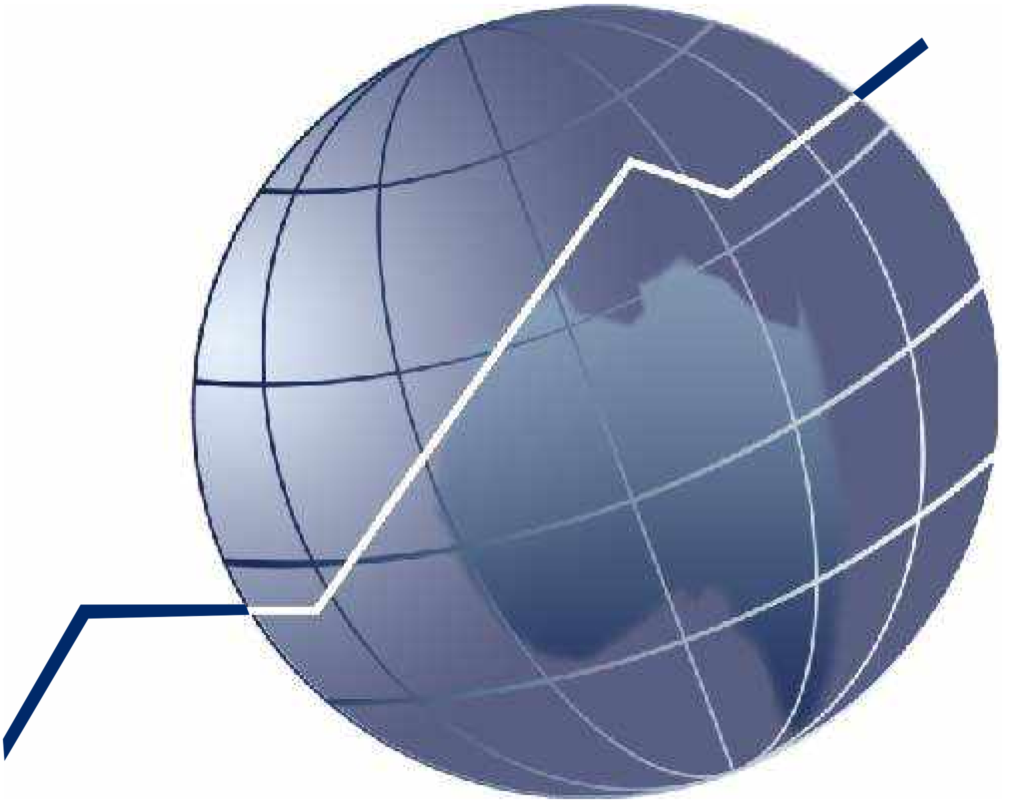
ECOBANK
TRANSNATIONAL INCORPORATED

2004
Annual
Report



Interact5 00228 221 14 11 Lomé-Togo

ECOBANK

A premier regional bank, continues to make progress due to the following factors :

- The consolidation of its achievements;
- Strategy based on operational efficiency, customer service, long term growth and profitability;
- Human capital, more than 2000 employees, continuously trained to face challenges;
- Technological innovation to service our customers;
- Good governance.

Training session (Lome-Togo)

Group Values:

- Professionalism;
- Team Spirit;
- Transparency;
- Compliance with laws and regulations.

Ecobank Network

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Contents

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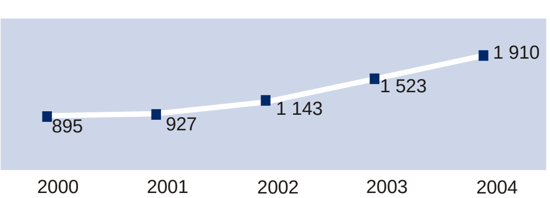
Group Highlights

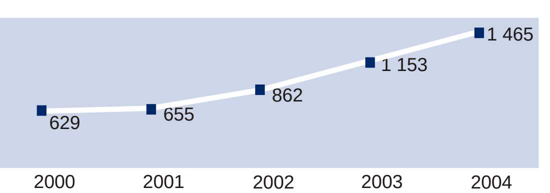
In thousands of US dollars, except per share, ratio and headcount data

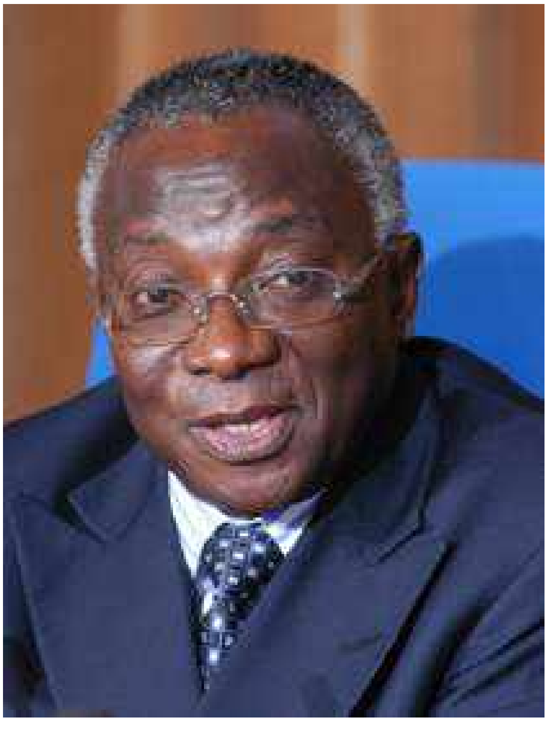
	2004	2003
AT YEAR END		
Assets	1,910,433	1,523,091
Loans and advances	923,661	785,983
Deposits	1,465,117	1,153,235
Shareholders' equity	128,547	105 502
Book value per share ($)	1.82	1.62
Non - performing loans to total loans (%)	9.3	7.7
Headcount (number)	2,033	1,726
Branches and locations (number)	109	88
FOR THE YEAR		
Operating income	207,840	156,690
Loan loss provision	20,422	5,672
Profit before tax	60,315	48,462
Profit after tax	40,427	30,214
Profit attributable	31,431	22,197
Basic earnings per share (cents)	47	39
Basic earnings per share - restated (cents)	47	38
Dividend per share (cents)	7.5	10.0
Return on average equity (%)	26.9	24.3
Return on average assets (%)	2.4	2.3
OTHER DATA		
Risk - based capital ratios (%):		
Total	13.3	13.7
Tier 1	13.1	12.9
Average number of shares outstanding (Number in thousands):		
Ordinary share	66,795	56,583
Preference shares	-	3,750

Assets
in US $ millions



Deposits
in US $ millions





I am pleased to report that 2004 was another good year with Ecobank delivering record profits for the second successive year. This performance demonstrates the strength of our strategy and the determination of the Ecobank people to ensure its consistent delivery notwithstanding the conditions.

Our Results

The highlights of our performance include:

- Record operating income of $207.8 million, an increase of 32.6 per cent over 2003.
- Profit before tax of $60.3 million up by 24.4 per cent, a new record.
- Record profit after tax of $40.4 million up 33.8 per cent from $30.2 million.
- Adjusted earnings per share increased to 47 cents, from 38 cents.
- Return on average equity of 26.9 per cent.
- Customer deposits increased by 27.0 per cent to $1.46 billion.
- Total shareholders' funds rose by 21.8 per cent to $128 .5 million.
- Total assets of $1.91 billion.

Despite the many challenges, including the situation in Cote d'Ivoire which did not augur well for normal operations, we were able to achieve strong earnings growth from our businesses. This provides additional proof of the strength of our network.

Developments

The launching of the West African Monetary union with the “eco” as single currency, which was initially scheduled for 1 July 2005, has been postponed to 1 December 2009. We hope that member countries will accelerate measures in order to meet the convergence criteria. Meanwhile the Ecobank Group, in consultation with the central banks authorities, will continue to seek ways of facilitating payments for intra-regional trade.

In July 2004, the Central Bank of Nigeria issued a directive which specified that all banks in Nigeria must increase their shareholders' funds to at least 25 billion naira ($ 188 million) by 31 December 2005. For 86 of the 89 banks in the country, including the Ecobank subsidiary, it has meant raising additional capital or merging with another bank, or both. Your Board of Directors took the decision that our vision of an African institution would be compromised if we do not maintain a strong presence in the largest market in the region.

The extraordinary general meeting of shareholders that took place in March 2005 approved the raising of additional capital to increase ETI's investment in Ecobank Nigeria and other subsidiaries. A part of the funds raised will also be committed to the implementation of our Group expansion strategy.

Governance and Regulation

Other than improving our financial results, we have continued to strengthen our governance practices. These are crucial for our survival as an institution and for the sustainability of our earnings growth in the long-term.

Consequently, we maintain high ethical standards at Ecobank and insist on practices and conduct that ensure transparency, fairness and protection of stakeholder interests. Above all, compliance with regulations is a part of our culture.

People

Great and successful financial institutions are built around good people; people with different but complementary talents who are able and willing to excel on all fronts.

At Ecobank we invest in people as a way of ensuring a solid foundation for the future. We give them the opportunity to take on challenges, to be stretched, to grow professionally and to share in the rewards of good performance. This is the reason for our success and why the best professionals want to join the Ecobank family.

On your behalf and on behalf of your Board of Directors, I wish to thank the management and staff for their dedication and efforts which continue to manifest in good results.

Rizwan Haider retired from the Board in July 2004 at the end of his contract. He joined the Group as Chief Operating Officer and a member of the Board in July 2001. During his three-year tenure, he played a significant role in building our business. I thank him for the contribution he has made to the Ecobank Group.

In November 2004, Jean Aka completed his tenure as Group Chief Executive Officer. I wish, on behalf of your Board, our staff and you the shareholders, to express our gratitude to Jean Aka for his years of dedication at both country and Group levels and his contribution to the success of Ecobank over the years.

Maintaining our Focus

Your Board and management are confident that through the continued implementation of a strategic plan, Ecobank can make a difference in the market and accordingly create increasing value for shareholders.

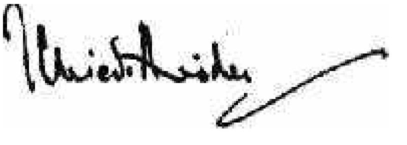
We will therefore continue to focus on core businesses in our existing markets. This, we believe, will offer significant growth opportunities over the coming years. We will also take advantage of the strength of our franchise in these markets and the growth opportunities they will provide. We will remain vigilant on all risk issues and asset quality.

Outlook

The result for the first quarter of 2005 already reflects the initiatives we implemented last year to improve the Bank's future performance. Deposit growth has been strong. Fee income is above expectations. As a consequence, overall performance is in accordance with our plan. We expect to maintain this trend. Hence we look forward to 2005 being another record year.

