected President, a cabinet appointed by the President and confirmed by the bicameral National Assembly which consists of the Senate and the House of Representatives. The President and House of Representatives are elected by popular vote to serve a six-year term while the Senate, also elected by a popular vote, serves a nine-year term.

The Government's economic policy will continue to focus on reconstruction. Real GDP growth is forecast to remain robust at 10% in 2008 and 10.5% in 2009 as reconstruction activity accelerates. Inflation is forecast to remain relatively stable at 13% in 2008 and 12.5% in 2009 as a result of a relatively stable currency and improving food supply.

Industry Overview

The banking industry is supervised and regulated by the Central Bank of Liberia. There are currently 5 banks operating in Liberia. Ecobank Liberia is the largest bank in the country by total assets. The industry players are highlighted in the table below:

US$' m	Total Assets	Total Deposits	Total Loans	Total Equity	Market Share
ECOBANK	64	51	19	6	50%
LBDI	35	20	5	11	24%
IB	23	21	3	0.6	25%
FIB	4	0.7	0.7	2	1%

Source: ETI

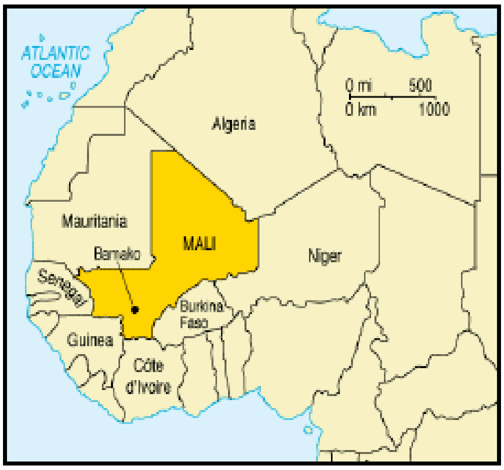
Company Overview

Ecobank Liberia ("EBL") commenced operations in 2000 and currently has 14 branches and 271 staff members. It contributed about 1.8% to Group profit after tax in 2007 and has had a compounded annual growth rate of 50% in total assets over the last five years. Profits after tax have been unstable within the period, recording a 239% compounded annual growth rate over the past five years. Total deposits increased by a compounded annual growth rate of 50.3% over the last five years while ROE and ROA have been unstable due to the instability of profits after tax. EBL's historical financial performance is summarised below:

US$ '000 Year ended 31 December	2003	2004	2005	2006	2007
Profit After Tax	20	384	10	1,602	2,644
Total Assets	18,708	48,507	50,747	64,096	94,744
Loans and Advances	4,867	10,032	8,894	19,857	35,341
Total Deposits	14,188	35,937	43,190	51,684	72,429
Total Equity	2,311	2,477	3,177	5,708	10,165

Source: ETI

MALI



Country Overview

Macroeconomic Highlights	2003	2004	2005	2006	2007
GDP at market prices (US$ bn)	4.2	4.9	5.3	5.9	6.8
Real GDP growth (%)	7.2	2.2	6.1	5.3	4.3
Consumer price inflation (av.%)	(1.3)	(3.1)	6.4	1.5	1.5
Population (million)	12.7	13.1	13.5	13.9	14.1
Export fob (US$ m)	928	977	1,101	1,544	1,623
Imports fob (US$ m)	(988.0)	(1,093.0)	(1,245.0)	(1,392.0)	(1,652.0)
Principal exports	Gold and Cotton				

Source: EIU Country Reports

The (then) Sudanese Republic and Senegal attained their independence from France in 1960 and became known as the Mali Federation. Senegal withdrew from the federation after only a few months and the Mali Federation was renamed Mali. The country has a population of 13.9 million people over a geographical area of 1.24 million square kilometers. The capital city is Bamako, the official language is French and the currency is the CFA franc.

The last presidential and legislative elections were held in April 2007 and July 2007 respectively and the next presidential and legislative elections are expected to be held in April 2012 and July 2012 respectively. The country has a constitution which provides for an elected President who appoints a Prime Minister who in turn appoints a Council of Ministers. The legislature consists of a unicameral National Assembly which serves a five-year term.

The broad aim of Mali's economic policy is to maintain macroeconomic stability and achieve a level of economic growth that will result in sustainable reduced poverty levels. Real GDP is expected to remain strong and has been forecasted at 4.8% and 5% in 2008 and 2009 respectively due to strong performance in agriculture, mining and services sectors.

Industry Overview

The Banking Industry is supervised by the *Commission Bancaire* of the BCEAO. There are 12 banks operating in Mali. Ecobank Mali is the 4th largest bank by total assets. The 5 largest banks in the industry account for 77.4% of the industry's total assets as illustrated below:

US$' m	Total Assets	Total Deposits	Total Loans	**Total Equity**	Market Share
BDM	792	647	382	9	29.75%
BIM	394	341	285	10	14.82%
BNDA	332	77	207	26	12.47%
ECOBANK MALI	303	217	174	21	11.39%
BANK OFAFRICA	238	195	124	7	8.94%

Source: ETI

Company Overview

Ecobank Mali (EBM) was incorporated in 1998 and currently has 24 branches and a workforce of 220. It contributed about 5.4% to Group profit after tax in 2007. EBM has had a steady growth of 33.4% per annum in total assets over the last five years. Profit after tax has increased by a compounded annual growth rate of 26.9% over the last 5 years while total deposits have increased by 23.7% over the same period. ROE has consistently been over 31.9% since 2003 while ROA has averaged 3.5% over the same period. The bank's historical financial performance is summarised below:

US$ '000 **Year ended 31 December**	2003	2004	2005	2006	**2007**
Profit After Tax	3,078	4,266	4,369	6,861	7,856
Total Assets	107,844	129,007	136,122	209,036	279,652
Loans and Advances	62,013	83,457	60,443	128,175	166,813
Total Deposits	80,927	80,004	111,003	166,958	189,533
Total Equity	9,186	12,763	14,475	20,453	28,737

Source: ETI

NIGER

Country Overview

Macroeconomic Highlights	2003	2004	2005	2006	2007
GDP at market prices (US$ bn)	2.7	2.9	3.3	3.5	4
Real GDP growth (%)	5.3	(0.6)	7.4	5.2	3.2
Consumer price inflation (av.%)	-1.6	0.2	7.8		
Population (million)	12.37	12.81	13.26	13.74	14.25
Export fob (US$ m)	336	437	455	494	796
Imports fob (US$ m)	(468.0)	(587.0)	(749.0)	(759.0)	(1,025.0)
Principal exports	Uranium, onions, gold and livestock				

Source: EIU Country Reports

Niger attained its independence from France in 1960. The country has a population of 14.43 million people over a geographical area of 1.267 million square kilometers. The capital city of Niger is Niamey, the official language is French and the currency is the CFA franc.

Niger was under a single party and military rule until 1993. A democratic government was instituted in 1993. However political infighting resulted in a coup in 1996 and democratic rule was restored in 1999. The last presidential and legislative elections were held in November 2004 and the next presidential and legislative elections are expected to be held in November 2009. The country's constitution provides for an elected President who appoints a Prime Minister and a Cabinet of Ministers. The legislature consists of a unicameral National Assembly which serves a five-year term.

The government is committed to improving macroeconomic stability by increasing government revenue and accelerating structural reforms needed to boost economic growth. The current fiscal challenge facing the government is in increasing its revenues given that the tax base is narrow and that raising indirect taxes is unpopular amongst the people. Economic growth in 2008 and 2009 will largely be determined by the agricultural sector and mining which are the backbone of Niger's economy. Real GDP growth rates of 4.5% in 2008 and 4.7% in 2009 are expected based on satisfactory rainfall patterns and mining.

Industry Overview

The Banking Industry is supervised by the *Commission Bancaire* of the BCEAO. There are 10 banks currently operating in Niger. Ecobank Niger is the 4th largest bank by total assets. The banking industry is dominated by 5 banks which account for 87.1% of the industry's assets as illustrated below:

US$' m	Total Assets	Total Deposits	Total Loans	Total Equity	Market Share
SONIBANK	227	186	112	4.49	27.00%
BIA Niger	160	135	101	6	19.10%
Banque of Africa	158	109	85	4	18.89%
Ecobank	142	97	71	5	16.89%
Banque Atlantique Niger	44	31	29	6	5.25%

Source: ETI

Company Overview

Ecobank Niger (ECN) was incorporated in 1999 and currently has 10 branches and a workforce of 117. ECN contributed about 1.6% to Group profit after tax in 2007 and has had a steady annual growth of 28.4% in total assets over the past five years while total deposits increased by 34.9% over the same period. Profit after tax increased by a compounded annual growth rate of 37.6% over the past five years. ROE averaged 16.2% between 2003 and 2007 while ROA averaged 1.1% over the same period. The bank's historical financial performance is summarised below:

US$ '000 Year ended 31 December	2003	2004	2005	2006	2007
Profit After Tax	-387	644	508	2,506	1,678
Total Assets	52,086	60,782	71,442	96,126	141,688
Loans and Advances	34,083	38,936	47,266	65,984	71,482
Total Deposits	30,012	53,165	61,963	83,688	99,366
Total Equity	3,488	4,469	4,645	7,170	7,530

Source: ETI

NIGERIA

Country Overview

Macroeconomic Highlights*	2003	2004	2005	2006	2007
GDP (US$ bn)	58.3	72.1	91.3	117.3	135.5
Real GDP growth (%)	10.4	6.4	6.5	5.6	6.3
Consumer price inflation (av. %)	14.1	15	17.9	8.2	5.4
Population (million)	133.2	136.5	139.8	144	146.2
Export fob (US$ m)	27,250	36,920	50,169	59,128	62,415
Imports fob (US$ m)	(17,193.0)	(19,442.0)	(25,632.0)	(31,116.0)	(38,830.0)
Principal exports	Oil and Gas				

Source: EIU Country Reports

Nigeria gained independence from Britain in 1960 and has a federal government system. Nigeria has a population of 146.2 million people over a geographical area of 923,768 square kilometers. The capital city is Abuja, the official language is English and the currency is the Nigerian Naira.

Nigeria has had a democratically elected government since 1999. The last presidential election was held in April 2007. The country's constitution provides for an elected President, a Federal Executive Council (Cabinet Ministers), and a bicameral National Assembly (a Senate and House of Representatives) elected to serve a four-year term.

Political unrest in the Delta region is expected to lower oil production volumes for 2008. The decline is however likely to be offset by increased production from offshore fields. GDP growth is forecasted at 7% in 2008 and 6.6% in 2009.

* 2003 to 2006 – Actual; 2007 – EIU Estimates

Industry Overview

The Nigerian banking Industry is regulated by four regulatory bodies namely: Federal Ministry of Finance; Central Bank of Nigeria; Nigerian Deposit Insurance Corporation; and Securities and Exchange Commission. There are 25 banks currently operating in Nigeria. Ecobank Nigeria is the 12th largest bank in terms of total assets. The top 4 banks account for 50.6% of the industry's total assets as highlighted below:

US$' m	Total Assets	Total Deposits	Total Loans	Total Equity	Market Share
UBA	6,907	6,063	859	379	14.80%
First Bank	4,803	4,317	1,385	487	13.10%
Zenith	4,754	4,021	1,560	529	12.20%
Union Bank	5,217	3,214	1,994	785	10.5%
GTB	2,384	1,663	652	261	5.80%

Source: ETI

Company Overview

Ecobank Nigeria (EBN) was incorporated in 1989 and currently has 215 branches distributed country-wide with 2,548 staff members. The bank was listed on the Nigerian Stock Exchange in September 2005. It contributed 45.3% to Group profit after tax in 2007, making it the largest contributor. EBN had compounded annual growth rates of 94.8% in total assets, 94.9% in total deposits and 79.4% in profit after tax between 2003 and 2007. ROE and ROA averaged 18.4% and 3.1% respectively between 2003 and 2007. The bank's historical financial performance is summarised below:

US$ '000 Year ended 31 December	2003	2004	2005	2006	2007
Profit After Tax	6,301	6,673	9,107	27,517	65,285
Total Assets	194,895	282,747	522,282	1,034,960	2,806,318
Loans and Advances	58,908	83,100	146,699	424,375	1,064,077
Total Deposits	135,713	209,896	248,846	656,931	1,959,833
Total Equity	26,878	33,149	201,402	223,266	306,505

SENEGAL

Country Overview

Macroeconomic Highlights	2003	2004	2005	2006	2007
GDP at market prices (US$ bn)	6.4	9.3	10.1	10.8	13
Real GDP growth (%)	6.5	6.2	5.1	2.0	4.6
Consumer price inflation (av.%)	n/a	1.8	1.3	3.9	6.2
Population (million)	11.2	11.5	11.8	12.1	12.4
Export fob (US$ m)	1,257	1,509	1,536	1,510	1,604
Imports fob (US$ m)	(2,066.0)	(2,496.0)	(2,807.0)	(3,077.0)	(3,092.0)
Principal exports	Fish, refined oils, phosphates and groundnuts				

Source: EIU Country Reports

Senegal attained its independence from France in 1960 and is one of the most stable countries in Africa. The country has a population of 11.9 million people over a geographical area of 196,190 square kilometers. The capital of Senegal is Dakar, the official language is French and the currency is the CFA franc.

The last elections were held in February 2007 and the next one is scheduled for 2012. The country's constitution provides for an elected President who appoints a Prime Minister and a Cabinet of Ministers appointed by the Prime Minister. The legislature consists of a unicameral National Assembly which serves five year terms.

Real GDP is expected to increase to 4.8% in 2008 and 4.9% in 2009 due to industrial growth and continued strong performance in the agricultural and services sectors.

Industry Overview

The Banking industry is supervised by the *Commission Bancaire* of the BCEAO. There are currently 17 banks operating in Senegal. Ecobank Senegal (EBS) is the 5th largest bank by total assets. The banking industry is dominated by 4 banks which account for 66.9% of the industry's assets as illustrated below:

US$' m	Total Assets	Total Deposits	Total Loans	Total Equity	Market Share
SGBS	1,090	812	763	86	22.5%
CBAO	1,027	768	459	84	21.2%
BICIS	667	514	373	43	13.8%
BHS	453	369	227	61	9.4%
Ecobank	367	229	193	26	7.6%

Source: ETI

Company Overview

Ecobank Senegal (EBS) was incorporated in 1999 and currently has 24 branches and a workforce of 231. It contributed about 5.6% to Group profit after tax in 2006. EBS has had a steady growth of 40.7% in total assets over the past five years. Profit after tax increased by a compounded annual growth rate of 65.2% between 2003 and 2007 while total deposits increased by 32.7% over the same period. ROE and ROA have averaged 31.2% and 2.1% respectively over the same period. The bank's historical financial performance is summarised below:

US$ '000 Year ended 31 December	2003	2004	2005	2006	2007
Profit After Tax	1,092	2,095	2,853	4,312	8,140
Total Assets	93,484	107,938	135,792	247,848	366,515
Loans and Advances	48,428	67,124	79,346	140,887	193,597
Total Deposits	73,871	86,204	118,281	189,734	228,914
Total Equity	5,899	8,660	9,885	14,958	26,360

Source: ETI

SIERRA LEONE

Country Overview

Macroeconomic Highlights	2003	2004	2005	2006	2007
GDP at market prices (US$ m)	990.0	1,075.0	1,200.0	1,392.0	1,650.0
Real GDP growth (%)	9.3	7.4	7.3	7.1	7
Consumer price inflation (av. %)	7.5	14.2	12	9.7	11.7
Population (million)	5.1	5.3	5.5	5.7	5.8
Export fob (US$ m)	110.8	154.1	183.6	272.9	300
Imports fob (US$ m)	(310.7)	(274.3)	(361.7)	(351.2)	(390.0)
Principal Exports	Diamonds, Gold, Coffee and Cocoa beans				

Source: EIU Country Reports

Sierra Leone attained independence from Britain in 1961. The country has a population of 6 million people over a geographical area of 71,740 square kilometers. The capital city of Sierra Leone is Freetown, the official language is English and the currency is the Leone.

A civil war between 1991 and 2002 resulted in the displacement of over 2 million people. With the return of peace several elections have been successfully held. The last general election was held in May 2007 and the next is scheduled for 2012. The country's constitution provides for an elected President who appoints a Vice President and Cabinet with the approval of the House of Representatives. The legislature consists of a unicameral parliament elected to serve for a five-year term.

Sierra Leone's economic policy will continue to be shaped by the current IMF Poverty Reduction and Growth Facility (PRGF). Real GDP is expected to remain robust, but will slow slightly to 7.0% in 2008 and 6.5% in 2009 as the post war recovery comes to an end.

Industry Overview

The banking industry is supervised and regulated by the Bank of Sierra Leone. There are 9 banks operating in Sierra Leone. Ecobank Sierra Leone is the 8th largest bank in terms of its total assets. The 5 largest banks account for 88.7% of the industry's total assets as illustrated below:

US$' m	Total Assets	Total Deposits	Total Loans	Total Equity	Market Share
Sierra Leone Commercial Bank	88	65	27	18	35.70%
Rokel Commercial Bank	71	58	21	12	25.30%
Standard Chartered Bank	62	49	5	10	15.00%
Guaranty Trust Bank	19	15	4	2	7.2%
Union Trust Bank	18	11	8	5	5.50%

Source: ETI

Company Overview

Ecobank Sierra Leone (ESL) commenced operations in 2006 and currently has 3 branch and 89 employees. The bank's financial performance in 2006 is summarised below:

US$ '000 Year ended 31 December	2006	2007
Profit After Tax	(305)	(871)
Total Assets	4,823	19,707
Loans and Advances	1	5,301
Total Deposits	1,892	12,816
Total Equity	2,679	2,812

Source: ETI

TOGO

Country Overview

Macroeconomic Highlights*	2003	2004	2005	2006	2007
GDP at market prices (US$ bn)	1.5	1.9	2.1	2.2	2.5
Real GDP growth (%)	5.2	2.3	1.2	2	2.5
Consumer price inflation (av. %)	n/a	0.4%	6.8%	2.2%	2.1%
Population (million)	5.9	6.1	6.2	6.4	6.6
Export fob (US$ m)	598	601	596	612	690
Imports fob (US$ m)	(755.0)	(853.0)	(942.0)	(1,040.0)	(1,208.0)
Principal exports	Re-exports, phosphates and cotton				

Source: EIU Country Reports

Togo attained its independence from France in 1960. The country has a population 6.3 million people over a geographical area of 56,785 million square kilometers. The capital city is Lomé, the official language is French and the currency is the CFA franc.

Presidential elections were last held in April 2005 and the next elections are scheduled for June 2010. The country has a constitution that provides for an elected President who appoints a Prime Minister who is the Head of Government. The constitution also provides for a council of ministers appointed by the President on the recommendation of the Prime Minister. A unicameral National People's Assembly is elected to serve a five-year term.

Real GDP is expected to grow to 3.4% in 2008 due to expansion of the phosphate and cotton sectors. The economy is further expected to benefit from the return of donor support and rising foreign and domestic investment. These are expected to result in real GDP growth of 4.3% in 2009.

* 2003 to 2005 – Actual; 2006 and 2007 – EIU Estimates

Industry Overview

The Banking Industry is supervised by the *Commission Bancaire* of the BCEAO. There are currently 10 banks operating in Togo. Ecobank Togo (EBT) is the largest bank by total assets. The banking industry is dominated by 5 banks which account for 88% of the industry's assets as illustrated below:

US$' 000	Total Assets	Total Deposits	Total Loans	Total Equity	Market Share
ECOBANK	254	184	147	5	23.00%
UTB	236	195	120	5	22.00%
BTCI	220	181	177	3.85	20.00%
BIA	127	100	91	11	12.00%
BTD	116	109	102	7	11.00%

Source: ETI

Company Overview

Ecobank Togo (EBT) was incorporated in 1988 and currently has 21 branches and a workforce of 189. It contributed about 5.39% to Group profit after tax in 2007. EBT has had a steady growth of 15.1% in total assets over the last five years. Profit after tax increased by a compounded annual growth rate of 24.1% since 2003 while total deposits increased by 12.3% over the same period. ROE has averaged 31.9% since 2003 with ROA averaging 2.9% over the same period. The bank's historical financial performance is summarised below:

US$ '000 Year ended 31 December	2003	2004	2005	2006	2007
Profit After Tax	3,281	1,498	4,711	7,905	7,776
Total Assets	144,554	167,321	152,193	193,563	253,965
Loans and Advances	47,456	51,414	49,260	112,420	144,963
Total Deposits	115,685	131,359	127,279	158,668	183,680
Total Equity	13,691	15,214	13,203	17,449	27,438

Source: ETI

Ecobank Development Corporation

Ecobank Development Corporation (EDC) is the investment banking arm of the Ecobank Group. EDC operates brokerage houses on 3 stock exchanges in West Africa and has obtained a license to operate on the Douala Stock Exchange in Cameroon. EDC leverages the Ecobank Group network to provide investment banking services across Middle Africa. The company commenced operations in 2000 and currently has a workforce of 84.

EDC contributed about 0.8% to Group profit after tax in 2007 and has experienced a compounded annual growth rate of 288% in total assets since 2003. EDC's historical financial performance is summarised below:

US$ '000 Year ended 31 December	2003	2004	2005	2006	2007
Profit After Tax	(232)	1,504	767	206	2,892
Total Assets	332	2,128	1,992	3,220	75,524
Total Equity	(826)	675	1,443	1,648	11,939

Source: ETI

eProcess International SA

eProcess is the information technology subsidiary of the Ecobank Group,. It also manages the Group's shared services platform to reduce costs and improve services. eProcess was incorporated in 2002 and currently has a workforce of 189.

eProcess' total assets have increased by a compounded annual growth rate of 67.5%. The company's historical financial performance is summarised below:

US$ '000 Year ended 31 December	2003	2004	2005	2006
PAT	(990)	(78)	(733)	(1,345)
Total Assets	2,501	3,568	4,906	11,763
Total Equity	(1,270)	(1,458)	(162)	3,669

Source: ETI

3.5 Risk Factors

An investment in the Offer involves some degree of risks. The risk factors described below do not represent all the risks and uncertainties regarding ETI and the Offer. Additional risks and uncertainties, not discussed below could also affect the performance of the Group and adversely impinge on its operations and financial condition. The following is a description of the risk factors which may affect, in a material way, the performance of ETI or its share price. The sequence in which they are listed is not an indication of the likelihood of occurrence or the degree of impact.

3.5.1 Sovereign Risks

Sovereign risk includes political, convertibility and cross-border risks. Such risks could arise out of acts of commission or omission by governments of the countries in which the Group operates or to unforeseen circumstances such as war or civil strife in these countries. Such occurrences may affect the ability of parties residing in one country to meet their obligations to counterparties in other countries. The geographical coverage of the Group places its assets in a well diversified platform and the synergies accruing out of this coverage could mitigate the effects of any mishaps in any particular country.

3.5.2 Market Risks

Most African countries in which the Group operates are vulnerable to international oil and commodity price swings. Such swings introduce market risks including liquidity risks, exchange rate fluctuations, interest rate and commodity price volatilities. These economic parameters have a direct impact on the performance of ETI and its share price.

A significant portion of the Group's operations are concentrated in West African economies. Consequently, the Group's income, operational results and the quality and growth of its assets therefore depends, to a very large extent on the performance of these economies. Any deterioration in economic conditions could adversely affect the Group's borrowers and contractual counterparties. This in turn, could adversely affect the Group's financial position.

The Group may suffer financial loss as a result of adverse changes in market conditions in countries where it is present or in the global financial markets in general. A sustained depreciation in the currencies of the Ecobank presence countries could adversely impact ETI's revenues which are reported in US dollars. ETI shares are quoted on three stock exchanges and may suffer adverse price movements that are unrelated to the Groups operating performance.

3.5.3 Credit Risks

Credit facilities extended to customers may involve direct, contingent, or counterpart risk. Direct credit (or lending) risk is the probability of financial loss when a borrower is unable to repay a loan on the agreed terms. Contingent credit risk occurs when the bank has guaranteed the contractual obligations of the customer and suffers a loss when the customer not only fails to fulfil its primary obligation, but is also unable to repay the secondary obligations to the bank. Counterparty risk arises when the bank enters into a reciprocal agreement with the customer ("counterparty") in a trading transaction. Settlement risk (default before settlement) arises when the counterparty defaults or goes bankrupt before the contract matures.

Although the Group ordinarily estimates the net realisable value of collateral on the basis of which it provides for bad and doubtful debts, the absence of additional statistical, corporate and financial information may decrease the accuracy of the Group's assessment of credit risk. This may increase the risk of borrower default and decrease the ability of the Group to enforce any security in respect of corresponding loans.

The lack of credit bureaus further reinforces this risk. Even though some countries, including Nigeria and Ghana, have taken practical steps to encourage the establishment of central credit bureaus, these institutions are yet to be fully operational to meet the needs of their major clients, including the Group.

As the Group continues to pursue a proactive approach to expand its retail business, its credit risks could increase. Credit risks are higher in many African countries due to the greater uncertainty of their regulatory, political, legal and economic environment. Contract enforcement challenges could have material adverse effect on the quality of loans and expose the Group to higher risks and potential losses.

3.5.4 Operational Risks

Operational risks are related to operational losses or failures of customer service due to noncompliance with basic procedures and controls. They also include risks of temporary closing of business in the aftermath of damages to infrastructures (fire, terrorist attacks, acts of God, and sabotage by employees), strikes and departure of key staff or system down time due to viruses or crashes.

Ecobank depends significantly on its information technology systems to process a large number of transactions on an accurate and timely basis, and to store and process substantially all the Group's business and operating data. The proper functioning of the Group's financial control, risk management, credit analysis and reporting, accounting, customer service and other information technology systems, as well as the communication networks between its branches and main data processing centres, are critical to its business and ability to compete effectively.

Any mishap to the Group's information technology systems could materially affect relations with clients and lead to direct or indirect financial losses, including missed opportunities for the Group. The reputation and franchise risks involved can be quite high.

To mitigate this risk, as a matter of policy, Ecobank uses only reputable internationally recognized information technology service providers and brands. It also has a robust internal control team that routinely assesses the preparedness of the Group to withstand unexpected operational mishaps.

3.5.5 Compliance Risk

These relate to the effect of changes in the regulatory and legal environment of jurisdictions within which the Group operates. These risks could pose compliance challenges and introduce significant competition to the Group. The banking sector in most African countries, particularly West Africa, where Ecobank's operations are significantly concentrated are at their early stages of development. The banking sector in these countries have been characterised as highly fragmented, poorly capitalised and weak banking regulations.

As part of major economic reforms in its presence countries, radical reforms continue to be introduced. Recent reforms have involved the increase in the minimum capital requirements of banks in Nigeria and Ghana from US$15.8 million to US$197.6 million and US$7 million to US$60 million respectively.

As this regulatory environment evolves, the Group may suffer adverse effects, including compliance risk which may arise in situations where the laws or rules governing certain products or services are ambiguous or untested. Compliance risk exposes the Group to sanctions, penalties, damages and even the voiding of contracts.

3.5.6 Disclosure Risks

This is the likelihood of suffering a loss due to the presentation of inaccurate or incomplete information to the general public, shareholders or regulatory bodies. Non-compliance with accounting rules and requirements for rendition of reports to regulatory and supervision or fiscal authorities could also give rise to franchise and strategic risks.

The relative materiality of the reporting unit to the organization and the purpose for which reports are used determine reporting risk. The Group has in place a professional review process that vets all releases to stakeholders to unsure that adequate disclosures have been made.

3.5.7 Organizational and People Risks

This relates to the lack of an adequate organizational structure, qualified management and competent staff to implement the business strategy. The Group operates in economies and sectors which may be prone to corrupt practices. Such a risk could cause the loss of bank assets or clients' funds due to fraudulent activities by employees or operational errors made by them could lead to the loss of bank assets or client funds with its attendant reputational risk. This could also jeopardize the Group reputation.

In addition, while the Group believes that it has effective staff recruitment, training and incentive programmes in place, it may not be able to readily deploy the calibre of staff needed to support its growth due to the competitive nature as well as skills which characterise the industry.

3.5.8 Environmental Risk

The direct environmental risk posed to the Group is considered low since its operating units are all service providers. However, there are indirect risks via borrowers who could suffer major financial losses including business closure for non-compliance with legal environmental protection standards. Such risks could tarnish the reputation of the Group and its subsidiaries through their association with clients whose environmental record is considered poor by the general public.

3.5.9 Acquisition Risk

The ETI Group has grown mainly organically, through greenfield operations. In the future, the Group will also consider growth through acquisitions and/or mergers. The Group will therefore be exposed in the future to acquisition risk arising from acquisition of poor or overpriced assets or hidden liabilities or the failure to integrate new targets appropriately.

