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**ECOBANK Liberia Limited**

*Independent auditors' report and financial statements*  
**For the year ended December 31, 2009**

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## **Corporate information**

<b>Directors</b>	:	Pewu Zubah	Chairman
		Clavenda Bright-Parker	Member
		Oba M. O. Adesina	Member
		Albert Essien	Member
		Mustapha Fall	Alternate Member
		Morenike Adepoju	Managing Director (Outgoing)
		Kola Adeleke	Managing Director (Incoming)

**Managing Director** : Kola Adeleke

**Registered Office** : ECOBANK Liberia Limited  
Ashmun & Randall Streets  
P. O. Box 4825,  
Monrovia

**Auditors** : VOSCON Incorporated  
3<sup>rd</sup> Floor, FedEx Plaza  
80 Broad Street  
P. O. Box 10-0011  
Monrovia, Liberia

**Solicitors** : Sherman & Sherman  
R. Foley Sherman Building  
17<sup>th</sup> Street, Cheeseman Avenue  
Monrovia, Liberia

**Company Secretary**: Amos Andrews

## **Report of the directors**

The directors have pleasure in submitting their report to the shareholders together with the financial statements for the year ended December 31, 2009.

### **Directors' responsibility statement**

The company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the balance sheet at December 31, 2009 and the income statement, the statement of changes in equity and cash flow statement for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the New Financial Institutions Act (FIA) of 1999 and the Prudential Regulations of the Central Bank of Liberia (CBL).

The directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

### **Approval of the financial statements**

The financial statements of the Bank were approved by the Board of Directors on \_\_\_\_\_, 2010.

### **Share capital**

Details of the Bank's share capital are given in note 18 to the financial statements.

### **Directors**

The names of the present directors are detailed on page 1.

### **Auditors**

The auditors, Messrs VOSCON Inc, have indicated their willingness to continue in office.

### **By Order of the Board**

.....  
**Director**

.....  
**Director**

.....  
**Director**

.....  
**Director**



## **Independent Auditors' report to the shareholders of Ecobank Liberia Limited**

We have audited the financial statements of Ecobank Liberia Limited which comprise the balance sheet as at December 31, 2009, the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and the summary of significant accounting policies and other explanatory notes.

### **Managements' responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the New Financial Institutions Act (FIA) of 1999 and the Prudential Regulations of the Central Bank of Liberia (CBL). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement including the assessment of risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Independent Auditor's report to the shareholders of Ecobank Liberia Limited**

### **Emphasis of the matter**

Without qualifying our opinion, we draw your attention to Central Bank of Liberia Prudential Regulation Number CBL/SD/01/2000 and Regulation Number CBL/001/2008, which provides that licensed banking institutions are to maintain a capital adequacy ratio (CAR) of 10%. However, the bank's CAR at December 31, 2009 was 9.8%, which is less than the required ratio by 0.02% and is not material to warrant a qualification.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Ecobank Liberia Limited at December 31, 2009 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the New Financial Institutions Act (FIA) of 1999 and the Prudential Regulations of the Central Bank of Liberia (CBL).

### **Report on other Legal and Regulatory Requirements**

*In accordance with the requirements of Section 21-1(a) of the New Financial Institution Act 1999, we report that:*

- We were able to receive satisfactory explanations/information from the officers and/or agents about the bank.

*(Certified Public Accountants)*

Monrovia  
February 15, 2010

**Balance sheet**

*As at December 31*

<i>In thousands of Liberian dollars</i>	<b>Note</b>	<b>2009</b>	<b>2008</b>
<b>Assets</b>			
Cash and short-term funds	11	<b>5,574,166</b>	4,677,256
Loans and advances to customers	12	<b>5,589,407</b>	3,390,905
Property, plant and equipment	13	<b>371,608</b>	295,484
Other assets	14	<b>1,513,563</b>	599,558
Tax receivable	10	<b>31,002</b>	-
<b>Total assets</b>		<b>13,079,746</b>	8,963,203
<b>Liabilities</b>			
Deposits from customers	15	<b>9,896,135</b>	7,033,872
Deposits from banks	16	<b>84,515</b>	95,617
Corporate tax	10	<b>181,310</b>	97,271
Other liabilities	17	<b>1,826,398</b>	950,110
<b>Total liabilities</b>		<b>11,988,358</b>	8,176,870
<b>Equity</b>			
<b>Capital and reserves attributable to the company's equity holders</b>			
Issued capital	18	<b>166,000</b>	166,000
Shareholders' advance	19	<b>259,150</b>	259,150
Retained earnings	20	<b>454,356</b>	245,851
Reserves	21	<b>211,882</b>	115,332
<b>Total equity</b>		<b>1,091,388</b>	786,333
<b>Total liabilities and equity</b>		<b>13,079,746</b>	8,963,203