The Group has never been in a stronger position, financially as well as in opportunities, than it is today. Across any range of metrics Ecobank is well placed. Your Board is therefore very positive about its ability to enhance its position in the market in future years.

Thank you for your support



Philip C. Asiodu
Chairman of the Board of Directors

The Group's business operating model for the 2004 financial year consisted of five lines of business:

Consumer banking
Commercial banking
Institutional banking
Investment banking
Wealth management

These business lines were supported by the following functions: people, technology, finance, risk management, internal audit, company secretariat and corporate affairs.

Consumer Banking

The Group's consumer banking business is structured to provide a range of products and services to serve the retail financial needs of customers. Overall this sector has seen significant growth push as delivery channels have expanded. During the year more branches and cash offices were opened to bring the number of Ecobank outlets from 88 to 109.

Considerable progress was made in the commercialization of our cards/ATM initiative. In Nigeria, Ecobank launched MasterCard in August thus becoming the first bank to launch an international credit card in the country. Ecobank plans to offer card services in all its countries of operation by the end of 2005. Internet banking is now available throughout the franchise.

A new subsidiary, ECV Servicos Financeiros Agencia de Cambios opened its doors in November 2004 in Praia, Cape Verde. Its focus is on foreign exchange and transfer services.

Commercial Banking

The commercial banking business of Ecobank services a wide range of companies including sole proprietors, partnerships as well as small and medium-sized enterprises (SMEs).

This market segment carries specific risks but can offer a good rate of return if managed well. In recognition of its considerable potential, the Group initiated a concerted effort across the region to strengthen its in-house capacity to service this segment. In line with this initiative, special products have been developed and staff training programmes designed to assist the Group to better manage the peculiar needs and risks of the segment.

Institutional Banking

Ecobank's institutional banking business is directed

Liberation Statute (Liberia)

at serving the public sector, multilateral agencies, financial institutions and the organized private sector including major local companies and multinationals.

Our business with this sector focuses on tailoring products to the specific requirements of our customers and thereby developing and maintaining mutually profitable long-term relationships. In spite of keen competition with some of the biggest names in international banking, Ecobank continues to leverage its regional presence and local experience which have led to considerable growth in business volumes.

Investment Banking

Investment banking services are offered through a specialized company which works directly with the institutional banking departments of the different subsidiaries. It is active in the capital markets and in helping customers gain access to financial solutions for complex transactions such as structured finance, project finance and acquisition finance.

Through its specialized knowledge of the respective legal, regulatory, commercial and financial implications of different transactions, Ecobank investment banking is able to develop innovative financing structures for customers.

Wealth Management

Wealth management is focused on three main business activities: private banking, investments and financial advisory services. Private banking assists high net worth individuals with banking, financial planning and asset management services. The latter is offered both directly as well as through third-party specialists.

Technology and Telecommunications

Effective,cost-efficient technology and communications systems are crucial to the success of any bank with a wide scope of operations. Through increased levels of standardization and centralization of transaction processes we expect to be better positioned to control costs, improve the quality of service to our customers and provide a fast and reliable management reporting system.

Our technology and telecommunications company, eProcess International SA, achieved successes in providing a shared gateway for our payment systems and for our regional ATM network. This move is aimed at improving the efficiency of the support we are currently able to provide our various locations.

People

The successes achieved at Ecobank remain the result of the efforts of its people. It is clear to us that our ability to satisfy customers depends on employing and maintaining competent, highly skilled and motivated staff. In 2004, we focused more on training at all levels than we have done in recent years within the Group. More training seminars were organized at Group level in order to develop technical and managerial skills and ensure common standards. In an effort to improve staff motivation, we conducted more human resources audits and monitored the implementation of corrective actions.

Brand Development

Ecobank is committed to developing a strong brand name that is synonymous with strong ethics, high quality, customer friendliness and values. In addition to customer service initiatives and people development, product models and premises designs, which conform to Ecobank standards are being implemented across the Group.

The aim remains to make Ecobank an institution that provides world-class service.

Inflation and Exchange Rate Movements

Ecobank holds assets which are predominantly financial in nature. The impact of inflation and exchange rate movements on the Group is significantly different from that on a company or group that has a high proportion of its assets in property and equipment. During periods of inflation and/or currency depreciation, monetary assets tend to lose value in terms of purchasing power while the value of fixed assets may remain unaffected.

Monetary gains and/or losses are reported in the financial statements in the manner required by International Accounting Standards.

2004 Results

Ecobank achieved a record performance in 2004. The Group's profit before tax rose by 24 per cent to $60.3 million, from $48.5 million in 2003. Net interest income, fee, commission and exchange incomes all increased significantly contributing to a 34 per cent increase in total operating income. Operating expenses were 24 per cent higher reflecting an increase in the scale of our operations. However, overall there was a 34 percent increase in net profit.

Asset Quality

Average loans and advances rose by 30.4 per cent to $855 million from $655 million. At 31 December 2004, non-performing loans stood at $93.9 million or 9.3 per cent of the total loan portfolio, up from $64.1 million or 7.6 per cent last year. The Group's net loan loss expense amounted to 2.4 per cent of the average loans in contrast to a lower percentage in 2003 of 0.9 per cent.

Liquidity and Funding

Customer deposits represented 84 per cent of total liabilities at 31 December 2004, up from 83.1 per cent in 2003. The Group had a net liquidity gap at one month equal to 10.9 per cent of total assets (20.9 per cent in 2003). Average deposits grew by 29.9 per cent to $1,309 million from $1,008 million.

Net Interest Income

Net interest income at $101.4 million was $20.8 million or 25.8 per cent higher than in 2003. This level of increase reflects growth in volumes and improved asset and liability management. Average earning assets rose by 29.3 per cent to $1,379 million. Net interest margin (net interest income divided by average earning assets) was down slightly to 7.4 per cent from 7.6 per cent.

Other Operating Income

Other operating income was $106.4 million, or 39.8 per cent higher than in 2003. This demonstrates the Group's increased focus on fee-based income. Net fees and commissions increased by 38.8 per cent to $71 million compared to $51 million in 2003, representing 34.2 per cent of total operating income as against 32.8 per cent last year.

Operating Expenses

Operating expenses were $127.1 million compared to $102.6 million in 2003. The opening of new branches and other service delivery points in the pursuance of our strategy of enhanced customer service is the main reason for the 24 per cent increase. In addition, the relative weakness of the US dollar in 2004, in comparison to our operating currencies, made the increase in expenses look much higher than they actually were (see Note 34).

Bad Debt Expense

Net loan loss expense was $20.4 million in contrast to the 2003 amount of $ 5.7 million. The Group made gross provisions of $26.9 million against loan losses in 2004, twice the amount for 2003. More than half of the provisions were made to recognise the difficulties experienced in Cote d'Ivoire.
The Group recovered loans previously written off or "reserved against" in the amount of $6.5 million. Recovery efforts have been intensified and it is expected that a substantial part of the provisioned amounts will be repaid in 2005.

Earnings

Net attributable profit was $31.4 million which was a 41 per cent increase over the $22.2 million recorded in 2003. Return on average equity was 26.9 per cent, as against 24.3 per cent in 2003. Return on average assets was 2.4 per cent, up from 2.3 per cent last year.

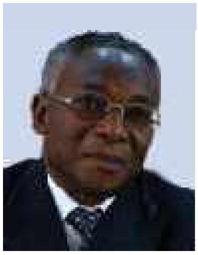
Basic earnings per share increased, by 20 per cent, to 47 cents from 39 cents. Adjusted earnings per share increased to 47 cents, or by 23.7 per cent, from 38 cents.

Capital Adequacy

Shareholders equity grew from $105.5 million to $128.5 million after absorbing the effects of currency translation adjustments. Tier one capital ratio was 13.1 per cent. Total capital ratio was 13.3 per cent.

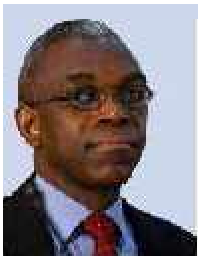
Internationally all banks are expected to comply with the Basel II standards by the end of 2006. Ecobank has initiated a process aimed at fulfilling these new requirements by the stipulated deadline.

Board of Directors



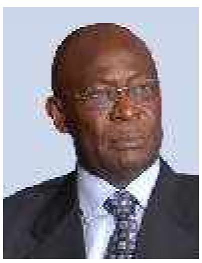
Philip C. Asiodu
Chairman

Michel Abrogoua
Vice Chairman



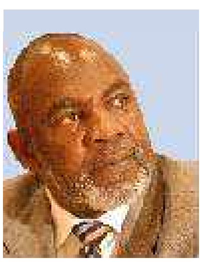
M. Olufemi Adefope
Ag. Group Chief Executive Officer
(effective December 1, 2004)
& Group Finance Director

Christian Adovelande



Jean N. Aka
Group Chief Executive Officer
(up to November 30, 2004)

J. Kofi Bucknor

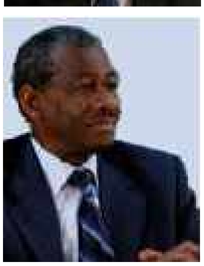


Cheick Modibo Diarra

Rizwan Haider
Group Chief Operating Officer
(up to July 31, 2004)

Kolapo Lawson

Oba A. Otudeko



Mande Sidibe


Meeting of the Board of Directors (Lome-Togo)

Principal Activity

Ecobank Transnational Incorporated (ETI) is a bank holding company. Its principal activity is the provision of banking and financial services through its subsidiaries and affiliates. It enjoys special fiscal, exchange control and legal rights under a headquarters agreement with the Government of Togo.

A review of the business of the Group during the year 2004 and of likely future developments are contained in the Business and Financial Review on pages 5 to 7.

Results

The Group's net profit after tax was $ 40.43 million. Net profit attributable to ETI was $ 31.43 million. The details of the results for the year are set out in the consolidated profit and loss statement on page 15.

The directors approved the financial statements of the Company and the Group for the year ended 31 December 2004 at the meeting of the Board held on 26 April 2005. Mr. Philip C. Asiodu and Mr. M. Olufemi Adefope were authorised to sign the accounts on behalf of the Board.

Dividend

The directors recommend the payment of 7.5 cents per ordinary share as dividend.

Capital

In accordance with the investment agreement between the IFC and the company, the 3,750,000 Preference shares held by the IFC were converted into 1,530,612 ordinary shares at a price of US$2.45 per share. Pursuant to the resolution of the General Meeting held on 21 July 2003 in Cotonou (Benin), these new ordinary shares were repurchased in 2004 by the company from the IFC at the price of $2.45 per share and resold to other investors. This operation reduced the issued share capital of the company from $ 66,511,127 to $ 64,291,739.