3.6 Risk Management and Supervision

In line with its mission to be a world class African bank, Ecobank's risk management policy is aimed at achieving the following broad objectives:

- Maintaining appropriate checks and balances by segregating risk taking from risk control functions;
- Promoting a risk management culture which ensures that every member of staff is well informed of and involved in the risk management process at every level;
- Meeting and exceeding best practice standards in risk management as defined by international and local regulators and market leaders, including Basle II requirements for an enterprise-wide risk management framework and IFRS/Sarbanes Oxley requirements for financial reporting; and
- Institutionalising best practice risk management which derives from clear and effective policies and procedures across the Group.

The Group manages risks through the implementation and monitoring of a rigorous system of policies and procedures, enforcing a detailed and timely reporting system, and a robust internal risk review program which systematically audits operations in all countries.

All the controls and risk review functions of the Group are consolidated into one Audit and Risk Review. Each operating unit is reviewed by a team of reviewers which includes representatives of all the relevant functional units. The review covers all relevant risk areas, including political risks, market risks, credit risks, and operational risks.

The Group risk management team has the responsibility to manage credit risk, political risk and strategy and franchise risks. Market and disclosure risks are monitored by the Group Treasurer. Non-compliance risk is reviewed by the Legal Department of the Company Secretariat of ETI. Control over operational and technological risks is coordinated by the Group Internal Audit. The Group Human Resources Head oversees staffing and organizational risks. Group Risk Management is, however, entrusted with the coordination of risk management activities undertaken by all other departments.

Supervision is ensured by the Risk Management Policy Committee and the Audit and Compliance Committee, on behalf of the Boards of Directors. The committees are informed of the status of the risks that the Group is facing through audit and other reports presented to them by the relevant Group Office Departments. They, in turn, report to the Board of Directors for appropriate decisions.

3.6.1 Credit Risks

The credit risk management strategy is to build a diversified low risk portfolio in well defined target markets where the Group has the necessary skills to achieve market leadership at a high return on capital. The diversification of the risk asset portfolio in terms of products, industry segments, geographical spread and risk rating helps to minimise the adverse effect of environmental shocks on the Group's business. There is a portfolio risk concentration limit in place. Derivative products, high risk, unethical and inappropriate transactions are prohibited.

Credit decision making is exercised within the full powers the Board of Directors has entrusted to the Group Chief Executive Officer to work jointly with the Group Risk Officer and Group Risk Management.

Group Risk Management is responsible for credit risk monitoring in all the Group's subsidiaries, reporting directly to the Group Chief Executive Officer. Within each subsidiary, Group Risk Management is represented by a Country Risk Manager which is completely independent from all operating departments which initiate credit transactions. The Country Risk Management is headed by a Country Risk Manager who reports administratively to the Country Managing Director and functionally to the Group Risk Officer. Any decision of a Country Managing Director to redeploy or dismiss a Country Risk Manager requires the prior approval of the Group Risk Officer.

3.6.2 Market Risks

The Group Treasurer is in charge of controlling market risk under the supervision of the Group Finance Officer, and for selective risks taken in the market on behalf of ETI, where there is no dealing room. Treasury units in the subsidiaries report functionally to the Group Treasurer who analyses and approves their annual liquidity and capital plans. He also reviews and approves the first level approval of price risk limits for subsequent approvals by the Group Risk Officer and the Group Chief Executive Officer.

In each subsidiary, the treasury unit manages market risks within the limits approved by the Group Risk Management. Control over liquidity risk is performed by the country treasury unit in accordance with the guidelines set by the Assets and Liabilities Committee comprising the country Managing Director, Treasurer, Financial Controller, Risk Manager and Heads of the Marketing units.

3.6.3 Operational Risks

The Board of Directors is the highest body in charge of controlling the risk exposure of the Group. Group Risk Management, under the supervision of the Policy and Risk Management Committee of the Board, is entrusted with monitoring the entire spectrum of risk exposures of the Group, including operational risk. Country Risk Managers are in turn responsible for managing operational risks in their subsidiaries. Their functional reporting line is to Group Risk Management.

Operational risks are recognised through a continuous process of controls and verifications conducted by the Internal Audit units in the subsidiaries in all areas of operations. The measures taken to control operational risks include the installation of back-up sites equipped with information systems, database and communication equipment, testing of contingency plans, regular training of staff and stricter controls. Whenever possible, the Group takes out insurance coverage against property damage, fraud, theft, vicarious and professional liability and directors' liability.

3.6.4 Compliance Risk

All Ecobank Group staff members are required to sign the Rules of Ethics prior to commencement of their employment. The rules require employees to abide by the Group standards and to conform to the spirit and letter of regulations in force where they operate. Group standards are detailed in various manuals accessible to staff. The Company Secretary and the Group Legal Officer constitute the Governance Secretariat, which ensures compliance with rules and principles of governance adopted by ETI.

3.6.5 Environmental Risks

The Ecobank Group Environmental Policy was adopted by the Board in 1999. The policy highlights the commitment of the Group to promote and maintain a sound environment for its staff, customers and the general public in all the countries in which it operates. The policy requires that all Group activities including those that it funds be in compliance with the rules and regulations in force, and encourages its clients to adopt judicious methods for environmental management.

At the subsidiary level, the Country Risk Manager coordinates the implementation of the environmental policy, including the training of account managers in environmental risk assessment. Environmental risks are managed as part of the risk evaluation process.

3.6.6 Technology Risks

The Board of Directors has established policies to provide a framework for managing the Group's technology risk exposures. The policies cover software acquisition and licensing, change management, information security and use of third party vendors, among others. Audit Risk Reviews are conducted as part of reviews of operational risk.

PART 4 – DESCRIPTION OF THE OFFER

4.1 Reasons for the Offer

Ecobank's strategy is to be among the top 3 banks in each market in which it operates and to be the dominant bank in Middle Africa. Starting in 2005, the Ecobank Group has embarked on an accelerated plan to implement this strategy by expanding its network of branches and countries through acquisitions and organic growth. Alongside this growth strategy has been a conscious effort to recapitalise its banking subsidiaries to meet the increased capital requirements in the markets in which it operates and to upgrade and modernize its technology platform with the establishment of a Shared Services Centre in Accra, Ghana capable of handling, in one location, the middle and back office operations of the subsidiaries of the Group in its present and future locations. This shared services centre, one of the first in Sub-Saharan Africa is expected to significantly reduce the Group's cost of operations in the medium term.

The Group also operates its own fully integrated telecoms network which provides uninterrupted connectivity among the subsidiaries and its transaction banking platforms such as ATMs. In 2007 the Group changed its core banking software to Flexcube. By close of the year Ecobank Nigeria, the biggest subsidiary, had been successfully migrated to the new banking application. Other subsidiaries are programmed to migrate in 2008. The Group plans to complement its technology platform through:

i. the establishment of a backup data centre in Lagos, Nigeria;
ii. a disaster recovery and business continuity centre in Lomé, Togo to ensure double redundancy; and
iii. the acquisition of modern dealing and trading platform for its treasury, money and capital market activities.

Geographically, the group has increased its presence from 12 in 2005 to 25 countries, extending its presence from western and central Africa to eastern and southern Africa.

To further leverage its network and strengthen its position in international transactions involving Africa and Africa-related businesses, the group plans to open representative offices and international banking facilities in the major financial centres that have substantial trading and transaction links with Africa such as London, Paris, Dubai and Beijing.

Over the last 2 years, the bank has successfully implemented an acquisition strategy involving the acquisition of majority stakes and re-branding of small and medium sized banks in Chad, Central Africa Republic, Malawi, Rwanda, Burundi and Kenya. Based on its experience so far, the Group believes it is now able and in a position to undertake larger transactions. In Nigeria, the bank acquired the branches and deposit liabilities of 2 banks that failed to meet the 2005 consolidation deadline.

The Group now intends to build on this experience to continue its accelerated rapid and transformational growth strategy through acquisitions as well as organic growth to achieve economies of scale, build efficiency and improve shareholder value.

As Africa continues to witness a period of sustained growth fuelled by a combination of factors including improved macroeconomics, improved political stability and better governance, this has encouraged increased foreign and regional investments. The influx of portfolio investments has begun to affect assets prices. ETI would like to leverage its "first mover advantage" through planned acquisitions to become the dominant bank in Middle Africa and achieve the synergies of economies of scale.

This share offer is also intended to enable the Group maintain adequate capitalisation while continuing its growth. Currently the Group has capital adequacy ratio of 15.7% under Basle 1 and 9.7% under Basle 2. Its capital to assets ratio is about 7%. By any measure, these ratios are very low compared to international standards or the ratios for other major players in Middle Africa such as the Nigerian banks. ETI clearly requires significant additional capital to not only raise its minimum capital ratios to international standards but do so at a level that will finance its growth over the next 12-24 months.

Consequently, the directors have obtained shareholders' approval to raise up to three billion United States dollars (US$3,000,000,000) in equity, debt, quasi equity, Global Depository Receipts (GDR's) or a combination of any or all of these forms of capital. Pursuant to this approval, the company seeks to raise equity capital of up to $2.5 billion through the Rights Issue and Offer for Subscription.

The directors plan to invest the proceeds of the share Offer as follows over the next 12-24 months:

4.1.1 Capitalisation of Existing Subsidiaries: ETI plans significant investment in existing high growth banking subsidiaries over the next two years to meet minimum capital adequacy ratios and to finance market share acquisition through organic and inorganic growth. Ecobank typically requires its subsidiaries to be among the top 3 in the markets in which they operate. The directors plan to recapitalise the existing subsidiaries as follows:

Building Scale in Nigeria - Nigeria accounts for over 30% of the total GDP of the countries in which the Group is present, 41% of the Group's assets and 44% of the Group's profits before tax in 2007. Banking in Nigeria has been completely transformed. Banks have raised significant capital and the top banks have capital of US$2-3 billion. Ecobank Nigeria is currently capitalised at about US$250 million. Without adequate capital, Ecobank Nigeria cannot compete effectively and take advantage of this high growth market. The directors therefore plan to substantially increase the present capital of its Nigerian subsidiary to scale up its operations. This investment is not only intended to support the subsidiary's drive into obtaining market share through a deepening of its distribution network by way of branches, installation of new ATMS and POSs, improved transaction and underwriting capacity, but also to ensure that it is adequately capitalised to operate and to compete with the other leading Nigerian banks. Given ETI's 71.2% stake, ETI would need to contribute a significant percentage of any capital increase in Nigeria if it is not to be diluted.

Capitalise other high growth subsidiaries - ETI plans to invest part of the proceeds in strengthening the capital base of other subsidiaries in proportion to their current capital base and the projected growth in their respective economies into the future. Emphasis will be placed on high growth subsidiaries like Ecobank Ghana and Ecobank Côte d'Ivoire and Senegal. These subsidiaries are expected to use the funds to (i) increase branch network to mobilise cheaper retail deposits (ii) provide additional working capital,(ii) acquire weaker banks in their respective markets to gain market share and (iv) meet minimum capital requirements as specified by their respective central banks and/or regulators.

4.1.2 **Acquisitions and Expansion into New Markets:** The Company plans to invest substantially in acquisitions in major presence countries and in new locations. To further entrench Ecobank's position as the leading Pan African banking group, it will also embark on greenfield operations in markets where there are no opportunities for acquisitions. The Group has a licence to open a bank in the Democratic Republic of Congo and is currently working to acquire banks or secure operational licenses in several countries including Angola, Equatorial Guinea, Gabon, Tanzania, Uganda and Zambia.

4.1.3 **Technology and Process Upgrade:** The directors plan to also invest part of the proceeds from this offer in technology and process upgrade. Technology underpins the strategy of the Group, and to support its "one bank" concept, ETI has invested in a US$40 million Shared Services Centre located in Accra, Ghana. It plans to complement this Shared Services Centre with the establishment of a backup data centre in Lagos, Nigeria and a disaster recovery and business continuity centre in Lomé, Togo. The Group will also acquire modern treasury dealing and trading platform for its regional treasury centres.

4.2 Use of Proceeds from the Offer

This Offer is expected to raise US$2.5billion. The estimated net proceeds of US$2.376 billion (after flotation expenses of approximately US$124 million) will be used as follows:

Purpose	Approximate Amount (US$'000)	Approximate Percentage	Expected Completion Date
Capitalisation of Existing Subsidiaries	1,400,000	56.00%	Dec. 2009
Expansion into New Markets	350,000	14.00%	Dec. 2009
Acquisitions	550,000	22.00%	June 2010
Technology and Process Upgrade	76,000	3.04%	June 2009
Total Net Proceeds	**2,376,000**	**95.04%**	
Offer Expenses	124,000	4.96%	
Total Offer Proceeds	**2,500,000**	**100.00%**	

4.3 Details of the Offer

Issuer	Ecobank Transnational Incorporated
The Offer	The Offer consists of a Rights Issue of 3,763,759,981 ordinary shares and an Offer for Subscription of 5,116,499,328 ordinary shares.
Rights Issue:	In line with the shareholders resolution dated May 16, 2008 a minimum of 3,763,759,981 ordinary shares representing forty percent (40%) of the Offer is being made to existing

	shareholders on the basis of 5 new ordinary share for every 9 ordinary shares held as at August 18, 2008. Any shares not subscribed for under the Rights Issue will be made available for allotment under the Offer for Subscription.
Offer for Subscription:	This consists of 5,116,499,328 ordinary shares representing sixty percent (60%), of the Offer as well as any rights not taken up in the Rights Issue and is being made to individuals and institutions in jurisdictions whose laws permit them to invest under the terms of the Offer.
International Offer:	Any shares not allocated in the Rights Issue and the Offer for Subscription may be offered through an international offering in the form of Global Depositary Receipts (the "GDRs") and an application may be made for such GDRs to be listed on the London Stock Exchange (LSE). Any offering of GDRs will be pursuant to a separate offering document which may be published in due course. The International Offer will have a different timetable from the Rights Issue and the Offer for Subscription and the purchase price for the GDRs may be different from the subscription price for the Rights Issue and the Offer for Subscription. The information in this Prospectus relating to the Offer (including but not limited to the Offer Price, Subscription Amount, Closing Date and Underwriting) relate solely to the Rights Issue and the Offer for Subscription.

4.4 Application

Each Application under the Offer for Subscription must be made for a minimum of 500 shares (that is US$145 worth) and in multiples of 100 shares (that is US$29 worth) thereafter. The latest time for receipt of Application Forms is 17.00 hours on End of Offer date stated in Section 4.12.2 of the Prospectus.

Applications must be made on the prescribed Application Form or Photostat or scanned copies of the Application Form and submitted to any of the designated Receiving Agents within the Offer period. Where an application for the purchase of shares is allotted in full or in part, the shares will be registered in the securities depository of the applicant's choice or a share certificate in respect of the shares allotted and fully paid for will be sent to the applicant within 15 working days from date of allotment. In the event of oversubscription, the Company will not issue additional shares to take up the excess subscription and applicants may receive fewer shares than they have applied for.

4.5 Payment

Payment must be made in full on application in US dollars. Payment may be made in Ghana cedis, naira and CFA francs (in Ghana, Nigeria and UEMOA countries respectively) at the prevailing rates of exchange on the day of application.

Where payment is made in a currency other than US dollars, the actual amount of the subscription will be determined using the exchange rate at the time the currency is converted into US dollars.

The Issuer's ability to convert local currency into US dollars is dependent on prevailing exchange control regulations and availability of US dollars in the respective countries. Unconverted subscription proceeds will not be eligible for subscription and will therefore be returned to applicants. The Issuer has obtained the required foreign exchange control approvals from the appropriate regulatory authorities for repatriation of subscription proceeds. However, the Issuer will not be liable nor will it accept responsibility for any inability to repatriate subscription proceeds. In that event, the Issuer will return subscription proceeds to applicants, in line with the respective regulatory requirements.

Payment may be made in cash (except in Nigeria), by cheque, postal order, money order or wired transfer to any office of Ecobank or the Receiving Agents where the Application Form is lodged. All such cheques, postal or money orders should be crossed ECOBANK TRANSNATIONAL INCORPORATED SHARE OFFER and, if for payment in Ghana, endorsed COMMISSION TO DRAWER'S ACCOUNT. This endorsement must be signed by the drawer. Bank commissions and transfer charges on application monies must be paid by the applicant. Applications, in respect of which cheques are returned unpaid, for any reason whatsoever, will be rejected.

Applicants outside where Ecobank has presence may make payment directly into the account with the following details:

Bank Name & Address:	Citibank 111 Wall St. New York, NY 10043-0001
Account Name:	Ecobank Transnational Incorporated Share Offer
Account Number:	36246424
Swift Code	CITIUS33
Reference Text:	ETI Share Offer

Completed application forms and evidence of deposit should be immediately scanned and emailed to edc@ecobank.com or faxed to +233 21 251734. Original copies should then be sent by registered mail or courier to:

EDC Stockbrokers Ltd.
5 Second Ridge Link, North Ridge.
P. O. Box AN 16746
Accra, Ghana
Tel.: (233) 21 251720/7
Fax: (233) 21 251734
Email: edc@ecobank.com

The right is reserved to present for payment all cheques, banker's drafts and money/postal orders upon receipt. It is a condition of the Offer that all cheques or other remittances must be honoured on first presentation. No interest will be paid to applicants on any monies held on behalf of applicants or on behalf of the Company.

All application monies collected by the Receiving Agents should be lodged immediately into Escrow Accounts as follows:

Ghana: HFC Bank
Nigeria: Citibank Nigeria Limited and Stanbic IBTC Bank Plc.

4.6 Allotment

An application may be rejected in whole or in part at the discretion of the advisers and management of ETI if the application is incomplete or illegible or if it is determined that the applicant is not eligible to participate in the public offer. Applications which are received after the Offer has closed will not be considered. The allotment is also subject to the clearance of the relevant regulatory authorities.

The allotment shall be done on the basis of the following order of priority:

Category 0: Existing Shareholders (will be allotted their full rights under the Rights Issue)
Category 1: Individual African nationals (Small Subscribers)
Category 2: African Corporate Subscribers
Category 3: Individual Non-African Nationals (Small Subscribers)
Category 4: Non-African Corporate Subscribers. Provided that allotment to each subscriber within this category shall not exceed 5% of the Offer.

For the purpose of the Allotment the following definitions shall apply:

“Small Subscriber” – an individual who subscribes for not more than 1,000,000 shares of the Offer.

Individuals who subscribe for more than 1,000,000 shares shall be treated as corporate entities. “African Corporate” – any corporate body registered in an African country whose capital is majority owned by, or the majority of whose membership is composed of, Africans or African entities.

The Offer is allocated equally to each of the three markets on which ETI shares are listed. In the event that there are unsatisfied applications in any market, any unsubscribed shares in the other markets will be allotted to applicants in the market in which there are unsatisfied applications.

In all cases, the basis of allotment of shares will be determined by the directors, in consultation with the Advisers and in accordance with the shareholders resolution dated May 16, 2008, with the aim of achieving a broad and equitable distribution of the shares.

In the event of oversubscription, the Company will not issue additional shares to take up the excess subscription.

Share certificates in respect of the allotted shares will be sent by registered post to the address indicated on the Application Form within 15 working days from the allotment date. Any applicant who does not wish to receive the physical share certificate himself or herself should state the name of his or her broker (and the Central Depository account number in the case of applicants who elect to go on the Nigeria share register) in the appropriate space provided in the Application Form. The Company has made arrangements for the lodgement/registration of all the shares offered hereunder in the names of persons entitled thereto in the securities depositories of Nigeria and the BRVM.

4.7 Return of Excess Application Monies

If an application is not accepted or is accepted for a lesser number of shares than was applied for, ETI will return the balance of the amount paid on application to the affected Applicants or the Receiving Agents for onwards distribution to the affected applicants within 5 working days of the allotment date. ETI will announce such refunds in daily newspapers with wide circulation in Ghana and the UEMOA region within 72 hours of the making of such refunds in line with applicable regulatory requirements in Ghana and the UEMOA. In Nigeria, a crossed cheque for the full amount or the balance of the amount paid as the case may be, will be returned by registered post in line with applicable regulatory requirements.

If refunds of excess application monies are not concluded within the stipulated period, ETI will pay interest on the unrefunded amounts in line with applicable regulatory requirements.

4.8 Terms of the Offer

The shares being offered are subject to the terms of this Offer, correct completion of the Application Form and the Articles of Association. The said shares shall be ordinary shares and will rank equally in all respects with all other issued ordinary shares of the Company. Purchase of shares offered herein and subsequent transfers thereof shall only be made subject to applicable laws.

4.9 Rights and Obligations in Relation to the Securities on Offer

4.9.1 Voting Rights

Subject to any rights or restrictions for the time being attached to any class of preference shares voting at all meeting of the shareholders will be by show of hands. Each member and each proxy lawfully present at the meeting shall have one vote, and on a poll each member present or by proxy shall have one vote for each share held.

4.9.2 Right to Share in ETI's Profits

Other than the entitlement to dividends declared by the Board, there are no rights to share in the profits of ETI.

4.9.3 Right to Share in any Surplus in the Event of Liquidation

If ETI is wound up, the liquidator may, with the approval of a special resolution and any other sanctions, required by law, divide amongst the members, the whole or part of the assets of the Company and may determine how such divisions shall be carried out as between the members or different classes of members.

4.9.4 Appointment of Directors

The holding of any number of shares does not automatically entitle a shareholder to appoint a director to the board of directors of ETI. All directors are, by the Articles of Association, appointed by ordinary resolutions of shareholders in a general meeting.

4.10 Underwriting

At the instance of the Issuer, this Offer is not underwritten in Ghana and the UEMOA. The Offer is 80% underwritten on firm basis in Nigeria in line with applicable regulatory requirements.

4.11 Offer Expenses

The total cost and expenses for the Offer is estimated at 4.96% of the amount to be raised. Below are the summarised details of the Offer expenses:

Item	Amount (US$'000)	% of Amount to be Raised
Direct Advisory Cost	**40,700,000**	**1.63**
Legal & financial due diligence, valuations, reviews, certifications,	39,700,000	1.59
Prospectus and Offer management	1,000,000	0.04
Other Direct Cost	**16,170,000**	**0.65**
(Securities Regulatory Commissions, Stock Exchanges, Company Registrars fees, etc.)	16,170,000	0.65
Indirect Cost	**67,130,000**	**2.69**
(Media publicity, marketing, logistics, etc.)	9,030,000	0.36
Commission and other fees	58,100,000	2.32
Total Estimated Cost	**124,000,000**	**4.96**

4.12 Offer Statistics and Timetable

4.12.1 Details of the Offer

The key details of the Offer are as follows:

Authorised shares	50,000,000,000
Issued shares	6,774,767,965
Ordinary shares on offer	
Rights Issue	3,763,759,981
Offer for Subscription	5,116,499,328
Total	8,880,259,309
Price per share (US$)	
Rights Issue	0.27
Offer for Subscription	0.29
Expected proceeds (US$)	US$2,500,000,000
Outstanding shares after the full subscription of the Offer	15,655,027,274
Market capitalisation after full subscription of the Offer (US$) (as at Offer price)	4,539,957,909

4.12.2 Offer Timetable

Activity	Date	Time (GMT)
Offer opens	August 25, 2008	09.00 hours
Offer closes	October 3, 2008	17.00 hours
Receiving Agents make final returns	October 17, 2008	17.00 hours
Lifting of technical suspension on the NSE	October 17, 2008	17.00 hours
Allotment begins	October 31, 2008	09.00 hours
Allotment ends	November 7, 2008	17.00 hours
Results of the Offer submitted to regulators	November 7, 2008	17.00 hours
Dispatch of share certificates (where applicable)	December 5, 2008	17.00 hours
Commencement of trading in the new shares	December 12, 2008	10.00 hours

All dates provided are subject to change by the Advisers to the Offer in consultation with the directors of the Company (subject to obtaining the necessary regulatory approvals). Any amendment will be published in daily newspapers with wide circulation in Ghana, Nigeria and the UEMOA region not later than 72 hours of receipt of regulatory approvals.

4.13 Where to Obtain Copies of Document

Copies of the Prospectus together with Application Forms may be obtained during the offer period from offices of the named Receiving Agents from internet sites www.ecobank.com and www.stanbicibtcbank.com.

4.14 Plan of Distribution

The Prospectus and Application Forms will be distributed by the named Receiving Agents.

In line with the shareholders Resolution dated May 16, 2008 a minimum of 3,763,759,981 ordinary shares representing forty percent (40%) of the Offer is being made to existing shareholders on the basis of 5 new ordinary share for every 9 ordinary shares held as at August 18, 2008. Any shares not subscribed for under the Rights Issue will be made available for allotment under the Offer for Subscription.

ETI has not reserved any of the shares on offer for subscription for allocation to any targeted group of investors, employees or its subsidiaries.

This offer is being made simultaneously in the three jurisdictions where ETI is listed and in other jurisdictions where the laws permit the making of this Offer.

4.15 Pricing and Trading of the Securities on Offer

4.15.1 Pricing of the Offer

The Issue Price has been determined by the Directors in consultation with the Financial Advisers having taken into account investor interest in subscribing for the Subscription Shares under the offer and the market prices of ETI shares on the GSE, NSE and BRVM prior to the date of the Prospectus. The Rights Issue Price of US$0.27 per share is based on the volume weighted average price (VWAP) over the 30 day period prior to the prospectus date discounted by 20%. The Offer for Subscription price of $0.29 per share is based on volume weighted average and price (VWAP) over 30 days period prior to the prospectus date discounted by 12.5%.

The Directors believe this methodology is fair to both existing shareholders and new investors given that ETI shares are traded on the BRVM, GSE and NSE and therefore determined independently and fairly. The use of VWAP price is generally accepted and used in international capital markets as a basis for pricing the secondary issuance of tradable securities.

4.15.2 Transferability of Shares

As a public company, ETI shares are fully transferable. No shares under this Offer are agreed or proposed to be issued for any consideration other than cash.

4.16 Regulatory Approvals

4.16.1 Securities Regulatory Authorities Approval

This document has been examined and approved by the Securities Regulatory Authorities of the three markets on which ETI is listed (Ghana, Nigeria and the UEMOA) in accordance with their respective laws. The approvals were obtained on July 21, 2008 in Ghana, July 31, 2008 in Nigeria and August 8, 2008 in UEMOA. In their reviews, the authorities examined the contents of this document to ensure that adequate disclosures have been made.

4.16.2 Stock Exchange Approvals

Applications have been made to the GSE and the NSE for listing of 8,880,259,309 new ETI shares which will be issued under this Offer. The approvals were obtained from the GSE on July 16, 2008 and the NSE on July 24, 2008. In the case of the BRVM, listing approval is granted upon successful closure of an offer. Upon a successful offer, 8,880,259,309 additional shares of ETI will be listed on the exchanges.

4.16.3 Foreign Exchange Approvals

The required foreign exchange and other related approvals have been obtained from the appropriate regulatory authorities.

4.17 Dealings

All the outstanding shares after the Offer will be listed on the exchanges therefore secondary trading in the shares will be undertaken on the exchanges. It is expected that dealings in the additional ETI shares that will be issued under this offer will commence on an unconditional basis on the Exchanges and can only take place through a Licensed Dealing Member of the Exchanges. The shares will trade in Ghana cedis on the GSE, naira on the NSE and CFA franc on the BRVM.

4.18 Commencement of Trading

Trading of the shares to be issued under this Offer is expected to commence simultaneously on all three markets.

PART 5 - FINANCIAL OVERVIEW

Ecobank Transnational Incorporated

5.1 Letter from the Reporting Accountants

KPMG Professional Services
22a Gerrard Road, Ikoyi
PMB 40014, Falomo
Lagos, Nigeria

Telephone 234 (1) 463 0290-3
234 (1) 269 4660-4
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Fax 234 (1) 462 0704
234 (1) 269 1248
234 (1) 269 1968

Internet www.ng.kpmg.com

Letter from the Reporting Accountants

The Board of Directors
Ecobank Transnational Incorporated
2 Avenue Sylvanus Olympio
BP 3261 Lome
Togo

10 July 2008

Dear Sirs,

We have reviewed the financial information of Ecobank Transnational Incorporated and its subsidiaries ("the Group") as set out in our report.

The financial information is based on the audited consolidated financial statements of the Group for the five financial reporting periods ended 31 December 2003 to 31 December 2007 and has been prepared in accordance with the accounting policies set out on pages 10 to 17. Messrs PricewaterhouseCoopers, Nigeria and Messrs PricewaterhouseCoopers, Cote D'Ivoire were joint auditors of the Group in respect of all the above mentioned years. Each of their audit reports on the financial statements for these periods was unqualified. No audited financial statements have been prepared in respect of any period subsequent to 31 December 2007.

The financial statements on which the financial information is based are the responsibility of the Directors of the Company who approve their issue. Our responsibility is to issue a report on the financial information based on our review. The Directors of the Company are also responsible for the contents of the prospectus in which this report is included.

Our review was conducted in accordance with the International Standard on Review Engagements (ISRE) 2400. This Standard requires that we plan and perform our review to obtain moderate assurance as to whether the financial statements are free from material misstatement. A review is limited primarily to inquiries of Group management, analytical procedures applied to financial data and a review of evidence obtained by the Company's auditors on these financial statements and therefore provides less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information does not give a true and fair view of the state of affairs of the Group as at the balance sheet dates stated and of its profits and cash flows and statement of changes in equity for the periods then ended in accordance with International Financial Reporting Standards.

