

ECOBANK LIBERIA LIMITED

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Ecobank Liberia Limited will be held on Wednesday April 16, 2008, at 10a.m in the Conference Room of the Bank's head office located in the corner of Randall and Ashmun Street to transact the following business.

- 1) To receive and consider the Report of Directors.
- 2) To receive and consider the Audited Financial Statements as at 31st December 2007, and Auditors Report thereon.
- 3) To declare a dividend
- 4) To re-elect Director(s)
- 5) To authorize the Directors to fix the remuneration of the Auditors.

BY ORDER OF THE BOARD

Amos Andrews

Company Secretary

Dated this 10th day of April, 2008.

FINANCIAL HIGHLIGHTS

	2007		2006	
	LS'000	\$'000	LS'000	\$'000
Major Balance Sheet items				
Total Assets	5,929,408	94,118	3,783,192	62,532
Loans and Advance	2,194,904	34,840	1,133,344	18,733
Deposits	4,471,262	70,972	3,098,332	51,212
Shareholders' Equity	609,205	9,670	301,246	4,979
Major Profit and Loss items				
Gross Earnings	817,350	12,974	497,467	8,223
Loan Loss Provision	79,054	1,255	92,919	1,536
Profit/ (Loss) before tax	247,077	3,922	102,060	1,687
Profit/ (Loss) after tax	163,059	2,588	67,689	1,119
Number of Employees-As at December		239	171	
Number of Locations		21	14	

ECOBANK LIBERIA LIMITED PERFORMANCE REPORT – YEAR 2007

Chairman's Address

I am delighted to present to you on behalf of the Board of Directors a review of the corporate environment, with a report on the performance and achievement of your bank for the financial year ended 31st December 2007. The year had been a challenging and eventful one. In spite of the challenges faced, it turned out a much better year compared to previous ones for the Bank. It is therefore my pleasure to unfold to you today highlights of the remarkable performance of your bank for the year ended 31st December 2007.

Operating Environment

The Liberian economy witnessed significant progress during the year. Donor funds received by Government in quantum sums assisted in the recovery process. The operating environment was quite stable within the period; democratic governance was in place and the strong presence of the United Nation Mission in Liberia (UNMIL) continuing. The various reforms towards improving the economy as introduced by government has encouraged investors' confidence and translated to increased foreign investment in the economy. However, the economy is still faced with major challenges in terms of infrastructural support, particularly in the energy sector; this has huge implications on the cost of doing business.

In the year under review, Ecobank gave Quality Customer Service delivery even more attention and the impact has been noticeable. In our effort to position the bank as a premier financial services institution in the industry, in readiness for the challenges of our wholesale Banking business, and towards an aggressive development of the Retail Banking franchise which includes a dedicated focus on Microfinance, the bank was further capitalized during the year with additional \$2.3million United States Dollars.

A number of strategic alliances were made in furtherance of the bank's commitment and development of small and medium scale enterprises. A good number of large ticket transactions were also financed especially with the recapitalization, thus impacting positively on the bank and the economy.

Your bank has set another record for itself as the first bank to introduce into the Liberian market the Automatic Teller Machine (ATM). This amongst other service offerings is intended to further improve service delivery of the bank to its valued customers. The bank network has equally increased from its previous fourteen channels to twenty one channels as at the end of the accounting year. The commitment to quality service delivery is further heightened to ensure a timely delivery of convenient, accessible and reliable products and services, electronic banking services and payment solutions.

On corporate social responsibility, Ecobank Liberia provided support to the less privileged in the society, sports and others initiatives intended to revive the mentality of the youths especially after the long period of civil war. Donations were also made for talent improvement, skill development, women empowerment and small Scale Liberian indigenous entrepreneurs.

Financial Results

The bank's performance in the year under review is encouraging; the bank was able to declare dividend for the first time to its shareholders from the accounting year's activities. The growth in channels translated into balance sheet, business development and profitability growth; your bank recorded improvements along all financial performance indices.

Gross earnings of the Bank grew to L\$817.35million (\$13million) from its 2006 figure of L\$497.47million (\$8.2million) representing an increase of 64%. Profit before tax amounted to L\$247.08million (\$3.9million) over last year's figure of L\$102.06million (\$1.7million). Profit after tax increased by L\$95.37million (\$1.5million), from L\$67.69 million (\$1.1million) in 2006 to L\$163.06 million (\$2.6million) in the current year.

Net Interest Margin had a 100% increase closing at L\$253.07million (\$4.02million) from L\$126.35 million (\$2.09million) recorded in the prior year. Fees and commissions also increased by 51% from L\$361.20million (\$5.97million) in 2006 to L\$547.08million (\$8.68million) in the current year.

Total assets grew by 57%, from L\$3.78billion (\$62.53million) of the previous year to L\$5.93billion (\$94.12million). This increase was primarily due to an increase in deposits from L\$3.10billion (\$51.21million) to L\$4.47billion (\$70.97million) as well as additional capital injection by shareholders. The shareholders' funds increased by more than 100% from L\$301.25 million (\$4.98million) last year to L\$609.21million (\$9.67million) as at the end of the financial year under review from the recapitalization and profit growth.

Risk assets also increased by 94% as additional loans and advances were granted during the year. Net credit portfolio increased from L\$1.13billion (\$18.73million) to L\$2.19billion (\$34.84million) during the year.

The bank continued to leverage on its regional franchise in cross border transactions especially given the Ecobank Group network in the twenty-two countries across Africa. At the same time, domestic transactions which are the main stay of our business are never compromised.

