Introduction:
Ecobank continues to transforming lives and remains committed to the environmental sustainability practice. Its adoption of the Equator Principles (EP) in 2012 has further enhanced its environmental and social risk management, in line with the international best practice. The bank continues to apply the Equator Principles to project finance transactions with a face value greater than USD10 million.

Furthermore, Ecobank has integrated the Equator Principles with its internal Environment and Social Management Systems (ESMS), which was developed on the basis of our engagement with the IFC Performance Standards as well as our association with other Financial Institutions on their interpretation of environmental and social management as related to the credit review process.

Ecobank has gained a better understanding in ensuring that projects financed and eligible transactions are developed in socially responsible manner and reflects sound environmental management practices. The Bank continues to ensure that negative socio-environmental impacts are avoided and where possible the Bank engages the project proponents in establishing a set of corrective mitigating measures. The Bank makes sure that these measures are agreed by our clients and put in place a compliance monitoring and reporting plan.

Objective:
This report is to fulfill in part, the Principle 10 on the EP Financial Institution reporting, which calls for a mandatory annual EP implementation activity report.

EP guidelines were taking into consideration in financing a total of 21 projects financed and eligible transactions in the EP environmental and social risk categories C and B in 2013. In line with the EP classifications, a total of 7 projects in 4 qualifying sectors in the Environment and Social Risks category B were financed. These sectors are:
   a. Oil & Gas Exploration (4)
   b. Mining (1)
   c. Plantation Agriculture (1)
   d. Telecom infrastructure (1)

Also in line with the Principles’ guidelines, Ecobank funded a total of 14 transactions in 5 eligible sectors in the EP category C. These are transactions that have potentially low to medium impacts for the environment and social risks. These sectors are:
   a. Manufacturing (6)
   b. Real Estate (1)
   c. Telecommunication downstream (3)
   d. Thermal power transmission (3)
   e. Oil and Gas (1)

Implementation Description:
The above sectors have been funded for capital expenditures and working capital financing through corporate project loans. Several Ecobank affiliates including Ecobank in Nigeria, Benin, Gabon, Niger, Burkina Faso and Togo played the sole financiers role, particularly for transactions on the Equator Principles category C, including thermal power generation, oil and gas downstream as well as real estate transactions.

Syndication:
All transactions in the Oil and Gas Explorations, Plantation Agriculture, Telecom infrastructure, cement and fertilizer chemical manufacturing were funded through banks syndication, in which Ecobank participated as a subordinate. In doing so, the Bank ensured that the syndicates conduct necessary Environment and Social
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Due Diligence (ESDD) assessments and Action Plans were formulated for compliance monitoring in accordance with the environmental and social best practice as well as relevant host country environmental and social regulations. Therefore, Ecobank did not compromise on its environmental and social performance obligations.

Tenors of Ecobank participation as sole financier and as a participant range from renewable medium to long term financing.

Procedure for Environmental and Social Risk Review
Ecobank portfolio classification for Environmental and Social risks is into 4 categories. These are: Low, Medium B, Medium A and High risks. The Bank maintains the Exclusion List, which has the same activities as those of many International Financial institutions.

Specifically, Ecobank continues to review its environmental sustainability policy to ensure it reflects the latest risks and sector specific new realities and issues. Ecobank implement and monitor the Environmental and Social Management System (ESMS) through a collective and collaborative approach of staff in the businesses, country risk management and the Group risk management units. While the business Relationship Managers have the proactive task of ensuring that transactions are properly screened and classified for the E&S risks, the country risk managers have the oversight responsibility over the E&S Due Diligence assessment and the formulation of corrective Action Plan for compliance monitoring, the Group E&S manager has a detective role and general oversight in ensuring compliance and adherence with the E&S standard, as stipulated in the Ecobank E&S policy and further guided by the Equator Principles and the IFC Performance Standards on Environmental and Social Governance.

Furthermore, the bank continues to investment in the capacity building for effective environmental sustainability. In 2013, over 500 staff from key internal stakeholder units, including the Country Risk Management, Internal Control, Compliance, Internal Audit and Relationship Managers from the Businesses were trained on enhanced Environmental and Social System Management (ESMS).

Example:
EP guidelines have informed the environment and social management consideration of our participation in an Oil Palm plantation agriculture project in an Ecobank affiliate. In this transaction, Ecobank client in Oil Palm has entered into a Joint Venture agreement with the government to develop vast hectares of land for palm plantation. The total investment in the plantations, processing and related assets estimated at US$236 million. Ecobank arranged a syndication of banks for this funding and ensured strict compliance with environmental standards, including the Equator Principles, as demonstrated by the externally verified Environmental Impact and High Conservation Value assessments reports. Noise, air, water, soil quality and biodiversity are monitored on an ongoing basis using experts as well as participatory approaches.

The client is clearly committed to developing the plantations within the Responsible Sustainable Palm Oil (RSPO) framework, thus the Company continues to follow due processes and Action Plans of EIA and HCV assessments recommended by an accredited RSPO assessor. The compliance monitoring of the formulated Actions in related with land conversion and cultivation, are being guided by the Ecobank ESMS as well as the EP guidelines.
Table 1: Categorization under Equator Principles

<table>
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<th>Category</th>
<th>Number of projects reviewed in Year 2013</th>
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<tr>
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<tr>
<td>B</td>
<td>7</td>
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<tr>
<td>C</td>
<td>14</td>
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<tr>
<td>Total</td>
<td>21</td>
</tr>
</tbody>
</table>

Table 2: Categorization under Equator Principles - By Sector

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<tr>
<th>Category</th>
<th>Manufacturing</th>
<th>Real Estate</th>
<th>Telecom (Infrastructure)</th>
<th>Telecom (downstream)</th>
<th>Mining</th>
<th>Oil &amp; gas (downstream)</th>
<th>Oil &amp; Gas Exploration</th>
<th>Plantation Agric</th>
<th>Thermal power transmission</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
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