At the Annual General Meeting held in Lome, on 18 July 2004, a bonus share issue of one (1) new ordinary share for every ten (10) shares held was approved. A total of 6,275,727 ordinary shares were issued in this respect bringing the total number of shares to 70,507,466. During the year, 192,307 shares were issued at a price of $2.60 per share to the outgoing Group CEO under an executive share option clause in his employment contract, bringing the share capital at the close of the year to 70,759,773 shares.

Directors and Company Secretary

The names of the directors of the company and the name of the Company Secretary appear on pages 8 to 11 respectively of this report.

At the Annual General Meeting held in Lome, Togo, on 18 June 2004, the mandate of Mr. Philip C. Asiodu was renewed for one (1) year.

At the same General Meeting, the mandate of Mr. Jean Nelson Aka was renewed subject to the terms of his employment as Managing Director and Chief Executive Officer of the company. Mr. Aka's contract ended on 30 November 2004 after which he retired from the Board.

Following the departure of Mr. Aka, Mr. M. Olufemi Adefope, Group Finance Director, was appointed by the Board as the acting Managing Director and Chief Executive Officer, in addition to his functions as Finance Director.

In 2003, the Board adopted measures to restructure the Board and reduce its membership. With these measures, Mr. Fogan Sossah retired from the Board on 31 December 2003 Mr. Rizwan Haider also retired on 31 July 2004 at the end of his employment with the company.

As at 31 December 2004 the Board was composed of nine (9) directors of whom eight (8) are non executive directors and one (1) executive director.

The Board of Directors met five (5) times during the year.

During the year, the Board reviewed the Group Governance Charter, particularly the provisions relating to Board committees. Consequently, the Board committees were reduced from four (4) to three (3). The three committees are :

The Governance and Strategy Committees
The Audit and Compliance Committee
The Risk Management Policy Committee

The responsibilities of the Governance and Strategy Committee are to formulate, review and generally handle all policies applicable to all units of the Group and ensure good governance throughout the Group. The Committee is also responsible for all human resources issues.

The Audit and Compliance Committee is responsible for the review of all issues relating to internal and external audit functions. The Committee shall finalize the annual financial statements and ensure compliance with all applicable laws and regulations and operating standards.

The Risk Management Policy Committee is responsible for the determination and definition of policies and guidelines for review and approval of credits within the Group and the periodic review of credit portfolio reports and assessment of portfolio performance.

These Committees as well as some ad hoc committees met at various times during the year to deliberate on issues under their respective mandates and to make recommendations to the Board.

Directors' Interests

The directors' beneficial interests in the ordinary shares of the company as at 31 December 2004 are reported on page 35.

Corporate Governance and Compliance

The company maintains corporate policies and standards designed to encourage good and transparent corporate governance, avoid potential conflicts of interest and promote ethical business practices.

Subsidiaries

Ecobank's operations grew in all countries in which it is present, namely Benin, Burkina Faso, Cameroon, Côte d'Ivoire, Ghana, Guinea, Liberia, Mali, Niger, Nigeria, Senegal and Togo.

During 2004, a subsidiary of ETI, ECV Servicos Financieros Agencia de Cambios, was established in Cape Verde to offer financial services, particularly money transfer services.

Ecobank Development Corporation, the investment banking and capital markets subsidiary, and the stock broking units continued to develop their business during the year.

eProcess International SA, the subsidiary , specialised in information technology services, became fully operational during the year.

Ecobank Transnational Incorporated has a majority equity interest in all its subsidiaries, and through technical services agreements, provides them with management, operational, technical, training, business development and advisory services.

Post Balance Sheet Events

There were no post balance sheet events which could materially affect either the reported state of affairs of the Company as at 31 December 2004 or the profit for the year ended on the same date which have not been adequately provided for or disclosed.

Responsibilities of Directors

The Board of Directors is responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the company at the end of the financial period and of the results for that period. These responsibilities include ensuring that:

(i) adequate internal control procedures are instituted to safeguard assets, prevent and detect fraud and other irregularities;

(ii) proper accounting records are maintained;

(iii) applicable accounting standards are followed;

(iv) suitable accounting policies are used and consistently applied;

(v) the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Independent External Auditors

The joint auditors, PricewaterhouseCoopers, Lagos, Nigeria and PricewaterhouseCoopers, Abidjan, Côte d'Ivoire have indicated their willingness to continue in office. A resolution will be presented to authorise the directors to determine their remuneration.

By order of the Board,

Benoit Zannou
Company Secretary
26 April 2005

The 3rd Millenium Gate (Dakar-Senegal)

Group Management
At 31 December 2004

Group Management Council

Jean N. Aka
Group Chief Executive Officer
(up to November 30, 2004)

M. Olufemi Adefope
Ag. Group Chief Executive Officer
(effective December 1, 2004)
& Group Finance Director

Rizwan Haider
Group Chief Operating Officer
(up to July 30, 2004)

Olayemi A. Akapo
MD, Ecobank Guinea

Oladisun Holloway
MD, Ecobank Development Corp.

Antoine K. Nzongola
Group Chief Risk Officer

Funke Osibodu
MD, Ecobank Nigeria

Fogan Sossah
MD, Ecobank Côte d'Ivoire

Benoit Zannou
Company Secretary &
Chief Compliance Officer

Group Consultative Committee

Jean N. Aka
Group Chief Executive Officer
(up to November 30, 2004)

M. Olufemi Adefope
Ag. Group Chief Executive Officer
(effective December 1, 2004)
& Group Finance Director

Rizwan Haider
Group Chief Operating Officer
(up to July 30, 2004)

Joseph K. Agbemehin
Group Training

Olayemi A. Akapo
MD, Ecobank Guinea

Karen Akiwumi-Tanoh
Group Head, Strategy &
Business Development

Felix Bikpo
MD, Ecobank Niger

Yves Coffi Quam-Dessou
Group Treasurer

Yaya Diong
MD, Ecobank Liberia

Laurence do Rego
Group Financial Controller

Assiongbon Ekue
MD, Ecobank Burkina

Albert Essien
MD, Ecobank Ghana

Oladisun Holloway
MD, Ecobank Development Corp.

Christophe Jocktane-Lawson
MD, Ecobank Benin

Abou Kabassi
MD, Ecobank Mali

Robert Kwami
Group Internal Auditor

Richard Kyereboah
Group Head, Human Resources

Antoine K. Nzongola
Group Chief Risk Officer

Funke Osibodu
MD, Ecobank Nigeria

Fogan Sossah
MD, Ecobank Côte d'Ivoire

Evelyne TALL
MD, Ecobank Senegal

Louis Vieilledent
MD, Ecobank Cameroon

Sylvain Yangni-Angate
MD, Ecobank Togo

Benoit Zannou
Company Secretary &
Chief Compliance Officer

We have audited the accompanying consolidated balance sheet of Ecobank Transnational Incorporated as of 31 December 2004 and the related profit and loss and cash flow statements for the year then ended set out on pages 14 to 43 which have been prepared in accordance with the accounting policies on pages 18 to 21.

Respective Responsibilities of Directors and Auditors

The company's directors are responsible for the preparation of the financial statements. It is our responsibility to express an independent opinion, based on our audit, on those financial statements prepared by the directors.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates and judgments made by the directors, and an evaluation of the overall adequacy of the presentation of the financial statements.

We planned and performed such audit procedures and obtained all the information and explanations, which we considered necessary for the purpose of our audit. We believe that our audit provides us with a reasonable basis for our opinion.

Opinion

In our opinion, the financial statement present fairly in all material respects the financial position of the Group as of 31 December 2004 and of the results of its operations and its cash flows for the year then ended in accordance with International Accounting Standards.

PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria
28 April 2005

PricewaterhouseCoopers
Chartered Accountants
Abidjan, Côte d'Ivoire
28 April 2005

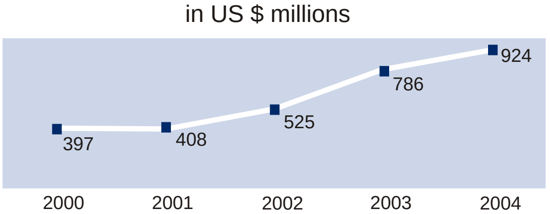
	Note	2004 US $'000	2003 US $'000
Assets			
Cash and short-term funds	2	559,528	384,563
Treasury and other eligible bills	3	235,364	184,483
Investment securities	4	32,795	53,035
Loans and advances	5	923,661	785,983
Other assets	6	92,777	65,315
Equipment on operating lease	7	7,360	3,900
Fixed assets	8	58,948	45,812
Total assets		**1,910,433**	**1,523,091**
Liabilities			
Due to banks	9	94,938	89,719
Deposits	10	1,465,117	1,153,235
Taxation	11	18,769	17,608
Other liabilities	12	139,834	111,392
Other borrowed funds	13	25,189	15,284
Total liabilities		**1,743,847**	**1,387,238**
Minority interest	14	38,039	30,351
Shareholders' equity			
Share capital	15	70,759	66,511
Reserves	16	57,788	38,991
Total shareholders' equity		**128,547**	**105,502**
Total liabilities and shareholders' equity		**1,910,433**	**1,523,091**
Acceptances and guarantees	29	493,508	275,558

The financial statements on pages 14 to 43 were approved by the board of directors on 26 April 2005 and signed on its behalf by:

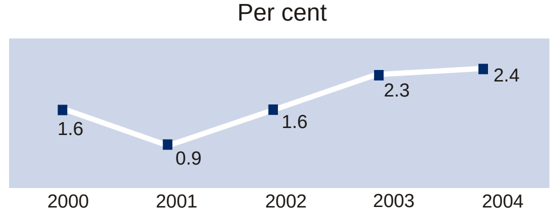
Philip C. Asiodu
Chairman

M. Olufemi Adefope
Ag. Chief Executive Officer

Loans and advances
in US $ millions



Return on average assets
Per cent

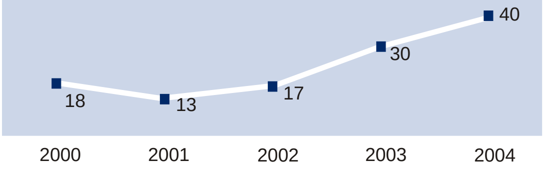


Consolidated Profit and Loss Statement

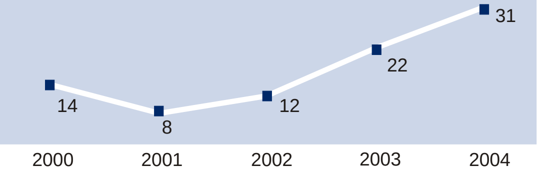
As at 31 December 2004

	Note	2004 US $'000	2003 US $'000
Interest and discount income	17	145,216	112,622
Interest and discount expense	18	(43,775)	(31,999)
Net interest income		**101,441**	**80,623**
Fee, commission and foreign exchange income	19	103,159	75,752
Other income	20	3 ,240	315
Operating income		**207,840**	**156,690**
Bad and doubtful debt expense	21	(20,422)	(5,672)
Operating expenses			
Staff costs	22	(48,460)	(38,216)
Goodwill amortisation		-	(3,064)
Depreciation and amortisation	23	(11,571)	(8,953)
Other operating expenses	24	(67,072)	(52,323)
Profit before tax		**60,315**	**48,462**
Tax expense	11	(19,888)	(18,248)
Profit after tax		**40,427**	**30,214**
Minority interest	14	(8,996)	(8,017)
Transfer to retained earnings	**16**	**31,431**	**22,197**
Earnings per share (US$)			
- basic	26	0.47	0.39
- diluted	26	0.47	0.38