Yours faithfully

KPMG

5.2 Consolidated Balance Sheets

For the years ended 31 December

	Note	2007	2006	2005	2004	2003
In thousands of US dollars						
Assets						
Cash and balances with central banks	15	978,233	308,959	298,571	234,249	384,563
Treasury bills and other eligible bills	16	547,401	137,345	261,047	181,826	184,483
Pledged assets		-	2,021	-	-	-
Trading assets	17	10,375	647	412	1,286	-
Derivative financial instruments	18	75,003	20	-	-	-
Other financial instruments at fair value	19	-	100	5,223	8,947	-
Loans and advances to banks	20	834,404	554,311	362,160	325,279	-
Loans and advances to customers	21	3,117,036	1,919,366	1,022,140	923,661	785,983
Investment securities available for sale	22	553,013	349,728	124,546	76,100	53,035
Intangible assets	23	20,445	4,607	1,596	1,747	-
Property, plant and equipment	24	242,984	116,420	73,872	63,233	45,812
Equipment on operating lease	25	-	-	-	-	3,900
Deferred tax assets	26	8,762	7,832	6,454	1,240	-
Other assets	27	162,568	102,383	43,209	92,777	65,315
Total Assets		**6,550,224**	**3,503,739**	**2,199,230**	**1,910,345**	**1,523,091**
Liabilities						
Deposits from banks	28	462,666	118,617	121,236	94,938	89,719
Other deposits	29	-	5,027	18,564	-	-
Derivative financial instruments & other trading liabilities	18	75,000	-	22	-	-
Deposits from customers	30	4,714,327	2,500,178	1,532,478	1,465,117	1,153,235
Borrowed funds	31	216,298	50,660	25,977	25,189	15,284
Other liabilities	32	342,397	288,506	161,752	129,639	111,392
Provisions	33	6,661	6,464	5,778	7,379	-
Current income tax liabilities	34	43,754	32,225	14,679	17,855	16,711
Deferred income tax liabilities	26	23,853	10,845	7,698	4,503	897
Retirement benefit obligations	35	13,508	8,902	7,167	467	-
Total Liabilities		**5,898,464**	**3,021,424**	**1,895,351**	**1,745,087**	**1,387,238**
Equity						
Share capital	36	265,155	264,115	179,256	90,779	83,723
Retained earnings	37	145,314	65,209	23,558	16,122	55,051
Other reserves	37	103,079	52,764	18,733	20,318	(33,272)
Total equity attributable to Equity holders of the Company		513,548	382,088	221,547	127,219	105,502
Minority interest		138,212	100,227	82,332	38,039	30,351
Total Equity		651,760	482,315	303,879	165,258	135,853
Total liabilities and equity		**6,550,224**	**3,503,739**	**2,199,230**	**1,910,345**	**1,523,091**

The notes on pages 10 to 73 are an integral part of these consolidated financial statements

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

______________________________)
) Directors
______________________________)

Approved by the Board of Directors on June 2007

5.3 Consolidated Profit and Loss Accounts

For the years ended 31 December	Note	2007	2006	2005	2004	2003
In thousands of US dollars						
Interest income	7	428,423	249,586	155,423	145,216	112,622
Interest expenses	7	(150,346)	(68,183)	(46,139)	(43,775)	(31,999)
Net interest income		**278,077**	**181,403**	**109,284**	**101,441**	**80,623**
Fee and commission income	8	185,406	110,302	89,280	71,156	51,271
Fee and commission expense	8	(2,980)	(2,381)	(3,605)	(3,349)	-
Net fee and commission income		**182,426**	**107,921**	**85,675**	**67,807**	**51,271**
Operating lease rentals		174	5,022	3,911	164	-
Dividend income	9	2,590	2,935	339	1,105	-
Net trading income	10	70,584	41,619	33,981	32,003	24,481
Gains less losses from investment securities	22	14	8	9	-	-
Other operating income		10,122	9,556	3,152	1,332	315
Total other income		83,484	59,140	41,392	34,604	24,796
Operating income		**543,987**	**348,464**	**236,351**	**203,852**	**156,690**
Operating expenses	11	(334,269)	(206,074)	(147,724)	(125,401)	(102,556)
Impairment losses on loans and advances	12	(19,148)	(13,091)	(14,898)	(18,136)	(5,672)
Profit before income tax		**190,570**	**129,299**	**73,729**	**60,315**	**48,462**
Income tax expense	13	(51,634)	(42,934)	(22,790)	(19,888)	(18,248)
Profit for the year		**138,936**	**86,365**	**50,939**	**40,427**	**30,214**
Attributable to:						
Equity holders of the parent company		107,373	69,350	41,502	31,431	22,197
Minority interest		31,563	17,015	9,437	8,996	8,017
		138,936	**86,365**	**50,939**	**40,427**	**30,214**
Earnings per share (USD): Basic	14	0.08	0.06	0.14	0.12	0.39
Diluted	14	0.08	0.06	0.14	0.12	0.39

The notes on pages 102 to 165 are an integral part of these consolidated financial statements

5.4 Consolidated Statement of Changes in Equity

		Attributable to equity holders of the Company				
2007	**Note**	**Share Capital**	**Other reserves**	**Retained earnings**	**Minority Interest**	**Total**
In thousands of US dollars						
At 1 January 2007		264,115	52,764	65,209	100,227	482,315
Revaluation reserves for available-for-sales	37	-	6,409	-	-	6,409
Currency translation differences	37	-	25,563	-	10,388	35,951
Net gains not recognised in the income statement		-	31,972	-	10,388	42,360
Net profit		-	-	107,373	31,563	138,936
Total recognized income for 2007		-	31,972	107,373	41,951	181,296
Dividend for 2006		-	-	(18,355)	(3,966)	(22,321)
Transfer to general banking reserves	37	-	6,405	(6,405)	-	-
Transfer to statutory reserve	37	-	11,938	(11,938)	-	-
Share options granted		-	-	9,430	-	9,430
Employee share ownership scheme:						
- Proceeds from shares issued	36	1,040	-	-	-	1,040
At 31 December		265,155	103,079	145,314	138,212	651,760
2006						
In thousands of US dollars						
At 1 January		179,256	18,733	23,558	82,332	303,879
Currency translation differences	37	-	15,142	-	3,263	18,405
Net gains not recognised in the income statement		-	15,142	-	3,263	18,405
Net profit		-	-	69,350	17,015	86,365
Total recognised in income statement		-	15,142	69,350	20,278	104,770
Dividend for 2005		-	-	(10,712)	(2,314)	(13,026)
Reserves of previously unconsolidated subsidiaries	37	-	-	-	(69)	(69)
Revaluation reserves for available-for-sales	37	-	1,902	-	-	1,902
Transfer to general banking reserves	37	-	350	(350)	-	-
Transfer to statutory reserve	37	-	16,637	(16,637)	-	-
Proceeds from private placement	36	83,354	-	-	-	83,354
Proceeds from public offer	36	3,927	-	-	-	3,927
Share issue transaction costs	36	(2,422)	-	-	-	(2,422)
At 31 December		**264,115**	**52,764**	**65,209**	**100,227**	**482,315**

The notes on pages 102 to 165 are an integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity (continued)

		Attributable to equity holders of the Company				
2005		**Share Capital**	**Other reserves**	**Retained earnings**	**Minority Interest**	**Total**
In thousands of US dollars						
At 1 January		90,779	20,318	16,122	38,039	165,258
Deemed acquisition cost following a rise in Group share in Ecobank Nigeria		-	-	(17,779)	17,779	-
Currency translation differences	37	-	(13,350)	-	(2,585)	(15,935)
Net gains/(loss) not recognised in the income statement		-	(13,350)	(17,779)	15,194	(15,935)
Net profit		-	-	41,502	9,437	50,939
Total recognised income		**-**	**(13,350)**	**23,723**	**24,631**	**35,004**
Dividend for 2004		-	-	(6,234)	(2,231)	(8,465)
Reserve of previously unconsolidated subsidiaries	37	-	-	(121)	(3)	(124)
Restatement of brought forward reserves of subsidiaries	37	-	-	1,833	-	1,833
Transfer to general banking reserves	37	-	3,421	(3,421)	-	-
Transfer to statutory reserve	37	-	8,344	(8,344)	-	-
Issue of shares	36	88,477	-	-	21,896	110,373
At 31 December 2005		**179,256**	**18,733**	**23,558**	**82,332**	**303,879**

The notes on pages 102 to 165 are an integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity (continued)

2004	Attributable to equity holders of the Company				
	Share Capital	**Other reserves**	**Retained earnings**	**Minority Interest**	**Total**
In thousands of US dollars					
Previously reported balance at 1 January	79, 973	(33,272)	55,051	30,351	132,103
- reclassification to general banking reserve	-	2,666	(2,666)	-	-
- reclassification to statutory reserve	-	24,731	(24,731)	-	-
- reclassification of negative goodwill on acquisition	-	(5,009)	5,009	-	-
- reversal of losses included in translation reserve	-	19,979	(19,979)	-	-
- reversal of translation loss on reversal of revaluation surplus on land	-	(1,806)	478	-	(1,328)
Adjusted balance at 1 January	**79,973**	**7,289**	**13,162**	**30,351**	**130,775**
Currency translation differences	-	4,859	(3,740)	425	1,544
Net gains/(loss) not recognised in the income statement	-	4,859	(3,740)	425	1,544
Net profit	-	-	31,431	8,996	40,427
Total recognised income	**-**	**4,859**	**27,691**	**9,421**	**41,971**
Dividend relating to 2003	-	-	(3,139)	(1,733)	(4,872)
Transfer to general banking reserves	-	2,111	(2,111)	-	-
Transfer to statutory reserve	-	6,059	(6,059)	-	-
Reserves of previously unconsolidated subsidiaries	-	-	(1,942)	-	(1,942)
Elimination of indirect group holding in subsidiaries	-	-	(5,205)	-	(5,205)
Purchase of treasury shares	(3,750)	-	-	-	(3,750)
Conversion of preference shares	3,750	-	-	-	3,750
Bonus issue	6,275	-	(6,275)	-	-
Proceeds from share issued	4,531	-	-	-	4,531
At 31 December	**90,779**	**20,318**	**16,122**	**38,039**	**165,258**

The notes on pages 102 to 165 are an integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity (continued)

2003	Attributable to equity holders of the Company			
	Share Capital	Share Premium	Reserves	Total Equity
In thousands of US dollars				
At 1 January	55,920	16,959	4,112	76,991
Currency translation differences	-	-	8,869	8,869
Interim dividend for 2003	-	-	(2,609)	(2,609)
Net profit for the year			22,197	22,197
Preference dividend for 2003	-	-	(356)	(356)
Issues of ordinary shares	10,591	253	(10,434)	410
At 31 December	**66,511**	**17,212**	**21,779**	**105,502**

The notes on pages 102 to 165 are an integral part of these consolidated financial statements

5.5 Consolidated Statement of Cashflows

For the years ended 31 December:		2007	2006	2005	2004	2003
In thousands of US dollars	Note					
Cashflows from operating activities						
Interest and discount receipts		439,096	238,644	154,289	146,413	108,536
Interest payments		(136,585)	(60,532)	(42,558)	(45,623)	(31,999)
Dividends received		2,590	2,935	339	1,105	-
Fees and commission received		185,406	110,302	89,280	71,156	75,752
Fees and commission paid		(2,980)	(2,381)	(3,605)	(3,349)	-
Other income received		15,603	53,762	36,119	36,848	259
Cash payments to employees and suppliers		(322,625)	(197,893)	(140,905)	(130,901)	(96,211)
Cash payments to retired employees		(354)	(629)	(267)	(835)	-
Income tax paid		(30,985)	(24,021)	(28,128)	(19,190)	(12,112)
Cash flows from operating profits before changes in operating assets and liabilities		149,166	120,187	64,564	55,624	44,225
Changes in operating assets and liabilities						
- net (increase)/decrease in mandatory reserve deposit with central banks		(54,616)	(51,502)	20,082	(37,525)	-
- net (increase)/decrease in Treasury bills and other deposits		(251,101)	-	-	-	(53,291)
- net (increase)/decrease in loans and advances to banks		(261,961)	(126,438)	26,685	(236,115)	-
- net (increase)/decrease in trading securities		(9,628)	(235)	874	-	(21,827)
- net decrease in other financial assets at fair value		-	5,123	3,724	-	-
- net increase in derivative financial assets		(74,983)	(20)	-	-	-
- net increase in loans and advances to customers		(1,197,670)	(897,226)	(98,479)	(137,678)	(261,220)
- net (increase)/decrease in sundry receivables and prepayments		(5,745)	(45,882)	55,410	(24,493)	(10,336)
- net (decrease)/increase in other deposits		(5,027)	(13,537)	18,564	-	-
- net increase in deposits from customers		2,214,149	967,700	67,361	311,881	292,348
- net (decrease)/increase in derivative liabilities		75,000	(22)	22	-	-
- net increase in other liabilities		41,732	124,136	21,131	21,847	(1,021)
		619,315	82,284	179,938	(46,459)	(11,122)
Cashflows from investing activities						
Acquisition of subsidiary	41	40,773	17,929	-	-	-
Purchase of software	23	(12,838)	(927)	(1,159)	(1,103)	-
Purchase of asset on lease		-	-	-	-	(3,944)
Purchase of property and equipment	24	(139,283)	(72,767)	(35,857)	(27,451)	(14,675)
Proceeds from sale of property and equipment		6,619	7,216	6,109	1,574	1,179
Purchase of securities	22	(376,964)	(278,306)	(62,685)	(38,503)	-
Proceeds from sale and redemption of securities	22	223,122	59,141	3,312	-	-
Net cash used in investing activities		(258,571)	(267,714)	(90,282)	(65,483)	(17,440)
Cashflows from financing activities						
Proceeds from borrowed funds		165,638	24,683	788	9,904	4,720
Issue of ordinary shares	36	-	84,859	88,477	781	410
Issue of shares (minority interest)		-	-	21,896	-	-
Deposit for shares		(1,404)	(4,347)	5,410	-	-
Purchase of treasury shares		-	-	-	(3,750)	-
Sale of treasury shares		-	-	-	3,750	-
Dividends paid to minority shareholders		(3,966)	(2,314)	(2,231)	(1,308)	(980)
Dividends paid	38	(18,355)	(10,712)	(6,234)	(3,139)	(2,965)
Net cash from financing activities		141,913	92,169	108,106	6,238	1,185
Net (increase)/decrease in cash & cash equivalents		**502,657**	**(93,261)**	**197,762**	**(105,704)**	**(27,377)**
Cash and cash equivalents at beginning of the year		413,496	509,980	309,087	415,638	314,036
Effects of exchange difference on cash and cash equivalents		(59,999)	(3,223)	3,131	(847)	8,185
Cash and cash equivalents at the end of the year		**856,154**	**413,496**	**509,980**	**309,087**	**294,844**

5.6 Notes to the Consolidated Financial Statements

1. Reporting entity

Ecobank Transnational Incorporated (ETI) and its subsidiaries (together, the group) provide retail, corporate banking and investment banking services throughout Sub Saharan Africa, outside South Africa. The group has operations in over 22 countries and employs over 8,000 people.

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, Lomé, Togo. The company has a primary listing on the Ghana Stock Exchange, Nigeria Stock Exchange and the Bourse Regionale Des Valeurs Mobilieres (Abidjan) Côte D'Ivoire.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and financial liabilities held at fair value through the profit or loss and all derivative contracts.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 5.

(a) Standards, amendment and interpretations effective in 2007

IFRS 7, 'Financial instruments: Disclosures', and the complementary amendment to IAS 1, 'Presentation of financial statements – Capital disclosures', introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the group's financial instruments.

IFRIC 11, 'IFRS 2 – Group and treasury share transactions', was adopted in 2007. IFRIC 11 provides guidance on whether share-based transactions involving treasury shares or involving group entities should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies. This interpretation does not have an impact on the group's financial statements. Share based payments under the management share option plan was recognised in equity.

b) Standards, amendments and interpretations effective in 2007 but not relevant

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the group's operations:

i) Revised guidance on implementing IFRS 4, 'Insurance contracts';

ii) IFRIC 7, 'Applying the restatement approach under IAS 29, Financial reporting in hyperinflationary economies'; and

iii) IFRIC 9, 'Re-assessment of embedded derivatives'.

(c) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group*

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2008 or later periods, but the group has not early adopted them:

i) IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009). It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The group will apply IAS 23 (Amended) from 1 January 2009. The standard is currently not applicable to the group as there are no qualifying assets.

Notes to the consolidated financial statements

ii) IFRS 8, 'Operating segments' (effective from 1 January 2009). IFRS 8 replaces IAS 14 and requires 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The group will apply IFRS 8 from 1 January 2009 where it is applicable to the group.

iii) IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008). IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The group will apply IFRIC 14 from 1 January 2008, but it is not expected to have any impact on the group's accounts.

(d) *Interpretations to existing standards that are not yet effective and not relevant for the group's operations.*

The following interpretations to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2008 or later periods but are not relevant for the group's operations:

i) IFRIC 12, 'Service concession arrangements' (effective from 1 January 2008). IFRIC 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. IFRIC 12 is not relevant to the group's operations because none of the group's companies participate in public sector service concession agreements.

ii) IFRIC 13, 'Customer loyalty programmes' (effective from 1 July 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. IFRIC 13 is not relevant to the group's operations because none of the group's companies operate any loyalty programmes.

2.2 Foreign currency translation

a) **Functional and presentation currency**
Items included in the financial statements of each of the subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("the functional currency'). The financial statements are presented in dollars, which is the Company's functional and presentation currency.

b) **Transactions and balances**
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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 available for sale 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 the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

c) **Group companies**
The results and financial position of all Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(ii) income and expenses for each income statement are translated at average exchange rates; and
iii) all resulting exchange differences are recognised as a separate component of equity

Notes to the consolidated financial statements

On consolidation, exchange differences arising from the translation of the investment in foreign entities, and of borrowings, are taken to shareholders'
equity. 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.

3. Summary of significant accounting policies

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

3.1 Basis of Consolidation

a) **Subsidiaries**

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (Accounting Policies 3.10a). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

b) **Transactions and minority interests**

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

c) **Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement; its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.2 Interest income and expense

Interest income and expense for all interest-bearing financial instruments, except for those classified as held for trading or designated at fair value through profit or loss, are recognised within 'interest income' and 'interest expense' in the income statement using the effective interest method.

The effective interest method is a method of calculating the amortised 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

Notes to the consolidated financial statements

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.

3.3 Fee and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided. 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. Loan syndication fees are recognised as revenue 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. 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. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-apportioned basis.

3.4 Dividend income

Dividends are recognised in the income statement when the entity's right to receive payment is established.

3.5 Financial assets

The Group classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held to-maturity investments; and
- available-for-sale financial assets.

Management determines the classification of its investments at initial recognition.

a) **Financial assets at fair value through profit or loss**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated as hedging instruments.
Financial assets and financial liabilities are designated at fair value through profit or loss when:

Doing so significantly reduces measurement inconsistencies that would arise if the related derivative were treated as held for trading and the underlying financial instruments were carried at amortised cost for such loans and advances to customers or banks and debt securities in issue;

Certain investments, such as equity investments, are managed and evaluated on a fair value basis in accordance with a documented risk management or investment strategy and reported to key management personnel on that basis are designated at fair value through profit and loss; and
Financial instruments, such as debt securities held, containing one or more embedded derivatives significantly modify the cash flows, are designated at fair value through profit and loss.

Gains and losses arising from changes in the fair value of derivatives that are managed in conjunction with designated financial assets or financial liabilities are included in 'net income from financial instruments designated at fair value'.

b) **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than: (a) those that the entity intends to sell immediately or in the short term, which are classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss; (b) those that the entity upon initial recognition designates as available for sale; or (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Notes to the consolidated financial statements

c) **Held-to maturity**

Held-to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available for sale.

d) **Available-for-sale**

Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Purchases and sales of financial assets at fair value through profit or loss, held to maturity and available for sale are recognised on trade date- the date on which the Group commits to purchase or sell the asset. Loans are recognised when cash is advanced to the borrowers. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held to-maturity investments are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity, until the financial asset is derecognised or impaired. At this time the cumulative gain or loss previously recognised in equity is recognised in profit or loss. However, interest calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the entity's right to receive payment is established.

The fair values of quoted investments in active markets are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. Financial liabilities are derecognised when they are extinguished that is, when the liabilities obligation is discharged, cancelled or expires.

3.6 Off setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3.7 Sale and repurchase agreement

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 amounts due to other banks, deposits from banks, other deposits or deposits due to 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.

3.8 Derivative financial instruments and hedge accounting

Derivatives which comprise forward foreign exchange contracts and interest rate swaps are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Derivatives, which comprise forward foreign exchange contracts and interest rate swaps are initially recognised at fair value on the date the derivative contract is entered into and are subsequently measured at fair value. The fair value is determined using recent transactions, forward exchange market rates at the balance sheet date or appropriate pricing models. The derivatives do not qualify for hedge accounting. Changes in the fair value of derivatives are recognized immediately in the profit and loss account.

Notes to the consolidated financial statements

3.9 Impairment of financial assets

a) **Assets carried at amortised cost**

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or Group of financial assets is impaired. A financial asset or a Group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower (for example, equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position;
- Deterioration in the value of collateral; and
- Downgrading below investment grade level.

The estimated period between a loss occurring and its identification is determined by local management for each identified portfolio. In general, the periods used vary between three months and 12 months; in exceptional cases, longer periods are warranted.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a Group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not the foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the groups grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors).
Those characteristics that are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a Group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Group and historical loss experience for assets with credit risk characteristics similar to those in the Group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the Group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

Notes to the consolidated financial statements

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement in impairment charge for credit loss.

b) **Assets classified as available for sale**

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a Group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

c) **Assets carried at fair value**

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been negotiated are no longer considered to be past due but are treated as new loans. In subsequent years, the asset is considered to be past due and disclosed only if renegotiated.

3.10 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 subsidiary/associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill on acquisitions of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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.

b) **Computer software**

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 developing or maintaining computer software programs are recognised as an expense incurred. 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.

3.11 Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, 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 are charged to the income statement during the financial period in which they are incurred. 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:

Notes to the consolidated financial statements

- Leasehold improvements 25 years, or over the period of the lease if less than 25 years
- Equipment and motor vehicles 3 - 8 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Assets that are subject to amortisation are reviewed 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. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the income statement.

3.12 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three month's maturity from date of acquisition, including cash and non-restricted balances with central banks, treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks and short-term government securities.

3.13 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 likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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 the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3.14 Employee benefits

a) **Pension obligations**

Group companies operate defined contribution plans. 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.
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 accounting methodology described below.

The liability recognised in the balance sheet in respect of the gratuity payments is the present value of the gratuity payment obligation at the balance sheet date less the fair value of plan assets (if any), together with adjustments for unrecognised actuarial gains or losses and past service costs. The gratuity payment obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the gratuity payment 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 gratuity payment liability.

Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are charged or credited to income over the expected average remaining working lives of the related employees. These obligations are valued annually by independent qualified actuaries.

Notes to the consolidated financial statements

c) **Share-based compensation**

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

3.15 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.16 Borrowings

Borrowings are recognised initially at fair value, being their issue proceeds (fair value of consideration received) 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 borrowings using the effective interest method.

3.17 Share capital

a) **Share issue costs**

Incremental costs directly attributable to the issue of new shares or options 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 the Company's shareholders. Dividends for the year that are declared after the balance sheet date are disclosed as a post balance sheet events.

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.

3.18 Segment reporting

A business segment is a Group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

3.19 Fiduciary activities

The Group provides custody, trustee, corporate administration, 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 fiduciary capacity are not included in these financial statements.

Notes to the consolidated financial statements

3.20 Leases

(a) A group company is the lessee

The leases entered into by the group are primarily operating leases. The total payments made under operating leases are charged to other operating expenses in the income statement on a straight-line basis over the period of the lease.
When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(b) A group company is the lessor

When assets are held subject to a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

3.21 Deferred 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date 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 including derivative contracts, provisions for pensions and other post-retirement benefits and tax losses carried forward; and, in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base. The rates enacted or substantively enacted at the balance sheet date are used to determine deferred income tax. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised. 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 income tax losses available for carry-forward 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 available-for-sale investments and cash flow hedges, which are charged or credited directly to equity, is also credited or charged directly to equity and subsequently recognised in the income statement together with the deferred gain or loss.

Notes to the consolidated financial statements

4. Financial risk management

The group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The group's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the group's financial performance.

The group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by a Risk management department (Group Risk Management) under policies approved by the board of directors. Group Risk identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, the Group Audit and compliance is responsible for the independent review of risk management and the control environment.

The most important types of risk are credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest rate and other price risk.

4.1 Credit Risk

The group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the group by failing to discharge an obligation. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration in the group's portfolio, could result in losses that are different from those provided for at the balance sheet date. Management therefore carefully manages its exposure to credit risk.

Credit exposures arise principally in loans and advances, debt securities and other bills.

There is also credit risk in off-balance sheet financial arrangements such as loan commitments. The credit risk management and control are centralised in a risk management team in Group Risk Management and reported to the board of directors.

4.1.1 Credit Risk Measurement

In measuring credit risk of loan and advances to customers and to banks at a counterparty level, the group reflects three components

(i) the 'probability of default' by the client or counterparty on its contractual obligations;

(ii) current exposures to the counterparty and its likely future development, from which the group derive the 'exposure at default'; and

(iii) the likely recovery ratio on the defaulted obligations (the 'loss given default').

These credit risk measurements, which reflect expected loss (the 'expected loss model') and are required by the Basel Committee on Banking Regulations and the Supervisory Practices (the Basel Committee), are embedded in the group's daily operational management.

The operational measurements can be contrasted with impairment allowances required under IAS 39, which are based on losses that have been incurred at the balance sheet date (the 'incurred loss model') rather than expected losses (Section 4.1.3).

Group's internal ratings scale and mapping of external ratings are as follows;

Group's rating	**Description of grade**	**Mapping to external rating (Standards and Poors)**
1 - 4	Investment Grage	AAA to BBB
5 – 6	Standard Monitoring	BBB- to B-
7 - 10	Non Investment Grade	CCC to D

Notes to the consolidated financial statements

(a) The group assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. They have been developed internally and combine statistical analysis with credit officer judgment and are validated, where appropriate, by comparison with externally available data. Clients of the group are segmented into three rating classes. The group's rating scale, which is shown above, reflects the range of default probabilities defined for each rating class.
This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary. The group regularly validates the performance of the rating and their predictive power with regard to default events.
The ratings of the major rating agency shown in the table above are mapped to our 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.

(b) Exposure at default is based on the amounts the group expects to be owed at the time of default. For example, for a loan this is the face value. For a commitment, the group includes any amount already drawn plus the further amount that may have been drawn by the time of default, should it occur.

(c) Loss given default or loss severity represents the group's expectation of the extent of loss on a claim should default occur. It is expressed as a percentage loss per unit of exposure and typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit mitigation.

Debt securities and other bills
For debt securities and other bills, external rating such as Standard & Poor's rating or their equivalents are used by Group Treasury for managing the credit risk exposures. The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet funding requirements at the same time.

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 regularly 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-balance sheet 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 advanced, 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.
Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

Notes to the consolidated financial statements

(b) Derivatives

The group maintains strict control limits on net open derivative positions (ie, the difference between purchase and sale contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favourable to the group (ie, assets where their fair value is positive), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the group requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the group's market transactions on any single day.

(c) 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.

4.1.3 Impairment and Provisioning Policies

The internal rating systems described in Section 4.1.1 focus more on credit-quality mapping from the inception of the lending and investment activities. In contrast, impairment provisions are recognised for financial reporting purposes only for losses that have been incurred at the balance sheet date based on objective evidence of impairment (see accounting policy 3.9). Due to the different methodologies applied, the amount of incurred credit losses provided for in the financial statements are usually lower than the amount determined from the expected loss model that is used for internal operational management and banking regulation purposes.

The internal rating tool assists management to determine whether objective evidence of impairment exists under IAS 39, based on the following group criteria described in accounting policy 3.9

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower (eg equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of legal proceedings to enforce security;
- Deterioration of the borrower's competitive position;
- Deterioration in the value of collateral; and
- Downgrading below investment grade level.

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. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account.

Collectively assessed impairment allowances are provided for:

(i) portfolios of homogenous assets that are individually below materiality thresholds; and
(ii) losses that have been incurred but have not yet been identified, by using the available historical experience, experienced judgment and statistical techniques.