**These financial statements were approved by the Board of Directors on .....  
2010 and signed on their behalf by:**

..... )  
G. Pewu Subah  
**CHAIRMAN**

..... )  
Kola Adeleke  
**MANAGING DIRECTOR/CEO**

The notes on pages 10 to 26 are an integral part of these financial statements

**Income statement**

*For the year ended December 31*

<i>In thousands of Liberian dollars</i>	<b>Note</b>	<b>2009</b>	2008
Interest income	4	<b>651,224</b>	423,681
Interest expenses	4	<b>(31,755)</b>	(24,155)
<b>Net interest income</b>		<b>619,469</b>	399,526
Fees and commission income	5	<b>919,252</b>	676,510
Fees and commission expenses	5	<b>(263)</b>	-
<b>Net fee and commission income</b>		<b>918,989</b>	<b>676,510</b>
Net trading income	6	<b>63,515</b>	74,383
Other operating income		<b>494</b>	1,493
		<b>64,009</b>	75,876
<b>Operating income</b>		<b>1,602,467</b>	1,151,912
Provision for loan losses	7	<b>(157,034)</b>	(162,343)
Personnel expenses	8	<b>(303,337)</b>	(246,306)
Depreciation expense	13	<b>(98,632)</b>	(62,962)
Operating expenses	9	<b>(461,529)</b>	(339,401)
<b>Profit before income tax expense</b>		<b>581,935</b>	340,900
Income tax expense	10	<b>(195,736)</b>	(105,587)
<b>Profit for the year</b>		<b>386,199</b>	235,313
<b>Appropriation:</b>			
Transferred to statutory reserve		<b>(96,550)</b>	(58,828)
Proposed dividend		<b>(72,500)</b>	(80,250)
<b>Transferred to retained earnings</b>		<b>217,149</b>	96,235

The notes on pages 10 to 26 are an integral part of these financial statements

*Ecobank Liberia Limited*

*Financial statements*

*For the year ended December 31, 2009*

**Statement of changes in equity**

*For the year ended December 31*

*In thousands of Liberian dollars*

	<b>Issued share capital</b>	<b>Shareholders' advance</b>	<b>Statutory reserve</b>	<b>Other reserve</b>	<b>Total reserve</b>	<b>Retained earnings</b>	<b>Total shareholders equity</b>
Balance at 1 January 2008	166,000	259,150	57,687	(1,183)	56,504	127,551	609,205
Dividend relating to 2007	-	-	-	-	-	(63,000)	(63,000)
Net profit for the year	-	-	-	-	-	235,313	235,313
Prior period adjustment	-	-	-	-	-	4,815	4,815
Transfer to statutory reserves	-	-	58,828	-	58,828	(58,828)	-
<b>Balance at 31 December 2008</b>	<b>166,000</b>	<b>259,150</b>	<b>116,515</b>	<b>(1,183)</b>	<b>115,332</b>	<b>245,851</b>	<b>786,333</b>
Dividend relating to 2008	-	-	-	-	-	(80,250)	(80,250)
Net profit for the year	-	-	-	-	-	386,199	386,199
Prior period adjustment	-	-	-	-	-	(894)	(894)
Transfer to statutory reserves	-	-	96,550	-	96,550	(96,550)	-
<b>Balance at December 31, 2009</b>	<b>166,000</b>	<b>259,150</b>	<b>213,065</b>	<b>(1,183)</b>	<b>211,882</b>	<b>454,356</b>	<b>1,091,388</b>