Profit after tax
in US $ millions



Profit attributable
in US $ millions

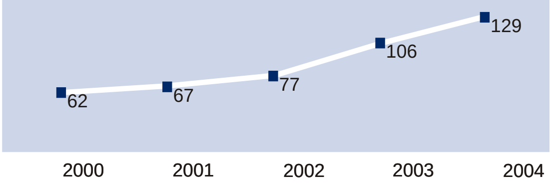


Consolidated Statement of Changes in Equity

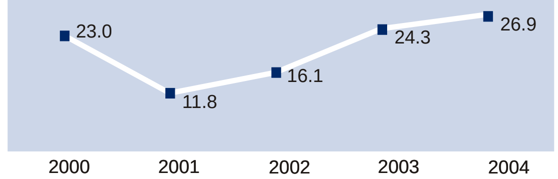
As at 31 December 2004

	Share Capital US $'000	Share Premium US $'000	Reserves US $'000	Total Equity US $'000
Balance at 1 January 2003	**55,920**	**16,959**	**4,112**	**76,991**
Currency translation differences	-	-	8,869	8,869
Profit for the year	-	-	22,197	22,197
2003 interim dividend	-	-	(2,609)	(2,609)
Preference dividend for 2003	-	-	(356)	(356)
Issue of ordinary shares	10,591	253	(10,434)	410
Balance at 31 December 2003	**66,511**	**17,212**	**21,779**	**105,502**
Balance at 1 January 2004	**66,511**	**17,212**	**21,779**	**105,502**
Reserves of previously unconsolidated subsidiaries	-	-	(1,942)	(1,942)
Adjustment for intra group equity holding in subsidiaries	-	-	(5,205)	(5,205)
Currency translation differences	-	-	1,119	1,119
Net profit for the year	-	-	31,431	31,431
Final dividend for 2003	-	-	(3,139)	(3,139)
Redemption of preference shares	(3,750)	-	-	(3,750)
Issue of ordinary shares	7,998	2,808	(6,275)	4,531
Balance at 31 December 2004	**70,759**	**20,020**	**37,768**	**128,547**

Shareholders' equity
in US $ millions



Return on average equity
Per cent



Consolidated Cash Flow Statement

As at 31 December 2004

	2004 US $'000	2003 US $'000
Cash flows from operating activities		
Interest and discount receipts	146,413	108,536
Interest payments	(45,623)	(31,999)
Fee and commission receipts	103,159	75,752
Other income received	2,601	259
Cash payments to employees and suppliers	(131,736)	(96,211)
Income tax paid	(19 ,190)	(12,112)
Cash flows from operating profit before changes in operating assets and liabilities	**55,624**	**44,225**
Changes in operating assets and liabilities:		
Net increase in treasury bills and other securities	(50,881)	(53,291)
Net (increase)/decrease in investment securities	15,035	(21,827)
Net increase in loans and advances	(137,678)	(261,220)
Net increase in net sundry receivables	(24,493)	(10,336)
Net increase in deposits	311,881	292,348
Net increase/(decrease) in other liabilities	21,847	(1, 021)
Net cash flows from operating activities	**191,335**	**(11,122)**
Cash flows from investing activities		
Purchase of assets on lease	(4,829)	(3,944)
Purchase of fixed assets	(23,725)	(14,675)
Proceeds from sale of fixed assets	1,574	1,179
Net cash used in investing activities	**(26,980)**	**(17,440)**
Cash flows from financing activities		
Proceeds from issue of shares	4 ,531	410
Dividend paid to Group shareholders	(3,139)	(2,965)
Dividend paid to minority shareholders	(1,308)	(980)
Redemption of preference shares	(3,750)	-
Proceeds from other borrowed funds (net)	9,904	4,720
Net cash from financing activities	**6,238**	**1,185**
Effect of exchange rate changes on cash and cash equivalents	**(847)**	**8,185**
Net increase in cash and cash equivalents	**169,746**	**(19,192)**
Cash and cash equivalents at 1 January	294,844	314,036
Cash and cash equivalents at 31 December (Note 2)	**464,590**	**294,844**

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below:

A - Basis of Presentation

These financial statements are the consolidated financial statements of Ecobank Transnational Incorporated, a company registered in Togo on 7 October 1985, and its subsidiaries (hereinafter collectively referred to as "the Group"). The consolidated financial statements are prepared in accordance with International Accounting Standards. The consolidated financial statements are prepared under the historical cost convention as modified by the revaluation of certain assets to fair value and conform to generally accepted accounting principles and regulatory requirements.

The Group's operations and the records of the parent company are reported and maintained respectively in US dollars in accordance with the company's Articles of Association.

The US dollars is used as the measurement and reporting currency for the Group as it best reflects the economic substance of the underlying events, activities and circumstances of the parent company. Substantially all the economic activities of the parent company are denominated and settled in US dollars as opposed to the CFA franc the currency of its country of domicile.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

B - Subsidiary Undertakings

Subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than half of the voting rights or otherwise has power to exercise control over the operations, have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group, and subsidiaries to be divested are included up to the date of divestment. All intercompany transactions, balances and unrealised surpluses and deficits on transactions between group companies have been eliminated. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made for minority interest.

A list of the Group's principal subsidiaries is set out in Note 35.

C - Foreign Currency

Items included in the financial statements of each entity of the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. Profit and loss statements and cash flows of foreign entities are translated into the Group's reporting currency at average exchange rates for the year and their balance sheets are translated at the year end exchange rates as at on 31 December. Exchange differences arising from the re-translation of the net investment in foreign subsidiaries are taken to translation reserve in shareholders' equity. When a foreign entity is sold, such exchange differences are recognised in the profit and loss statement as part of the gain or loss on sale.

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit and loss statement. Such balances are translated at year end exchange rates or where appropriate, at the rate of the related forward contract.

Translation differences on debt securities and other monetary financial assets at fair value are included in foreign exchange gains and losses, whereas translation differences on non-monetary items such as equities held for trading are reported as part of the fair value gain or loss. Translation differences on available-for-sale equities are included in the revaluation reserve in equity.

D - Interest Income and Interest Expense

Interest income and expense on all interest earning assets and interest bearing liabilities are recognised in the profit and loss statement on an accrual basis. Interest income includes coupons earned on fixed income securities and trading securities. It also includes accrued discount and premium on discounted instruments. When a loan becomes doubtful of collection, it is written down to the recoverable amount and the accrual of interest income is suspended. Income is thereafter recognised on a cash basis.

E - Fee and Commission Income

Fees, commissions and other income are generally recognised on an accrual basis. Fees and commissions arising from negotiating or participating in the negotiation of a transaction on behalf of a third party are recognised as earned upon the completion of the underlying transaction. Loan origination fees for loans with the probability of being drawn down are deferred, together with the related direct costs, and booked as an adjustment to the effective yield on the loan. Advisory fees and other service fees are booked on the basis of the applicable service contracts.

F - Non-Interest Expenses

Non-interest expenses are recognised at the time the products are received or the services are provided.

G - Investment Securities

Investment securities are classified into the following two categories: held-to-maturity and available-for-sale assets. Investment securities with fixed maturity where management has both the intent and the ability to hold to maturity are classified as held-to-maturity. Investment securities which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices are classified as available-for-sale. Management determines the appropriate classification of its investments at the time of the purchase.

Investment securities are initially recognised at cost (which includes transactions costs). Available-for-sale financial assets are subsequently re-measured at fair value based on quoted bid prices or amounts derived from cash flow models. Fair values for unquoted equity instruments are estimated using applicable price/earnings or price/cash flow ratios refined to reflect the specific circumstances of the issuer. Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in equity. When securities are disposed of or impaired, the related accumulated fair value adjustments are included in the profit and loss statement as gains and losses from investment securities.

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. By comparison, the recoverable amount of an instrument measured at fair value is the present value of expected future cash flows discounted at the current market rate of interest for a similar financial asset.

Interest earned whilst holding investment securities is reported as interest income. Dividends receivable are included separately in dividend income when a dividend is declared.

H - Loans and Provisions for Loan Impairment

All loans and advances are recognised when cash is advanced to borrowers. Initially, loans and advances are recorded at cost, which is the fair value of the consideration given. An allowance for loan impairment is established if there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms of loans. The amount of the provision is the difference between the carrying amount and the recoverable amount, including amounts recoverable from guarantees and collateral.

These provisions reflect the current economic climate, the banking regulations in the markets in which the Group operates and the Group's credit policy requirements. When a loan is uncollectable, it is written off against the related provision for impairments. Subsequent recoveries are credited to the provision for loan losses in the profit and loss statement. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited as a reduction of the provision for loan losses.

I - Fixed Assets

Fixed assets are stated at historical cost, or re-valued amount for assets that have been re-valued, less accumulated depreciation and provision for impairment, where required.

Land and buildings are subject to revaluation from time to time. The frequency of revaluation depends on the movements in the fair values of the assets being re-valued. The revaluation reserve included in shareholders' equity is transferred directly to retained earnings when the surplus is realised, i.e. on the retirement or disposal of an asset.

The last revaluation of significant assets was performed as of 31 December 2000. The revaluation was performed on the basis of an appraisal carried out by a professional real estate appraisal company. The basis used for the appraisal was market value.
Construction in progress is carried at cost, less any provision for impairment in value. Upon completion, assets are transferred to land and buildings, furniture and equipment or installations at their carrying value. Construction in progress is not depreciated until the asset is available for use.

Freehold and leasehold land and building are depreciated over the estimated useful life of the building and the unexpired term of the lease, respectively. Installations, office furniture, equipment and motor vehicles are depreciated on a straight-line basis over 2 to 5 years based on the estimated life of the asset.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the profit and loss statement. The estimated recoverable amount of an asset is the higher of its net selling price or its value in use. Gains and losses on disposal of fixed assets are determined by reference to their carrying amount and are taken into account in determining operating profit. Repairs and renewals are charged to the profit and loss statement when the expenditure is incurred.