Customer Focus

The customers remain the centre of our focus. The introduction of electronic banking services like the Automatic Teller Machine and Internet Banking was to underscore our commitment to customer services enhancement. Our web based solutions are directed at specific Target Markets like essential services companies, International Agencies and Individuals for cash payment facilitation and cash management. Ecobank ATM cards issued in Liberia are Regional Cards which may be used in any of the twenty two countries in which Ecobank has a presence providing customers with convenient and secure access to cash across Africa. We will continue to provide effective technology and people driven service delivery to guarantee the customer satisfaction even as we continually strive to be a world class African banking Institution.

The Future

Indications are that 2008 will be promising. As the country continues to stabilize and government budget deliverables fully implemented to bring about more of the desired economic growth and development, opportunities abound for further investments and businesses in the country including banking. Ecobank will continue to target new opportunities, strengthen strategic partnerships, and enhance value proposition to customers.

Even as your bank has made a major impact in the market in 2007, we resolve to strive higher to ensure that our leadership in the market is maintained and customer satisfaction is at acceptance levels.

Governance and Regulation

We religiously comply with all regulatory requirements during the year. The Board remains strong and focused while the bank's business and operations are conducted in an open and transparent manner in line with international best practices, and in accordance with the provisions of applicable laws.

Ecobank Group operates with utmost professional ethics and full compliance with the regulations of the industry. Ecobank Liberia like other Ecobank affiliates will continue to operate with the applicable laws governing the country and on no account will we compromise our ethical standards.

Appreciation

On behalf of the Board, I wish to express our appreciation to all our stakeholders, our valued customers for their unrelenting loyalty and confidence in us. We thank our management and staff for their commitment, drive and loyalty. To our regulators, we are indeed grateful for providing an enabling regulatory environment and valuable support.

We express appreciation to the Ecobank Group for the formidable support during the year and our shareholders for unrelenting support, co-operation and understanding.



G. Pewu Subah
Chairman

Directors Report

The directors present their report and audited financial statements for the year ended December 31, 2007.

Principal Activity

The bank is engaged in the business of universal banking. Such services principally involve the acceptance of deposits, granting of loans and provision of other financial services to the banking public.

Operating Results

The following is a summary of the bank's operating results:

	2007		2006	
	LS'000	\$'000	LS'000	\$'000
Profit before Taxation	247,077	3,922	102,060	1,687
Taxation	(84,018)	(1,334)	(34,371)	(568)
Profit after Taxation	163,059	2,588	67,689	1,119

Parent Company

The company is fully owned subsidiary of Ecobank Transnational Inc., a company incorporated in the Republic of Togo.

Auditors

Voscon Inc., have indicated their willingness to continue in office as auditors of the bank.

BY ORDER OF THE BOARD



Director



Director

BOARD OF DIRECTORS

DIRECTORS AND PROFESSIONAL ADVISERS

Pewu Subah	Chairman
Morenike Adepoju	Managing Director
Clavenda Bright-Parker	Member of the Board
Oba M. Segun Adesina	Member of the Board
Moustapha Fall	Alternate Director
Albert Essien	Director Ecobank Transnational Incorporated/ Member of the Board

Secretary

Amos Andrews

Registered Office

Ashmun & Randall Street
Monrovia, Liberia

Auditors

Voscon Inc.
Certified Public Accountants
Mechlin Street
Monrovia, Liberia

MANAGEMENT TEAM

Morenike Adepoju	Managing Director
Remmy Bartee	Head, Human Resources
Olanipekun Okuwobi	Financial Controller
Felix Saint-Jean	Head, Wholesale Bank
Doreen McIntosh	Head, Retail Bank
George Tawalah	Head, SME-Retail Bank
Kwame Akaba	Head, Operations
Gordon Nyekeye-Pratt	Country Risk Manager
Olufemi Adekunle	Head, Audit and Compliance
Sandei Cooper	Treasurer
Claude Koutchade	Head, Information Technology
Brenda Dorleh	Head, Transaction Bank
Amos Andrews	Legal Officer/Company Secretary

Branch Managers

Abraham Cooper	Head Office Branch/Ashmun & Randall Sts.
Adolphus Tweh	Sinkor Branch
Mohammed Dukuly	Buchanan Branch
Gibson Kollie	Vai Town Branch
James Paywala	Duala Branch
Alex Seih	Randall Street
Emmanuel Simoke	Ganta Branch
Justin Togba	Robert Int'l Airport Branch
Archie Donmo	Free Port Branch
Samelia Dempster	Waterside Branch
Lemuel Cole	Paynesville Branch

BUSINESS REVIEW

The bank was incorporated as a private limited liability company and obtained a license to operate as a commercial bank on August 16, 1999. Ecobank Liberia Limited is a wholly owned subsidiary of Ecobank Transnational Incorporated (ETI), a bank holding company, incorporated in 1985 under the laws of Togo.

Business

Ecobank principal activity is the provision of commercial banking services to its customers. The bank delivers tailor-made wholesale and retail services through various product lines; private banking service for the top end of the consumer market, comprehensive value adding products and services for the Small and Medium Scale Enterprises, Payment facilitation including payroll servicing, cash collections and other auxiliary services to institutions and essential services. Other unique services are dedicated services to deserving Consumers and a growth enabled financing scheme for the Microfinance end of the market. The bank's Wholesale Bank business includes financial Services to the Public Sector.

Ecobank has sound risk management policies and efficient information technology platform that facilitate timely and reliable services to customers. The bank also has strong strategic alliances with commercial and non-profit organization of shared values for synergy.