Notes to the consolidated financial statements

4.1.4 Credit Concentration

Maximum exposure to credit risk before collateral held or other credit enhancements	**Maximum exposure**	
In thousands of US Dollars	**2007**	**2006**
Credit risk exposures relating to on-balance sheet assets are as follows:		
Treasury bills and other eligible bills	547,401	137,345
Loans and advances to banks	834,404	554,311
Loans and advances to customers:		
Retail		
Overdrafts	412,481	264,021
• Credit cards	114,866	-
• Term loans	546,580	438,942
• Mortgages	67,720	5,786
Wholesale		
• Overdrafts	607,498	412,414
• Term loans	1,080,915	757,696
• Others	286,976	40,507
Trading asset s		
• Debt securities	225	157
Derivative financial instruments	75,003	20
Investment securities		
• Debt securities	506,722	337,680
Credit risk exposures relating to off-balance sheet items are as follows:		
Financial guarantees	1,118,554	905,180
Loan commitments and other credit related liabilities	247,307	67,466
At 31 December	6,446,652	3,921,525

The above table represents the worst case scenario of credit risk exposure to the group at 31 December 2007 and 2006, without taking account of 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 balance sheet.

As shown above, 61% of the total maximum exposure is derived from loans and advances to banks and customers (2006: 63%); 7% represents investments in debt securities (2006: 9%). Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the group resulting from both its loan and advances portfolio and debt securities based on the following:

- 92% (2006: 89%) of the loans and advances portfolio is categorised in the top two grades of the internal rating system;
- Term loans, which represents the biggest group in the portfolio, are backed by collateral;
- 94% (2006: 92%) of the loans and advances portfolio are considered to be neither past due nor impaired;

Notes to the consolidated financial statements

4.1.5 Loans and Advances

Loans and advances are summarised as follows:

	31 December 2007		31 December 2006	
	Loans and advances to Banks	**Loans and advances to Customers**	**Loans and advances to Banks**	**Loans and advances to Customers**
Neither past due nor impaired	831,229	2,987,939	554,311	1,800,237
Past due but not impaired	3,175	69,509	-	55,281
Impaired	-	186,088	-	160,170
Gross	**834,404**	**3,243,536**	**554,311**	**2,015 688**
Less: allowance for impairment	-	126,500	-	96,322
Net	**834,404**	**3,117,036**	**554,311**	**1,919,366**

The total impairment provision for loans and advances is $126.5million (2006: $96million, 2005: $93,698, 2004: $82,799, 2003: $53,800) of which $116million (2006: $89million) represents the individually impaired loans and the remaining amount of $10.5million represents the portfolio provision.

(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.

31 December 2007

	Loans and advances to customers							
	Retail				**Wholesale**			**Total**
	Over Drafts	**Credit cards**	**Term Loans**	**Mort-gages**	**Over-drafts**	**Term loans**	**Others**	**Loans and advances to customers**
Grades:								
1 Current	346,177	10,380	548,440	13,395	451,925	869,881	265,864	2,606,062
1A. Other loans especially mentioned	13,184	-	5,759	893	88,487	267,878	5,676	381,877
Total	359,361	110,380	554,199	14,288	540,412	1,137,759	271,540	2,987,939

31 December 2006

	Loans and advances to customers							
	Retails				**Wholesale**			**Total**
	Over Drafts	**Credit cards**	**Term Loans**	**Mort-gages**	**Over-drafts**	**Term loans**	**Others**	**Loans and advances to customers**
Grades:								
1 Current	206,392	-	223,470	4,021	291,566	674,220	40,439	1,440,108
1A. Other loans especially mentioned	18,137	-	4,216	-	107,193	216,410	14,173	360,129
Total	224,529	-	227,686	4,021	398,759	890,630	54,612	1,800,237

Mortgage loans in the sub-standard class were considered not to be impaired after taking into consideration the recoverability from collateral.

Notes to the consolidated financial statements

(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 to customers that were past due but not impaired were as follows

31 December 2007	Retail			
	Over drafts	Term Loans	Mortgages	Total
Past due up to 30 days	5,078	1,367	130	6,575
Past due 30-60 days	7,229	102	-	7,331
Past due 60-90 days	5,895	11,240	-	17,135
Total	**18,202**	**12,709**	**130**	**31,041**
Fair value of collateral	1,060	2,605	-	3,665

	Wholesale			
	Overdrafts	Term loans	Others	Total
Past due up to 30 days	1,113	11,245	-	12,358
Past due 30-60 days	2,163	3,985	144	6,292
Past due 60-90 days	2,155	17,663	-	19,818
Total	**5,431**	**32,893**	**144**	**38,468**
Fair value of collateral	904	15,201	-	16,105

31 December 2006	Retail			
	Over drafts	Term Loans	Mortgages	Total
Past due up to 30 days	1,085	2,453	-	3,538
Past due 30-60 days	2,646	27	-	2,673
Past due 60-90 days	14,082	3,815	-	17,897
Total	**17,813**	**6,295**	**-**	**24,108**
Fair value of collateral	683	4,108	-	4,791

	Wholesale			
	Overdrafts	Term loans	Mortgages	Total
Past due up to 30 days	4,815	7,639	492	12,946
Past due 30-60 days	-	-	-	-
Past due 60-90 days	3,950	14,277	-	18,227
Total	**8,765**	**21,916**	**492**	**31,173**
Fair value of collateral	761	566	43	1,370

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.

Notes to the consolidated financial statements

c) Loans and advances individually impaired

i) Loans and advances to customers
The individually impaired loans and advances to customers before taking into consideration the cashflows from collateral held is US$186 million (2006: US$160 million, comparative information is not available for years ended 31 December 2003-2005).

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 2007	Retail				Wholesale			Total
	Over Drafts	**Credit cards**	**Term Loans**	**Mort-gages**	**Over-drafts**	**Term loans**	**Others**	
Individual impaired loans	53,3307,520	49,446	1,874	33,789	36,733	3,396	186,088	
Fair value of collateral	4,937	-	6,648	818	11,202	18,000	3,872	45,477
31 December 2006								
Individual impaired loans	36,4705,767	41,566	-	25,500	25,907	24,960	160,170	
Fair value of collateral	1,186	1,330	139	-	10,727	6,321	1,909	21,612

This disclosure has been made in line with the provisions of IFRS 7 which is effective for annual periods beginning on or after 1 January 2007. Therefore, comparative information is not available for years ended 31 December 2003-2005.

(ii) Loans and advances to banks

The total gross amount of individually impaired loans and advances to banks as at 31 December 2007 was nil (2006: 4,000). No collateral is held by the group, and a full impairment provision has been provided against the gross amount.

(d) Loans and advances renegotiated
Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Following restructuring, a previously overdue customer account is reset from to a normal status and managed together with other similar accounts. Restructuring policies and practices are based on indicators or criteria which, in the judgment of local management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans and overdrafts. Renegotiated loans that would otherwise be past due or impaired totalled $86million at 31 December 2007 (2006: $36.4million, 2005-2003 – no information available).

In thousands of US Dollars	**2007**	**2006**
Loans and advances to customers		
- Overdraft	683	584
- Term loans	85,341	35,856
Total	**86,024**	**36,440**

4.1.6 Debt Securities, Treasury Bills and Other Eligible Bills
Debt securities, treasury bills and other eligible bills are financial instruments issued by sovereign governments.

4.1.7 Repossessed Collateral
During 2007, the bank took possession of collateral held as security, as follows:

Nature of assets **Carrying amount** **In thousands of US Dollars**	
Residential property	24,911
Commercial property	27,859
Vehicle and equipment	20,759
Others	31,221
Total	104,750

Notes to the consolidated financial statements

Repossessed properties are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness.

This disclosure has been made in line with the provisions of IFRS 7 which is effective for annual periods beginning on or after 1 January 2007. Therefore, comparative information is not available for years ended 31 December 2003-2005.

4.1.8 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 categorized by geographical region as of 31 December 2007. For this table, the group has allocated exposures to regions based on the country of domicile of our counterparties.

In thousands of US Dollars	UEMOA Region	Nigeria	West African Monetary zone	CEEAC	East and Southern Africa	Others	Total $'000
Treasury bills and other eligible bills	80,593	377,036	85,486	-	4,286	-	547,401
Loans and advances to banks	317,317	144,374	30,093	33,547	22,459	286,614	834,404
Loans and advances to customers:							
Retail							
• Overdrafts	97,813	253,517	46,909	9,483	1,744	3,015	412,481
• Credit cards	-	114,258	608	-	-	-	114,866
• Term loans	323,625	94,194	89,699	24,324	-	14,738	546,580
• Mortgages	23,264	41,491	151	322	2,492	-	67,720
Wholesale							
• Overdrafts	249,617	168,429	78,076	74,931	6,977	29,468	607,498
• Term loans	704,475	93,301	155,535	121,951	-	5,653	1,080,915
• Others	9,174	254,425	515	14,011	4,566	4,285	286,976
Trading assets – debt securities	-	-	225	-	-	-	225
Derivative financial instruments	-	75,000	-	-	-	3	75,003
Investment securities							
• debt securities	281,771	195,990	10,015	12,864	-	6,082	506,722
Other assets	59,460	48,940	38,465	14,519	1,184	-	162,568
As at 31 December 2007	2,147,109	1,860,955	535,777	305,952	43,708	349,858	5,243,359
As at 31 December 2006	1,418,268	919,257	220,806	204,569	20,965	277,163	3,061,029

Comparative information is not available for years ended 31 December 2003-2005.

Notes to the consolidated financial statements

4.1.8 Concentration of Risks of Financial Assets with Credit Risk Exposure (continued)

(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.

In thousands of US Dollars	Financial Institutions	Wholesale & Retail Trading	Manufac-turing & Construction	Gover-nment	Oil & Gas Production	Services & others	Total
Eligible bills	547,401	-	-	-	-	-	547,401
Loans and advances to banks	978,233	-	-	-	-	-	978,233
Loans and advances to customers:							
Retail							
• Overdrafts	-	477,468	181,789	32,949	66,439	261,335	1,019,980
• Credit cards	-	589	302	-	-	113,975	114,866
• Term loans	-	469,450	521,688	124,987	203,169	308,200	1,627,495
• Mortgages	-	-	-	-	-	67,720	67,720
• Others	-	-	-	-		286,975	286,975
Trading assets							
• debt securities	225	-	-	-	-	-	-
Derivative financial instruments	75,003	-	-	-	-	-	75,003
Other assets	-	-	-	-	-	162,568	162,568
31 December 2007	1,600,862	947,507	703,780	157,937	269,608	1,200,774	4,880,466
31 December 2006	1,592,370	476,092	451,338	111,680	240,697	778,645	3,650,822

Comparative information is not available for years ended 31 December 2003-2005.

4.2 Market Risk

The group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The group separates exposures to market risk into either trading or non-trading portfolios.

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 of foreign exchange and equity risks arising from the group's held-to-maturity and available-for-sale investments

Notes to the consolidated financial statements

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 sets limits on the level of exposure by currency and in aggregate 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. Included in the table are the group's financial instruments at carrying amounts, categorised by currency

Concentration of currency risk – a balance sheet financial

At 31 December 2007	**Dollar**	**Euro**	**CFA**	**Naira**	**Cedis**	**Others**	**Total**
In thousands of US dollars							
Assets							
Cash and bank balances with Central banks	159,339	16,712	193,773	526,459	50289	31,661	978,233
Treasury bills and other eligible bills	-	-	80,594	377,038	86,550	3,219	547,401
Loans and advances to banks	117,284	213,579	331,377	44,375	115,146	12,643	834,404
Loans and advances to customers	316,256	10,899	1,371,441	1,012,185	287,825	118,430	3,117,036
Trading assets	-	-	555	1,021	8,799	-	10,375
Derivative financial instruments	75,003	-	-	-	-	-	75,003
Investment securities							
Available for sale	15,068	-	299,116	217,559	5,877	15,393	553,013
Other assets	12,011	7,154	74,640	35,690	28,639	4,434	162,568
Total financial assets	**694,961**	**248,344**	**2,351,496**	**2,214,327**	**583,125**	**185,780**	**6,278,033**
Liabilities							
Deposits from banks	19,522	17,953	151,432	255,417	12,620	5,722	462,666
Due to customers	401,658	55,676	2,029,597	1,921,228	290,359	15,809	4,714,327
Derivative financial instruments	75,000	-	-	-	-	-	75,000
Borrowed funds	116,630	63,820	25,808	-	10,040	-	216,298
Other liabilities	52,214	10,791	41,943	200,853	32,332	10,925	349,058
Total financial liabilities	**665,024**	**148,240**	**2,248,780**	**2,377,498**	**345,351**	**32,456**	**5,817,349**
Net on-balance sheet financial position	29,937	100,104	102,716	(163,171)	237,774	153,324	460,684
Credit commitments	**545,904**	**91,933**	**207,545**	**28,387**	**-**	**415,110**	**1,288,878**
31 December 2006							
Total financial assets	372,154	98,647	1,756,128	900,011	303,570	73,229	3,503,739
Total financial liabilities	430,310	58,675	1,594,913	651,129	234,692	51,705	3,021,424
Net on- balance sheet financial position	(58,156)	39,972	161,215	248,882	68,878	21,524	482,315
Credit commitments	**221,207**	**70,149**	**175,463**	**372,914**	**16,885**	**116,028**	**972,646**

Notes to the consolidated financial statements

4.2.1 Currency risk (continued)

At 31 December 2006	**Dollar**	**Euro**	**CFA**	**Naira**	**Cedis**	**Others**	**Total**
In thousands of US dollars							
Assets							
Cash and cash equivalents	41,245	14,657	164,602	36,469	30,208	21,778	308,959
Treasury bills and eligible bills	-	-	45,086	70,344	21,915	-	137,345
Loans and advances to banks	206,425	83,888	63,871	183,915	9,506	6,706	554,311
Trading securities	-	-	325	-	322	-	647
Derivative financial instruments	-	-	-	-	20	-	20
Other financial instruments at fair value	100	-	-	-	-	-	100
Loans and advances to customers	116,179	77	1,262,727	408,339	108,779	23,265	1,919,366
Investment securities:							
-available-for-sale	84	-	124,124	109,286	101,897	14,337	349,728
-held-to-maturity	-	-	-	-	-	-	-
Pledge assets	-	-	72	1,949	-	-	2,021
Intangible assets	-	-	4,338	211	-	58	4,607
Property, plant and equipment	1,335	-	47,754	52,267	10,370	4,694	116,420
Deferred income tax assets	-	-	1,270	5,094	1,376	92	7,832
Other assets	6,786	25	41,959	32,137	19,177	2,299	102,383
Total Assets	**372,154**	**98,647**	**1,756,128**	**900,011**	**303,570**	**73,229**	**3,503,739**
Liabilities:							
Deposits from banks	9,156	11,112	95,278	122	1,915	1,034	118,617
Other deposits	-	-	703	4,324	-	-	5,027
Derivative financial instruments & other trading liabilities	-			-			
Deposits from customers	379,376	47,382	1,365,362	471,343	194,280	42,435	2,500,178
Borrowed funds	15,744	-	24,868	-	10,048	-	50,660
Other liabilities	25,461	181	93,242	143,315	25,977	6,794	294,970
Current income tax liabilities	556	-	12,916	14,849	2,472	1,432	32,225
Deferred income tax liabilities	17	-	746	10,072	-	10	10,845
Retirement benefit obligations	-	-	1,798	7,104	-	-	8,902
Total Liabilities	**430,310**	**58,675**	**1,594,913**	**651,129**	**234,692**	**51,705**	**3,021,424**
Net on-balance sheet position	(58,156)	39,972	161,215	248,882	68,878	21,524	482,315
Credit commitments	221,207	70,149	175,463	372,914	16,885	116,028	972,646
	163,051	**110,121**	**336,678**	**621,796**	**85,763**	**137,552**	**1,454,961**

Notes to the consolidated financial statements

4.2.1 Currency risk (continued)

At 31 December 2005 In thousands of US dollars	**Dollar**	**Euro**	**CFA**	**Naira**	**Cedis**	**Others**	**Total**
Assets							
Cash and cash equivalents	34,328	15,718	170,213	217,415	99,663	22,281	559,618
Loans and advances to banks	136,779	56,719	72,570	72,752	55	23,285	362,160
Trading securities	-	-	301	-	111	-	412
Other financial Instruments at fair value	100	-	-	-	5,123		5,223
Loans and advances to customers	93,997	4,939	713,248	120,465	74,731	14,760	1,022,140
Investment securities:		-	-	-	-	-	
-available-for-sale	82		6,390	3,516	191	723	10,902
-held-to-maturity	40		109,766	3,838			113,644
Pledge assets							
Intangible assets			1,506	76		14	1,596
Property, plant and equipment	853	-	35,123	26,796	8,251	2,849	73,872
Deferred income tax assets	-	-	1,432	3,513	1,497	12	6,454
Other assets	6,718	2,245	19,646	7,519	5,171	1,910	43,209
Total Assets	**272,897**	**79,621**	**1,130,195**	**455,890**	**194,793**	**65,834**	**2,199,230**
Liabilities:							
Deposits from banks	7,878	16,564	89,706	-	4,771	2,317	121,236
Other deposits	17,826	-	738	-	-	-	18,564
Derivative financial instruments & other Trading liabilities	-	-	-	-	22	-	22
Due to customers	233,217	20,167	929,607	169,715	135,782	43,990	1,532,478
Borrowed funds	8,573	3,466	5,145	-	8,793	-	25,977
Other liabilities	32,377	2,014	53,556	56,287	17,490	5,806	167,530
Current income tax liabilities	-	-	8,370	3,662	1,566	1,081	14,679
Deferred income tax liabilities	-	-	-	7,226	472	-	7,698
Retirement benefit obligations	-	-	2,062	5,070	-	35	7,167
Total Liabilities	**299,871**	**42,211**	**1,089,184**	**241,960**	**168,896**	**53,229**	**1,895,351**
Net on-balance sheet position	(26,974)	37,410	41,011	213,930	25,897	12,605	303,879
Credit commitments	139,593	53,485	376,015	163,283	35,180	16,867	784,423
	112,619	**90,895**	**417,026**	**377,213**	**61,077**	**29,472**	**1,088,302**

Notes to the consolidated financial statements

4.2.1 Currency risk (continued)

At 31 December 2004 **In thousands of US dollars**	**Dollar**	**Euro**	**Local currencies**	**Others**	**Total**
Assets					
Cash and cash equivalents	152,720	95,678	468,164	78,330	794,892
Loans and advances	95,475	12,497	775,355	40,334	923,661
Investment securities:	-	-	-	-	-
-available-for-sale	-	-	8,744	109	8,853
-held-to-maturity	4,978	25	18,814	125	23,942
Equipment on operating lease	7,083	-	277	-	7,360
Fixed Assets	14,691	-	44,153	104	58,948
Other assets	37,434	446	51,983	2,914	92,777
Total Assets	**312,381**	**108,646**	**1,367,490**	**121,916**	**1,910,433**
Liabilities					
Due to banks	11,484	4,658	77,578	1,218	94,938
Deposits	309,862	21,273	1,120,794	13,188	1,465,117
Other liabilities including tax	45,122	1,173	111,776	532	158,603
Other borrowed funds	10,946	3,503	10,740	-	25,189
Total Liabilities	**377,414**	**30,607**	**1,320,888**	**14,938**	**1,743,847**
Net on-balance sheet position	**(65,033)**	**78,039**	**46,602**	**106,978**	**166,586**

At 31 December 2003 **In thousands of US dollars**	**Dollar**	**Euro**	**Local currencies**	**Others**	**Total**
Assets					
Cash and cash equivalents	149,890	61,322	348,933	8,901	569,046
Investment securities:	-	-	-	-	-
-available-for-sale	3,418	72	34,979	-	38,469
-held-to-maturity	1,406	1	13,158	2	14,567
Loans and advances	37,785	667	747,531	-	785,983
Other assets	5,611	3,260	56,431	12	65,314
Equipment on operating lease	-	-	3,900	-	3,900
Fixed Assets	1,396	-	44,416	-	45,812
Total Assets	**199,506**	**65,322**	**1,249,348**	**8,915**	**1,523,091**
Liabilities					
Due to banks	22,485	25,304	41,848	83	89,720
Deposits	115,957	10,235	1,023,237	3,806	1,153,235
Other liabilities including tax	16,301	771	108,805	3,122	128,999
Other borrowed funds	5,982	5,895	3,407	-	15,284
Total Liabilities	**160,725**	**42,205**	**1,177,297**	**7,011**	**1,387,238**
Net on-balance sheet position	**38,781**	**23,117**	**72,051**	**1,904**	**135,853**

Notes to the consolidated financial statements

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 sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by Group Treasury.

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.

	Up to 1 month	1-3 month	3-12 month	1-5 Years	Over 5 Years	Non-interest Bearing	Total
At 31 December 2007 In thousands of US dollars							
Assets							
Cash and bank balances with Central banks	-	-	-	-	-	978,233	978,233
Treasury bills and other eligible bills	26,041	265,225	211,972	44,163	-	-	547,401
Loans and advances to banks	493,639	124,628	107,939	-	-	108,197	834,404
Loans and advances to customers	1,322,248	474,976	504,269	744,362	71,181	-	3,117,036
Trading assets	1,021	-	9,314	-	40	-	10,375
Derivative financial instruments	75,003	-	-	-	-	-	75,003
Investment securities							
Available for sale	40,019	9,720	152,572	265,636	38,775	46,291	553,013
Other assets	-	-	-	-	-	162,568	162,568
Total financial assets	1,957,972	874,549	986,066	1,054,161	109,996	1,295,29	6,278,033
Liabilities							
Deposits from banks	150,226	13,845	23,078	-	-	275,517	462,666
Due to customers	519,437	695,521	366,290	420,237	-	2,712,841	4,714,327
Derivative financial instruments	75,000	-	-	-	-	-	75,000
Borrowed funds	4,892	8,768	59,175	52,560	90,902	-	216,298
Other liabilities	-	-	-	-	-	349,058	349,058
Total financial liabilities	749,556	718,134	448,544	472,797	90,902	3,337,415	5,817,348
Total interest repricing gap	1,208,416	156,414	537,522	581,364	19,093		
Total financial assets	1,554,052	287,841	360,180	730,609	116,012	324,065	3,372,759
Total financial liabilities	1,500,757	142,005	175,136	334,649	45,555	771,350	2,969,452
Total interest repricing gap	53,295	145,836	185,044	395,960	70,457		

Notes to the consolidated financial statements

At 31 December 2006
In thousands of US dollars
Assets

Cash and cash equivalents	159,368	-	-	-	-	149,591	308,959
Treasury bills and other eligible bills	14,041	29,287	87,989	6,028	-	-	137,345
Loans and advances to banks	400,909	30,537	27,843	25,792	-	69,230	554,311
Trading securities	-	325	-	322	-	-	647
Derivative securities	-	-	-	20	-	-	20
Loans and advances to customers	853,842	210,621	230,761	511,412	97,947	14,783	1,919,366
Investment securities:							
- available-for-sale	120,139	10,143	9,912	186,586	18,065	4,883	349,728
- held-to-maturity	-	-	-	-	-	-	-
Other assets	5,753	6,928	3,675	449	-	85,578	102,383
Total assets	**1,554,052**	**287,841**	**360,180**	**730,609**	**116,012**	**324,064**	**3,372,759**
Liabilities							
Deposits from banks	66,805	37,245	14,567	-	-	-	118,617
Other deposits	530	-	-	-	-	4,497	5,027
Due to customers	1,399,934	86,787	143,635	313,233	15,506	541,083	2,500,178
Borrowed funds	201	-	-	20,410	30,049	-	50,660
Other liabilities	33,287	17,973	16,934	1,006	-	225,770	294,970
Total liabilities	**1,500,757**	**142,005**	**175,136**	**334,649**	**45,555**	**771,350**	**2,969,452**
Total interest sensitivity gap	**53,295**	**145,836**	**185,044**	**395,960**	**70,457**		

Notes to the consolidated financial statements

At 31 December 2005 In thousands of US dollars	Up to 1 month	1-3 Month	3-12 month	1-5 years	Over 5 years	Non-interest bearing	Total
Assets							
Cash and cash equivalents	12,916	102,326	108,069	37,736	-	298,571	559,618
Loans and advances to banks	232,320	6,396	114,705	8,740	-	-	362,161
Trading securities	-	301	-	-	111	-	412
Loans and advances to customers	408,862	182,952	198,216	201,013	31,096	-	1,022,139
Investment securities:							
- available-for-sale	-	4,778	-	162	406	5,556	10,902
- held-to-maturity	185	3,605	10,037	65,837	15,053	18,927	113,644
Other assets	4,609	-	-	-	-	38,600	43,209
Total assets	**658,892**	**300,358**	**431,027**	**313,488**	**46,666**	**361,654**	**2,112,085**
Liabilities							
Deposits from banks	82,452	22,247	10,228	6,309	-	-	121,236
Other deposits	-	-	-	1,000	-	17,564	18,564
Due to customers	690,987	96,236	139,122	75,574	1,046	529,512	1,532,478
Borrowed funds	-	1,908	3,752	17,624	2,693	-	25,977
Other liabilities	9,242	-	-	-	-	158,288	167,530
Total liabilities	**782,681**	**120,391**	**153,102**	**100,507**	**3,739**	**705,364**	**1,865,785**
Total interest sensitivity gap	**(123,789)**	**179,967**	**277,925**	**212,981**	**42,927**		

Comparative information is not available for years ended 31 December 2004 and 2003.

Notes to the consolidated financial statements

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 balance sheet liquidity ratios against internal and regulatory requirements; and
- Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets

4.3.2 Non-Derivative Cash Flows

The table below presents the cash flows payable by the group under non-derivative financial liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the group manages the inherent liquidity risk based on expected undiscounted cash inflows.

As at 31 December 2007	**Up to 1 month**	**1 – 3 months**	**3 – 12 months**	**1 – 5 years**	**Over 5 years**	**Total**
In thousands of US Dollars						
Liabilities						
Deposits from banks	150,977	14,053	24,463	-	-	189,493
Due to customers	3,232,278	705,954	377,279	495,880	-	4,811,391
Borrowed funds	4,913	8,881	62,205	66,015	114,173	256,187
Other liabilities	349,058	-	-	-	-	349,058
Current income tax liabilities	131,479	72,399	-	-	-	216,298
Retirement benefit obligations	-	-	2,228	5,358	4,492	13,508
Total liabilities (contractual maturity dates)	3,868,706	801,286	466,175	567,253	118,665	5,835,935
Total assets (expected maturity dates)	2,289,713	894,226	1,030,439	1,338,784	159,494	5,712,656
As at 31 December 2006						
Total liabilities (contractual maturity dates)	2,281,282	146,915	193,390	390,084	55,108	3,066,778
Total assets (expected maturity dates)	1,882,374	289,423	374,870	1,310,330	295,936	4,152,932

This disclosure has been made in line with the provisions of IFRS 7 which is effective for annual periods beginning on or after 1 January 2007. Therefore, comparative information is not available for years ended 31 December 2003-2005.

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; and loans and advances to customers. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt securities and treasury and other bills have been pledged to secure liabilities. The group would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources such as asset-backed markets.

Notes to the consolidated financial statements

4.3.3 Derivative Cash Flows

Derivatives settled on a gross basis

The group's derivatives that will be settled on a gross basis include:
Foreign exchange derivatives: currency forward, currency swaps; and interest rate derivatives
The table below analyses the group's derivative financial instruments that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2007

In thousands of USD dollars	0-1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Assets						
Derivatives held for trading						
Foreign exchange derivatives						
Outflow	75,000	-	-	-	-	75,000
Inflow	(75,000)	-	-	-	-	(75,000)
As at 31 December 2006						
Interest rate derivatives						
Outflow	-	-	-	(2)	-	(2)
Inflow	-	-	-	22	-	22

4.4 Off-Balance Sheet Items

(a) Loan commitments
The dates of the contractual amounts of the group's off-balance sheet financial instruments that commit it to extend credit to customers and other facilities (Note 43), are summarised in the table below.

(b) Financial guarantees and other financial facilities
Financial guarantees (Note 43), are also included below based on the earliest contractual maturity date.

(c) Capital commitments
Capital commitments for the acquisition of buildings and equipment are summarised in the table below.

At 31 December 2007	**No later than 1 year**	**Over 1 year**	**Total**
Loan commitments	197,846	49,461	247,307
Guarantees, acceptances and other financial facilities	764,232	354,322	1,118,554
Capital commitments	11,390	-	11,390
Total	973,468	403,783	1,377,251
At 31 December 2006			
Loan commitments	65,371	2,095	67,466
Guarantees, acceptances and other financial facilities	543,069	362,111	905,180
Capital commitments	5,600	-	5,600
Total	614 040	364,206	978,246

Notes to the consolidated financial statements

4.5 **Capital Management**

The group's objectives when managing capital, which is a broader concept than the 'equity' on the face of balance sheets, are:

- To comply with the capital requirements set by the banking regulators in the markets where the entities within the group operate;
- To safeguard the group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital by the subsidiaries are monitored daily by the group's management, employing techniques based on the guidelines developed by the Basel Committee. Periodic reports are submitted to the regulatory authorities of the various jurisdictions by the individual subsidiaries.