J - Leases

To date, the leases entered into by the Group are operating leases. The total payments made/received under operating leases are charged to the profit and loss statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, payments required to be made to /received from the lessor/lessee by way of penalty are recognised as an expense/income in the period in which the termination takes place.

K - Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from date of acquisition including cash and balances with central banks and amounts due to/from other banks.

L - Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

M - Deferred Tax

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

The principal temporary differences arise from depreciation on fixed assets and equipment on operating leases.

Deferred tax related to fair value re-measurement of available-for-sale investments which are charged or credited directly to equity, is also credited or charged directly to equity and is subsequently recognised in the profit and loss statement together with the deferred gain or loss.

N - Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary/ associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the balance sheet as an intangible asset and is amortised using the straight-line method over a five year period.

The carrying amount of goodwill is reviewed when circumstances or events indicate that there may be uncertainty over the carrying amount and written down for impairment where the net present value of the forecast future cash flows are insufficient to support the carrying value.

O - Pension Obligations

The Group has various retirement benefit schemes in accordance with the local conditions and regulations in the countries in which its operates. Most schemes are of the defined benefit type and are managed under State social security plans. For defined pension contribution plans, the assets are held in separate trustee-administered funds. Both types of schemes are funded by contributions from employees and the relevant Group companies, based on specific percentages.

The Group's contributions are charged to the profit and loss statement in the year to which they relate.

P - Borrowings

Borrowings are recognised initially at "cost" (i.e. issue proceeds net of transaction costs incurred). Borrowings are subsequently stated at amortised cost and any difference between net proceeds and redemption value is recognised in the profit and loss statement over the period of the borrowings using the effective yield method.

Q - Dividends on Ordinary Shares

Dividends on ordinary shares are recognised in equity in the period in which they are declared. Dividends for the year which are declared after the balance sheet date are dealt with in the subsequent events note.

R - Acceptances

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers. Acceptances are accounted for as off-balance sheet transactions and are disclosed as contingent liabilities and commitments.

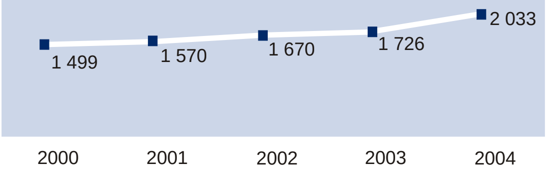
S - Fiduciary Activities

Assets and income arising thereon together with related undertakings to return such assets to customers are excluded from these financial statements where the Group acts in a fiduciary capacity such as nominee, trustee or agent.

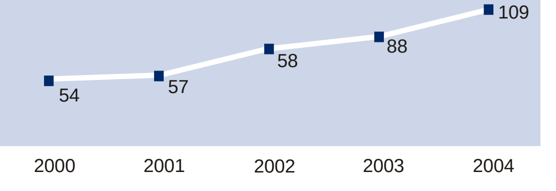
T - Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Headcount



Branches and locations (number)



The risk management function in the Group is carried out in respect of financial risks (credit, market, interest rate, exchange rate and liquidity), operational risk and legal risk. The primary objectives of the financial risk management function are to establish risk limits and thereafter to ensure that exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the adequacy as well as proper functioning of internal policies and procedures to minimize operational and legal risks.

A - Strategy in Using Financial Instruments

By its nature, the Group's activities are principally related to the use of financial instruments. The Group accepts deposits from customers at both fixed and floating rates and for various periods and seeks to earn above average interest margins by investing these funds in high quality assets. The Group seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates whilst maintaining sufficient liquidity to meet all claims that might fall due.

The Group also seeks to raise its interest margins by obtaining above average margins, net of provisions, through lending to commercial and retail borrowers with a range of credit standing. Such exposures involve not just on-balance sheet loans and advances but the Group also enters into guarantees and other commitments such as letters of credit and performance and other bonds.

The Group also trades in financial instruments where it takes positions in traded and over the counter instruments to take advantage of short-term market movements in the equity and bond markets and in currency, interest rate and commodity prices. The Board places trading limits on the level of exposure that can be taken in relation to both overnight and intra-day market positions. Foreign exchange and interest rate exposures associated with these instruments are normally offset by entering into counterbalancing positions, thereby controlling the variability in the net cash amounts required to liquidate market positions.

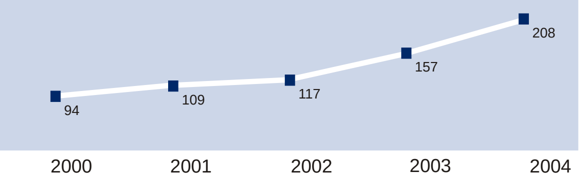
B - Credit Risk

The Group takes on exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due. 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 industrial segments. Such risk is monitored on an ongoing basis and subject to frequent review. Limits on the level of credit risk by product, industry sector and by country are approved annually by the Group Risk Manager.

The exposure to any one borrower including banks is further restricted by sub-limits covering on and off-balance sheet exposures. Actual exposures against limits are monitored daily and consolidated monthly for Group Risk Management review.

Exposure to credit risk is 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. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees, but a significant portion of lending to multinational corporations and government is unsecured.

Operating income
in US $ millions



B - Credit Risk (continued)

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, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of customers 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 borrowing.

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 since most of the 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.

Geographical concentration of assets, liabilities and off balance sheet items

	Total assets US $'000	Total liabilities US $'000	Capital expenditure US $'000	Operating income US $'000	Credit commitments US $'000
As at 31 December 2004					
UEMOA region	987, 793	935, 941	11 ,317	109 ,219	256 ,341
Nigeria	300, 553	254, 519	9 ,817	34, 488	125, 825
Ghana	203, 223	243, 843	2, 676	33 ,391	38 ,749
Central Africa	109, 463	111, 745	4 ,350	10, 865	14 ,818
Other African countries	115, 216	101, 559	1, 683	17, 636	16 ,691
Americas	97 ,451	37, 463	10	105	1 ,163
Asia	-	51	-	-	-
Europe	96, 734	58, 726	157	2,136	39, 921
	1 ,910, 433	**1, 743, 847**	**30, 010**	**207 ,840**	**493, 508**
As at 31 December 2003					
UEMOA region	907,001	877,662	12,392	85,158	123,470
Nigeria	206,149	169,603	1,649	25,621	75,086
Ghana	167,541	179,251	6,493	27,544	32,824
Central Africa	82,991	83,896	-	6,076	8,522
Other African countries	16,852	19,710	2,982	12,129	16,515
Americas	60,482	16,523	-	39	274
Asia	4,270	244	-	-	-
Europe	77,805	40,349	-	123	18,867
	1,523,091	**1,387,238**	**23,516**	**156,690**	**275,558**

B - Credit Risk (continued)

Economic sector risk concentration

Economic sector risk concentrations within the loan portfolio were:

	2004 US $'000	2004 %	2003 US $'000	2003 %
Agricultural	32,713	3	4,686	1
Coffee and cocoa trading	32,463	3	51,931	6
Construction	46,657	5	32,465	4
Cotton ginning	25,706	3	42,593	5
Government and parastatal	26,106	3	19,571	2
Manufacturing	167,485	17	170,699	20
Mining	19,882	2	20,515	2
Petroleum production and distribution	106,069	11	49,055	6
Services	318,819	32	236,985	28
Retail & wholesale trade	187,939	19	200,072	24
Others	42,596	4	11,211	1
	1,006,435	**100**	**839,783**	**100**

C - Currency Risk

The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board of Directors sets limits on the level of exposure by currency and in total for both overnight and intra-day positions which are monitored daily. The table below summarises the Group's exposure to foreign currency exchange rate risks at 31 December. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by currency.

Concentration of assets and liabilities	USD US $'000	Euro US $'000	Local currencies US $'000	Others US $'000	Total US $'000
Assets					
Cash and short-term funds	152,720	95, 678	232,922	78 ,208	559,528
Treasury and other eligible bills	-	-	235,242	122	235,364
Investment securities					
-Available-for-sale	-	-	8,744	109	8,853
-Held-to-maturity	4,978	25	18,814	125	23,942
Loans and advances	95,475	12,497	775,355	40 ,334	923,661
Other assets	37,434	446	51,983	2, 914	92,777
Equipment on operating lease	7,083	-	277	-	7,360
Fixed assets	14,691	-	44,153	104	58,948
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**
As at 31 December 2003					
Total assets	199,506	65,322	1,249 ,348	8,915	1,523,091
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**

D - Liquidity Risk

The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw downs, guarantees and from margin and other calls on cash settled instruments.The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Board of Directors sets limit on the minimum proportion of maturing funds available to meet such calls and on the minimum level of interbank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

The table below analyses assets and liabilities of the Group into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

Maturities of assets and liabilities

As at 31 December 2004	Up to 1 month US $'000	1 - 6 months US $'000	6 - 12 months US $'000	Over 1 year US $'000	Total US $'000
Assets					
Cash and short term funds	527,392	23,352	7,745	1,039	559,528
Treasury and other eligible bills	95,539	74,237	40,493	25,095	235,364
Loans and advances	312,533	200,270	114,958	295,900	923,661
Investment securities	2,192	1,514	2,444	26,645	32,795
Other assets	44,673	34,186	6,925	6,993	92,777
Operating leases	1,465	484	1,235	4,176	7,360
Fixed assets	4,193	347	182	54,226	58,948
Total assets	**987,987**	**334,390**	**173,982**	**414,074**	**1,910,433**
Liabilities					
Due to banks	86, 214	5,816	2,077	831	94,938
Deposits	1,003,814	316,134	60 ,870	84 ,299	1,465,117
Other borrowed funds	1,908	1 ,908	6, 035	15,338	25,189
Other liabilities	102,771	18,942	27,081	9,809	158,603
Total liabilities	**1,194,707**	**342,800**	**96,063**	**110,277**	**1,743,847**
Net liquidity gap	**(206,720)**	**(8, 410)**	**77,919**	**303,797**	**166,586**
As at 31 December 2003					
Total assets	804,187	329,991	127,810	261,103	1,523,091
Total liabilities	1,122,320	170,868	34,663	59,387	1,387,238
Net liquidity gap	**(318,133)**	**159,123**	**93,147**	**201,716**	**135,853**

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks ever to be completely matched since business transacted is often of uncertain terms and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The maturity of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

1 - Business Segments

The Group is organized into two main business segments:

Retail and corporate banking: incorporating private banking services, current accounts, savings deposits, time deposits, foreign exchange, trade finance, funds transfer, investment savings products, custodial services, loans and advances.

Investment banking and other financial services: incorporating structured financing, corporate leasing, mergers and acquisitions, advisory services, stockbroking, asset management, registrar services.

Transactions between the business segments are on normal commercial terms and conditions. Funds are ordinarily reallocated 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 business segments.