Strategy

Ecobank has over the years distinguished itself as a leading financial institution and contributed significantly to the economic advancement and development of Liberia. Our strategic focus includes but not limited to the following:

- Quality Service Delivery to Customers
- Value adding Products and Services
- Efficient Branch Network Programme
- Strategic Alliances
- Impacting positively on social and economic developments of our markets.
- Enhancing financial Access to Target Markets.

Ecobank's activities in Liberia and especially in the year under review have generated tremendous goodwill in the brand; this becomes a challenge and an impetus for striving harder in current and subsequent years. The high public confidence, diversified products and services, robust technology platform and efficient risk management policies positions the bank for meeting challenges of our times and from competition.

Performance

The bank returned an impressive performance in year 2007. Gross Earnings increased by 64% to L\$817.35million (\$12.97million) from the L\$497.47million (\$8.22million) of the previous year, while profit before taxation at L\$247.08million (\$3.92million) more than doubled the L\$102.06million (\$1.69million) achieved in 2006. The balance sheet size grew more than 50% during the year. The current year performance is a confirmation of the progressive trend in the bank's performance from previous years, affirming the strength and viability of the bank's franchise.

We reiterate here that the general economic conditions in the country as well as conduct of monetary and fiscal policies of the government create an enabling environment for the business development. We also attribute the bank's commitment to quality service delivery to our teeming customers as a major success factor in year 2007.

Financial Position

The bank's ability to meet depositor's withdrawals requirement as measured by the ratio of cash, short term funds and bank balances to total deposit liabilities is clearly above industry standard of 15% minimum liquidity requirement. It thus implies that the bank continues to maintain a healthy liquidity position to meet its customers' needs.

During the year, shareholders of the bank injected an incremental capital of Two Million-Three Hundred Thousand United States Dollars to further enhance its ability to meet challenges of an economy on the rebound.

Network

Ecobank Liberia expansion is geared towards meeting the needs of its customers in an efficient manner riding on our robust technology platform. Ecobank Liberia has increased its channels from the previous fourteen as at end of 2006 to twenty one by the end of 2007 (Ten Branches and eleven Customer Service Channels). The bank plans to expand its operations to other locations across Liberia in the coming year to further enhance financial access to Liberians. This is in sync with the government efforts towards poverty eradication and the Ecobank Group policy of empowering Africans. Ecobank currently operates in twenty-two countries in the Western, Central, Middle and Southern Africa in keeping with its calling as truly Pan African.

Wholesale Banking

The Wholesale Bank deals with structured business that can be categorized as Multinationals, Local Corporate, Regional Business and the Public Sector. These units cater to sectors like Energy, Commerce, Manufacturing, Construction, Mining, Logging, Agriculture and Civil Service. Wholesale Bank gives committed attention to the organized private and public sector.

Retail Banking

Retail Banking Group focuses on stimulating development and growth in the lower tier of the market to include Consumer and SME's end of the market. Products offerings and Target Markets include Western Union, Private Banking, Electronic Banking, Deposit Products, Business and Consumer Loans.

The Ecobank ATMs recently introduced is Liberia's first experience in ATM services; this is aimed at providing access, convenience, and reliability to our customers in a world class style. The Ecobank cards for the local ATMs are also regional cards that can be used on any Ecobank ATM in any of the twenty two countries of Ecobank presence in Africa. The Point of Sales Terminals (POSSs) will be introduced to also compliment the ATM services.

Treasury and Financial Institution

The Treasury Group manages the balance sheet, the liquidity and the Foreign Exchange requirements of the Bank and its customers. It has additional responsibility for the International Agency relationships and Non-Profit Organizations. This Group focuses on the banking needs of these specialized institutions with a view to providing timely financial solutions to their needs.

Technology and Telecommunication

The mission of Technology and Telecommunication is to drive a customer-centric operation. All our branches are linked on-line real-time in furtherance of the bank's policies on uniform policies procedures and products from the 'One Bank Concept'. Ecobank Liberia derives tremendous support and advantage from the shared services of the robust group technology platform situated in Ghana, with back up in Togo and Nigeria.

People

Kudos to all staff of Ecobank Liberia for exemplary performance in 2007. A record of enhanced productivity is attributable to bank's relentless practice of training, staff development and motivational programmes. The bank appreciates the experienced, dynamic, focused and competent management team that has piloted the bank to its current level while expressing gratitude to its ever supportive Board of Directors.

Ecobank Liberia on its part acknowledge a responsibility for developing a first rate work force to keep the Bank at the forefront of the Liberian banking industry. The bank will continue to train and develop its workforce and provide other welfare policies that will further enhance a productive and mutually beneficial relationship between the bank and its staff for years to come.

Customer Service

Ecobank prides itself as a customer focused financial institution and will deploy all machineries and resources to ensure customer satisfaction. Challenges do arise in meeting customers' expectation, however, we strongly believe that problems are meant to be solved and providing solution to the needs of our customers is of paramount importance to us as a bank. Our management operates an open door policy to encourage dialogue with the customers even at the customer's instance.

Brand Development

Ecobank continued its commitment to developing a strong brand presence that is synonymous with convenience, access and reliability in line with world class standards. Our mission is to remain the strongest African financial Services Institution, rendering world class services even as we continue to operate a 'One Bank' concept with uniform policies and practices across the Ecobank Group.

Corporate Governance

Ecobank Liberia is a professional and ethical institution, fully compliant with all regulations during the year. As a member of the Ecobank Group, good corporate governance is core to our principles. We maintain the standards on business ethics, anti-money laundering regulations and conflict of interest in accordance to the international community standards. The Board has also remained strong and focused in performing its statutory responsibilities.

