ECOBANK GROUP REPORTS FOR THE YEAR ENDED 31 DECEMBER 2010

PRE-TAX EARNINGS OF $169 MILLION, UP 67% FROM PRIOR YEAR

NET INCOME OF $131.8 MILLION, UP 104% (1.14 $ CENTS BASIC EARNINGS PER SHARE)

REVENUES OF $899.6 MILLION AND EXPENSES OF $629.2 MILLION

OPERATING EXPENSES FELL 1%

NET PROVISION FOR CREDIT LOSSES OF $101.5 MILLION; DOWN 27% FROM PRIOR YEAR

TIER 1 CAPITAL OF $1.4 BILLION AND TIER 1 CAPITAL RATIO OF 20.2%, WELL ABOVE THE REGULATORY MINIMUM

ECOBANK IS UNIQUE IN THE REGION; REPORTS IN US$

OUR PERFORMANCE VALIDATES OUR DIVERSIFICATION STRATEGY AND THE BENEFITS OF THE REORGANISATION OF OUR BUSINESS INTO CUSTOMER-CENTRIC LINES

LOME, 31 March, 2011 – Ecobank Transnational Inc. (ETI) the parent company of the pan-African banking group with a presence in 32 African countries and strategic alliances with Nedbank of South Africa and Bank of China, and a strategic partnership with Old Mutual of South Africa, today reported for the year ended 31st December 2010 net income of $131.8 million, an increase of 104%, from the prior year and earnings per share of 1.14 $ cents per share, an increase of 97%, from the prior year.

Arnold Ekpe, Group Chief Executive Officer, commented: “The performance in 2010 reflected the benefits of our diversification strategy, the re-alignment of our business along customer-centric lines, and the unrelenting efforts of our employees across the Ecobank network. We invested in our businesses for growth and built strong client and customer relationships. The integration and optimization of our unique franchise delivered the desired cost efficiencies and asset quality. As a result, we saw a rebound in profits, which increased by 104% from the prior year, despite revenue headwinds in some of our regions, particularly, Nigeria. Additionally, we achieved significant decline in provision for credit losses as the credit environment improved.”

Ekpe further remarked: “Our balance sheet, which we have de-risked and de-leveraged, remains strong, ending the year with a Tier 1 capital ratio of 20.2% and healthy levels of liquidity. Also, for the first time, total assets crossed the $10 billion mark to $10.5 billion. We’re confident that our balance sheet positions us to generate strong earnings growth once the economic recovery firms up and market confidence improves.”
**KEY ITEMS**

- **Revenues** were up 3% to $899.6 million compared with $873.3 million in the prior year. The increase in revenues underlies the continued benefits of our diversification strategy as a decline in revenues in Nigeria was offset by a stronger performance in our other operating regions.

- **Operating expenses** were $629.2 million, down 1% on the prior year. The decrease in operating expenses reflected the positive impact of cost containment measures.

- **Provisions for credit losses** of $101.5 million showed a decline of $38.2 million, or 27%, from the prior year. The decrease from the prior year reflected continued improvement in the overall quality of the loan portfolio and the credit environment. In Nigeria, the introduction of the Asset Management Corporation of Nigeria (AMCON) to deal with troubled loans in the sector, helped improve loan book quality.

- **Net income** was $131.8 million, an increase of $67.2 million, or 104%, compared with the prior year. The doubling of net income was largely driven by a reduction in costs and provision for credit losses.

- **Tier 1 Capital and Tier 1 Capital ratio** of $1.4 billion and 20.2%, respectively, remain strong.

- **Overall, 2010 witnessed a rebound in economic activity in sub-Saharan Africa following the global financial crises of the last two years.** We remained committed to our strategy, which is focused on Africa, by increasing business and consumer loans by $498 million to $5.3 billion in 2010.

**REVENUES**

**Revenues** were $899.6 million, an increase of $26.3 million, or 3%, from the prior year. Net interest revenues were $474.8 million, up $15.7 million, or 3%, reflecting lower cost of funds offset by lower yields on earning assets in some of our markets. Non-interest revenues were $424.9 million, an increase of $10.6 million, or 3%, reflecting higher fees and commissions arising from increased business volumes and partially offset by lower trading income.

**Business Segment Analysis**

**Group** activities were reorganized along three customer-centric business segments: Corporate Bank, Domestic Banking and Ecobank Capital during the year to better align our activities to the needs of our customers.

- **Corporate Banking** revenues were $255.2 million, up 3%, compared with the prior year. The modest increase in corporate banking revenues was driven by growth in fees and commission income largely offset by a reduction in other income.