2 - Cash and Short-Term Funds

	2004 US $'000	2003 US $'000
Cash in hand	68,431	57,330
Due from central banks other than mandatory reserve deposits	64,604	45,898
Due from other banks	325,279	217,646
	458,314	**320,874**
Mandatory reserve deposits with central banks	101,214	63,689
	559,528	**384,563**
Analysis of cash and cash equivalents		
Cash and short-term funds	559,528	384,563
Due to banks (Note 9)	(94,938)	(89,719)
	464,590	**294,844**

3 - Treasury and Other Eligible Bills

	2004 US $'000	2003 US $'000
Treasury bills	173,189	125,993
Government securities	50,664	37,502
Other bills	11,511	20,988
	235,364	**184,483**

Treasury and other eligible bills are debt securities issued by the Treasury department of the various countries where the subsidiaries operate. The bills are held for trading and are carried at their fair value.

4 - Investment Securities

	2004 US $'000	2003 US $'000
Securities available-for-sale		
Debt securities - at fair value		
- Listed	2,767	2,239
- Unlisted	5,588	7,187
Equity securities - at fair value		
- Listed	178	-
- Unlisted	480	7,453
	9,013	**16,879**
Less: Provision for impairment	(160)	(200)
Total securities available-for-sale	**8,853**	**16,679**
Securities held-to-maturity		
Debt securities - at cost		
- Listed	3,765	1,154
- Unlisted	15,113	34,332
Equity securities - at fair value		
- Unlisted	5,296	956
	24,174	**36,442**
Less: Provision for impairment	(232)	(86)
Total securities held-to-maturity	**23,942**	**36,356**
Total investment securities	**32,795**	**53,035**

5 -Loans and Advances

A-Analysis by type:

	2004 US $'000	2003 US $'000
Overdrafts	353,585	278,664
Term loans	326,902	382,617
Mortgage loans	3,863	469
Commercial loans	238,083	70,259
Other	84,002	107,774
	1,006,435	**839,783**
Provision for credit losses	(71,671)	(45,427)
Interest in suspense	(11,103)	(8,373)
	923,661	**785,983**

b-Analysis by security:

	2004 US $'000	2003 US $'000
Secured against real estate	19,490	16,363
Otherwise secured	301,041	308 ,090
Unsecured	685,904	515,330
	1,006,435	**839,783**

5 - Loans and Advances (continued)

	2004 US $'000	2003 US $'000
c-Analysis by performance:		
Performing	901,384	767,275
Non-performing	105,051	72,508
	1,006,435	**839,783**
d-Loan loss movement		
At 1 January	45,427	34,742
Reclassification	5,140	-
Additional provision	24,533	20,615
Provision no longer required	(4,768)	(8,910)
Provisions written off	(2,868)	(1,020)
Exchange difference	4,207	-
At 31 December	**71,671**	**45,427**
e-Interest in suspense		
At 1 January	8,373	5,293
Additional interest suspended	5,762	5,045
Interest recovered	(567)	(700)
Interest written off	(2,720)	(1,265)
Exchange difference	255	-
At 31 December	**11,103**	**8,373**

6 - Other Assets

	2004 US $'000	2003 US $'000
Interest and fees receivable	8,602	9,799
Prepayments	11,502	8,847
Sundry receivables	78,557	48,545
	98,661	**67,191**
Provision for doubtful accounts receivable	(5,884)	(1,876)
	92,777	**65,315**

7- Equipment on Operating Lease

	2004 US $'000	2003 US $'000
Cost:		
At 1 January	4,939	1,102
Exchange rate differences	256	(107)
Additions	4,829	3,944
At 31 December	**10,024**	**4,939**
Accumulated depreciation:		
At 1 January	1,039	449
Exchange rate differences	69	(43)
Charge for the year	1,556	633
	2,664	**1,039**
Net book value at 31 December	**7,360**	**3,900**

8- Fixed Assets

	Motor Vehicles US $'000	Land and Buildings US $'000	Furniture & Equipment US $'000	Installations US $'000	Construction in Progress US $'000	Total US $'000
At 31 December 2003						
Cost/valuation	9,780	13,472	41,361	13,850	10,350	88,813
Accumulated depreciation	6,381	2,754	27,958	5,908	-	43,001
Net book amount	**3,399**	**10,718**	**13,403**	**7,942**	**10,350**	**45,812**
Year ended December 2004						
Opening net book amount	3,399	10,718	13,403	7,942	10,350	45,812
Unconsolidated - prior years	45	-	1,901	9	6	1,961
Additions	2,828	101	9,668	5,165	4,002	21,764
Disposal - cost	(1,051)	-	(1,279)	(164)	(394)	(2,888)
Disposal - depreciation	952	-	857	144	-	1,953
Reclassification - cost	-	-	(1,329)	882	(1,159)	(1,606)
Reclassification - depreciation	-	-	849	(25)	-	824
Scrapped assets - cost	-	-	(154)	-	-	(154)
Scrapped assets - depreciation	37	-	133	21	-	191
Depreciation charge	(1,904)	(441)	(6,026)	(1,644)	-	(10,015)
Exchange rate adjustments	12	1,117	(795)	426	346	1,106
Closing net book amount	**4,318**	**11,495**	**17,228**	**12,756**	**13,151**	58,948
At 31 December 2004						
Cost/valuation	10,759	13,642	43,820	21,883	13,151	103,255
Accumulated depreciation	6,441	2,147	26,592	9,127	-	44,307
Net book amount	**4,318**	**11,495**	**17,228**	**12,756**	**13,151**	**58,948**

9- Due to Other Banks

	2004 US $'000	2003 US $'000
Items in course of collection	3,919	22,542
Deposits from other banks	91,019	67,177
	94,938	**89,719**

10- Deposits

	2004	2003
Institutional		
- Current/settlement accounts	328,994	264,056
- Term deposits	180,281	135,136
Commercial		
- Current/settlement accounts	307,400	249,768
- Term deposits	49,125	53,798
Consumer		
- Current/settlement accounts	293,505	239,641
- Term deposits	115,628	137,292
- Savings deposits	190,184	73,544
	1,465,117	**1,153,235**

11 - Taxation

	2004 US $'000	2003 US $'000
a-Charge		
Current tax	19,888	18,667
Deferred tax	-	(419)
	19,888	**18,248**

Provision has been made against the profit of each subsidiary in accordance with the income tax legislation in force in its country of operation at the balance sheet date. The charge for the year is the aggregate of the charges on the units' net profit for the year.

b-Current taxes payable		
At 1 January	16,711	9,400
Charge for the year	19,888	18,667
Payments during the year	(19,190)	(12,112)
Exchange rate differences	446	756
At 31 December	**17,855**	**16,711**
c-Deferred tax liability		
At 1 January	897	1,333
Abatement during the year	-	(419)
Exchange differences	17	(17)
At 31 December	**914**	**897**
	18,769	**17,608**

12 - Other Liabilities

Accrued interest and commission	6,373	8 ,221
Unclaimed dividend	3,740	790
Provisions and accruals	22,461	14,019
Obligations under customers' letters of	35,834	35,075
credit Other liabilities	71,426	53,287
	139,834	**111,392**

13 - Other Borrowed Funds

European Investment Bank	1,321	1,688
International Finance Corporation	-	3,750
Ashanti Goldfields Company		
Employees Pension Fund	3,322	3,407
Netherlands Development Finance Company	2,136	3,152
African Development Bank	10,000	-
Others	8,410	3,287
	25,189	**15,284**

The EIB facility is repayable in 2005 and the interest rate ranges from 5.25%(fixed) to 2.625% per annum above the London Interbank Offer Rate (LIBOR).

The FMO facility is repayable between 2003 and 2007. Interest is paid at 1% above the BCEAO discount rate.

The facility from ADB is repayable over 8 years after a one year period of moratorium. Interest rate is based on the per annum 6 month EURIBOR rate plus a margin of 2%. Interest and principal are payable twice a year.

Amount due to Ashanti Goldfields Company (EPF) is a 6-year subordinated non-redeemable deposit. The facility matures on March 29 2008. It attracts interest at the Ghanaian one-year Treasury bond rate plus 4%.

14 - Minority Interest

	2004 US $'000	2003 US $'000
Share capital	13,286	12,177
Share premium	336	327
Revaluation reserve	117	661
Profit for the year	8,996	8,017
Translation reserve	680	184
Retained earnings and other reserves	14,624	8,985
	38,039	**30,351**

Minority interest represents the part of the net assets of the subsidiaries, together with the portion of the net result for the year which are attributable to interests not owned directly, or indirectly through subsidiaries, by the Group.

15 - Share Capital

	2004 No. '000	2004 US $'000	2003 No. '000	2003 US $'000
Authorised:				
Ordinary shares of $1 each	100,000	100,000	100,000	100,000
Preference shares of $1 each	3,750	3,750	3,750	3,750
	103,750	**103,750**	**103,750**	**103,750**
Issued and fully paid:				
Ordinary shares of $1 each	62,761			
At 1 January	7,998	62,761	52,170	52,170
Issued during the year		7,998	10,591	10,591
	70,759			
At 31 December		70,759	62,761	62,761
Preference shares of $1 each	3,750			
At 1 January	(3,750)	3,750	3,750	3,750
Redeemed during the year		(3,750)	-	-
	-			
		-	3,750	3,750
	70,759			
Total issued share capital		**70,759**	**66,511**	**66,511**

The preference shares were issued to the International Finance Corporation in 1999. With the exception of the right of payment of dividend, they rank pari passu with the ordinary shares of the company.

During the year, the preference shares were redeemed by conversion to ordinary shares and subsequent buy back by the company.