Regulation and Supervision

Ecobank Liberia like any other financial institution in the country is subject to the supervision and examination of the Central Bank of Liberia and its Banking Supervision Department. The parent company Ecobank Transnational Incorporated provides technical assistance apart from oversight functions to facilitate franchise protection.

Competition

Ecobank Liberia continues to compete favourable not only with other banks in the Liberian economy but also with other international banks. With Technology, the world has become a global market hence competition is inevitable. The bank strongly believe that competition is an engine of growth to spur peak performance hence it has strategically position itself to meet the teeming demands and prides itself to provide unequal convenient, accessible and reliable products to the satisfaction of its customers.

Inflation and Currency Movement

Exchange rates and the level of inflations have been relatively stable during the financial year. There has not been major significant appreciation or depreciation of the Liberia dollar in the same period. The stability in the currency and inflation is not unconnected with the introduction of the auction scheme in September 2004 that tends to keep the Liberian dollar stable against the United States dollar.

Conclusion

The encouraging performance of the 2007 sets a challenge for the Board of Directors, Management and Staff of Ecobank Liberia in the coming years. Our commitment to excellence is our driving force and inspiration into the future. We appeal to our customers to continue to partner with us as we consolidate on this great African dream.

AUDITORS' REPORT

**To: The Board of Directors and Shareholders
of ECOBANK Liberia Limited**

We have audited the financial statements of ECOBANK Liberia Limited for the year ended December 31, 2007 set out on pages 18, 19 and 20 which have been prepared in accordance with the accounting policies set out on pages 21 to 33.

Respective Responsibilities of Management and Auditors

The Bank's Management is responsible for the preparation of the financial statements. It is our responsibility to express an independent opinion, based on our audit, on these financial statements prepared by the Management.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing, (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 judgements made by the Management, and an evaluation of the overall adequacy of the presentation of the financial statements.

We planned and performed such audit procedures and obtained the 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

The Profit & Loss Statement and Balance Sheet of the Bank on pages 18 and 19 are in agreement with the books, which, in our opinion, have been properly kept. We obtained the information and explanations we required.

In our opinion:

- (i) The assets of the Bank have been properly valued and adequate provision has been made for depreciation in the value thereof.
- (ii) The financial statements of the Bank have been properly prepared in accordance with the respective provisions of the Articles of Incorporation, the Financial Institutions Act (FIA) 1999, the relevant circulars issued by the Central Bank of Liberia and the Revenue Code Act 2000 of Liberia (except for the method of depreciation).
- (iii) The financial statements give a true and fair view of the state of affairs of the Bank as at December 31, 2007 and of the profit and cash flows for the year then ended in conformity with International Accounting Standards (IAS).


CERTIFIED PUBLIC ACCOUNTANTS

January 25, 2008

Monrovia

ECOBANK Liberia Limited

Profit and Loss Statement For the Year Ended December 31, 2007

	<u>Note</u>	<u>2007</u> <u>L\$'000</u>	<u>2006</u> <u>L\$'000</u>
Income			
Interest Income	15	270,266	136,080
Interest Expense	16	(17,199)	(9,735)
Net Interest Income		253,067	126,345
Fees, Commissions and Exchange Income	17	547,084	361,203
Other Income	18	<u>-</u>	<u>184</u>
Operating Income		800,151	487,732
Provision for Loan Losses	4	(79,054)	(92,919)
Operating Expenses	19	(474,020)	(292,753)
Profit/(Loss) before Taxation		<u>247,077</u>	<u>102,060</u>
Corporate Tax	20	(84,018)	(34,371)
Profit after Tax		163,059	67,689
APPROPRIATION:			
Transferred to Statutory Reserve		(40,765)	(16,922)
Proposed Dividend		(63,000)	<u>-</u>
Transferred to Retained Earnings		<u>59,294</u>	<u>50,767</u>

The accounting policies and notes on pages 21 to 33 form part of the financial statements.

ECOBANK Liberia Limited

Balance Sheet

As at December 31, 2007

	<u>Note</u>	<u>2007</u> <u>LS'000</u>	<u>2006</u> <u>LS'000</u>
Assets			
Cash and Short-Term Funds	2	3,210,349	2,286,382
Loans and Advances	3-4	<u>2,194,904</u>	<u>1,133,344</u>
		5,405,253	3,419,726
Other Assets	5	339,690	253,833
Fixed Assets	6	<u>184,465</u>	<u>109,633</u>
Total Assets		<u>5,929,408</u>	<u>3,783,192</u>
Liabilities			
Due to Banks	7	33,318	2,686
Deposits Accounts	8	4,571,262	3,098,332
Corporate Tax	21	81,229	11,240
Other Liabilities and Accruals	9	<u>634,394</u>	<u>369,688</u>
Total Liabilities		<u>5,320,203</u>	<u>3,481,946</u>
Shareholders' Equity			
Share Capital	10	166,000	166,000
Shareholders Advance	11	259,150	114,250
Reserves	12	<u>184,055</u>	<u>20,996</u>
Total Shareholders' Equity		<u>609,205</u>	<u>301,246</u>
Total Liabilities and Shareholders' Equity		<u>5,929,408</u>	<u>3,783,192</u>

The accounting policies and notes on pages 21 to 33 form part of the financial statements.