The regulatory authorities require each bank or banking group to:

(a) hold the minimum level of the regulatory capital determined by the banking regulations of the respective country, and

(b) maintain a ratio of total regulatory capital to the risk-weighted asset (the 'Basel ratio') at or above the internationally agreed minimum of 8%.

The group's capital as managed by the group finance unit is divided into two tiers:

- Tier 1 capital: share capital (net of any book values of the treasury shares), minority interests arising on consolidation from interests in permanent shareholders' equity, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill is deducted in arriving at Tier 1 capital; and
- Tier 2 capital: qualifying subordinated loan capital, collective impairment allowances and unrealised gains arsing on the fair valuation of equity instruments held as available for sale.

The risk-weighted assets are measured by means of a hierarchy of risk weights classified according to the nature of – and reflecting an estimate of credit, market and other risks associated with – each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

The table below summarises the composition of regulatory capital and the ratios of the group for the years ended 31 December. During those two years, the individual entities within the group and the group complied with all of the externally imposed capital requirements to which they are subject.

	2007	2006
Tier 1 capital		
In thousands of US Dollars		
Share capital (net of the treasury shares)	265,155	264,115
General bank reserves	14,953	8,548
Statutory reserve	67,709	55,771
Retained earnings	145,314	65,209
Minority interests	138,212	100,227
Less: goodwill	(11,752)	(2,962)
Total qualifying Tier 1 capital	619,591	490,908
Tier 2 capital		
Revaluation reserve – available-for-sale investments	8,311	1,902
Total qualifying Tier 2 capital	8,311	1,902
Total regulatory capital	627,902	492,810
Risk-weighted assets:		
On-balance sheet	3,729,964	2,401,973
Off-balance sheet	273,172	194,529
Total risk-weighted assets	4,003,136	2,596,502
Basel ratio	15.7%	19.0%

The increase of the capital in the year of 2007 is mainly due to the contribution of the current-year profit

Notes to the consolidated financial statements

4.6 Fair Values of Financial Assets and Liabilities

The fair value of the group's other financial assets and liabilities approximate the respective carrying amounts, due to the generally short periods to contractual repricing or maturity dates. Fair values are based on discounted cash flows using a discount rate based upon the borrowing rate that directors expect would be available to the group at the balance sheet date.

4.7 Classification and fair value presentation of financial assets and liabilities

The following table summarises the carrying amounts and fair values of those financials assets and liabilities not presented on the Group's balance sheet at their fair value. Bid prices are used to estimate fair values of assets, whereas offer prices are applied for liabilities.

Notes to the consolidated financial statements

4.7 Classification and fair value presentation of financial assets and liabilities (continued)

	Carrying value					Fair value				
	2007	**2006**	**2005**	**2004**	**2003**	**2007**	**2006**	**2005**	**2004**	**2003**
In thousands of US dollars										
Financial Assets										
Treasury bills and other eligible bills	547,401	137,345	261,047	-	-	547,401	261,047	137,345	-	-
Loans and advances to customers	3,117,036	1,919,366	1,022,140	-	-	3,117,036	1,017,790	1,919,366	-	-
Investment securities – Available-for-sale	543,646	349,728	10,902	-	-	543,646	10,902	349,728	-	-
Investment securities – held-to-maturity	-	-	113,644	-	-	-	-	113,644	-	-
			-	-	-			-	-	-
Financial Liabilities										
Deposits from banks	462,666	118,617	121,236	-	-	462,666	121,236	118,617	-	-
Other deposits	4,714,327	5,027	18,564	-	-	4,714,327	18,564	-	-	-
Deposits from customers	216,298	2,500,178	1,532,478	-	-	216,298	1,532,478	2,500,178	-	-
Other borrowed funds	-	50,660	25,977	-	-	-	25,977	50,660	-	-

Notes to the consolidated financial statements

5. Critical accounting estimates and judgments in applying accounting policies

The group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. 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.

a) Impairment losses on loans and advances
The group reviews its loan portfolio to assess impairment at least on a monthly basis. In determining whether an impairment loss should be recorded in the income statement, the group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that porfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. 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 cah flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience

b) Fair value of derivatives
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. 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.

c) Impairment of available for-sale equity investments
The group determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the group evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of a deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

d) Income taxes
The group is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Notes to Consolidated Financial Statements

6. Business segments

The group is organised into three main business segments:

i) Retail banking-incorporaing private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages.

ii) Wholesale banking-specializes in serving the public sector, multinational institutions, financial institutions and other major players in the private sector which constitute the wholesale banking segment of the market

iii) Treasury- treasury and money market activities represented a significant part of the wholesale bank's activities

Other group operations comprise fund management, institutional finance and providing computer services, none of which constitutes a separately reportable segment.
Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged for these funds is based on the group's cost of capital. There are no other material items of income or expense between the business segments.
Segment assets and liabilities comprise operating assets and liabilities, being the majority of the balance sheet, but exclude items such as taxation and borrowings.
Internal changes 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 following table shows the group's performance by business segments.

As at 31 December 2007	**Wholesale Banking**	**Retail banking**	**Treasury**	**Other**	**Eliminations**	**Group**
In thousands of US dollars						
External revenues	237,764	148,669	153,756	23,800	(20,082)	543,987
Segment assets	1,975,389	1,141,647	3,311,165	466,838	(344 815)	6,550,224
Segment liabilities	1,613,529	3,100,797	1,066,699	462,254	(344 815)	5,898,464
Profit before tax						190,570
Income tax expense						51,634
Profit for the year						138,936
Other segment items						
Capital expenditure						140,837
Impairment charge						19,148
Depreciation						26,291
As 31 December 2006						
External revenues	174,232	83,631	90,601	8,097	8,097	348,464
Segment assets	1,210,617	708,749	1,523,029	231,242	(169,898)	3,503,739
Segment liabilities	1,252,483	1,247,695	344,202	346,942	(169,898)	3,021,424
Profit before tax						129,299
Income tax expense						42,934
Profit for the year						86,365
Other segment items						
Capital expenditure						73,694
Impairment charge						13,091
Depreciation						14,895

Notes to the consolidated financial statements

6. Geographical segments (continued)

The following table shows the Group's performance by geographical segments.

As at 31 December 2007

In thousands of US dollars	UEMOA	WAMZ	Nigeria	CEMAC	Other	Eliminations	Group
Revenues	165,418	97,647	215,472	47,089	18,361		543,987
Total assets	2,196,713	921,654	2,806,318	581,347	44,192		6,550,224
Capital expenditure	30,821	22,371	76,227	7,534	3,884		140,837

As at 31 December 2006

In thousands of US dollars	UEMOA	WAMZ	Nigeria	CEMAC	Other	Eliminations	Group
External revenues	146,378	71,426	116,620	15,326	6,811	(8,097)	348,464
Segment result	57,854	33,945	40,296	4,070	478	(7,344)	129,299
Income tax expense	(18,180)	(9,315)	(12,779)	(1,943)	(717)	-	(42,934)
Profit for the year							86,365
Segment assets	1,687,577	618,596	1,034,960	285,916	34,715	(158,025)	3,503,739
Segment liabilities	1,234,577	535,356	997,013	288,592	34,684	(68,798)	3,021,424
Other segment items:							
Capital expenditure	18,367	7,201	37,897	4,614	5,615	-	73,694
Depreciation	6,246	2,648	4,034	863	1,104	-	14,895
Impairment charge-loans	5,166	833	6,238	854	-	-	13,091
Restructuring costs	-	-	19	-	-	-	19

As at 31 December 2005

In thousands of US dollars	UEMOA	WAMZ	Nigeria	CEMAC	Other	Eliminations	Group
External revenues	107,166	56,411	55,134	10,640	13,898	(6,898)	236,351
Segment result	36,950	24,202	13,611	3,082	5,287	(9,403)	73,729
Income tax expense	(9,404)	(7,290)	(4,504)	(1,255)	(337)	-	(22,790)
Profit for the year							50,939
Segment assets	1,145,473	463,412	522,282	129,978	243,178	(305,093)	2,199,230
Segment liabilities	1,043,417	415,285	320,797	123,563	87,256	(94,967)	1,895,351
Other segment items:							
Capital expenditure	14,337	5,646	12,871	1,526	2,538	-	36,918
Depreciation	5,011	2,337	5,025	602	968	-	13,943
Impairment charge-loans	7,667	2,554	3,801	876	-	-	14,898
Restructuring costs	265	-	-	-	-	-	265

Capital expenditure comprises additions to property and equipment (Note 24), software (Note 23) including additions resulting from acquisitions through business combinations.

Notes to the consolidated financial statements

6. Geographical segments

As at 31 December 2004

	UEMOA	WAMZ	Nigeria	CEMAC	Other	Eliminations	Group
In thousands of US dollars							
External revenues	102,174	50,254	33,049	9.390	20,468	(11,483)	203,852
Segment result	24,832	23,528	9,826	3,240	9,860	(10,971)	60,315
Income tax expense	(8,107)	(7,259)	(3,153)	(1,203)	(166)	-	(19,888)
Profit for the year							40,427
Segment assets	1,162,776	391,206	283,986	116,631	95,352	(139,606)	1,910,345
Segment liabilities	1,068,128	351,134	250,835	111,185	28,414	(64,609)	1,745,087
Other segment items:							
Capital expenditure	11,183	4,536	9,679	852	342	-	26,592
Depreciation	5,366	1,876	3,122	486	146	-	10,996
Impairment charge-loans	14,691	3,377	(210)	278	-	-	18,136

Capital expenditure comprises additions to property and equipment (Note 24), software (Note 23) including additions resulting from acquisitions through business combinations. Comparative information is not available for years ended 31 December 2003.

7. Net interest income

	2007	2006	2005	2004	2003
In thousands of US dollars					
Interest Income					
Placements and short term funds	36,896	24,242	10,998	10,944	15,946
Treasury bills and investment securities	51,228	34,381	31,133	27,854	22,314
Loans and advances to customers	326,345	183,406	111,385	105,288	73,952
Other	13,954	7,557	1,907	1,130	410
	428,423	**249,586**	**155,423**	**145,216**	**112,622**
Interest expense					
Current accounts	15,924	6,043	5,196	11,457	3,649
Savings accounts	15,464	9,126	6,939	4,847	4,084
Time deposits	105,471	45,060	26,231	23,448	17,441
Borrowed funds	13,487	7,954	7,773	4,023	6,825
	150,346	**68,183**	**46,139**	**43,775**	**31,999**

Notes to the consolidated financial statements

8. Net fee and commission income

In thousands of US dollars	2007	2006	2005	2004	2003
Fee and commission income					
Credit related fees and commissions	66,759	44,308	40,237	25,334	-
Corporate finance fees	5,376	8,276	2,720	3,048	-
Portfolio and other management fees	14,906	33,864	2,802	5,578	-
Asset management and related fees	11,167	2,992	2,641	2,392	-
Other fees	87,198	20,862	40,880	34,804	51,271
	185,406	**110,302**	**89,280**	**71,156**	**51,271**
Fess and commission expense					
Brokerage fees paid	606	268	92	142	-
Other fees paid	2,374	2,113	3,513	3,207	-
	2,980	**2,381**	**3,605**	**3,349**	**-**

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.

9. Dividend income

In thousands of US dollars	2007	2006	2005	2004	2003
Trading securities	20	9	7	6	-
Available-for-sale securities	2,570	2,926	332	1,099	-
	2,590	**2,935**	**339**	**1,105**	**-**

10. Net trading income

In thousands of US dollars	2007	2006	2005	2004	2003
Foreign exchange -translation gains less losses	(2,189)	(3,410)	5,365	6,079	-
-transaction gains less losses	70,414	45,029	28,616	25,924	24,481
Equities	2,359	-	-	-	-
	70,584	**41,619**	**33,981**	**32,003**	**24,481**

Notes to the consolidated financial statements

11. Operating expenses

In thousands of US dollars	2007	2006	2005	2004	2003
Director's emoluments	2,411	2,237	905	376	267
Staff Costs see (a) below	166,099	93,883	65,765	48,588	38,216
Administrative expenses :					
Rent, rates and utilities	20,835	13,444	10,114	6,179	5,471
Insurance	10,627	5,117	3,980	3,230	2,372
Advertising and promotion	11,023	4,871	4,352	3,816	2,994
Professional fees	12,289	8,030	3,362	4,320	1,246
Operational losses and fines	3,977	4,054	2,819	5,241	6,697
Communications	16,168	9,472	4,993	2,520	5,007
Business travels	10,605	6,415	3,231	3,126	2,051
Board activities	2,271	1,544	1,225	1,361	1,920
Training	3,767	2,921	2,165	1,716	1,019
Repairs and maintenance	20,309	9,835	7,796	4,612	3,260
Supplies and other services	16,599	9,954	6,164	5,020	5,772
Donations	1,325	654	710	284	-
Other administrative expenses	7,500	18,047	14,034	21,844	3,562
Depreciation / amortization	26,291	14,895	13,943	10,996	8,953
(Profit)/loss on sale of property and equipment	(164)	(85)	(228)	(689)	-
Goodwill amortization	-	-	-	-	3,064
Doubtful receivables	-	(139)	1,054	2,286	5,672
Software costs	2,004	906	1,075	575	-
Restructuring costs	333	19	265	-	-
	334,269	**206,074**	**147,724**	**125,401**	**97,543**

a) Staff costs

In thousands of US dollars	2007	2006	2005	2004	2003
Wages and salaries	156,033	84,129	54,140	43,791	35,149
Social security costs	7,454	6,479	4,580	3,803	3,067
Pension costs:					
- defined contribution plans	115	108	61	-	-
Other post retirement benefits	2,497	3,167	6,984	994	-
	166,099	93,883	65,765	48,588	38,216
Average number of persons employed by the group during the year	6,911	5,860	2,602	1,880	1,698

Notes to the consolidated financial statements

12. Impairment losses on loans and advances

	2007	2006	2005	2004	2003
In thousands of US dollars					
Amounts due from other banks (note 20)	-	4	275	25	-
Loans and advances to customers	19,148	13,087	14,623	18,111	10,685
	19,148	13,091	14,898	18,136	10,685

13. Income tax expenses

	2007	2006	2005	2004	2003
In thousands of US dollars					
Current tax	42,514	41,567	24,952	18,446	18,667
Deferred tax (Note 26)	9,120	1,367	(2,162)	1,442	(419)
	51,634	42,934	22,790	19,888	18,248

Further information about deferred income tax is presented in Note 26. 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	190,570	129,299	73,719	60,315	48,462
Tax calculated at local rates applicable to profits in the respective countries.	68,520	46,490	26,358	22,623	-
Income not subject to tax	(18,150)	(10,204)	(5,772)	(6,931)	-
Expenses not deductible for tax purposes	1,264	7,507	1,767	2,815	-
Utilization of previously unrecognized tax losses	-	(859)	(1,143)	-	-
Others	-	-	1,580	1,381	-
Income tax expense	51,634	42,934	22,790	19,888	-

Notes to the consolidated financial statements

14. 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 during the year, excluding the average number of ordinary shares purchased by the Company and held as treasury shares.

	2007	2006	2005	2004	2003
In thousands of US dollars					
Profit attributable to equity holders of the Company	107,373	69,350	41,502	31,431	22,197
Weighted average number of ordinary shares in issue (units)	1,347,034	1,253,709	373,545	267,180	56,583
Basic earnings per share (expressed in US$ per share)	0.08	0.06	0.11	0.12	0.39

Diluted

	2007	2006	2005	2004	2003
In thousands of US dollars					
Weighted average number of shares under option plan	1,392,624	1,253,709	373,545	267,180	56,583
Dilutive earnings per share (expressed in US$ per share)	0.07	0.06	0.14	0.12	0.39

15. Cash and balances with central banks

	2007	2006	2005	2004	2003
In thousands of US dollars					
Cash in hand	647,708	101,543	68,947	68,431	57,330
Due from other banks		-	-		217,646
Balances with central banks other than mandatory reserve deposits	143,275	74,782	148,492	64,604	45,898
Included in cash and cash equivalents	790,983	176,325	217,439	133,035	320,874
Mandatory reserve deposits with central banks	187,250	132,634	81,132	101,214	63,689
	978,233	308,959	298,571	234,249	384,563

Mandatory reserve deposits are not available for use in the Group's day to day operation. Cash in hand and balances with central banks and mandatory reserve deposits are non-interest bearing.

Notes to the consolidated financial statements

16. Treasury bills and other eligible bills

	2007	2006	2005	2004	2003
In thousands of US dollars					
Treasury bills	291,266	133,338	254,789	173,189	125,993
Government Securities	251,101	-	-	-	37,502
Other eligible bills	5,034	4,007	6,258	8,637	20,988
	547,401	137,345	261,047	181,826	184,483

Treasury bills and other eligible bills are debt securities issued by the various countries which the group operates. The treasury bills and other eligible bills are for a term of three months, six months or a year.

17. Trading securities

	2007	2006	2005	2004	2003
In thousands of US dollars					
Government bonds	225	157	124	130	-
Other debt securities	-	-	-	1,067	-
Equity securities					
- listed	9,089	490	288	89	-
- Unlisted	1,061	100	-	-	-
Total trading	10,375	647	412	1,286	-

Notes to the consolidated financial statements

18. Derivative financial instruments and trading liabilities

The Group uses the following derivative instruments for non-hedging purposes.

At 31 December 2007

In thousands of US dollars

Derivatives	**Contract/notional amount**	**Fair Value**	
At 31 December 2007		Assets	Liabilities
Interest rate swaps	3	3	-
Currency swaps	75,000	75,000	75,000
Total derivatives assets		75,003	75,000
At 31 December 2006			
Interest rate swaps	20	20	-
Total derivatives assets		20	-
At 31 December 2005			
Interest rate swaps	22	-	(22)
Total derivatives assets/ (liabilities)		-	(22)
At 31 December 2004			
Interest rate swaps	-	-	-
Total derivatives assets/ (liabilities)		-	-
At 31 December 2003			
Interest rate swaps	-	-	-
Total derivatives assets/ (liabilities)		-	-

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, established in an organised financial market. The credit risk is negligible, as futures contracts are collateralised by cash or marketable securities.

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) or a combination of all these (i.e., cross-currency interest rate swaps). 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, a proportion of the notional amount of the contracts and the liquidity of the market.
The Group has not designated at initial recognition any financial liability as at fair value through profit.

Notes to the consolidated financial statements

19. Other financial instruments at fair value

	2007	2006	2005	2004	2003
In thousands of US dollars	-	100	5,223	8,947	-

20. Loans and advances to banks

	2007	2006	2005	2004	2003
In thousands of US dollars					
Items in course of collection from other banks	71,568	69,077	48,063	40,187	-
Deposits with other banks	236,571	218,443	152,730	89,164	-
Placements with other banks	433,831	233,360	146,204	173,174	-
	741,970	520,880	346,997	302,525	-
Loans and advances to other banks	92,434	33,435	15,438	22,779	-
Less: allowance for impairment		(4)	(275)	(25)	-
	834,404	554,311	362,160	325,279	-

21. Loans and advances to customers

	2007	2006	2005	2004	2003
In thousands of US dollars					
a) Analysis by type:					
Overdrafts	1,099,311	687,557	394,325	353,585	278,664
Credit cards	114,866	-	-	-	-
Term loans	1,939,981	1,048,478	467,723	326,902	382,617
Mortgage loans	86,842	9,396	7,178	3,863	469
Commercial loans	-	196,812	186,317	238,083	70,259
Other	2,536	73,445	60,545	84,002	107,774
	3,243,536	1,328,131	721,763	652,850	561,119
Less: allowance for impairment	(126,500)	(96,322)	(93,948)	(82,774)	(53,800)
Net	3,117,036	1,919,366	1,022,140	923,661	785,983

Notes to the consolidated financial statements

21. Loans and advances to customers (continued)

b) Analysis by security:					
Secured against real estate	311,762	152,270	100,981	19,490	16,363
Otherwise secured	1,646,212	972,365	451,629	301,041	308,090
Unsecured	1,285,562	891,053	563,478	685,904	515,330
	3,243,536	2,015,688	1,116,088	1,006,435	839,783
Current	1,216,713	1,855,518	591,814	-	-
Non current	2,026,823	160,170	524,274	-	-
	3,243,536	2,015,688	1,116,088	1,006,435	839,783

	2007	**2006**	**2005**	**2004**	**2003**
In thousands of US dollars					
c) Analysis by performance					
Performing	3,057,448	1,855,518	959,525	901,384	767,275
Non-performing	186,088	160,170	156,563	105,051	72,508
	3,243,536	2,015,688	1,116,088	1,006,435	839,783

d) Loan loss movement:	**2007**	**2006**	**2005**	**2004**	**2003**
In thousands of US dollars					
At 1 January	96,322	93,948	82,774	53,800	40,035
Reclassification	-	4,728	13,900	17,299	-
Provision for loan impairment	39,029	28,412	14,898	18,136	10,685
Amounts recovered during the year	(19,881)	(11,082)	(7,197)	(5,335)	(8,910)
Loans written off during the year as uncollectible	(1,564)	(17,850)	(2,753)	(5,588)	(1,020)
Exchange difference	12,594	(1,834)	(7,674)	4,462	13,010
At 31 December	126,500	96,322	93,948	82,774	53,800

Notes to the consolidated financial statements

21. Loans and advances to customers (continued)

Loans and advances to customers including finance lease receivables

In thousands of US dollars	**2007**	**2006**	**2005**	**2004**	**2003**
Gross investment in finance leases, receivable					
No later than 1 year	4,563	224,222	4,586	937	-
Later than 1 year and not more than 5 years	88,576	58,328	680	396	-
Later than 5 years	1,783	4,494	-	-	-
	94,922	287,044	5,266	1,333	-
Unearned future finance income on finance lease	(16,761)	(1,409)	(3,956)	(911)	-
Net investment in finance lease	78,161	285,635	1,310	422	-

The net investment in finance lease may be analyzed as follows:

In thousands of US dollars	**2007**	**2006**	**2005**	**2004**	**2003**
No later than 1 year	4,563	223,793	746	79	-
Later than 1 year and no other than 5 years	69,815	57,352	564	343	-
Later than 5 years	1,783	4,490	-	-	-
	76,161	285,635	1,310	422	-

22. Investment securities

In thousands of US dollars	**2007**	**2006**	**2005**	**2004**	**2003**
Securities available-for-sale					
Debt securities-at fair value:					
- listed	236,453	76,227	1,262	8	2,239
- unlisted	270,269	261,453	192	29	7,187
Equity Securities - at fair value:					
- listed	14,925	987	-	2	-
- unlisted	31,366	11,061	9,448	6,791	7,453
	553,013	349,829	10,902	6,830	16,879
Impairment loss	-	(101)	-	-	(200)
Total securities available-for-sale	553,013	349,728	10,902	6,830	16,679

Notes to the consolidated financial statements

22. Investment securities (continued)

	2007	2006	2005	2004	2003
In thousands of US dollars					
Securities held-to-maturity					
Debt securities - at amortized cost:					
- listed	-	-	26,212	3,765	1,154
- unlisted	-	82	87,539	65,897	34,332
Equity Securities – at fair value:					
- listed	-	-	-	-	-
- unlisted	-	-	-	-	956
Allowance for impairment	-	(82)	(107)	(392)	(86)
Total securities held-to-maturity	-	-	113,644	69,270	36,356
Total investment securities	553,013	349,728	124,546	76,100	53,035

All debt securities have fixed coupons. Equity securities do not bear interest. The Group has not reclassified any financial asset measured at amortized cost rather than fair value during the year (2006: nil, 2005: nil; 2004: nil; 2003: nil)

	2007	2006	2005	2004	2003
Gains less losses from investment securities comprise:					
Derecognizing of available -for-sale financial assets	14	8	9	-	-

The movement in investment securities is summarized as follows:

2007	Available-for-sale	Held-to-maturity	Total
In thousands of US dollars			
Beginning of year	349,728	-	349,728
Exchange differences on monetary assets	40,062	-	40,062
Additions	376,964	-	376,964
Gains from changes in fair value	9,367	-	9,367
Disposals (sale and redemption)	(223,108)	-	(223,108)
At 31 December 2007	553,013	-	553,013

Notes to the consolidated financial statements

22. Investment securities (continued)

2006	**Available-for-sale**	**Held-to-maturity**	**Total**
In thousands of US dollars			
Beginning of year	10,902	113,644	124,546
Exchange differences on monetary assets	2,262	1,703	3,965
Additions	278,306	-	278,306
Reclassification	91,729	(91,729)	-
Gains from changes in fair value	2,145	-	2,145
Disposals (sale and redemption)	(35,515)	(23,618)	(59,133)
impairment loss	(101)	-	(101)
At 31 December 2006	349,728	-	349,728

2005	**Available-for-sale**	**Held-to-maturity**	**Total**
In thousands of US dollars			
Beginning of year	6,830	69,662	76,492
Exchange differences on monetary assets	(523)	(11,091)	(11,614)
Additions	4,651	58,034	62,685
Disposals (sale and redemption)	(56)	(3,246)	(3,302)
impairment loss	-	285	285
At 31 December 2005	10,902	113,644	124,546

Comparative information is not available for years ended 31 December 2004 and 2003.

Notes to the consolidated financial statements

23. Intangible assets

Goodwill	**2007**	**2006**	**2005**	**2004**	**2003**
In thousands of US dollars					
Opening net book amount	2,962	-	-	-	2,138
Acquisition of a subsidiary (Note 41)	8,790	2,962	-	-	726
Disposal	-	-	-	-	(716)
Amortization	-	-	-	-	(3,064)
Exchange rate movement	-	-	-	-	916
Closing net book value	11,752	2,962	-	-	-

Goodwill is revised annually for impairment, or more frequently when there are indications that impairment may have occurred. There was no impairment identified in 2007 (2006: nil, 2005: nil, 2004: nil, 2003: nil)

Software Costs					
Opening net book amount	1,645	1,596	1,747	1,104	-
Purchase	12,838	927	1,158	1,103	-
Amortisation	(2,004)	(906)	(1,075)	(575)	-
Exchange difference	(3,786)	28	(234)	115	-
	8,693	1,645	1,596	1,747	-
	20,445	4,607	1,596	1,747	-

24. Property, plant and equipment

	2007	**2006**	**2005**	**2004**	**2003**
In thousands of US dollars					
Opening net book amount	116,420	73,872	63,233	45,812	40,074
Acquisition of subsidiary	11,284	-	-	-	-
Unconsolidated prior-years	-	-	99	1,961	-
Change as a result of restatement	-	-	-	2,796	-
Reversal of revaluation surplus	-	-	-	(1,328)	-
Additions	127,999	72,767	35,759	25,490	14,675
Disposals - (Cost)	(9,027)	(11,659)	(8,513)	(2,888)	(1,123)
Disposals - (Accumulated Depreciation)	2,572	4,528	2,632	1,953	-
Reclassification – Cost	-	-	(7)	(1,606)	-
Reclassification - accumulated depreciation	-	-	(3)	824	-
Impairment charge	-			37	
Depreciation charge	(26,291)	(14,895)	(13,943)	(10,996)	(8,304)
Exchange rate adjustments	20,027	(8,193)	(5,385)	1,178	490
Closing net book amount	242,984	116,420	73,872	63,233	45,812

Notes to the consolidated financial statements

Property, plant and equipment include assets leased to customers under operating lease arrangements. The operating leases are non - cancellable and the future minimum lease payments analyzed in aggregate as follows:

No later than 1 year	178	973	6,488	838	-
Later than 1 year and no other than 5 year	1,162	2,867	5,021	8,833	-
Later than 5 year	20	302	176	142	-
	1,360	4,142	11,685	9,813	-

25. Equipment on operating lease

	2007	2006	2005	2004	2003
In thousands of US dollars					
Cost					
At 1 January	-	-	-	-	1,102
Exchange rate difference	-	-	-	-	(107)
Additions	-	-	-	-	3,944
At 31 December	-	-	-	-	4,939
Accumulated Depreciation					
At 1 January	-	-	-	-	449
Exchange Rate Difference	-	-	-	-	(43)
Charge for the year	-	-	-	-	633
	-	-	-	-	1,039
Net Book value	-	-	-	-	3,900

26. Deferred income tax

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of each subsidiary as the parent Company is not subject to tax. The movement on the deferred income tax account is as follows:

	2007	2006	2005	2004	2003
In thousands of US dollars					
(a) At 1 January	3,013	1,244	3,265	1,765	1,333
Income statement charge (Note 13)	9,120	1,367	(2,162)	1,442	(419)
Revaluation reserves - Available -for-sale securities (Note 37)	2,958	243	-	-	-
Exchange Differences	-	159	141	58	(17)
At 31 December	15,091	3,013	1,244	3,265	897

Notes to the consolidated financial statements

26. Deferred income tax (continued)

Deferred income tax assets and liabilities are attributable to the following items:

In thousands of US dollars

		2007	2006	2005	2004	2003
(b)	**Deferred income tax liabilities**					
	Accelerated tax depreciation	15,847	8,847	7,622	4,503	-
	Other temporary differences	3,708	658	76	-	897
	Available-for-sale securities	4,298	1,340	-	-	-
		23,853	10,845	7,698	4,503	897
(c)	**Deferred income tax assets**					
	Pensions and other post retirement benefits	2,134	1,951	1,539	184	-
	Provisions for loan impairment	2,922	3,395	2,778	877	-
	Other provisions	2,791	2,316	2,137	179	-
	Tax loss carried forward	915	170	-	-	-
v		8,762	7,832	6,454	1,240	-

(d) The deferred tax charge in the income statement comprises the following temporary differences:

	2007	2006	2005	2004	2003
Accelerated tax depreciation	7,000	(1,225)	2,487	1,811	-
Pensions and other post retirement benefits	(183)	(961)	(806)	(55)	-
Allowances for loan losses	473	1,676	(1,748)	(261)	-
Other provisions	(475)	1,207	(1,083)	(53)	-
Tax loss carry forward	(745)				
Other temporary differences	3,050	670	(1,012)	-	-
	9,120	1,367	(2,162)	1,442	-

Deferred income tax assets are recognized for tax losses carried forward only to the extent that realization 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.