16 - Reserves

	2004 US $'000	2003 US $'000
Retained earnings	69,921	55,051
Share premium	20,020	17,212
Revaluation reserve	1,806	1,806
Pre-acquisition profit of subsidiaries	5,009	5,009
Translation reserve	(38,968)	(40,087)
	57,788	**38,991**

Movements in reserves were as follows:

	2004 US $'000	2003 US $'000
Retained earnings		
Balance at 1 January	55,051	46,253
Reserves of previously unconsolidated subsidiaries	(1,942)	-
Adjustment for intra group equity holding in subsidiaries	(5,205)	-
Transferred from profit and loss account	31,431	22,197
Bonus issue	(6,275)	(10,434)
Dividend (Note 25)	(3,139)	(2,965)
Balance at 31 December	**69,921**	**55,051**
Share premium		
Balance at 1 January	17,212	16,959
Premium on new issues	2,808	253
Balance at 31 December	**20,020**	**17,212**
Translation reserve		
Balance at 1 January	(40,087)	(48,956)
Exchange rate movements	1,119	8,869
Balance at 31 December	**(38,968)**	**(40,087)**

17 - Interest and Discount Income

	2004	2003
Placements and short-term funds	10,944	15,946
Treasury bills and investment securities	27,854	22,314
Loans and advances	105,288	73,952
Other	1,130	410
	145,216	**112,622**

18 - Interest and Discount Expense

	2004	2003
Current accounts	11,457	3,649
Savings deposits	4,847	4,084
Time deposits	23,448	17,441
Borrowed funds	4,023	6,825
	43,775	**31,999**

19 - Fee, Commission and Foreign Exchange Income

	2004 US $'000	2003 US $'000
Foreign exchange earnings	32,003	24,481
Other fees and commissions	71,156	51,271
	103,159	**75,752**

20 - Other Income

	2004 US $'000	2003 US $'000
Lease rental income	164	63
Profit on sale of fixed assets	639	56
Other income	2,437	196
	3,240	**315**

21 - Bad and Doubtful Debt Expense

	2004 US $'000	2003 US $'000
Provision for doubtful receivables	2,286	-
Provision for loan losses	19,766	11,705
Direct write-offs	1,008	-
Recoveries on previously written off accounts	(2,638)	(6,033)
	20,422	**5,672**

22 - Staff Costs

	2004 US $'000	2003 US $'000
Wages and salaries	43,791	35,149
Pension and social security costs	4,669	3,067
	48,460	**38,216**

The average number of persons employed by the group during the year was 1,880 (2003:1,698).

23 - Depreciation and Amortisation

	2004 US $'000	2003 US $'000
Fixed assets	10,015	8,111
Equipment on operating lease	1,556	842
	11,571	**8,953**

24 - Other Operating Expenses

	2004 US $'000	2003 US $'000
Directors' emoluments	376	267
Rent, rates and utilities	6,179	5,471
Insurance	3,230	2,372
Advertising and promotion	3,816	2,994
Professional fees	4,320	1,246
Operational losses and fines	5,241	6,697
Communications	2,520	5,007
Business travels	3,126	2,051
Board activities	1,361	1,920
Training	1,716	1,019
Repairs and maintenance	4,612	3,260
Supplies and other services	5,020	5,772
Other expenses	25,555	14,247
	67,072	**52,323**

25 - Dividend

	2004 US $'000	2003 US $'000
Final ordinary dividend for 2003 paid during the year	3,139	-
Interim ordinary dividend	-	2,609
at $0.05 per share	-	356
	3,139	**2,965**

Final ordinary dividends are not accounted for until they have been ratified at the Annual General Meeting. Any such dividends will eventually be recognised in shareholders' equity as an appropriation of 2004 retained profits in the year ending 31 December 2005.

26 - Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to shareholders (less preference dividend) by the weighted average number of ordinary shares in issue during the year. For the diluted earnings per share the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares. The only category of dilutive potential ordinary shares are preference shares.

In the diluted EPS calculation, the preference shares are assumed to have been converted into ordinary shares at their minimum conversion price of $2.45 per share and the numerator is the profit attributable to shareholders.

In 2004, the EPS is equal to the diluted EPS because there were no convertible securities.

27 - Contingent Liabilities

As at 31 December 2004 there were legal proceedings outstanding against the Group with contingent liabilities of US $6.3 million (2003: US $9.9 million). No additional provision has been made as professional advice indicates that it is unlikely that any significant loss will eventuate.

28 - Capital Commitments

At at 31 December 2004, the Group had capital commitments of US $3.7 million (2003 US$2.6million) in respect of capital works in progress. The Group's management is confident that future revenues and funding would be sufficient to meet these commitments.

29 - Credit Related Commitments

In the normal course of business, Group companies are parties to financial instruments with off-balance sheet risk. These instruments are issued to meet the credit and other financial requirements of customers. The contractual amounts of the off-balance sheet financial instruments are:

	2004 US $'000	2003 US $'000
Performance bond, guarantees and indemnities	267,030	59,808
	1,018	10,842
Bankers acceptances rediscounted	89,349	113,063
Guaranteed commercial papers	136,111	91,845
	493,508	**275,558**

30 - Employee Share Ownership Scheme

The company's shareholders adopted an Employee Share Ownership Scheme in 1997. The Scheme provides for employees of the parent company and subsidiaries to own up to ten percent of the ordinary share capital of Ecobank Transnational Incorporated on an on-going basis.

The shares are purchased on terms and conditions determined by the board of directors from time to time. At the balance sheet date, a total of 1,161,062 ordinary shares (2003:1,228,841) were held by employees under this scheme.

31 - Directors' Emoluments

	2004 US $'000	2003 US $'000
Fees and sitting allowances	333	224
Directors' other expenses	43	43
	376	**267**

32 - Directors' Shareholdings

The interest of directors in the issued share capital of Ecobank Transnational Incorporated are as follows:

	2004 No. of shares	2003 No. of shares
i. M. Olufemi Adefope	82,288	102,080
ii. Jean Aka	192,307	110,000
iii. Philip Asiodu	394,285	358,441
iv. Cheick Modibo Diarra	-	-
v. Rizwan Haider	49,940	35,400
vi. Kolapo Lawson	13,200	12,000
vii. Oba Otudeko	2,989,282	2,708,220
viii. Mande Sidibe	3,960	3,600
ix. EBID (represented by Christian Adovelande)	7,920,000	7,200,000
x. Kingdom 5-KR-67 Ltd (represented by Kofi Bucknor)	4,618,076	4,198,251
xi. West Africa Growth Fund (represented by Michel Abrogoua)	1,401,100	1,200,000
	17,664,438	**15,927,992**

33 - Loans and Indebtedness of Directors

As at 31 December, the following directors were directly and/or indirectly indebted to the Group :

	2004 Direct US $'000	2004 Indirect * US $'000	2004 Total US $'000	2003 Direct US $'000	2003 Indirect * US $'000	2003 Total US $'000
i. Jean Aka	-	-	-	28	-	28
ii. EBID	7	-	7	42	-	42
iii. Kolapo Lawson	-	-	-	-	255	255
iv. Oba Otudeko	-	-	-	-	16,512	16,512
	7	**-**	**7**	**70**	**16,767**	**16,837**

* Includes related party indebtedness as defined in IAS 24.

34 - Exchange Rates

The rates used in the translation of the balance sheets to US dollars were:

	2004	2003
CFA francs	481	520
Cedis	9,030	8,805
Guinean francs	2,550	2,000
Naira	133	140
Liberian dollars	55	47

The average rates for the year used in the translation of the profit and loss statements to US dollars were:

	2004	2003
CFA francs	527	576
Cedis	8,981	8,663
Guinean francs	2,279	1,986
Naira	134	130
Liberian dollars	54	57

35 - The Group's Principal Subsidiaries

a - The banking subsidiaries undertakings At 31 December 2004 were:

Name of subsidiary	Country of operation	Percentage of equity held by ETI 2004 %	2003 %
Ecobank Benin	Benin	78	78
Ecobank Burkina	Burkina Faso	78	78
Ecobank Cameroon	Cameroon	80	80
Ecobank Côte d'Ivoire	Côte d'Ivoire	94	94
Ecobank Ghana	Ghana	92	92
Ecobank Guinea	Guinea	83	83
Ecobank Liberia	Liberia	100	100
Ecobank Mali	Mali	83	82
Ecobank Niger	Niger	91	91
Ecobank Nigeria	Nigeria	55	55
Ecobank Senegal	Senegal	75	75
Ecobank Togo	Togo	81	81

The minimum regulatory capital for banks in Nigeria has been increased to N25 billion (approx. US$188 million) and all banks are to comply by 31 December 2005. Failure to comply could result in a significant reduction in the banking activities such an institution may be permitted to conduct. As at balance sheet date, Ecobank Nigeria had a shareholders' funds of US$33 million. ETI intends to continue to operate its Nigerian subsidiary and accordingly has mapped out strategies to comply with this requirement including recapitalising the Nigerian subsidiary.

35 - The Group's Principal Subsidiaries (continued)

b - The non-banking undertakings at 31 December 2004 were:

i - Ecobank Development Corporation, which has an investment banking mandate and operates across the region. It is a wholly owned subsidiary

ii -EIC Bourse, a stockbroking and advisory services company which covers the zone of the West African Economic and Monetary Union. ETI directly and through its subsidiaries controls 86% of its equity.

iii - eProcess International SA, a fully owned subsidiary, has a mandate to provide information technology infrastructure solutions to ETI, its subsidiaries and third parties.

iv- ECV Servicos Financieros Agencia de Cambios, which has a license to operate as exchange office in Cape Verde. It is 97% owned by the Group.

36 - Country Summary Financial Information

	Total Assets US $'000	Total Deposits US $'000	Loans & Advances US $'000	Profit /(Loss) after Tax US $'000	Equity US $'000
Benin	270,406	182,468	167,531	5,143	28,866
Burkina Faso	154,776	129,282	86,778	4,547	15,228
Cameroon	116,462	72, 527	81,072	2,037	5,377
Côte d'Ivoire (1)	277,028	217,138	153,294	(2,388)	12,818
Ghana	266,622	214, 699	77,668	9,765	26,448
Guinea	77,720	52, 437	22,631	5,764	10,066
Liberia	48,507	35, 937	10,032	384	2,477
Mali	129,007	80,004	83,457	4,266	12,763
Niger	60,782	53, 165	38,936	644	4,469
Nigeria	282,747	209, 896	83,100	6,673	33,149
Senegal	107,938	86,204	67,124	2,095	8,660
Togo (2)	173,017	131,359	52,038	1,498	14,436

(1) Ecobank Côte d'Ivoire, EIC Bourse
(2) Ecobank Togo, Ecobank Development Corporation, eProcess International SA, ETI

37 - Post Balance Sheet Events

There were no events in the post balance sheet period which could have had any material impact on the Group's results or state of affairs as at 31 December 2004.

38 - Parent Company, Ecobank Transnational Incorporated (ETI)

The parent company is a legal entity distinct from its subsidiaries. Its relationship with its subsidiaries is governed by laws and regulations in force in the respective countries in which they operate. ETI is regulated by the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO). ETI is under the supervision of the Commission Bancaire, the supervisory arm of the central bank.

Investments in its subsidiaries are stated using the equity method of accounting in accordance with the provision of International Accounting Standard (IAS) 27. Abridged financial information on the parent company is presented below.