  Corporate Banking provides a broad range of financial solutions to multinationals, regional companies, state-owned companies, non-governmental organizations, international and multilateral organizations and financial institutions.

- **Domestic Banking** revenues were $447.7 million, up 8%, compared with the prior year. The increase from the prior year reflected higher fees and commission income arising from higher customer numbers, higher loan balances and lower provisions for future estimated losses.

  Domestic Banking provides banking products and services to governments, small and medium scale enterprises, local companies and consumers.

- **Ecobank Capital** revenues were $198.7 million, down 4%, compared with the prior year. The decline reflected lower business volumes offset by an increase in net interest revenues.

  Ecobank Capital comprises our treasury, investment banking, and asset management businesses.
Regional Analysis

Ecobank regions are grouped according to size and shared attributes such as a common currency.

- **Central Africa** revenues were $96.6 million, up 16%, from the prior year. The increase in revenues from the prior year was driven by fees and commissions, which grew by 36% to $39.3 million offset by lower growth in net interest revenue.

  Customer loans increased $86.3 million, or 17%, to $583 million, with strong growth in Congo Brazzaville. Customer deposits increased $106.1 million, or 12%, to $979.3 million, with appreciable growth in all subsidiaries.

  Central Africa comprises the six countries of the Commission de la Communauté Économique et Monétaire de l’Afrique Centrale (CEMAC) and Sao Tome & Principe. Ecobank is present in all the countries except Equatorial Guinea. The six CEMAC countries have a common currency, the CFA franc, one regional central bank – the Banque des Etats de l’Afrique Centrale (BEAC), a common commercial law code (OHADA) and two stock exchanges the Douala Stock Exchange (DSX) and the Gabon Stock Exchange.

- **Francophone West Africa** reported revenues of $281.1 million, up 2%, compared to the prior year. Net interest revenues were up 1% to $151.2 million, driven by lower loan balances. Non-interest revenues were $129.9 million, up 3%, driven by higher revenues from Domestic Banking and Ecobank Capital revenues.

  Customer loans were $2.2 billion, down $38.1 million, or 2%, from the prior year. The decrease in loan balances reflected our strategy to be selective in lending while improving liquidity. On the other hand, customer deposits increased by $294.7 million, or 11%, to $2.9 billion, reflecting the continued success of our deposit mobilization efforts.

  Francophone West Africa comprises the eight countries of the Union Economique et Monétaire Ouest Africaine, namely Benin, Burkina Faso, Cote d’Ivoire, Guinea Bissau, Mali, Niger, Senegal, and Togo. Cape Verde is included for management purposes only as it is outside UEMOA. The eight UEMOA countries have a common currency, the CFA franc, and the same regional central bank – the Central Bank of West African States or BCEAO. These countries have a common business law (OHADA) and one stock exchange (BRVM).

- **Nigeria** revenues were $254.6 million, declining 13% from the prior year. Net interest revenues were down 16% and non-interest revenues, down 9%. The decrease in revenues from the prior year reflected lower margins in the market.

  Customer loans were $1.5 billion, up $218.7 million, or 17% from the prior year. The increase was driven by Domestic Banking loans. Customer deposits were $2.3 billion, rising sharply by $605.7 million, or 37%, from the prior year, reflecting aggressive deposit mobilization during the year.

  Nigeria is categorized as a region on its own due to its size.

- **Rest of West Africa (excluding Nigeria)** revenues were $183.7 million, up 12%, from the prior year. The increase in revenues was driven by strong performance in net interest revenues, which increased 30% to $103.4 million, reflecting higher gross yields on earning assets. Non-interest revenues were $80.3 million, down 4% from the prior year, reflecting lower trading revenues and a flat growth in fees and commissions.

  Customer loans were $475.9 million, up $9.6 million, or 2%, from the prior year, reflecting lower loan balances in Guinea and Liberia, which were down 30% and 11%, respectively. Customer deposits were $1.3 billion, up $279.8 million, or 27% from the prior year.

  The Rest of West Africa comprises five countries in the West African Monetary Zone namely, Ghana, Guinea, Liberia, Sierra Leone and The Gambia. Ecobank is present in all these countries.

- **East Africa** revenues were $50.4 million, an increase of $21 million, or 71%, compared with the prior year. The increase in revenues was driven by solid growth of 95% and 53% in net interest revenues and non-interest revenues, respectively. The growth in net interest revenues reflected higher spreads on yields and by lower cost of funds. Non-interest revenues benefited from increased fees and commissions and FX activity arising from growth in volume of transactions.
Customer loans were $227 million, up $58.3 million, or 35%, driven by increasing credit opportunities in the region and in particular in Kenya. Customer deposits were $396.1 million, up $119.7 million, or 43% from the prior year.