Notes to the consolidated financial statements

27. Other assets

In thousands of US dollars	2007	2006	2005	2004	2003
Interest and fees receivable	10,005	20,678	9,736	8,602	9,799
Accounts receivable	77,360	12,247	9,897	5,200	-
Prepayments	67,825	22,731	9,255	11,502	8,847
Sundry receivables	7,378	54,298	21,268	73,357	48,545
	162,568	109,954	50,156	98,661	67,191
Impairment charges on receivable balances	-	(7,571)	(6,947)	(5,884)	(1,876)
	162,568	102,383	43,209	92,777	65,315

28. Deposits from banks

In thousands of US dollars	2007	2006	2005	2004	2003
Items in course of collection	273,953	10,380	8,664	3,919	22,542
Deposits from other banks	188,713	108,237	112,572	91,019	67,177
	462,666	118,617	121,236	94,938	89,719

29. Other deposits

In thousands of US dollars	2007	2006	2005	2004	2003
Other money-market deposits	-	5,027	16,826	-	-
Certificates of deposits	-	-	1,738	-	-
	-	5,027	18,564	-	-

30. Deposit from customers

In thousands of US dollars	2007	2006	2005	2004	2003
Wholesale					
- Current/settlement accounts.	1,283,477	794,170	460,446	328,994	264,056
- Terms Deposits	330,052	458,313	187,584	180,281	135,136
Retail					
- Current/settlement accounts	1,602,303	768,460	538,056	600,905	489,409
- Terms Deposits	935,229	146,837	134,383	164,753	191,090
- Savings Deposits	563,266	332,398	212,009	190,184	73,544
	4,714,327	2,500,178	1,532,478	1,465,117	1,153,235

Notes to the consolidated financial statements

31. Borrowed funds

In thousands of US dollars	2007	2006	2005	2004	2003
European Investment Bank (EIB)	94,404	1,006	1,077	1,321	1,688
Ashanti Goldfields Company Employees Pension Fund	3,125	3,257	3,301	3,322	3,407
International Finance Corporation	20,065	-	-	-	3,750
Netherlands Development finance Company (FMO)	-	-	9,14	2,136	3,152
African Development Bank (ADB)	5,715	7,143	8,574	10,000	-
Social Security and National Insurance Trust (SSNIT)	4,540	4,732	4,149	8,410	3,287
BHK Bank	3,998	3,575	3,230	-	-
OIKOCREDIT Ecumenical Development	2,599	3,001	-	-	-
Export Development Investment Fund (EDIF)	2,908	1,683	976	-	-
Ecowas Bank for Investment and Development (EBID)	11,221	10,046	-	-	-
Ecobank Senegal Bonds	11,221	10,046	-	-	-
FBN Bank UK	50,000	-	-	-	-
Africaine des Assurance du Benin	898	-	-	-	-
Le Mans and Union Des Assurance Vie	2,468	-	-	-	-
Others	3,136	6,171	3,756	-	-
	216,298	50,660	25,977	25,189	15,284

The European Investment Bank loan to Ecobank Benin and Ecobank Ghana are repayable in 2006 and 2009 respectively. The interest rates are 2% in Ecobank Benin and average of Ghanaian 6-month Treasury bill rate and 6-month corporate rate in Ghana.

The loan from the European Investment Bank to Ecobank Transnational Incorporated attracts interest at 6 month EURIBOR rate plus margin of 2.4%. The loan is repayable in ten (10) equal semi-annual instalments starting from 2009.

The Ashanti Goldfields Company (now Anglogold Ashanti) Employees Pension Fund loan is a 6-year subordinated non-redeemable deposit. The facility would mature in March 2008. It attracts interest at the Ghanaian oneyear treasury bond rate plus 4%.

The loan from International Finance Corporation to Ecobank Ghana was secured in August 2007 and is repayable in the June 2015. It attracts interest rate at LIBOR rate plus a margin of 3.01% per annum.

The African Development Bank loan is being repaid over 8 years. Interest rate is based on the 6 month EURIBOR rate plus a margin of 2%. Interest and principal is payable twice a year.

The Social Security and National Insurance Trust, Ghana loan is a 10-year facility expiring in 2015. It attracts interest at the Bank of Ghana Prime rate applicable at the date of drawdown.
The BHF Bank loan is one-year renewable loan with interest at EURIBOR rate plus 0.5% per annum.

OIKO Credit Ecumenical Development loan to Ecobank Ghana is a 5-year term loan with interest rate of 6 months LIBOR plus 2.5% per annum The Export Development Finance loan is a facility to Ecobank Ghana. The facility

Notes to the consolidated financial statements

repayable in 2009 attracts interest of 2.5% per anum. The Ecowas Bank for Investment and Development is a facility to Ecobank Senegal and attracts interest at 7% per annum. The facility is repayable over five years expiring in 2011.
The Ecobank Senegal bonds were issued by Ecobank Senegal and bears interest at 7% and is fully payable on maturity in 2011.

The loan from First Bank UK was secured in August 2007 and repayable in May 2008. Interest rate is determined at 6 month LIBOR rate plus margin of 2%.

The loan from African Assurance to Ecobank Côte d' Ivoire is repayable in 2012 and bears interest rate at 8% per annum.

The loan from Le Mans to Ecobank Côte d' Ivoire is repayable in two equal installments in 2009 and 2012. The first installment attracts interest at 7.5% per annum and the interest on the second installment is at 8% per annum.

The loan from Union Des Assurances Vie to Ecobank Côte d' Ivoire is repayable in two equal instalments 2009 and 2012. The first installment attracts interest at 7.5% per annum and the interest on the second installment is 8% per annum.

Other loans is a facility to Ecobank Guinea from a private investor which is repayable in 2012. The loan attracts an interest at 5.25% and is payable quarterly.

The group has not had any defaults of principal, interest or redemption amounts during the period on its borrowed funds (2006: nil).

32. Other liabilities

In thousands of US dollars	2007	2006	2005	2004	2003
Accrued interest and commission	31,366	17,605	9,954	6,373	8,221
Deposit for shares	-	1,404	5,751	341	-
Unclaimed dividend	5,557	3,705	1,241	3,740	790
Accruals	62,770	37,235	21,231	15,767	14,019
Obligation under customers' letters of credit	43,222	101,286	55,570	35,834	35,075
Other liabilities	199,482	127,271	68,005	67,584	53,287
	342,397	288,506	161,752	129,639	111,392

33. Provisions

In thousands of US dollars	2007	2006	2005	2004	2003
As at 1 January	6,464	5,778	7,379	3,243	-
Exchange differences	535	617	(989)	1,263	-
Additional provisions charged to income statement	3,075	2,042	498	3,635	-
Utilized during the year	(3,413)	(1,973)	(1,110)	(762)	-
At 31 December	6,661	6,464	5,778	7,379	-

Other provisions include US$200,000 in respect of amount set aside for the Ecobank Foundation and amounts provided for in respect of various litigations pending in court. Based on professional advice, these amounts have been set aside to cover the expected losses to the Group on the determination of these litigations.

Notes to the consolidated financial statements

34. Current income tax liabilities

	2007	2006	2005	2004	2003
In thousands of US dollars					
Charge					
Current taxes	42,514	41,567	24,952	18,446	18,667
Deferred taxes	9,120	1,367	(2,162)	1,442	(419)
	51,634	42,934	22,790	19,888	18,248
Current Taxes payable					
At January	32,225	14,679	17,855	16,711	9,400
Charge for the year	42,514	42,934	22,790	19,888	18,667
Payments during the year	(30,985)	(25,547)	(26,107)	(19,190)	(12,112)
Exchange rate differences	-	159	141	446	756
At 31 December	43,754	32,225	14,679	17,855	16,711
At 1 January	3,013	1,244	3,265	1,765	1,333
Abatement during the year	9,120	1,367	(2,162)	1,444	(419)
Revaluation reserves – Available-for-sale securities (Note 37)	2,958	243			
Exchange differences	-	159	141	56	(17)
At 31 December	15,091	3,013	1,244	3,265	897

Notes to the consolidated financial statements

35. Retirement benefit obligations

	2007	2006	2005	2004	2003
In thousands of US dollars					
Amounts recognized in the balance sheet:					
Other post retirement benefits	13,508	8,902	7,167	467	-

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 Accounting policies 3.14.

	2007	2006	2005	2004	2003
In thousands of US dollars					
The amounts recognized in the balance sheet are as follows:					
Present value of funded obligations	7,925	7,191	1,752	293	-
	7,925	7,191	1,752	293	-
Present value of unfunded obligations	5,583	1,711	5,415	173	
Liability in the balance sheet	13,508	8,902	7,167	466	-
The amounts recognized in the income statement are as follows:					
Current service cost	1,653	1,549	2,948	994	-
Net actuarial losses recognized in the year	844	1,618	4,036	-	-
Total included in staff costs	2,497	3,167	6,984	994	-
The movement in the liability recognized in the balance sheet is reconciled as follows:					
At 1 January	8,902	7,167	467	276	-
Exchange differences	2,463	(803)	(17)	32	-
Total expenses - as above (Note 11a)	2,497	3,167	6,984	994	-
Contributions paid	(354)	(629)	(267)	(835)	-
At 31 December	13,508	8,902	7,167	467	-

Notes to the consolidated financial statements

36. Share capital

	2007	2006	2005	2004	2003
In thousands of US dollars					
At 1 January	264,155	179,256	90,779	79,973	72,879
Bonus Issue	-	-	-	6,275	-
Conversion of preference shares	-	-	-	3,750	3,750
Adjustments	-	-	-	-	(3,750)
- Cancelled	-	-	-	(2,027)	-
Employee share ownership scheme	1,040	-	-	-	-
Proceed from share issue					
-Right issue	-	6,649	88,477	2,808	10,844
-Private placement	-	76,705	-	-	-
-Public offer	-	3,927	-	-	-
Shares issue transaction costs	-	(2,422)	-	-	-
At 31 December	265,155	264,115	179,256	90,779	83,723

	2007	2006	2005	2004	2003
Authorised Shares					
Unit price in US dollar	0.125	0.25	0.25	1	1
At 1 January – Ordinary shares	5,000	100,000	100,000	100,000	100,000
- Preference shares	-	-	3,750	3,750	3,750
Additions	-	4,900,000	696,250	-	-
At 31 December	5,000	5,000,000	800,000	103,750	103,750
Issued shares					
At 1 January	264,155	179,256	90,779	79,973	55,920
At 31 December	265,155	264,115	179,256	90,779	66,511

The total authorised number of ordinary shares at year end was 2,500 million (2006: 1,250 million) with a par value of $0.125 per share (2006: $0.25 per share).
The company alloted 1,284,449 shares to the employees who subscribed for ordinary shares under the Employee Share Offer Scheme in January 2007.
By the members resolution at the Extra-Ordinary General Meeting held on 26 January 2007, the nominal value of ordinary shares of the company was reduced from US$0.25 per share to US$0.125 per share by splitting each ordinary share into two equal parts.
At the Annual General Meeting held on April 27 2007, the members passed a respolution to appropriate US$15.3 million from share premium by way of bonus issue of one ordinary share for every ordinary share held.

Notes to the consolidated financial statements

Share options
The group offers share options to directors and employees with more than three years' service. Options are conditional on the employee completing three year's service (the vesting period). The options are exercisable starting three years from the grant. The group 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:

	2007	2006	2005	2004	2003
In thousands of US dollars					
At 1 January					
Granted	68,684	-	-	-	-
Exercised	-	-	-	-	-
Lapsed	(2,420)	-	-	-	-
At 31 December	66,264	-	-	-	-

Share options were granted on 1 January 2007 at a price of $0.4 per share and expire on 31 December 2011. No option was exercisable at 31 December 2007.

Share options outstanding at the end of the year were as follows:

	2007	2006	2005	2004	2003
In thousands of US dollars					
2009	33,133	-	-	-	-
2010	19,879	-	-	-	-
2011	13,252	-	-	-	-
At 31 December	66,264	-	-	-	-

The fair value of options granted during the period determined using the market price at the balance sheet date was US$9.43 million. The significant inputs into the model were the share prices of US$1.23 (actual amount) at the grant date, exercise price shown above.

37 Reserves and retained earnings

	2007	2006	2005	2004	2003
In thousands of US dollars					
General banking risks	14,953	8,548	8,198	4,777	-
Statutory reserves	67,709	55,771	39,134	30,790	-
Capital reserve		-	-	-	5,009
Revaluation reserve - available-for-sales investments	8,311	1,902	-	-	1,806
Translation reserve	12,106	(13,457)	(28,599)	(15,249)	(40,087)
	103,079	52,764	18,733	20,318	(33,272)

Notes to the consolidated financial statements

Movements in the reserves were as follow:

(a) **General banking risks**

	2007	2006	2005	2004	2003
In thousands of US dollars					
At January	8,548	8,198	4,777	2,666	-
Transfer from retained profits	6,405	350	3,421	2,111	-
At 31 December	14,953	8,548	8,198	4,777	-

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.

(b) **Statutory Reserve**

	2007	2006	2005	2004	2003
In thousands of US dollars					
At 1 January	55,771	39,134	30,790	24,731	-
Transfer from retained profit	11,938	16,637	8,344	6,059	-
At 31 December	67,709	55,771	39,134	30,790	-

Statutory reserve represents accumulated transfers from retained earnings in accordance with relevant local banking legislation. These reserves are not distributable.

(c) Capital Reserves

	2007	2006	2005	2004	2003
In thousands of US dollars					
Pre-acquisition profits	-	-	-	5,009	5,009
Reversal of negative goodwill on acquisition to retained earnings	-	-	-	(5,009)	-
	-	-	-	-	5,009

Notes to the consolidated financial statements

37. Reserves and retained earnings (continued)

(d) **Revaluation Reserves Available-for-sales**

In thousands of US dollars	2007	2006	2005	2004	2003
At 1 January	1,902	-	-	1,806	-
Net gains from changes in fair value	9,367	2,145	-	-	1,806
Reversal of translation loss thereon		-		(478)	-
Reversal of share of revaluation surplus		-		(1,328)	
Deferred income taxes (Note 26)	(2,958)	(243)	-	-	-
At 31 December	8,311	1,902	-	-	1,806

(e) **Translation Reserves**

In thousands of US dollars	2007	2006	2005	2004	2003
At 1 January	(13,457)	(28,599)	(15,249)	(40,087)	(48,956)
Currency translation difference arising during the year	25,563	15,142	(13,350)	4,859	8,869
Reversal of losses included in translation reserve		-	-	19,979	-
At 31 December	12,106	(13,457)	(28,599)	(15,249)	(40,087)

Notes to the consolidated financial statements

37. Reserves and retained earnings (continued)

Retained Earnings

	2007	2006	2005	2004	2003
In thousands of US dollars					
At 1 January	65,209	23,558	16,122	55,051	44,336
Adjustments and Reclassifications		-	1,833	(50,834)	1,917
Reserves of previously unconsolidated subsidiaries			(121)	(1,942)	-
Net profit for the year	107,373	69,350	41,502	31,431	22,197
Deemed cost of increasing shareholding from additional injection of capital in affiliates		-	(17,779)	-	-
Dividend	(18,355)	(10,712)	(6,234)	(3,139)	(2,965)
Employee share ownership scheme	9,430				
Bonus issue of shares		-		(6,275)	(10,434)
Transfer to general banking reserve	(6,405)	(350)	(3,421)	(2,111)	
Transfer to statutory reserve	(11,938)	(16,637)	(8,344)	(6,059)	
	145,314	65,209	23,558	16,122	55,051

38. Dividend per share

	2007	2006	2005	2004	2003
Ordinary shares					
Interim		0.1	-	0.05	0.05
Final		0.2	0.3	-	-
Total		0.3	0.3	0.05	0.05
Preference shares		-	-	-	0.095

Final dividends are not accounted for until they have been ratified at the Annual General Meeting. At the forthcoming annual general meeting, a dividend, in respect of 2007, of 2 cents per share (2006: 1.5 cents per share) is to be proposed. This amounts to a total of US$26.9 million (2006:US$18.3 million). The financial statements for the year ended 31 December 2007 do not reflect these dividends, which will be accounted for in the shareholder's equity as an appropriation of retained profits in the year ending 31 December 2008.

Notes to the consolidated financial statements

39. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances with less than three months maturity from the date of acquisition.

	2007	2006	2005	2004	2003
In thousands of US dollars					
Cash and balances with central banks	790,983	176,325	217,439	133,035	166,917
Treasury Bills and other eligible bills	291,266	137,345	261,047	181,826	
Deposits with other banks	236,571	218,443	152,730	89,164	217,646
Deposits from banks	(462,666)	(118,617)	(121,236)	(94,938)	(89,719)
	856,154	413,496	509,980	309,087	294,844

40. Related party transactions

A number of banking transactions are entered into with related parties in the normal course of business. These transactions include loans, deposits, and foreign currency transaction. The volumes of related party transactions, outstanding balances at the year end, and relating expense and income for the year as follows:

(a) **Loans - Directors and key mgt. personnel**

	2007	2006	2005	2004	2003
In thousands of US dollars					
Loans outstanding at 1 January	1,077	495	7	70	56
Loans issued during the year	877	640	550	-	14
Loan repayments during the year	(222)	(58)	(62)	(63)	-
Exchange difference	92				
Loans outstanding at 31 December	1,824	1,077	495	7	70
Interest income earned	71	44	7		

(b) **Loans - Associated companies**

	2007	2006	2005	2004	2003
In thousands of US dollars					
Loans outstanding at 1 January	6,773	10,362	1,500	-	-
Loans issued during the year	25,561	390	11,453	1,500	-
Loan repayments during the year	(7,288)	(3,979)	(2,591)	-	-
Loans outstanding at 31 December	25,046	6,773	10,362	1,500-	-
Interest income earned	-	107	523	113	-

Notes to the consolidated financial statements

40. Related party transactions (continued)

No provisions have been recognized in respect of loans given to related parties (2006: nil, 2005:nil, 2004:nil and 2003: nil). The loans issued to executive directors during the year of US$0.9 millions (2006: US$0.6 million, 2005:US$0.5 million, 2004: nil, 2003: US0.01 million) and associated companies of US$25.6 million (2006:US$0.4 million, 2005:US$11.4 millions, 2004: US$1.5 million, 2003: nil) are repayable within an average of 10 year period and have interest rates of 3% (2006:3%, 2005: 3%, comparative information is not available for years ended 31 December 2004 and 2003) for executive directors and 9% (2006: 9%, comparative information is not available for years ended 31 December 2003 - 2005) for associated companies.

(c) **Deposits – Directors and key management personnel**

	2007	2006	2005	2004	2003
In thousands of US dollars					
Deposits at 1 January	160	1,193	21	-	-
Deposits received during the year	2,926	3,968	1,570	21	-
Deposit repaid during the year	(2,678)	(5,001)	(398)	-	-
Deposits at 31 December	408	160	1,193	21	-
Interest expense on deposits	-	1	-	-	-

(d) **Deposits – Associated companies**

	2007	2006	2005	2004	2003
In thousand of US dollars					
Deposits at 1 January	409	1,766	141	-	-
Deposits received during the year	184,801	4,884	10,336	3,042	-
Deposit repaid during the year	(184,685)	(6,241)	(8,711)	(2,901)	-
Deposits at 31 December	525	409	1,766	141	-
Interest expense and deposit	41	-			

Key management compensation

	2007	2006	2005	2004	2003
In thousand of US dollars					
Salaries and other short-term benefits	2,411	2,237	1,398	1,365	-

Directors; remuneration					
Total remuneration of the directors	2,400	2,200	-	-	-

Notes to the consolidated financial statements

41. Major business acquisitions

On 31 January 2007, the group acquired 75% of the share capital of Banque Internationale pour Centrafrique (BICA) in Central African Republic. The acquired bank contributed operating income and profit of US$10.9 million and US$2.8 million respectively to the group for the period from 1 February 2007 to 31 December 2007. If the acquisition had occurred on 1 January 2007, the contribution to the group operating income and profit before allocations would have been US$11.9 million and US$3.0 million respectively.

On 30 June 2007, the group acquired 90% of the share capital of Bank of Commerce, Development and Industry (BCDI) in Rwanda. The acquired bank contributed operating income and profit of US$3.2 million and US$1.0 million respectively to the group for the period from 1 July 2007 to 31 December 2007. If the acquisition had occurred on 1 January 2007, the contribution to the group operating income and profit before allocations would have been U$4.6 million and U$1.0 million respectively.

The details of the fair value of the assets and liabilities acquired and goodwill arising are as follow:

	BICA Central Africa		BCDI Rwanda	
Date of acquisition	Fair value 31 Jan 2007	Acquiree's previous carrying value	Fair value 30 June 2007	Acquiree's previous carrying value
In thousands of US dollars				
Cash and cash equivalent	18,461	11,818	39,732	39,732
Loans and advances to customers	32,988	32,988	11,090	11,090
Investment securities	468	468	4,154	4,154
Property, plant and equipment	2,658	11,571	8,626	8,930
Other assets	11,233	2,658	6,211	6,625
Deposit from banks	(942)	(942)	(2,400)	(2,400)
Deposit from customers	(46,179)	(46,179)	(53,109)	(53,109)
Other borrowed funds	-	-	(7,496)	(7,496)
Other liabilities	(13,598)	(13,598)	(1,460)	(1,460)
Net assets value	5,089	(1,216)	5,348	(5,698)
Less minority interest	(1,272)		(535)	
Net assets acquired	3,817		4,813	
Cost of acquisition (discharged by cash)	5,677		11,743	
Net assets acquired	(3,817)		(4,813)	
Goodwill	1,860		6,930	
Cost of acquisition (discharged by cash)	5,677		11,743	
Cash and cash equivalents in subsidiaries acquired	18,461		39,732	
Net cash received	**12,784**		**27,989**	

The goodwill is attributable to the significant synergies expected to arise. Fair value of assets and liabilities acquired are based on discounted cash flow models.

Notes to the consolidated financial statements

42. Events after balance sheet date

a) In February 2008, Ecobank Transnational Incorporated acquired 73% interest in Loita Bank Ltd and renamed it Ecobank Malawi.

Ecobank Congo Brazavillle, a wholly owned subsidiary of Ecobank Transnational Incorporated commenced operations in February 2008.

43. Contingent liabilities and commitments

a) **Legal proceedings**
There were a number of legal proceedings outstanding against the Group at 31 December 2007 with contingent liabilities of $20.3 million (2006: US$14.12 million, 2005: $8.667 million; 2004: $6.3 million; 2003: $9.9 million; 2002: $4.2). No provision has been made as professional advice indicates that it is unlikely that any significant loss will arise.

b) **Capital commitments**
At 31 December 2006, the Group had capital commitments of $11.39 million ($5.63 million, 2005: $3.686 million; 2004: $3.7 million; 2003: $2.6 million) in respect of buildings and equipment purchases

c) **Loan commitments, guarantee and other financial facilities**
At 31 December 2007 the group had contractual amounts of the off-balance sheet financial instrument

	2007	**2006**	**2005**	**2004**	**2003**
In thousands of US dollars					
Bankers acceptances	277,639	75,027	21,386	1,018	10,842
Guaranteed commercial papers	95,981	202,720	84,702	89,349	113,063
Documentary and commercial letters of credit	302,031	174,794	208,851	136,111	91,845
Performance bond, guarantees and indemnities	442,903	452,639	181,902	267,030	59,808
Commitments to extend credit:					-
Original term to maturity of one year or less	247,307	65,371	266,260	180,951	-
Original term maturity of more than one year	-	2,095	21,322	21,043	-
	1,365,861	972,646	784,423	695,502	275,558

Notes to the consolidated financial statements

43. Contingent liabilities and commitments (continued)

d) Assets pledged

Assets are pledged as collateral under repurchase agreements with other banks and for security deposits. Mandatory reserve deposits are held with local central banks in accordance with statutory requirements. These deposits are not available to finance the Group's day to day operations.

	2007	2006	2005	2004	2003
In thousands of US dollars					
Balances with central banks	187,250	132,634	81,132	101,214	-
Treasury Bills	2,021	2,021	-	-	-
	189,271	134,655	81,132	101,214	-

e) Operating lease commitments

Where a Group Company is the lessee, the future minimum lease payments under non-cancellable building operating leases are as follows:

	2007	2006	2005	2004	2003
In thousands of US dollars					
Operating leases are as follows:					
No later than 1 year	-	-	159	226	-
Later than 1 year and no later than 5 years	-	-	445	637	-
	-	-	604	863	-

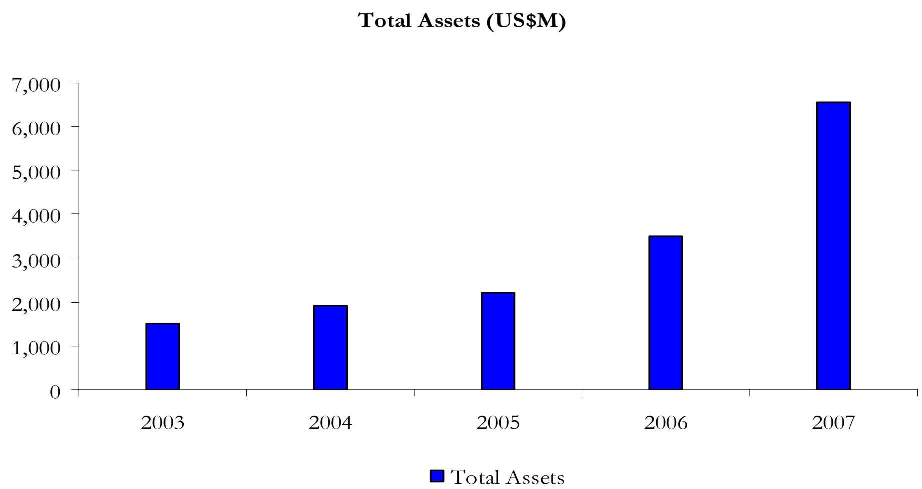
5.7 Analysis of 5 year Financial Performance

5.7.1 Balance Sheet Growth

Total Assets

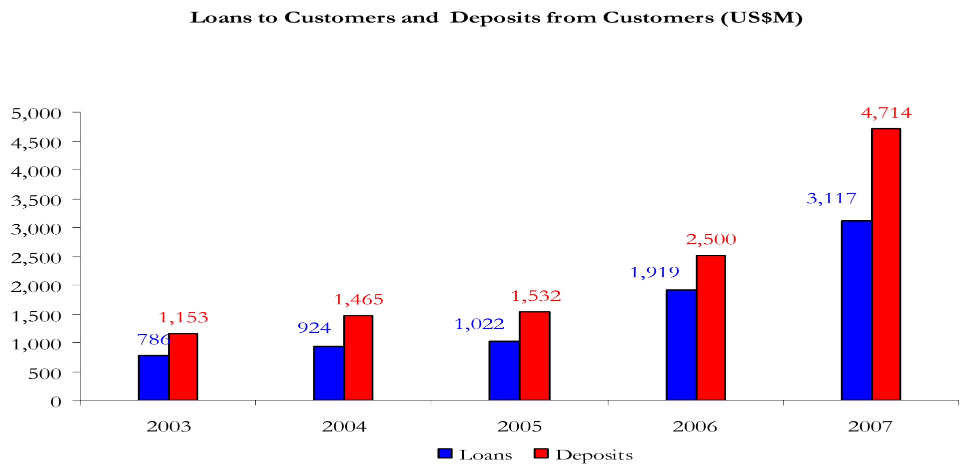
During the last five years (2003 – 2007) the operations of the Group have expanded considerably:

- The number of subsidiaries has increased from 12 in 2003 to 25 in 2007; and to 32 as at June 30, 2008.
- Headcount grew from 1,726 to 8,057
- The number of branches and offices increased from 88 to 450 (over 500 as of June 2008).
- Operating income increased from US$157 million to US$544 million - a five-year compounded annual growth rate of 37%.
- Deposits from customers increased from US$1.2 billion to US$4.7 billion – a five-year compounded annual growth rate of 42%.
- Total assets grew from US$1.5 billion to US$6.6 billion - a compounded annual growth rate of 44%.