The Board of Directors approved the Financial Statements set out on pages 18 to 20 on January 15 2008 and was signed on their behalf by:



G. Pewu Subah
Chairman



Morenike Adepoju
Managing Director

ECOBANK Liberia Limited

CASH FLOWS STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Note</u>	<u>2007</u> <u>L\$'000</u>	<u>2006</u> <u>L\$'000</u>
Operating Activities:			
Net Income		<u>163,059</u>	<u>67,689</u>
Adjustments to reconcile Net Income to Net Cash from Operating Activities:			
Provision for Depreciation		43,528	21,894
Loss/(Profit) on Sale of Fixed Asset		-	-
Disposal/Write offs of Fixed Assets		-	148
Incr. In Deposits & Current Accounts		1,472,930	725,236
Decr. In Intangible Assets		-	-
(Decr.)/Incr. In Other Liabilities		264,705	127,680
Decr./(Incr.) In Loans and Advances		(1,061,560)	(635,304)
Incr. In Other Assets/Due from Association Corp		(85,857)	(38,513)
Incr. in Corporate Tax		<u>69,989</u>	<u>5,387</u>
Total Adjustment		<u>703,735</u>	<u>206,528</u>
Net Cash from Operating Activities		<u>866,794</u>	<u>274,217</u>
Investing Activities:			
Purchase of Fixed Assets and Intangible Assets		(118,359)	(60,692)
Proceeds from Disposal of Fixed Assets		-	-
Net Cash Used in Investing Activities		<u>(118,359)</u>	<u>(60,692)</u>
Financing Activities:			
Shareholders Advance		<u>144,900</u>	<u>58,250</u>
Net Cash from Financing Activities		<u>144,900</u>	<u>58,250</u>
Net Increase in Cash and Cash Equivalents		893,335	271,775
Cash and Cash Equivalents at 1 January		<u>2,283,696</u>	<u>2,011,921</u>
Cash and Cash Equivalents at 31, December (Note 2b)		<u>3,177,031</u>	<u>2,283,696</u>

The accounting policies and notes on pages 21 to 33 form part of the financial statements.

ECOBANK Liberia Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

1. Accounting Policies

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

a. Basis of Presentation

These financial statements have been prepared under the Historical Cost Convention and conform to International Accounting Standards (IAS) and the prevailing industry practice in Liberia.

b. Interest and Discount Income

Interest income is recognized on a time proportional basis, which takes into account the effective yield on the asset. Interest income includes the amount of amortization of any discount or premium on acquisition of the asset. Accrual of interest on an advance is suspended when the recovery is doubtful. Income is thereafter recognized on a cash basis.

c. Fee Income

Fee Income is accounted for in the period when receivable, except where the fee covers the costs of ongoing services to, or risks borne for the customers, or is interest in substance. In each of these cases the fee is recognized on a time proportional basis.

d. Loans and Advances

Loans and Advances are stated at net cash advances plus interest accrued thereon less provision and write-offs are based on prevailing banking regulations and Ecobank's credit policy.

Advances are analyzed between the total amount outstanding and provisions in a note to the financial statements.

ECOBANK Liberia Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

e. Provision for Loan Losses

Provisions for Loan Losses are made having regard to both specific and general risks. The specific element of the provisions relates to those loans that have been individually reviewed and specifically identified as non-performing. The general element of the provision relates to those existing losses, which, although not yet specifically identified, are known to be inherently present in the bank's lending portfolio at the balance sheet date. In determining the level of provisions required, Management considers the Prudential Regulation on assets classification issued by the Central Bank of Liberia and other factors including, but not limited to domestic economic conditions, the composition of the loan portfolio and prior loan losses experience. Provisions made during the year (less amounts release and recoveries of loans previously written off) are charged as a separate amount in the profit and loss account. Loans are written off when the extent of any loss is confirmed against the related provisions.

f. Commission on Acceptances, Bills and Promissory Notes

Commission Income on Acceptances, Bills and Promissory Notes endorsed is credited to income over the lives of the relevant instruments.

g. Foreign Currency Translations

Assets and Liabilities denominated in foreign currencies are translated to United States Dollars at exchange rates ruling at the bank's year-end. Gain and losses resulting from Foreign Currency Translation or exchange are included in the profit for the year.

h. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write-off the cost of fixed assets over their estimated useful lives at the following annual rates:

	Rate	
	<u>%</u>	<u>Method</u>
Furniture and Equipment	20	Straight-Line
Computers	33.33	Straight-Line
Motors vehicles	25	Straight-Line

ECOBANK Liberia Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

Leasehold Improvements are depreciated over the period of the lease. Maintenance and repairs are charged to the profit and loss account when incurred and improvements are capitalized. Gains and losses, if any, on the disposal of fixed assets are reflected in the current operating results.

i. Deferred Revenue Expenditure

Expenditure of a revenue nature which are unlikely to generate income in their initial years are deferred and written-off in three equal annual installments beginning from the year when expenditure on a particular item is completed.