38 - Parent Company, Ecobank Transnational Incorporated (continued)

Balance Sheet
As at 31 December 2004

	2004 US $'000	2003 US $'000
Assets		
Bank balances	1,253	302
Loans and advances	10,624	840
Due from subsidiaries	5,511	3,675
Other assets	330	1,905
Fixed assets	366	1,397
Investment in subsidiaries	132,033	113,397
Total assets	**150,117**	**121,516**
Liabilities		
Due to banks	3,200	-
Due to subsidiaries	3,008	6,789
Other liabilities	5,362	5,475
Other borrowed funds	10,000	3,750
Total liabilities	**21,570**	**16,014**
Shareholders' equity		
Share capital	70,759	66,511
Reserves	57,788	38,991
Total shareholders' equity	**128,547**	**105,502**
Total liabilities and shareholders' equity	**150,117**	**121,516**

38 - Parent Company, Ecobank Transnational Incorporated (continued)

Profit and Loss Statement As at 31 December 2004	**2004** **US $'000**	**2003** **US $'000**
Interest and discount income	26	32
Interest and discount expense	(202)	(434)
Net interest expense	**(176)**	**(402)**
Fees and commission	3,873	3,474
Foreign exchange earnings	134	(80)
Other income	5	-
Operating expenses		
Staff expenses	(3,423)	(3,459)
Amortisation of goodwill	-	(3,048)
Depreciation	(449)	(595)
Others	(2,345)	(4,394)
Loss before share of profit of subsidiaries	**(2,381)**	**(8,504)**
Share of profit of subsidiaries	49,591	45,620
less: share of subsidiaries' tax expense	(15,779)	(14,919)
Transfer to retained earnings	**31,431**	**22,197**

38 - Parent Company, Ecobank Transnational Incorporated (continued)

Statement of Changes in Equity For the year ended 31 December 2004	**Share Capital US $'000**	**Share Premium US $'000**	**Reserves US $'000**	**Total Equity US $'000**
At 1 January 2003	**55,920**	**16,959**	**4 ,112**	**76,991**
Issue of ordinary shares	10,591	253	(10 ,434)	410
Net profit for the year	-	-	22 ,197	22,197
Dividend for 2003	-	-	(2 ,965)	(2,965)
Currency translation differences	-	-	8 ,869	8,869
At 31 December 2003	**66,511**	**17,212**	**21 ,779**	**105,502**
At 1 January 2004	**66,511**	**17,212**	**21,779**	**105,502**
Reserves of previously unconsolidated subsidiaries	-	-	(1,942)	(1,942)
Adjustment for intra group equity holding in subsidiaries			(5,205)	(5,205)
Issue of ordinary shares	7,998	2,808	(6,275)	4,531
Redemption of shares	(3,750)	-	-	(3,750)
Net profit for the year	-	-	31,431	31,431
Dividend for 2003	-	-	(3,139)	(3,139)
Currency translation differences			1,119	1,119
At 31 December 2004	**70, 759**	**20,020**	**37,768**	**128,547**

38 - Parent Company, Ecobank Transnational Incorporated (continued)

Cash Flow Statement For the year ended 31 December 2004	**2004** **US $'000**	**2003** **US $'000**
Cash flows from operating activities		
Loss before share of profit of subsidiaries	(2,381)	(8,504)
Depreciation and amortisation of goodwill	449	3,643
Write-back of e-process depreciation in ETI books	(248)	-
Write-off of investments	(129)	-
(Profit)/loss on assets disposed	(5)	12
	(2,314)	**(4,849)**
Changes in operating assets and liabilities:		
Net decrease in other assets	1,384	109
Net decrease in loans and advances	216	126
Net increase in due from subsidiaries	(1,234)	(1,580)
Net increase/(decrease) in overdraft	3,200	(34)
Net increase/(decrease) in due to subsidiaries	(3,779)	2,607
Net increase/(decrease) in other liabilities	(113)	633
Net cash used in operating activities	**(2,640)**	**(2,988)**
Cash flows from financing activities		
Dividend paid	(3,139)	(2,965)
Loan repayment	(3,750)	-
Redemption of preference shares	(3,750)	-
Proceeds from issue of shares	4,531	410
Net cash used in financing activities	**(6,108)**	**(2,555)**
Cash flows from investing activities		
Purchase of investment in subsidiaries	(385)	(2,124)
Proceeds from disposal of investment	13	958
Proceeds from dispoal of fixed assets	62	94
Purchase of fixed assets	(143)	(104)
Dividend received	10,152	5,991
Net cash from investing activities	**9,699**	**4,815**
Net decrease in bank balances	**951**	**(728)**
Bank balances at 1 January	302	1,030
Bank balances at 31 December	**1,253**	**302**

Consolidated Statement of Value Added

For the year ended 31 December 2004

	2004 US $'000	%	2003 US $'000	%
Value added				
Operating income	207,840		156,690	
Administrative overheads	(67,072)		(49,714)	
	140,768	**100**	**106,976**	**100**
Distribution				
Employees				
Salaries and wages	48,460	34	38,216	36
Providers of equity				
Dividend	-	-	2,609	3
Government				
Taxation	19,888	14	18,248	17
Future				
Depreciation	11,571	8	12,017	11
Loan loss provision	20,422	15	5,672	5
Retained earnings and minority interest	40,427	29	30,214	28
	140,768	**100**	**106,976**	**100**

Value added is the wealth created by the efforts of the company and its employees.This statement shows the allocation of that wealth between the employees, shareholders, government and that re-invested for the future creation of more wealth.

Five Year Financial Summary

	2004 US $'000	2003 US $'000	2002 US $'000	2001 US $'000	2000 US $'000
Profit and loss statement					
Revenue	187,418	151,018	111,491	97,741	87,423
Profit before tax	60,315	48,462	30,275	25,538	28,787
Profit after tax and goodwill	40,427	30,214	16,567	12,829	18,115
Minority interest	(8,996)	(8,017)	(4,931)	(4,838)	(4,162)
Retained earnings	**31,431**	**22,197**	**11,636**	**7,991**	**13,953**
Balance sheet					
Cash and short-term funds	559,528	384,563	361,064	299,683	326,195
Investment securities	268,159	237,518	162,400	125,297	96,563
Loans and advances	923,661	785,983	524,763	407,586	397,253
Other assets	159,085	115,027	94,684	94,615	75,813
Total assets	**1,910,433**	**1,523,091**	**1,142,911**	**927,181**	**895,824**
			47,028	68,579	
Due to banks	94,938	89,719	861,867	655,070	118,900
Deposit and other accounts	1 465,117	1,153,235	123,146	108,509	628,539
Other liabilities	158,603	129,000	10,565	7,520	62,400
Long term debt	25,189	15,284	23,314	20,012	5,581
Minority interest	38,039	30,351			18,283
			1,065,920	**859,690**	
Total liabilities	**1,781,886**	**1,417,589**			**833,703**
			55,920	55,890	
Share capital	70,759	66,511	21,071	11,601	53,781
Reserves	57,788	38,991			8,340
			76,991	67,491	
Equity	128,547	105,502			62,121
			1,142,911	**927,181**	
Liabilities and equity	**1,910,433**	**1,523,091**			**895,824**
Statistics			**0.22**	**0.15**	
Earnings per share US $ (basic)	**0.47**	**0.39**	**1.40**	**1.22**	**0.27**
Net Assets per share US $	**1.82**	**1.62**			**1.17**

Our Branches and Offices

As at 31 December 2004

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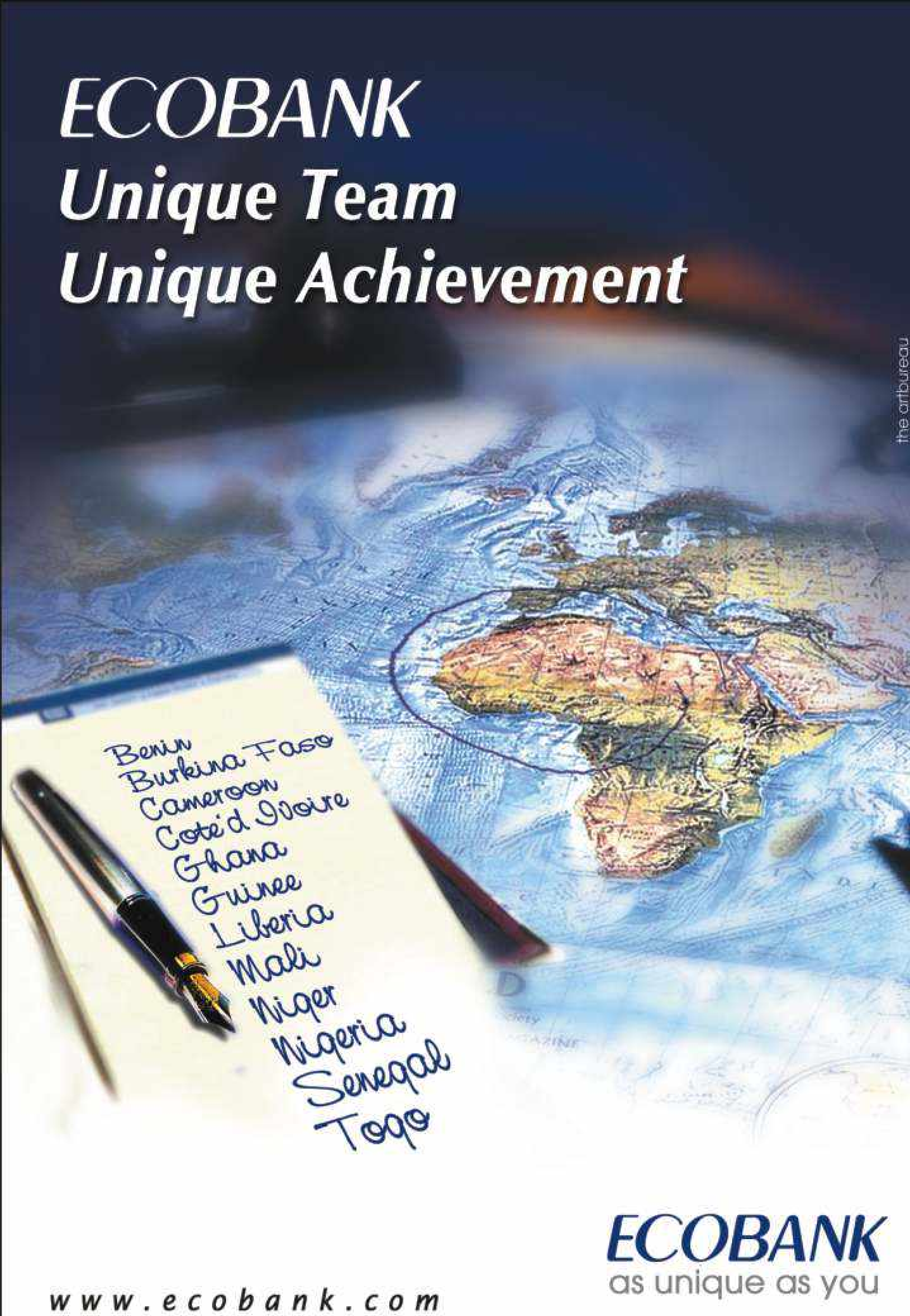

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