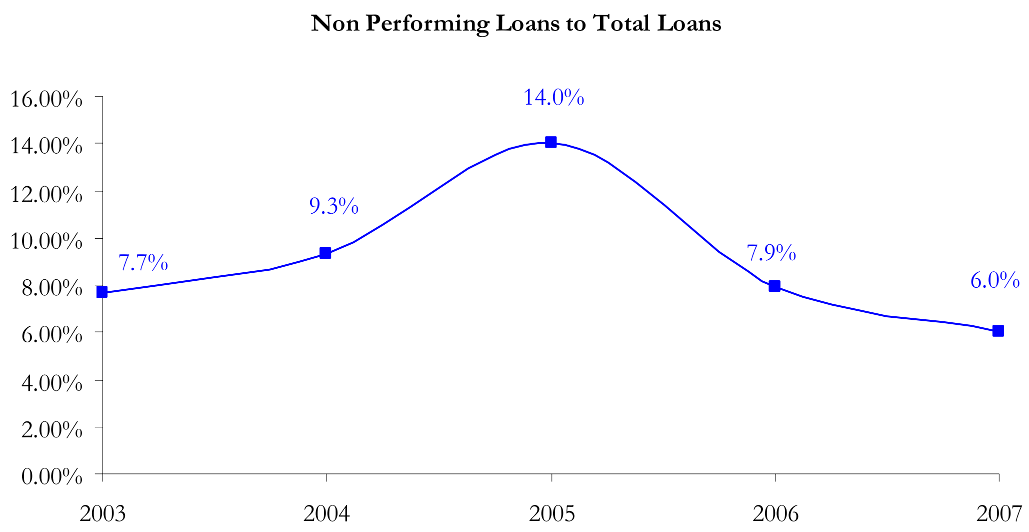
Loans to Customers and Deposits from Customers

- Loans and advances to customers grew from US$786 million to US$3.1 billion - a compounded annual rate of 41%.



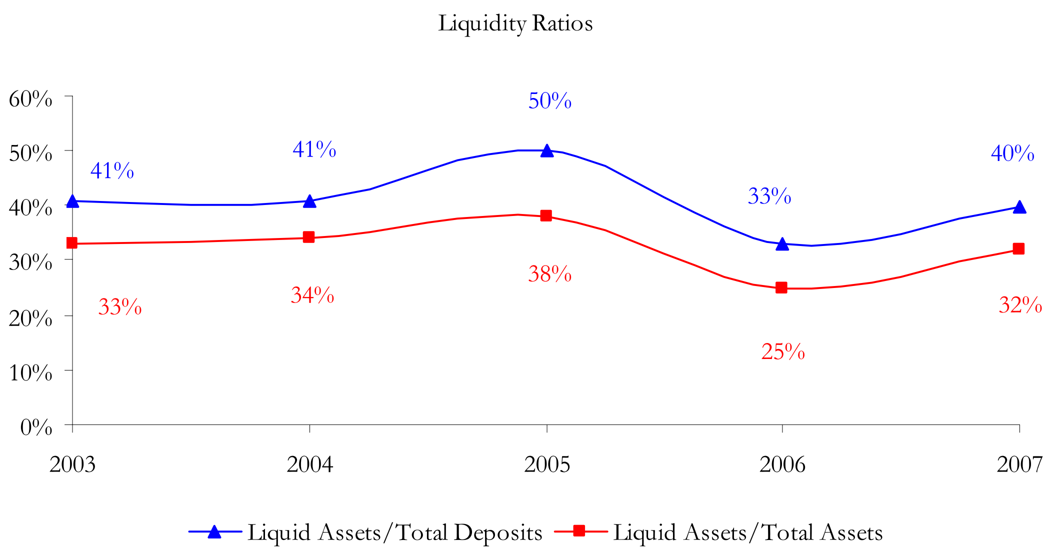
5.7.2 Asset Quality

In spite of the growth in deposit base, and sometimes the difficult economic environment in some of the presence countries, Ecobank has maintained a relatively high quality of assets. Over the period, the ratio of non-performing loans to total loans has remained fairly consistent. Non Performing Loans to total loans ratio was 6% in 2007, an improvement on the previous year ratio of 7.9%.



5.7.3 Liquidity Management

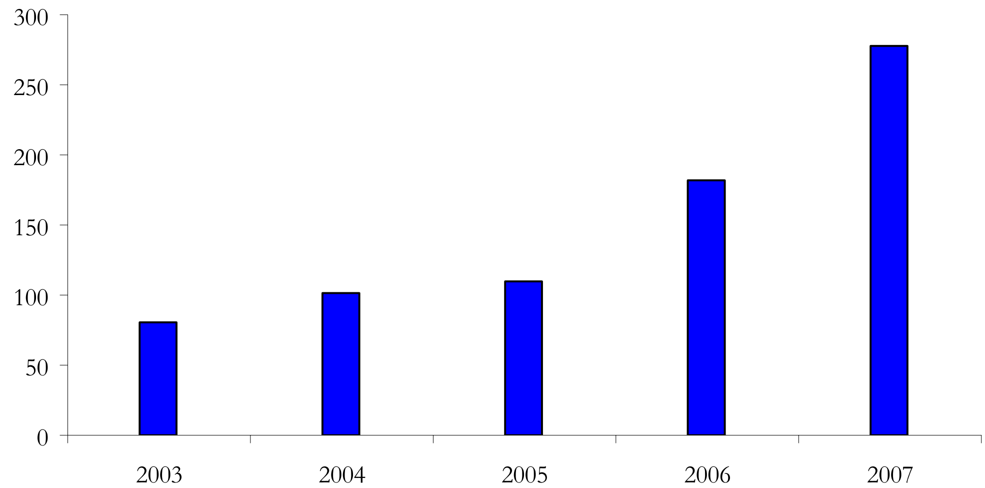
Significant strides have been made, over the period, in improving treasury management. The ratio of liquid assets to total assets has remained fairly consistent from 33% in 2003 to 32% in 2007. The Group's treasury management process ensures that maturities of financial liabilities are matched with financial assets.



5.7.4 Net Interest Income

During the period, Net Interest Income grew at a compounded annual growth rate of 36% reflecting the 41% growth in Loans and Advances.

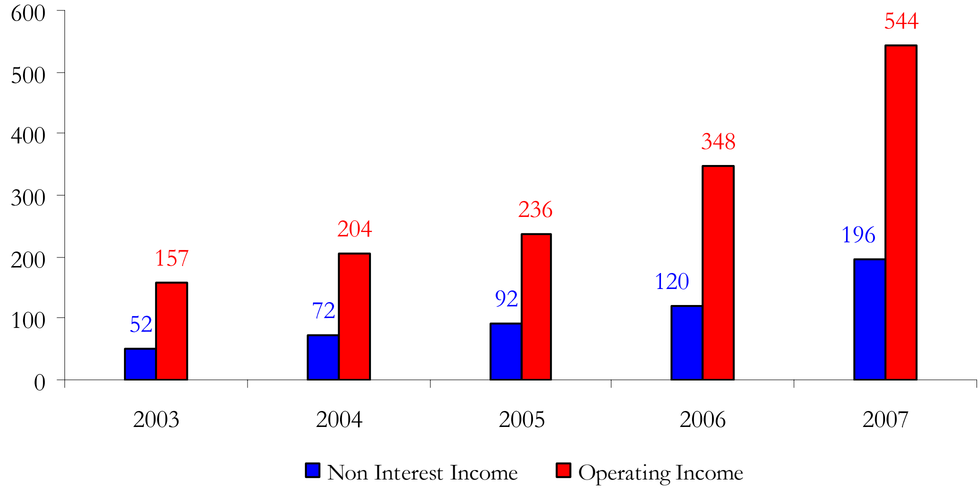
Net Interest Income (US$M)



5.7.5 Non-Interest Income

Non-Interest Income grew significantly over the past few years averaging 37% per annum partly as a result of the Group's relationship with Western Union. Non Interest Income grew by over 59% in 2007 demonstrating the Group's increased attention on fee-based income.

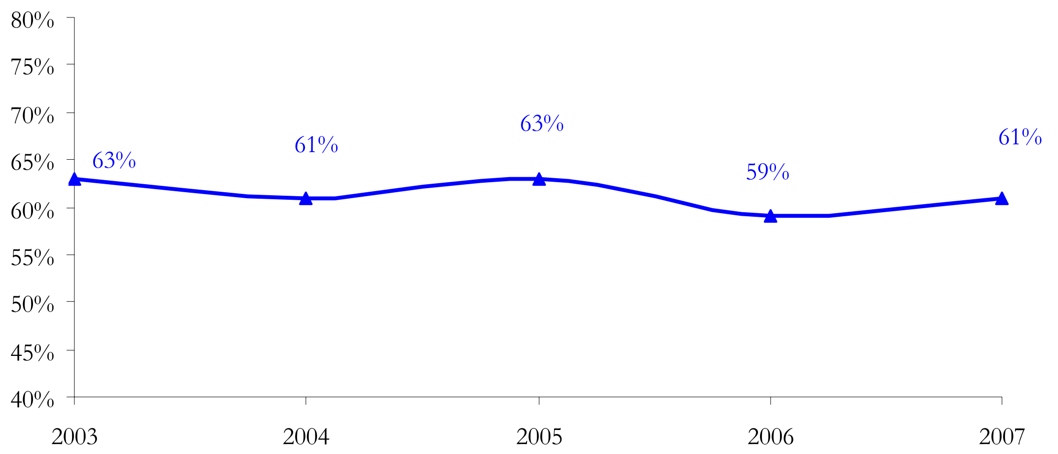
Non-Interest Income to Operating Income (US$M)



5.7.6 Operating Expenses

Efficiency ratios improved steadily, despite the rapid expansion of the Group's network. The average ratio of overheads to operating revenue for the last five years has been 61%, fluctuating between 59% and 63%. Over the period, the Group has had to increase its investment in premises, equipment and staff and start new operations, which temporarily affected the average efficiency ratio. With the wider banking network, rents and utility costs have also escalated. Due to the inadequacy of supply from the national grid, some of the branches, particularly those in Nigeria, are running off generator systems practically on a permanent basis.

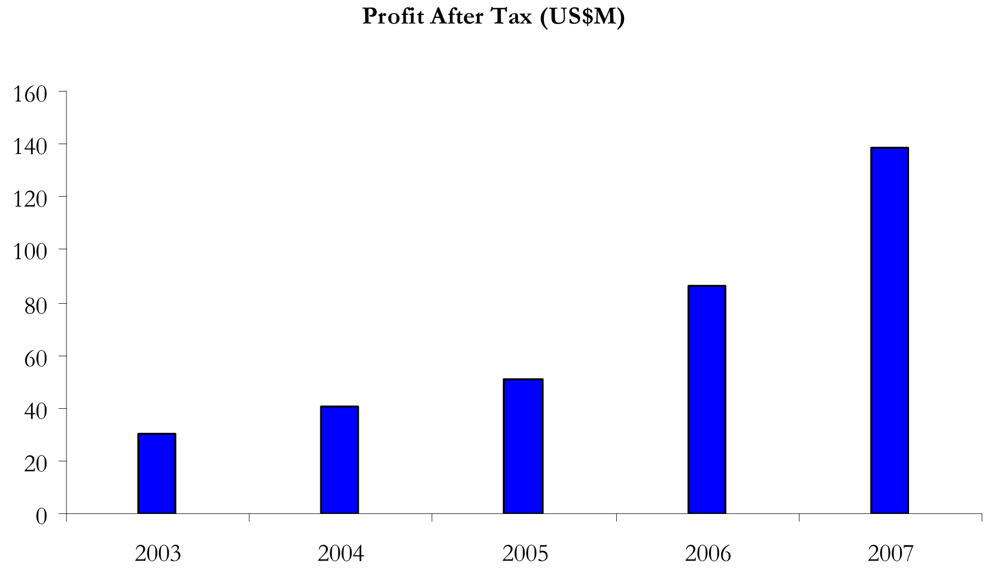
Efficiency Ratio



It is expected that as business volumes continue to grow, and as overall information technology costs per country begin to reduce, the average efficiency ratio will gradually reduce in line with a Group medium term target of 50 per cent. This is likely to result in a significant increase in the Group profitability going forward.

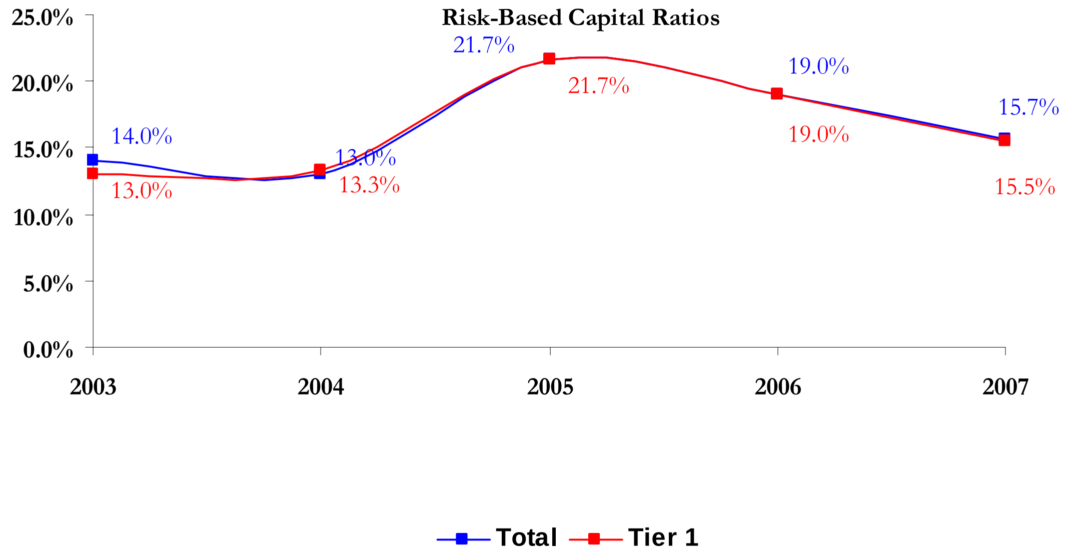
5.7.7 Earnings

Despite the Group's rapid network expansion, net profit grew steadily. Profit after tax increased by 61% to US$139 million in 2007. Some of the subsidiaries namely Cameroon, Guinea, Liberia, Mali, Senegal and Niger, which initially had profitability difficulties are now profitable and making positive contributions to the Group's bottom line. Ecobank Nigeria, the biggest subsidiary in the Group has also improved significantly in profitability. Ecobank Nigeria continues to be the leading contributor to the Group's results. It accounted for 42% of the profit before tax in 2007 (2006: 29%) of the group and total assets represented 43% (2006: 28%) of the group's assets.



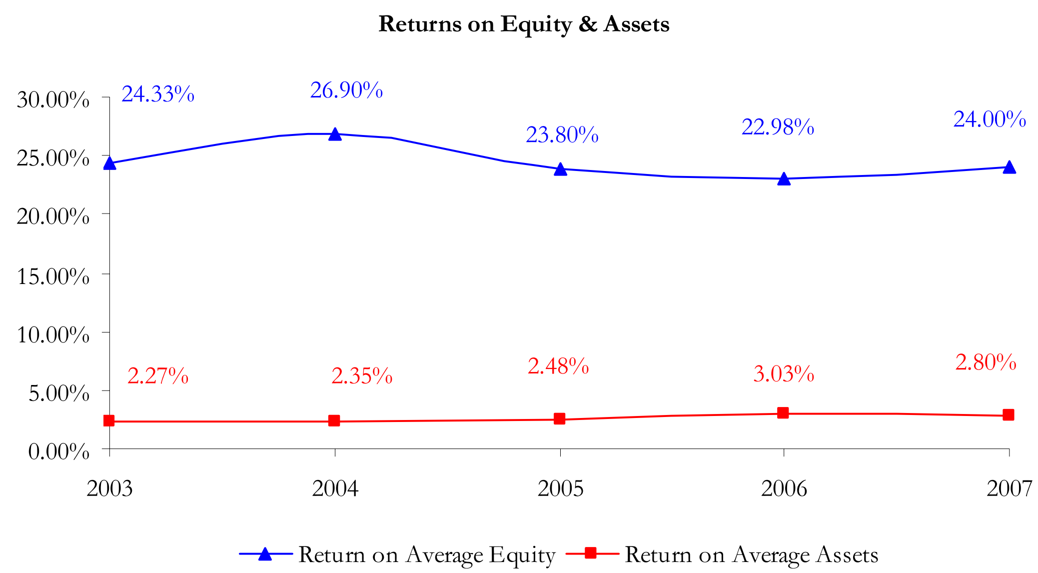
5.7.8 Capital Adequacy

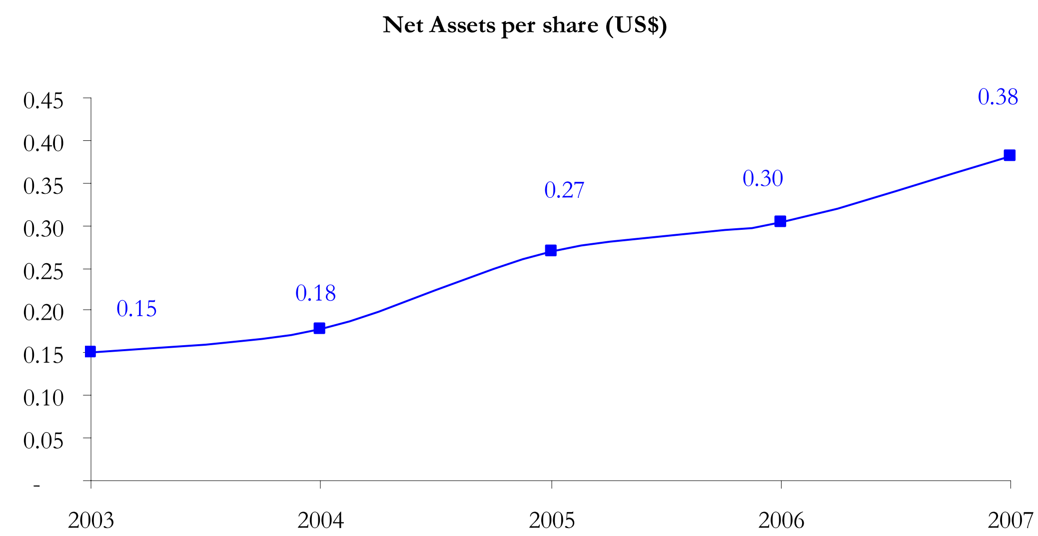
After a significant capital injection in 1997, aimed primarily at supporting the Group's expansion efforts, capital adequacy decreased steadily as business grew and the volume of risk assets increased. The Group's Basel I Tier One capital adequacy ratio was 15.7% in 2007, remaining the same with its risk total capital ratio. Internationally, all banks are expected to comply with Basel II standards. Ecobank has initiated a process aimed at fulfilling these new requirements by close of 2009.



5.7.9 Shareholder Value

Over the last five years, increase in shareholder value has been reflected in the return on equity, return on assets and increasing net assets per share, dividend payout ratio as well as an appreciation in the market capitalisation of ETI shares.





The net assets per share has improved consistently over the years with a compound annual growth rate of 26%, notwithstanding the various share splits that reduced the par value of shares from US$1 to US$0.125 per share

PART 6 – ADDITIONAL INFORMATION

6.1 Dividends and Payment Agents

Dividends are payable at the discretion of the Board of Directors. Dividends are paid only to the extent of available profits which can lawfully be distributed. The payment of dividends will be made by ETI's Registrars.

6.2 Litigation and Legal Proceedings

ETI in its ordinary course of business is presently involved in three labour cases involving ex-employees claiming wrongful/unlawful dismissal. In the judgment of the Directors of ETI, based on the opinion of the Solicitors to ETI, the outcome of the cases will not materially affect the Offer.

6.3 Related Party Transactions

A number of banking transactions are entered into with related parties in the normal course of business. These transactions include loans deposits and foreign currency transactions. The volume of related party transactions over the past three years is as follows:

	Amounts in (US$'000) Year ended 31 December	2007	2006	2005
I	**Loans to Directors and Key Management**			
	Loans outstanding as at January 1	1,077	495	7
	Loans issued during the year	877	640	550
	Loan repayments during the year	(222)	-58	-62
	Exchange difference	92		
	Loans outstanding as at December 31	1,824	1,077	495
	Interest income earned	71	44	7
II	**Loans to Associated Companies**			
	Loans outstanding as at January 1	6,773	10,362	1,500
	Loans issued during the year		390	11,453
	Loan repayments during the year		(3,979)	(2,591)
	Loans outstanding as at December 31		6,773	10,362
	Interest income earned		107	523
III	**Deposits from Directors and Key Management**			
	Deposits as at January 1	160	1,193	21
	Deposits received during the year	2,926	3,968	1,570
	Deposits repaid during the year	(2,678)	(5,001)	(398)
	Deposits at December 31	408	160	1,193
	Interest expense on deposits	-	1	
IV	**Deposits from Associated Companies**			
	Deposits as at January 1	409	1,766	141
	Deposits received during the year	184,801	4,884	10,336
	Deposits repaid during the year	(184,685)	(6,241)	(8,711)
	Deposits at December 31	525	409	1,766
	Interest expense on deposits	41	-	-
V	**Key Management Compensation**			
	Salaries and other short term benefits	2,411	2,237	1,398
	Post employment benefit		-	-
	Share-based payments		-	-
		2,411	2,237	1,398

6.5 Other Disclosures

6.5.1 Relationships among Directors

There are no family relationships among the Directors

6.5.2 Bankruptcy Petitions

No petition under any bankruptcy law has been filed against any director or persons nominated to become directors or any partnerships of which such persons were partners or any companies of which such persons were directors.

6.5.3 Criminal Proceedings or Convictions for Fraud or Dishonesty

No person who is a director or has been nominated to become a director has been convicted in a criminal proceeding or is a named subject of any pending criminal proceeding relating to an offence involving fraud or dishonesty.

6.5.4 Prohibition against Financial Advisory or Capacity to Hold Office

No person who is a director or nominated to become a director has been the subject of any judgment or ruling of any court of competent jurisdiction, tribunal or government body permanently or temporarily enjoining him or her from acting as an investment adviser, dealer in securities, director or employee of a corporate body or engaging in any type of business practice or activity or profession.

6.5.5 Materiality of Directors' Interest in the Company's Business and Affairs

The Directors shareholdings are shown in Section 2.8.3 of this Prospectus. The Directors have no other interests of a material nature in the Company's business and affairs.

6.5.6 Materiality of Management Interest in the Company's Business and Affairs

No member of management or any other persons related to them have any material interest in the Company either directly or indirectly.

6.5.7 Directors Powers to Borrow and charge the Company's Assets

The directors may exercise all the powers of the Company to borrow money and to mortgage or charge its property and undertaking or any part thereof, and to issue debentures. Such powers can be varied by amending the Company's Articles.

6.5.8 Affiliations and Affiliated Companies and Businesses

ETI has affiliations with its subsidiaries. ETI appoints senior executives of the subsidiaries.

6.5.9 Service Agreements

ETI has services agreements with its subsidiaries to provide certain services which will enhance and standardize the quality of products, services and processes across the Ecobank Group. These services are described in Section 3.2 of this Prospectus.

6.5.10 Relationship between Professional Parties and the Issuer

The following professional parties, Ecobank Nigeria Plc (one of the Issuing Houses to the Offer for Nigeria), EDC Stockbrokers Ltd. (one of the Sponsoring Brokers for Ghana), Ecobank Ghana Limited (Receiving Bank for Ghana), EDC Securities Limited (one of the Stockbrokers for Nigeria), EDC Investment Corporation (one of the Co-sponsoring Brokers for UEMOA), Ecobank Côte d'voire (Receiving Bank for UEMOA) and Ecobank Development Corporation (one of the Financial Advisers to the Offer) are subsidiaries of ETI. Other than the disclosed there is no relationship between the Issuer and any of the other Professional Parties to the Issue except in the ordinary course of business.

6.6 Unclaimed Dividends

Total unclaimed dividends as at 31st December 2007 were US$5,557,000. The Company has taken the following measures, among others, in order to ensure that unclaimed dividends are received by shareholders:

1. Continuously updating shareholder addresses by inserting personal details validation forms in copies of annual reports sent to shareholders.

2. Newspaper advertisements about dividends.

3. Display of an unclaimed dividend register at Annual General Meetings for inspection.

6.7 Material Contracts

The following agreements have been entered into and are considered material to this Offer:

i. A Vending Agreement dated August 18, 2008 between ETI and Ecobank Nigeria PLC, ICMG Securities Limited and Stanbic IBTC Bank PLC in respect of the Offer.

ii. An Underwriting Agreement dated August 18, 2008 between ETI and Ecobank Nigeria Plc, ICMG Securities Limited and Stanbic IBTC Bank Plc under the terms of which Ecobank Nigeria PLC, ICMG Securities Limited and Stanbic IBTC Bank Plc have agreed to underwrite 80% of the portion of the Offer for Subscription being offered in the Nigerian market on a firm basis

Other than as stated above ETI has not entered into any material contracts except in the ordinary course of business.

6.8 Declarations

i. The directors herein, in respect of the information relating to ETI and the Offer and, having made all reasonable enquiries, confirm that:

a. this Prospectus contains all information with regard to the Issuer and the Offer which is material in the context of the Offer;

b. the information contained in this Prospectus is true and accurate in all material respects and is not misleading;

c. the opinions and intentions expressed herein are honestly held; and

d. there are no other facts, the omission of which makes the Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading.

ii. The directors and members of management of ETI may realise or transfer part of their interests in the issue within a period of two years of the date of this Prospectus.

iii. To the best knowledge of the Advisers to the Offer, this Prospectus constitutes a full and fair disclosure of all material facts about ETI and the issue, but the Advisers will not be held responsible for any inaccuracies or omissions of material facts as all information given herein was obtained from ETI.

iv. This Prospectus has been seen and approved by us the Directors of ETI and we collectively and individually accept full responsibility for the accuracy of the information given and that after making all reasonable enquiries and to the best of our knowledge and belief there are no facts the omission of which would make any statement in the document referred to above misleading.

6.9 Documents for Inspection

Copies of the following documents in respect of the business and affairs of ETI and the share offer may be inspected at the registered office of ETI and the Sponsoring Brokers/Issuing Houses during normal business hours of any working day during the Offer period:

i. Articles of Association
ii. ETI's Certificate of Incorporation
iii. ETI's Certificate to Commence Business
iv. Report and Certification of the Reporting Accountant
v. ETI's Audited Financial Statements from 2002 to 2007
vi. Audited Financial Statements of ETI's Subsidiaries
vii. ETI's Undertaking in Support of its Application to the Exchanges
viii. List of Claims and Litigations referred to in section 6.2 of this Prospectus
ix. The Shareholder's Resolution Authorizing the Offer
x. The Board of Directors Resolution Authorizing the Offer
xi. The Letters of Approval from the GSE, NSE and BRVM
xii. The Letters of Approval from the Securities and Exchange Commission, Ghana; Securities and Exchange Commission, Nigeria and Conseil Regional de l'Epargne et des Marches Financiers
xiii. The material contracts referred to in section 6.7 of this Prospectus
xiv. This Prospectus and the mini Prospectus for the Offer

PART 7 – TERMS AND CONDITIONS OF THE OFFER

7.1 General Conditions

If you receive a copy of this document and/or application form, you should NOT treat it as constituting an offer or an invitation to offer, nor should you use such application form, UNLESS you are in a territory, where such an offer or invitation may lawfully be made to you without compliance with any securities registration or other legal requirements by the Company.

If you are in a territory in which this offer may lawfully be made, it is your responsibility, if you wish to make an application, to satisfy yourself as to the full observance of the laws of the relevant territory in connection with your application, including obtaining any governmental or other consents and compliance with other necessary formalities, and paying transfer or other taxes or duties required to be paid in such territory in respect of the offer of shares acquired by you under this Offer.