We are encouraged by the performance of East Africa, whose subsidiaries have been operating for less than three years old. We are seeing increasing opportunities and we expect this region to contribute significantly to group performance in future.

The East African region comprises the member countries of the East African Community (EAC), namely Burundi, Kenya, Rwanda, Uganda, and Tanzania. Ecobank is present in all the countries of the EAC.

- **Southern Africa** revenues were $18.1 million, up $7.1 million, or 65%, from the prior year. The increase in revenues from the prior year benefited from strong growth in net interest revenues from Zambia and DR Congo and overall solid growth in non-interest revenues.

Customer loans were $63.2 million, up $35.6 million, or 129% from the prior year driven primarily by Zambia and DR Congo. Customer deposits were $85.4 million, up $28.8 million, or 51%, from the prior year. The growth in customer deposits was driven by significant deposit growth in Zambia.

The Southern African region comprises Angola, Democratic Republic of the Congo, Malawi, Mozambique, Zambia and Zimbabwe. Ecobank is present in all the countries except Mozambique.

**OPERATING EXPENSES**

Operating expenses were $629.2 million, declining 1% from the prior year. Staff expenses were $265.4 million, up 3% from the prior year, reflecting staff expense growth in East Africa offset by a decrease in staff expenses in Nigeria and Francophone WA. Other operating expenses were $363.8 million, down 3% from the prior year.

Overall, our strategic focus on achieving cost efficiency is paying dividends and supportive of earnings growth.

**CREDIT**

Net provisions for credit losses was $101.5 million, a decrease of $38.2 million, or 27%, compared with the prior year.

*Business Segment Analysis*

- **Corporate Bank** provision for credit losses was $41.5 million compared with $6.7 million in the prior year. The provision increase reflected an increase in estimated future credit losses primarily related to term loans.

- **Domestic Bank** provision for credit losses declined by $72.3 million, or 54%, compared with the prior year.

*Regional Analysis*

- **Central Africa** provisions were $6.7 million compared with $1 million in the prior year. The increase in provisions was primarily due to higher provisions in Cameroon and Chad.

- **Francophone WA** provisions declined by $6.3 million, or 42%, compared with the prior year. The decline from the prior year was broad based reflecting improved credit trends and lower loan balances.

- In **Nigeria**, provision for credit losses declined by 27% to $71.1 million. The decline reflected improvement in the quality of the loan portfolio.

- **Rest of Africa (ex Nigeria)** provision for credit losses fell 23% to $11.6 million.
- **East Africa** provision for credit losses was $3.8 million, down 57% from the prior year. The decline was largely due to improved asset quality in Kenya, where provision for credit losses fell 71%.

- **Southern Africa** provisions fell 68% to $0.5 million.

**TAXES**

The effective tax rate was 22% compared with 36% a year ago. The full year 2010 effective tax rate reflected tax benefits achieved in Nigeria. The tax expense for the period was $37.2 million compared with $36.5 in 2009.

**PROFIT**

*Ecobank net income* was $131.8 million, an increase of $67.2 million, or 104%, compared with the prior year. The increase in net income was primarily driven by a 27% reduction in the provision for credit losses and a decline in operating expenses.

**Business Segment Analysis**

- **Corporate Bank** reported profit before tax of $84.4 million, declining by 34%, primarily due to a decline in loan balances and higher provision on credit losses.

- **Domestic Bank** reported profit before tax of $10.2 million, compared with a net loss of $48.4 million in the prior year. Domestic bank’s return to profit reflected strong growth in fees and commissions and a 54% decline in provision for credit losses.

- **Ecobank Capital** reported profit before tax of $79.4 million, down 22%, compared with the prior year. The decline reflected lower business volumes and higher operating expenses offset by a 19% growth in net interest revenues.

**Regional Analysis**

- **Central Africa** reported net income of $14.7 million, up $5.4 million, or 59%, compared with prior year. The increase in net income reflected a 24% growth in non-interest revenues and a decline in expenses, offset by an increase in provision for credit losses.

- **Francophone West Africa** reported net income of $69 million, up $4.4 million, or 7%, compared with the prior year. The increase in net income benefitted from a significant decline in provisions for credit losses offset by lower growth in revenues.

- **Rest of West Africa (excluding Nigeria)** reported net income of $49.8 million, up $9.5 million, or 24%, compared with the prior year. The increase reflected growth in revenues and a reduction in provision for credit losses offset by an increase in operating expenses.