	<u>2007</u> <u>LS'000</u>	<u>2006</u> <u>LS'000</u>
2. Cash and Short-Term Fund		
Cash on Hand	695,197	347,489
Balances with Central Bank of Liberia	1,154,075	851,488
Of collection, money at call and placements)	<u>1,361,077</u>	<u>1,087,405</u>
	<u>3,210,349</u>	<u>2,286,382</u>
2b. Analysis of Cash and Cash Equivalents:		
Cash and Short-Term Funds	3,210,349	2,286,382
Due to Banks (Note 7)	<u>(33,318)</u>	<u>(2,686)</u>
	<u>3,177,031</u>	<u>2,283,696</u>

ECOBANK Liberia Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>2007</u> <u>LS'000</u>	<u>2006</u> <u>LS'000</u>
3. Loans and Advances		
(i) Analysis by Type of Loans & Advances:		
Loan	1,105,564	499,228
Overdraft	<u>1,394,734</u>	<u>850,597</u>
	2,500,298	1,349,825
Provisions for Loan Losses (Note 4)	(305,394)	(216,481)
Interest in Suspense	<u>-</u>	<u>-</u>
	<u>2,194,904</u>	<u>1,133,344</u>
(ii) Analysis by Maturity:		
Due on demand or within 1 month	120,462	707,257
Due after 1 month but within 3 months	257,495	116,058
Due after 3 months but within 6 months	694,166	16,615
Due after 6 months but within 12 months	990,989	121,880
Due after 12 months	<u>131,792</u>	<u>171,534</u>
	<u>2,194,904</u>	<u>1,133,344</u>

ECOBANK Liberia Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>2007</u> <u>LS'000</u>	<u>2006</u> <u>LS'000</u>
(iii) Analysis by Performance:		
Performing	2,071,737	881,321
Non-Performing	<u>123,167</u>	<u>252,023</u>
	<u>2,194,904</u>	<u>1,133,344</u>
(iv) Analysis by Security:		
Secured against Real Estate	1,197,617	14,000
Unsecured	21,100	-
Otherwise Secured	<u>976,187</u>	<u>1,119,344</u>
	<u>2,194,904</u>	<u>1,133,344</u>
(v) Analysis by Type of Customer:		
Individuals	239,905	166,276
Private Corporations & Businesses	1,822,547	791,410
Non-Financial Public Corporations	30,169	71,196
Central and Other Levels of Government	83,431	83,431
Others	<u>18,852</u>	<u>21,031</u>
	<u>2,194,904</u>	<u>1,133,344</u>

ECOBANK Liberia Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>2007</u> <u>LS'000</u>	<u>2006</u> <u>LS'000</u>
(vi) Analysis by Industry:		
Agriculture, Forestry and Fishing	1,129	39,713
Manufacturing	39,804	60,951
Tertiary	<u>2,153,971</u>	<u>1,032,680</u>
	<u>2,194,904</u>	<u>1,133,344</u>
(vii) Related Party Advances		
Directors	<u>6,500</u>	<u>9,447</u>
	<u>6,500</u>	<u>9,447</u>
4. Provision for Loan Losses		
Balance at Beginning of Year	216,481	112,345
Interest in Suspense	<u>9,859</u>	<u>11,217</u>
Adj. Balance at Beginning of Year	<u>226,340</u>	<u>123,562</u>
Charge for the Year	110,305	109,758
Recoveries	<u>(31,251)</u>	<u>(16,839)</u>
Net Charge	<u>79,054</u>	<u>92,919</u>
Balance at End of Year (Note 3)	<u>305,394</u>	<u>216,481</u>

ECOBANK Liberia Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

	2007 <u>LS'000</u>	2006 <u>LS'000</u>
5. Other Assets		
Interest and Fees Receivable	10,532	7,008
Prepayments	53,619	50,534
Advance Corporation Tax Paid	11,221	23,087
Sundry Receivables	290,609	177,829
Due from Western Union	<u>15,239</u>	<u>35,560</u>
	381,220	294,018
Less Provision	(41,530)	(40,185)
	<u>339,690</u>	<u>253,833</u>

ECOBANK Liberia Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

6. Fixed Assets

	Land	Leasehold	Furniture &	Computer	Motors	Total
COST:	<u>LS'000</u>	<u>LS'000</u>	<u>LS'000</u>	<u>LS'000</u>	<u>LS'000</u>	<u>LS'000</u>
At January 1, 2007	-	43,720	78,212	53,796	13,669	189,397
Additions	<u>7,957</u>	<u>72,215</u>	<u>3,508</u>	<u>21,115</u>	<u>13,565</u>	<u>118,360</u>
At December 31, 2007	<u>7,957</u>	<u>115,935</u>	<u>81,720</u>	<u>74,911</u>	<u>27,234</u>	<u>307,757</u>
ACCUMULATED DEPRECIATION:						
At January 1, 2007	-	12,006	37,866	19,871	10,021	79,764
Additions	<u>-</u>	<u>22,620</u>	<u>1,644</u>	<u>16,692</u>	<u>2,572</u>	<u>43,528</u>
At December 31, 2007	<u>-</u>	<u>34,626</u>	<u>39,510</u>	<u>36,563</u>	<u>12,593</u>	<u>123,292</u>
NET BOOK VALUE:						
At December 31, 2007	<u>7,957</u>	<u>81,309</u>	<u>42,210</u>	<u>38,348</u>	<u>14,641</u>	<u>184,465</u>
At December 31, 2006	<u>-</u>	<u>31,714</u>	<u>40,346</u>	<u>33,925</u>	<u>3,648</u>	<u>109,633</u>