7.2 Offer to Purchase Shares

i. You offer to purchase such number of ETI shares which when multiplied by the offer price, is equivalent to the amount indicated in your Application Form, on these terms and conditions and subject to the Articles of Association of the Company.

ii. You agree that your application to acquire shares cannot be revoked after Close of the Offer or such later date as the Directors and Advisers may agree, and promise that any cheque, bankers' draft or money or postal order will be honoured on first presentation and that this paragraph constitutes an agreement between you and ETI. It becomes binding when your application is posted or in the case of delivery by hand as received by the Company or any of the Receiving Agents. However, the Company will not be held liable if you use a wrong address in posting. You must pay all bank commissions, transfers and other bank charges related to your application.

iii. A thumb print on an application form will be accepted instead of a signature thereon only if it is duly certified in accordance with the applicable regulations.

iv. If your Application Form is not completed correctly or is amended, or if any cheque, bankers draft, money or postal order is found to be less than the amount stated on your application form, it may still be treated as valid. In such cases, the Advisers' decision as to whether to treat the application as valid, and how to construe, amend or complete it shall be final. You will not, however, be treated as having applied to purchase a number of shares which, when multiplied by the offer price, is more than the amount of remittance upon allotment of shares.

v. An application may be rejected in whole or in part at the discretion of the Advisers and Management of ETI if the application is incomplete or illegible, or if it is determined that the applicant is not eligible to participate in this public offer.

7.3 Acceptance of Offer

i. Acceptance of your offer will be made (if your application is received, valid, processed and not rejected) by notifying the securities regulatory authorities and the exchanges of the basis of allocation and thereafter notifying acceptance to the Receiving Agents.

ii. The acceptance may be of the whole or any part thereof and in the latter event, the number of shares you offer to purchase may be scaled down.

iii. If your application to purchase shares is accepted (in whole or in part), there will be a binding contract under which you will be required to purchase the shares in respect of which your application has been accepted and has not been terminated.

7.4 Payment for Shares

i. You undertake to pay the purchase price for the shares in respect of which your application is accepted. The cheque or bankers' draft or other remittances may be presented for payment before acceptance of your application, but this will not constitute acceptance of your application, either in whole or in part.

ii. If the application is invalid, rejected or not accepted in full, or if the amount of the application divided by the offer price does not result in a whole number of shares or if the circumstances described in section 7.2 of this Prospectus do not occur whilst the Offer is still open, the proceeds of the cheque or other remittances or the unused balance of those proceeds (as the case may be) will be refunded to you without interest.

iii. If the remittances are not honoured on first presentation, then at any time until the Company has received cleared funds in respect of the share offer, the Advisers, on behalf of ETI may terminate the agreement to purchase those shares. The termination will be effected by notice being dispatched to you.

iv. Payment must be made in full on application in US dollars. Payment may be made in Ghana cedis, naira and CFA francs (in Ghana, Nigeria and UEMOA countries respectively) at the prevailing rates of exchange on the day of application.

Where payment is made in a currency other than US dollars, the actual amount of the subscription will be determined using the exchange rate at the time the currency is converted into US dollars.

The Issuer's ability to convert local currency into US dollars is dependent on prevailing exchange control regulations and availability of US dollars in the respective countries. Unconverted subscription proceeds will not be eligible for subscription and will therefore be returned to applicants. The Issuer has obtained the required foreign exchange control approvals from the appropriate regulatory authorities for repatriation of subscription proceeds. However, the Issuer will not be liable nor will it accept responsibility for any inability to repatriate subscription proceeds. In that event, the Issuer will return subscription proceeds to applicants, in line with the respective regulatory requirements.

v. Payment may be made in cash (except in Nigeria), by cheque, postal order, money order or wired transfer to any office of Ecobank or the Receiving Agents where the Application

Form is lodged. All such cheques, postal or money orders should be crossed ETI SHARE OFFER and, if for payment in Ghana, endorsed COMMISSION TO DRAWER'S ACCOUNT. This endorsement must be signed by the drawer. Bank commissions and transfer charges on application monies must be paid by the applicant. Applications, in respect of which cheques are returned unpaid, for any reason whatsoever, will be rejected.

Applicants outside countries where Ecobank has a presence may make payment directly into the Account with the following details:

Bank Name & Address	Citibank 111 Wall St New York NY 10043-0001
Account Name:	Ecobank Transnational Incorporated Share Offer
Account Number:	36246424
Swift Code:	CITIUS33
Reference Text:	ETI Share Offer

Completed application forms and evidence of deposit should be immediately scanned and emailed to edc@ecobank.com or faxed to +233 21 251734. Original copies should then be sent by registered mail or courier to:

EDC STOCKBROKERS LTD.
No. 5, 2nd Ridge Link, North Ridge.
P. O. Box AN 16746
Accra – North, Ghana
Tel.: (233) 21 251720/7
Fax: (233) 21 251734
Email: edc@ecobank.com

7.5 Warranties

You warrant that:

i. You are qualified to apply;

ii. The applicant on whose behalf you are applying is qualified to apply;

iii. You will not make any other application or multiple applications through various Receiving Agents and that to the best of your knowledge there is no other application for ETI shares being made to your benefit;

iv. You will submit a complete application including all supporting documents required under the terms of this offer;

v. In making your application you are not relying on any information or representation concerning the Company and/or other offers not contained in this document. You agree that no person responsible for this document or any part of it will have liability for any such other information or representation;

vi. If any person signing, or making a thumb print on the application form is not the applicant, that person warrants that he/she has authority to do so on behalf of the applicant and that this authority is vested in him or her by virtue of a power of attorney which (or a copy of which certified by a solicitor) accompanies the application; and

vii. If the applicant is other than a natural person, the person signing the application form warrants that he/she has authority to do so on behalf of the applicant.

7.6 Supply and Disclosure of Information

The Company, Directors, Advisers and their agents shall have full access to all information relating to, or deriving from, the cheque or banker's draft or other remittance accompanying your application and its processing. If the Directors or their agents request any information about your application you must promptly disclose it to them.

7.7 Miscellaneous

The rights and remedies of the Company and Advisers, under these terms and conditions are in addition to any rights and remedies, which would otherwise be available to each of them, and the exercise or partial exercise of one will not prevent the exercise of others.

All documents and monies sent or delivered to or by you will be sent or delivered at your own risk. Any cheque will be made payable to you (or first person named in any joint application).

You agree to be bound by the Articles of Association of ETI once the shares you have agreed to purchase have been transferred to you. Your application and the acceptance of that application and the contract resulting there from will be governed by, and construed in accordance with the Laws of Togo. You irrevocably submit to the jurisdiction of the Togolese courts in respect of the matters relating to this transaction. This does not prevent an action being taken against you in any other jurisdiction.

Words defined in the Prospectus and not defined in these terms and conditions have the same meaning in these terms and conditions and in your Application Form and in the guide to the Application Form as in the Prospectus. In the case of joint applicants, references to an applicant in these terms and conditions are to each of the joint applicants and their liability is joint and several.

PART 8 – COMPLETION GUIDE AND RETURN INSTRUCTIONS

8.1 General Instructions for Completing Application Forms

Please read the instructions carefully before completing the relevant Application Form.

i. Applicants for 'Rights' must complete **Application Form A.**
ii. Applicants for shares under 'Offer for Subscription' must complete **Application Form B**
iii. Applicants for both 'Rights' and 'Offer for Subscription' (i.e. Shareholders who want to take up their 'rights' and apply for additional shares) must complete **Application Form A.**
iv. There is only one Application Form for the Offer for subscription, for both individual investors and corporate investors. Please ensure you complete the Application Form and return the completed Form together with supporting documentation and your cheque (or any other acceptable mode of payment) for the application to a Receiving Agent.
v. Use block capital letters in completing the Application Form and put only one character in each box. Return the completed Application Form together with payment for your subscription to a Receiving Agent by 17.00 hours GMT on October 3, 2008.
vi. Original Power(s) of attorney must be enclosed if anyone is signing on behalf of an applicant other than a minor (Copies must be certified by a notary public).
vii. Photocopies or Scanned copies of Application Forms will be accepted if and only when they are clear and legible. The submission of a photocopied Application Form presumes that the applicant understands and accepts the terms and conditions of this offer.

8.2 Guide to Completing the Rights Issue Application Form (Form A)

8.2.1 The Letter of Allotment which forms part of Form A indicates the number of shares allotted to you in the Rights Issue.

Indicate the number of shares you wish to subscribe for under the Rights by completing section marked **"Rights"**. You may subscribe for all or part of your allotted Rights.

8.2.2 After subscribing for your allotted Rights you may subscribe for additional shares under the Offer for Subscription by completing the section marked **"Additional Shares – Offer for Subscription"**.

The completed Form A together with full payment

Payment may be made by cash (except in Nigeria), cheque, postal order, money order or wired transfer to any office of Ecobank or the Receiving Agents where the Application Form is lodged. All such cheques, postal or money orders should be crossed ECOBANK TRANSNATIONAL INCORPORATED SHARE OFFER and, if for payment in Ghana, endorsed COMMISSION TO DRAWER'S ACCOUNT. This endorsement must be signed by the drawer. Bank commissions and transfer charges on application monies must be paid by the applicant. Applications, in respect of which cheques are returned unpaid, for any reason whatsoever, will be rejected.

Applicants outside countries where Ecobank has a presence may make payment directly into the Account with the following details:

Bank Name & Address:	Citibank 111 Wall St New York NY 10043-0001
Account Name:	Ecobank Transnational Incorporated Share Offer
Account Number:	36246424
Swift Code	CITIUS33
Reference Text:	ETI Share Offer

Completed application forms and evidence of deposit should be immediately scanned and emailed to edc@ecobank.com or faxed to +233 21 251734. Original copies should then be sent by registered mail or courier to:

EDC Stockbrokers Ltd.
5 Second Ridge Link, North Ridge.
P. O. Box AN 16746
Accra, Ghana
Tel.: (233) 21 251720/7
Fax: (233) 21 251734
Email:edc@ecobank.com

The right is reserved to present for payment all cheques, banker's drafts and money/postal orders upon receipt. It is a condition of the Offer that all cheques or other remittances must be honoured on first presentation. No interest will be paid to applicants on any monies held on behalf of applicants or on behalf of the Company

8.3 Guide to Completing Application Form B

8.3.1 The Date of application must be entered in the format DD / MM / YYYY. For example an application made on August 1, 2008 must be dated:

0	**1**		**0**	**8**		**2**	**0**	**0**	**8**

8.3.2 The number of shares applied for and the amount payable (in US$) must be entered in figures. Your payment must be in a form which will realise cleared funds for the full amount payable by 1700 GMT on October 3, 2008 .

Cheques and Bankers Drafts should be payable to ECOBANK TRANSNATIONAL INCORPORATED SHARE OFFER and, if for payment in Ghana, endorsed "COMMISSION TO DRAWER'S ACCOUNT". All bank commissions and transfer charges must be paid by the applicant.

When the basis of allocation under the ECOBANK TRANSNATIONAL INCORPORATED SHARE OFFER is determined, successful applicants will be allocated a number of shares. Any cash balance owing will be refunded.

8.3.3 The section numbered 1 on the application form should be completed by both individual and corporate applicants as follows:

i. Check the appropriate title. Where your title is not indicated, check 'Others' and print your title in the spaces provided.
ii. Individuals must print surname (family name) only, in the column labelled Surname/Company's Name. Corporate applicants must print the full name of the corporate body in that space.
iii. Individual applicants must print their other names in column labelled 'Other Names'
iv. Both individual and corporate applicants must complete the other columns under section 1 of the application form, indicating postal address, city, region, land phone number, mobile phone number and email address where applicable.

8.3.4 The section numbered 2 on the application form should be completed only where there is a joint applicant. Such joint applicant must indicate title, surname and other names.

8.3.5 The section numbered 3 on the application form this section should be completed only by applicants who want their dividends paid directly into their bank account.

Please provide the information for your bank including Name of Bank, Branch and Account number. Applicants who leave this blank will have their dividend payment warrants mailed to them.

Form A: Rights Issue Application Form

ECOBANK
TRANSNATIONAL INCORPORATED

FORM A

Form A: Rights Issue Application Form

(To be completed by ETI Registrars on behalf of qualifying shareholders)

I. LETTER OF ALLOTMENT

1. Surname/ Company Name ____________________

Other Names ____________________ Title __________

2. Address ____________________

____

3. Number of shares already held __________ Number of Rights entitled to __________

4. Amount payable on full subscription of Rights, US$ __________

II. SUBSCRIPTION INSTRUCTIONS

RIGHTS - Full or Partial application

Please tick your option

Full ☐ Partial ☐

I/ We wish to subscribe for ……………………… shares of my Rights at US$0.27 per share. I/We make payment of US$ ………… covering the cost of my/our Subscribed Rights

---

III. ADDITIONAL SHARES - Offer for Subscription

I/We wish to subscribe for …………………………… extra shares at US$0.29 per share.

I/We make payment of US$……………………….… covering the cost of my extra allotted Rights.

Declaration

I/We hereby apply for shares of ETI under the terms and conditions set out in the offer Circular. I/We certify that all statements made in this application to enable me/us take-up/ reject/ split my/our rights in the ETI Rights Issue are correct and the responses are my/our own.

Shareholder's Signature(s) Date Receiving Agent's Stamp/ Signature

Form B – Offer for Subscription

ECOBANK
TRANSNATIONAL INCORPORATED

FORM B

Offer for Subscription of 5,116,499,328
ordinary shares of US$0.025 each at US$0.29 per share
PAYABLE IN FULL ON APPLICATION

Nigeria			Ghana	
ECOBANK Nigeria Plc	Stanbic IBTC Bank PLC	ICMG SECURITIES LTD.	EDC Stockbrokers Limited	SIC FINANCIAL SERVICES LIMITED
RC 80773	RC 125097	RC 174780		

Applications must be made in accordance with the instructions set out on the back of this application form. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in doubt, please consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance.

DECLARATION

☐ I/We am/are 18 years of age or over

☐ I/We authorise you to send a share certificate and/or cheque for any amount overpaid by Registered Post to the address given below and to procure registration in my/our name as the holder(s) of such number of shares or such smaller number, as aforesaid

☐ I/We attach the amount payable in full on application for the number of shares in Ecobank Transnational Incorporated at US$0.29 per share

☐ I/We agree to accept the same or any smaller number of shares in respect of which allotment may be made upon the terms of the Prospectus and subject to the Articles of Association of Ecobank Transnational Incorporated

☐ I/We declare that I/we have read a copy of the Prospectus for the Offer dated August 18, 2008 issued by Ecobank Nigeria Plc., Stanbic IBTC Bank Plc., ICMG Securities Ltd, in Nigeria, and EDC Stockbrokers Limited and SIC Financial Services Limited in Ghana on behalf of Ecobank Transnational Incorporated

GUIDE TO APPLICATION

Number of units applied for	Amount payable
Minimum of 500	$145
Subsequent multiples of 100	$29

Date ☐☐ / ☐☐ / ☐☐☐☐

Control No. (REGISTRARS' USE ONLY)

Number of Units Applied for:

Value of Shares applied for/Amount Paid: US$.

PLEASE COMPLETE IN BLOCK LETTERS AND IN BLACK INK

1. INDIVIDUAL / CORPORATE APPLICANT

Title: ☐ MR. ☐ MRS. ☐ MISS ☐ DR. OTHERS

Surname/Company Name

Other Names (for Individual Applicants only)

Full Postal Address

City

State/Country

Daytime Telephone Number

Mobile (GSM) Telephone Number

Email

Next of Kin

CSCS No. (If you want shares allotted to you, credited to your CSCS A/C – Nigeria Only)

Name of your Stockbroker

2. JOINT APPLICANT Title: ☐ MR. ☐ MRS. ☐ MISS ☐ DR. OTHERS

Surname

Other Names

3. BANK DETAILS FOR E-DIVIDEND):

Name of Bank/Branch ……………………………………………………………

Account Number……………………………………………………………………

Company Seal/Incorporation Number (Corporate Applicants)

Signature or Thumbprint

Signature

First Registrars

Stamp of Receiving Agent

24-hour call centre numbers: Ghana - +233 21 213999; Nigeria - +234 – 1 270 1323; UEMOA - +225 20 400200; CEEAC - +237 33 431363

RECEIVING AGENTS

Ghana

EDC Stockbrokers Ltd.
No. 5, 2nd Ridge Link, North Ridge
P.O. Box 16746 Accra-North Ghana
Phone: (233) 21 251723/4
Fax: (233) 21 251734

Ghana Commercial Bank Ltd.
P.O. Box 134
Accra, Ghana
Phone: (233) 21 67 28 52-4/ 67 28 60-5
Fax: (233) 21 66 21 68

Cal Brokers Ltd.
P.O. Box 14596
Airport, Accra
Phone: (233) 21 68 00 52/68 00 61
Fax:(233) 21 68 00 81/68 00 83

CDH Securities Ltd.
P.O. Box 14911
Accra-North
Phone: (233) 21 67 10 50-8/66 84 37
Fax: (233) 21 66 21 67

Databank Brokerage Ltd.
PMB, Ministries P. O.
Accra
Phone: (233) 21 66 51 24/66 37 63/70 10 070
Fax: (233) 21 669100

First Atlantic Brokers Ltd.
P.O. Box CT 1620
Accra
Phone: (233) 21 67 92 59/68 08 25
Fax: (233) 21 67 92 43

Gold Coast Securities Ltd.
P.O. Box 17187
Accra
Phone: (233) 2122 63 42-4
Fax: (233) 21 25 63 44

HFC Brokerage Services Ltd.
P.O. Box CT 4603
Accra
Phone: (233) 21 66 50 95/66 42 14/66 42 03
Fax: (233) 21 66 41 06

IC Securities Ltd.
3rd Floor, Eastern Wing
Ghana House Accra
Phone: (233) 21 671 285
Fax: (233) 21 671 287

Merban Stockbrokers Ltd.
P.O. Box 401
Accra
Phone: (233) 21 25 11 31-3/25 11 35
Fax: (233) 21 25 11 38

New World Renaissance Ltd.
P.O. Box CT 2868
Accra
Phone: (233) 21 66 01 63/67 69 79/67 69 80
Fax: (233) 21 67 05 18

NTHC Securities Ltd.
P.O. Box KIA 9563
Airport, Accra
Phone: (233) 21 23 84 92/3, 23 58 14/5
Fax: (233) 21 22 99 75 /24 02 43

Prudential Securities Ltd.
P.O. Box CT 628
Accra
Phone: (233) 21 77 12 84/77 09 36/76 83 86
Fax:(233) 21 76 83 86

SDC Brokerage Services Ltd.
P.O. Box GP 14198
Accra
Phone: (233) 21 66 93 72-9
Fax: (233) 21 66 93 71

Strategic African Securities Ltd.
P.O. Box KA 16446
Accra
Phone: (233) 21 25 15 46-9, 70 11 770
Fax: (233) 21 70 11 774

Worldwide Securities Ltd.
P.O. Box OS 01072
Osu-Accra
Phone: (233) 21 25 60 01/2
Fax: (233) 21 76 45 80

SIC Financial Services Ltd.
No. 28/29 Ring Road East (Nyemitei House) Osu
P.O. Box 2363, Accra, Ghana
Phone: (233) 21 78 06 00-9
Fax: (233) 21 78 06 15

RECEIVING AGENTS

Nigeria

	BANKS	
Access Bank Nigeria Plc	Guaranty Trust Bank Plc	Skye Bank Plc
Afribank Nigeria Plc	Stanbic IBTC Bank Plc	Spring Bank Plc
Diamond Bank Plc	Intercontinental Bank Limited	Union Bank of Nigeria Plc
Ecobank Nigeria Plc	Citibank Nigeria Plc	United Bank for Africa Plc
Equitorial Trust Bank Limited	Oceanic Bank International Plc	Unity Bank Plc
Fidelity Bank Plc	PlatinumHabib Bank Plc	Wema Bank Plc
First Bank of Nigeria Plc	Standard Chartered Bank Ltd	Zenith Bank Plc
First City Monument Bank Plc	Sterling Bank Plc	
First Inland Bank Plc		

	STOCKBROKERS	
A.A.A. Stockbrokers Limited	Financial Trust Co. Ltd	Morgan Trust and ASSET Mangement Ltd
Adonai Stockbrokers Limited	Finmal Finance Co. Ltd	Mountain Investment & Securities Ltd
AIL Securities Ltd	First Stockbrokers Ltd	Mutual Alliance Investment & Securities Ltd
Allbond Investment Limited	Fittco Securities Ltd	Networth Securities & Finance Limited
Alliance Capital Management Limited	Folu Securities Limited	Niche Securities Ltd
Alltrade Securities Ltd	Floodgate Finance & Securities Ltd	Newdevco Finance Securities Ltd
AMYN Investment Limited	Foresight Securities Investments Limited	Nigerian Stockbrokrs Ltd
Anchoria Investment & Securities Limited	Forte Asset Management Limited	Nova Finance & Securities Limited
APT Securities & Fund Limited	Forthright Securities & Investment Limited	Omas Investment & Trust Limited
Asset & Resource Management Ltd	Fountain Securities Limited	OMF Securities & Finance Limited
Bacad Finance & Investment Co. Limited	Future View Securities Ltd	Options Securities Limited
Beachgrove Securities & Investment Limited	Genesis Securities & Investment Ltd	Partnership Investment Co Ltd
BFCL Assets & Investment Ltd	Gidauniya Investment & Securities ltd	Perfection Securities & Investment Limited
BGL Securities Limited	Global Capital Markets Ltd	Pine Fields Investment Services Ltd
BIC Securities Limited	Global Asset Management Nigeria Limited	PIPC Securities Limited
BSD Securities Limited	Golden Securities Limited	Platinum Capital limited
Calyx Securities Ltd	Great Africa Securities Limited	Premium Securities Ltd
Capital Assets Limited	Greenwich Trust Limited	Prexise Securities Ltd
Capital Bancorp Limited	GTI Capital Limited	Professional Stockbrokers Limited
Capital Express Securities Limited	Heartbeat Investment Limited	Profund Securities Limited
Capital Trust Brokers Limited	Heritage Investments & Securities Limited	P.S.I. Securities Limited
Cash Craft Asset Mangement Ltd	Horizon Stocbrokers Ltd	Resort Securities & Trust Limited
Cashville Investments & Securities Ltd	IB Finance & Securities Limited	Reward Investments and Services Limited
Center Point Investment Ltd	IBN Securities Limited	Royal Crest Finance Limited
Center Point Securities Ltd	IBTC Asset Management Limited	SanTrust Securities Limited
City Code Trust & Investments Limited	ICMG Securities Limited	Securities Solution Limited
City Investment Mangement Ltd	ICON Stockbrokers Ltd	Security Swaps Limited
City Securities Limited	IMB Morgan Securities Plc	Securities Transaction & Trust Co Limited
Clearview Invesment Company Limited	Indemnity Finance Ltd	Shallom Investment & Securities Limited
Colvia Securities Limited	Independent Securities Limited	Sigma Securities Limited
Consolidated Investment Ltd	Integrated Trust & Investments Limited	Signet Investment & Securities Limited
Cooper Fleming Stockbrokers Limited	Intercontinental Capital Markets Limited	Silver Financial Services Limited
Counters Trust Securities Limited	Intercontinental Securities Limited	SMADAC Resources Ltd
Crane Securities Ltd	International CAPITAL Securities Ltd	Solid-Rock Securities & Investment Ltd
Crossworld Securities Ltd	International Standards Securities Ltd	Springboard Trust & Investment Limited
CSL Stockbrokers Limited	Interstate Securities Ltd	Stanbic Equities Nigeria Ltd
Dakal Securities Ltd	Investment Monitor Ltd	STB Capital Market Limited
Davandy Finance & Securities Ltd	Investor & Trsust Co Ltd	Summa Guaranty Co Ltd
DBSL Securities Ltd	Jamkol Investment Ltd	Summit Finance Company Limited
De-Canon Investment Ltd	Jenkins Investment Ltd	Support Services Limited
De-Lords Securities Ltd	Kinley Invesment Ltd	Three stars Investment Ltd
Denham Management Ltd	Kundila Finance Services Ltd	Tiddo Universal Securities & Finance Limited
Dependable Securities Limited	Lakeworth Investment & Securities Ltd	Tomil Trusts Limited
Dominion Trust Limited	LB Securities Ltd	Topmost Finance & Investment Ltd
Dynamic Portfolios Ltd	Lead Securities & Investments Limited	Tower Asset Mangement Ltd
EBN Securities Ltd	Lighthouse Asset Management Ltd	Trust Yield Securities Limited
EDC Securities Ltd	Magnartis Finance & Investment Limited	Transworld Investment Limited
Empire Securities Limited	LMB Stockbrokers Limited	Tropics Securities Limited
Enteprise Stockbrokers Plc	Lynac Securities Limited	Trusthouse Investments Limited
EPIC Investment Trust Ltd	M & F Investments Limited	TRW Stockbrokers Ltd
Euro Comm Securities Limited	Mainland Trust Limited	UBA Securities Services Ltd

Excel Securities Limited	Marimpex Finance & Investment Ltd	UNE□ Securities & Investment Ltd
Express Portfolio Services Limited	Marina Securities Ltd	Union Stockbrokers Limited
F & C Securities Limited	Marriot Securities & Investment Co.	Urbane Stockbrokers Nigeria Limited
Falcon Securities Ltd	Maxifund Investments Securities Ltd	Valmon Securities Limited
Fidelity Finance Company Limited	MBC Securities Limited	Valueline Securities & Investment Limited
Fidelity Union Securities Ltd	MBL Fiance Services Ltd	Vetiva Capital Management Ltd
Financial Derivatives Limited	Mega Equities Limited	Vision Trust & Investment Ltd
Finmal Finance Company Ltd	Mercov Securities Limited	WSTC Financial Services
First Alstate Securities Ltd	Midas Stockbrokers Limited	Yobe Investment Company Limited
First Bank Capital Ltd	Midlands Investment & Trust Co Ltd	Zenith Securities Limited
First Equity Securities Ltd	Mission Securities Limited	
	Molten Trust Ltd	

RECEIVING AGENTS

UEMOA Region

Benin

Ecobank Benin
Rue du Gouverneur Bayol
01 B.P. 1280 Cotonou
Tel: (229) 21 31 40 23
Fax: (229) 21 31 33 85

Actibourse
08 B.P. 0879
Cotonou
Tel: (229) 21 31 32 28/21 31 53 43
Fax: (229) 21 31 78 00

Africabourse
01 B.P. 6002
Cotonou
Tel: (229) 21 31 88 36 /21 31 88 35
Fax: (233) 21 31 14 54

Bibe Finances Securities
03 B.P.2098
Cotonou
Tel: (229) 21 31 46 88/21 31 44 65
Fax: (229) 21 31 42 29

SGI Benin
01 B.P.4546
Cotonou
Pnone: (229) 21 31 15 41/21 31 15 71
Fax: (233) 21 31 15 60/ 66 33 98

Côte d'Ivoire

EDC Investment Corporation
Immeuble Alliance
Avenue Terrasson de Fougeres
01 B.P. 4107, Abidjan 01
Abidjan
Tel:(225) 20 31 92 24/ 20 21 10 41
Fax: (225) 20 21 10 46

Africaine De Bourse
01 B.P.1300 Abidjan 01
Abidjan
Tel: (225) 20 21 98 26/20 21 98 32
Fax: (225) 20 21 98 27

Atlantique Finance
04 B.P. 1036 Abidjan 04
Abidjan
Tel: (225) 20 31 59 51/20 31 59 80
Fax: (225) 20 31 59 51

BIAO Finances & Associes
01 B.P. 1274 Abidjan 01
Abidjan
Tel: (225) 20 20 06 53/ 20 33 90 93
Fax: (225) 20 33 90 93

BICI Bourse
01 B.P. 1298 Abidjan 01
Abidjan
Tel: (225) 20 20 16 68
Fax: (225) 20 16 68

Citicorp Security West Africa
01 B.P. 3698 Abidjan 01
Abidjan
Tel: (225) 20 21 46 10/ 20 21 54 93
Fax: (225) 20 21 54 93

Hudson & CIE
18 B.P 2294 Abidjan 18
Abidjan
Tel: (225) 20 31 55 00/01 45 13 08
Fax: (225) 20 33 22 24

SOGEBOURSE
01 B.P. 1355 Abidjan 01
Abidjan
Tel: (225) 20 20 12 65
Fax: (225) 20 20 14 89/20 20 15 25

BNI Finances
01 B.P. 670 Abidjan 01
Abidjan
Tel: (225) 20 20 99 03
Fax: (225) 20 20 99 30

Burkina Faso

Ecobank Burkina Faso
633, Rue Ilboudo Waogyande (ex Maurice Bishop)
01 B.P. 145, Ougadougou 01
Tel: (226) 50 328 328
Fax: (226) 50 318 981

SGI SBIF
B.P. 5394
Ouagadougou
Tel: (226) 50 33 04 91/50 33 04 92
Fax: (226) 50 33 04 90

Senegal

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Fax: (221) 823 47 07

BMCE-CAPITAL
BP 5 275 RP Dakar
Dakar
Tel: (221) 889 05 08
Fax: (221) 842-59-99

CGF Bourse
B.P. 11516
Dakar
Tel: (221) 84 903 99
Fax: (221) 823 38 99

IMPA□IS Securities
BP 45545 Dakar Fann
Dakar
Tel: (221) 869 31 40
Fax: ((221) 864 53 41

Mali

Ecobank Mali
Place de la Nation
Quartier du Fleuve
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SGI MALI SA
B.P. E2477
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Niamey
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