- **Nigeria** reported a net loss of $1.7 million compared with a net loss of $14.9 million in the prior year. The improved results reflected a decline in provision for credit losses, better expense management, and an income tax benefit.

- **East Africa** reported a net loss of $1.6 million compared with a net loss of $15.3 million in the year ago period. The significant improvement reflected strong revenue growth in all subsidiaries in the region and a decline in provision for credit losses offset by an uptick in operating expenses. Kenya moved into profits, reporting net income of $3.6 million compared with a net loss of $10 million in the prior year. Burundi also moved into profits, while Uganda saw a reduction in its net losses for the year.

- **Southern Africa** reported net income of $1.6 million compared with a net loss of $6.5 million in the prior year. The year’s net income reflected strong growth in revenues, which increased by 65%, a reduction in provision for credit losses by 68%, and efficient cost management. DR Congo’s performance was particularly strong helping the subsidiary post a net profit
compared with a net loss in the prior year. Given that the average age of our subsidiaries in the region is 1.5 years, we deem the results encouraging.

**BALANCE SHEET**

**Total assets** increased $1.5 billion, or 16% to $10.5 billion, compared with the prior year, crossing the $10 billion mark for the first time. The increase in total assets was largely driven by solid growth in customer deposits.

**Cash balances** were $1.1 billion, up $224 million, or 25%, compared with the prior year, largely driven by increased growth in customer deposits.

**Customer loans** were $5.3 billion, an increase of $498 million, or 10%, compared with the prior year. The increase in loans reflected the investments made in our business and customers. Loans in Nigeria grew by 17%, or $218.7 million, reflecting the gradual increase in economic activity. Loan growth in our newer regions, East Africa and Southern Africa, were up 32% and 129%, to $51 million and $35.6 million, respectively.

**Customer deposits** were $7.9 billion, an increase of $1.5 billion, or 22%, from the prior year. The increase from the prior year was largely driven by accelerated deposit mobilization efforts supported by the ongoing optimization of our unique franchise and 750+ branches. Again we saw strong growth in our newer regions, especially in East Africa, where deposits increased by 43%. Nigeria, also contributed significantly to deposit growth, increasing by $606 million, or 37%.

Our funding base is stable, primarily funded by low cost deposits. The loans-to-deposit ratio was 66% compared with 74% in 2009 and within our broad target of 75%.

**Shareholder’s equity** was $1.3 billion. In 2011, we plan to complete the $500 million we set out to raise in both Tier 1 and Tier II capital.

Overall, our balance sheet remains fundamentally strong with adequate levels of liquidity and well positioned for growth opportunities as they become available.

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**About Ecobank:** Incorporated in Lome, Togo, Ecobank Transnational Incorporated (ETI) is the parent company of the leading independent pan-African banking group. It currently has a presence in 32 African countries, namely: Angola, Benin, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Congo (Brazzaville), Congo (Democratic Republic), Côte d’Ivoire, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Liberia, Malawi, Mali, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, South Africa, Tanzania, Togo, Uganda, Zambia, Zimbabwe.

The group is also represented in France through its affiliate EBI S.A. in Paris. ETI also has representative office in Dubai, United Arab Emirates. ETI is listed on the stock exchanges in Lagos, Accra and the West African Economic and Monetary Union (UEMOA) – the BRVM. The Group is owned by more than 180,000 local and international institutional and individual shareholders. It has 10,003 employees from 32 different countries in over 750 branches and offices. Ecobank is a full-service bank providing wholesale, retail, investment and transaction banking services and products to governments, financial institutions, multinationals, international organizations, medium, small and micro businesses and individuals. Additional information may be found at [www.ecobank.com](http://www.ecobank.com).

**Cautionary Note Regarding Forward-Looking Statements**

Certain statements in this document are “forward-looking statements”. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements.
Conference Call:

Ecobank Transnational Inc. (Bloomberg: ETI NL) will be hosting a teleconference call for analysts and investors on Thursday, 7th April 2011 at 3.30pm GMT/ 4.30pm UK time/ 11.30am New York time/ 5.30pm SA time with its senior management to present Ecobank Transnational Inc. audited financial results for the yearend 31st December 2010. There will also be an opportunity at the end of the call for management to take questions from investors and analysts.

The teleconference call facility can be accessed by dialing:

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Participants would be asked for their Full Name, Company name and Conference ID

**Conference ID**: 568 09 606

Participants should call at least five minutes before the start of the presentation.

For those who are unable to listen to the live call, an Encore replay facility will be available with details made available after the call.

The presentation will be posted on the Ecobank website the morning of the teleconference call www.ecobank.com

Please note that there would be a replay facility available until 17th of April, 2011

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