ECOBANK Liberia Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>2007</u> <u>LS'000</u>	<u>2006</u> <u>LS'000</u>
7. Due to Banks		
Affiliate banks	33,318	2,686
Other Banks	-	-
	<u>33,318</u>	<u>2,686</u>
8. Deposits Accounts		
(i) Analysis by Type of Deposit		
Demand (Checking) Accounts	3,517,785	2,514,986
Saving Accounts	943,211	579,871
Time Deposits	<u>110,266</u>	<u>3,475</u>
	<u>4,571,262</u>	<u>3,098,332</u>
(ii) Analysis by Maturity:		
Due on Demand or within 1 month	4,460,996	3,094,857
Due after 1 month but within 3 months	110,250	-
Due after 3 months but within 6 months	-	-
Due after 6 months but within 12 months	16	3,475
Due after 12 months	-	-
	<u>4,571,262</u>	<u>3,098,332</u>
(iii) Analysis by Type of Depositor		
Individuals	2,770,699	1,473,618
Private Corporations & Businesses	1,479,138	940,668
Financial Corporations	124,475	47,351
Non-Financial Public Corporations	44,780	562,026
Central and Other Levels of Government	151,590	73,140
Staff	<u>580</u>	<u>1,529</u>
	<u>4,571,262</u>	<u>3,098,332</u>

ECOBANK Liberia Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

	2007	2006
	<u>LS'000</u>	<u>LS'000</u>
9. Other Liabilities and Accruals		
Cash Collaterals	31,496	50,117
Remittances Awaiting Disposal	7,297	59,126
Other Creditors and Accruals	<u>595,601</u>	<u>260,445</u>
	<u>634,394</u>	<u>369,688</u>

10. Share Capital

	2007	2007	2006	2006
	<u>No. '000</u>	<u>LS'000</u>	<u>No. '000</u>	<u>LS'000</u>
Authorized:				
Ordinary shares of US\$2/L\$83 each	<u>2,000</u>		<u>2,000</u>	
Issued and fully paid:				
Issued for Cash	<u>2,000</u>	<u>166,000</u>	<u>2,000</u>	<u>166,000</u>
		<u>2007</u>	<u>2006</u>	
		<u>LS'000</u>	<u>LS'000</u>	

11. Shareholders Advance

Balance at 1 January	114,250	56,000
New Advance	<u>144,900</u>	<u>58,250</u>
Balance at 31 December	<u>259,150</u>	<u>114,250</u>

ECOBANK Liberia Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

12. Reserves

	<u>Retained Earnings</u>	<u>Statutory Reserves</u>	<u>Dividend</u>	<u>Other Reserves</u>	<u>Total</u>
Balance at 1 January 2007	5,257	16,922	-	(1,183)	20,996
Transfer from Profit and Loss	<u>59,294</u>	<u>40,765</u>	<u>63,000</u>	<u>-</u>	<u>163,059</u>
Balance at 31 December 2007	<u>64,551</u>	<u>57,687</u>	<u>63,000</u>	<u>(1,183)</u>	<u>184,055</u>
Balance at 1 January 2006	(45,510)	-	-	(1,183)	(46,693)
Transfer from Profit and Loss	<u>50,767</u>	<u>16,922</u>	<u>-</u>	<u>-</u>	<u>67,689</u>
Balance at 31 December 2006	<u>5,257</u>	<u>16,922</u>	<u>(1,183)</u>	<u>(1,183)</u>	<u>20,996</u>

13. Contingent Liability

The outstanding Contingent Liabilities as at December 31, 2007 representing Documentary and Commercial Letter of Credit, Performance Bond, Guarantees and Indemnities was L\$147,298,319 (2006: L\$167,655,543).

14. Acceptances and Guarantees

There were no outstanding Commitments as at December 31, 2007 (2006: Nil)

	<u>2007 L\$'000</u>	<u>2006 L\$'000</u>
15. Interest Income		
Placement and Short-Term Funds	57,789	40,288
Loans and Advances	<u>212,477</u>	<u>95,792</u>
	<u>270,266</u>	<u>136,080</u>
16. Interest Expense		
Saving Accounts	15,275	9,436
Time Deposits	1,388	254
Others	<u>536</u>	<u>45</u>
	<u>17,199</u>	<u>9,735</u>

ECOBANK Liberia Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

17. Fees, Commissions and Exchange Income

	2007	2006
	<u>L\$'000</u>	<u>L\$'000</u>
Exchange Gains	62,231	48,916
Current Account Servicing	79,500	47,662
Import and Documentary Credits	20,660	9,403
Funds Transfer	255,542	192,157
Guarantees	8,784	3,988
Other Commissions & Fees	<u>120,367</u>	<u>59,077</u>
	<u>547,084</u>	<u>361,203</u>

18. Other Operating Income

Other Income	-	<u>184</u>
	-	<u>184</u>

19. Operating Expenses

Personal Expenses

Salaries and Allowances	131,871	93,293
Social Security Funds Contributions	12,597	6,310
Other Employee Costs	<u>14,818</u>	<u>3,939</u>
	159,286	103,542
Depreciation and Amortization	43,528	21,894
Occupancy Expenses	19,003	13,996
Administrative Expenses	231,100	131,935
Audit Fees and Expenses	1,323	1,323
Others	<u>19,780</u>	<u>20,063</u>
	<u>474,020</u>	<u>292,753</u>

The above staff costs includes Directors remuneration of (2007: L\$4,016,418)

The average number of persons employed during the year was 239 (2006: 171)

ECOBANK Liberia Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

	2007	2006
	<u>LS'000</u>	<u>LS'000</u>
20. Corporate Tax		
Brought Forward	11,240	-
Current Year Tax	<u>84,018</u>	<u>34,371</u>
	95,258	34,371
Advance Corporate Tax (2006)	(2,701)	-
Tax Payment (2006)	(107)	-
Current Advanced Corporate Tax	<u>(11,221)</u>	<u>(23,131)</u>
	<u>81,229</u>	<u>11,240</u>

21. Dividend

The Board of Directors has proposed a total Dividend in the amount of L\$63,000,000 during the year.

22. Capital Commitments

There were no major commitments to Capital Expenditure at December 31, 2007 (2006: Nil).

ECOBANK Liberia Limited

For the Year Ended December 31, 2007

STATEMENT OF VALUE ADDED

	2007 <u>LS'000</u>		2006 <u>LS'000</u>	
Gross Income	817,350		497,467	
Interest Paid	<u>(17,199)</u>		<u>(9,735)</u>	
	800,151		487,732	
Administrative Overheads	<u>(350,260)</u>		<u>(260,236)</u>	
Value Added	<u>449,891</u>	<u>100%</u>	<u>227,496</u>	<u>100%</u>
Distribution				
Employees				
Salaries	159,286	35%	103,542	46%
Providers of Funds				
Dividend	63,000	14%	-	0%
Government				
Taxation Charge	84,018	19%	34,371	15%
The Future				
Asset Replacement (Depreciation)	43,528	10%	21,894	10%
Expansion (Transfer to Reserves)	<u>100,059</u>	<u>22%</u>	<u>67,689</u>	<u>30%</u>
	<u>449,891</u>	<u>100%</u>	<u>227,496</u>	<u>100%</u>

This statement represents the distribution of wealth created through the use of the Bank's assets through its own and employees' efforts.

ECOBANK Liberia Limited

Five Years Financial Summary

BALANCE SHEETS

	2007	2006	2005	2004	2003
	<u>LS'000</u>	<u>LS'000</u>	<u>LS'000</u>	<u>LS'000</u>	<u>LS'000</u>
Assets					
Cash and Short-Term Funds	3,210,349	2,286,382	2,057,466	1,917,638	588,272
Loans and Advances	2,194,904	1,133,344	498,040	534,202	243,354
Other Assets	339,690	253,833	215,320	149,616	71,136
Fixed Assets	<u>184,465</u>	<u>109,633</u>	<u>70,983</u>	<u>48,914</u>	<u>32,656</u>
Total Assets	<u>5,929,408</u>	<u>3,783,192</u>	<u>2,841,809</u>	<u>2,650,370</u>	<u>935,418</u>
Liabilities					
Due to Banks	33,318	2,686	45,545	193,382	42,154
Deposits Accounts	4,571,262	3,098,332	2,373,096	1,974,552	709,408
Other Liabilities and Accruals	<u>715,623</u>	<u>380,928</u>	<u>247,861</u>	<u>361,582</u>	<u>68,283</u>
Total Liabilities	5,320,203	3,481,946	2,666,502	2,259,619	819,845
Net Assets	<u>609,205</u>	<u>301,246</u>	<u>175,307</u>	<u>118,751</u>	<u>115,573</u>
Financed by					
Share Capital	166,000	166,000	166,000	166,000	80,000
Shareholders Advance	259,150	114,250	56,000	-	86,000
Reserves	184,055	20,996	(46,693)	(47,249)	(50,427)
Shareholders' Fund	<u>609,205</u>	<u>301,246</u>	<u>175,307</u>	<u>118,751</u>	<u>115,573</u>
Total Shareholders' Equity	<u>5,929,408</u>	<u>3,783,192</u>	<u>2,841,809</u>	<u>2,650,370</u>	<u>935,418</u>
Acceptances and Guarantees	147,298	167,656	0	0	0
Profit and Loss					
Gross Earnings	817,350	497,467	337,418	248,737	129,315
Profit before tax	247,077	102,060	566	3,178	1,106
Profit after tax	<u>163,059</u>	<u>67,689</u>	<u>566</u>	<u>3,178</u>	<u>1,106</u>

ECOBANK Liberia Limited

Five Years Financial Summary-USD BALANCE SHEETS

	2007	2006	2005	2004	2003
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Assets					
Cash and Short-Term Funds	50,958	37,791	36,740	35,186	12,516
Loans and Advances	34,840	18,733	8,894	9,802	5,178
Other Assets	5,392	4,196	3,845	2,745	1,514
Fixed Assets	<u>2,928</u>	<u>1,812</u>	<u>1,268</u>	<u>898</u>	<u>695</u>
Total Assets	<u>94,118</u>	<u>62,532</u>	<u>50,747</u>	<u>48,631</u>	<u>19,903</u>
Liabilities					
Due to Banks	529	44	813	3,550	897
Deposits Accounts	72,560	51,212	42,377	36,267	15,094
Other Liabilities and Accruals	<u>11,359</u>	<u>6,296</u>	<u>4,426</u>	<u>6,635</u>	<u>1,453</u>
Total Liabilities	84,448	57,553	47,616	46,452	17,444
Net Assets	<u>9,670</u>	<u>4,979</u>	<u>3,130</u>	<u>40</u>	<u>2,459</u>
Financed by					
Share Capital	4,150	4,150	4,150	4,150	2,000
Shareholders Advance	4,300	2,000	1,000	0	2,150
Reserves	1,220	(1,171)	(2,020)	(1,971)	(1,691)
Shareholders' Fund	<u>9,670</u>	<u>4,979</u>	<u>3,130</u>	<u>2,179</u>	<u>2,459</u>
Total Shareholders' Equity	<u>94,118</u>	<u>62,532</u>	<u>50,747</u>	<u>48,631</u>	<u>19,903</u>
Acceptances and Guarantees	2,338	2,771	0	0	0
Profit and Loss					
Gross Earnings	12,974	8,223	6,025	4,564	2,751
Profit before tax	3,922	1,687	10	58	24
Profit after tax	<u>2,588</u>	<u>1,119</u>	<u>10</u>	<u>58</u>	<u>24</u>