The notes on pages 10 to 26 are an integral part of these financial statements

**Statement of cash flows***For the year ended December 31**In thousands of Liberian dollars*

	<b>Note</b>	<b>2009</b>	<b>2008</b>
<b>Cash flows from operating activities</b>			
Profit for the year		<b>386,199</b>	235,313
<b>Adjustment for:</b>			
Depreciation	<i>13</i>	<b>98,632</b>	62,962
		<b>98,632</b>	62,962
Changes in loans and advances	<i>12</i>	<b>(2,198,502)</b>	(1,196,001)
Changes in other assets	<i>14</i>	<b>(914,005)</b>	(259,868)
Changes in deposits from customers	<i>15</i>	<b>2,862,264</b>	2,462,610
Changes in other liabilities	<i>17</i>	<b>876,288</b>	315,716
Changes in tax receivables	<i>10</i>	<b>(31,002)</b>	-
Changes in tax liabilities	<i>10</i>	<b>84,038</b>	16,042
		<b>679,081</b>	1,338,499
<b>Net cash generated from operating activities</b>		<b>1,163,912</b>	1,636,774
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	<i>13</i>	<b>(174,756)</b>	(173,981)
<b>Net cash (used in)/generated from investing activities</b>		<b>(174,756)</b>	(173,981)
<b>Cash flows from financing activities</b>			
Net movement in reserves		<b>(81,144)</b>	(58,185)
<b>Net cash from financing activities</b>		<b>(81,144)</b>	(58,185)
Net increase in cash and cash equivalents		<b>908,011</b>	1,404,608
Cash and cash equivalents at January 1		<b>4,581,639</b>	3,177,031
<b>Cash and cash equivalents at December 31</b>		<b>5,489,650</b>	4,581,639

The notes on pages 10 to 26 are an integral part of these financial statements

## **Notes to the financial statements**

### **1. Reporting entity**

ECOBANK Liberia Limited (the Bank) is a company domiciled in Liberia. The address of the Bank's registered office is Ashmun & Randall Streets, P. O. Box 4825, Monrovia, Liberia. The financial statements of the Bank as at December 31, 2009 comprise the Head Office and its branches. The Bank primarily is involved in retail banking, consumer banking, wholesale banking and financial services.

### **2. Basis of preparation**

#### **(a) Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

#### **(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following:

- Financial instruments at fair value through profit or loss are measured at fair value.

#### **(c) Functional and presentation currency**

These financial statements are presented in Liberian dollars, which is the Bank's reporting currency. The Bank's functional currencies are United States dollars and Liberian dollars. Financial information presented in Liberian dollars has been rounded to the nearest thousands, except as indicated.

#### **(d) Use of estimates and judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in notes 4 and 5.

### **3. Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Bank.

## **Notes to the financial statements** *(continued)*

### **Significant accounting policies** *(continued)*

#### **(a) Foreign currency**

Transactions in foreign currencies are translated into the reporting currency of the Bank at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated into the reporting currency at the exchange rate at that date. The resultant profit or loss on exchange is taken to the profit and loss accounts.

#### **(b) Interest**

Interest income and expenses are recognized in the income statement for all interest-bearing instruments on an accrual basis.

The recognition of interest ceases when the payment of interest or principals is in doubt. Interest is recognized in income thereafter, on an accrual basis.

Interests on loans are returned to the accrual basis only when the doubt about their collectability is removed and when the outstanding arrears of interest and principal are received.

Interest income and expense are recognized in the income statement, using the effective interest method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, which appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

When calculating the effective interest rate the bank estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses.

The calculation of the effective interest rate includes all fees and interest paid or received transaction costs, and discounts or premiums that are an integral part of the effective interest rate.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expenses presented in the income statement include:

- Interest on financial assets and liabilities at amortized cost on an effective interest rate basis;

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Bank's trading operations and are presented together with all other charges in the fair value of trading assets and liabilities in net trading income.

## **Notes to the financial statements** *(continued)*

### **Significant accounting policies** *(continued)*

#### **(c) Fees and commissions**

Fees and commissions income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, sales commission, placement fees and syndication fees, are recognized as the related services are performed.

When a loan commitment is not expected to result in a draw-down of a loan, loan commitment fees are recognized on a straight-line basis over the commitment period.

Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

#### **(d) Net trading income**

Net trading income comprises gains less losses related to trading assets and liabilities and includes all realized fair value changes, interest, and foreign exchange differences.

#### **(e) Lease payments made**

Payments made under operating leases are recognized in profit or loss on a straight line basis over the term of the lease.

#### **(f) Taxation**

Taxation comprises current and deferred tax. Taxation is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

##### *Current tax*

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to the payable in respect of previous years.

##### *Deferred tax*

Deferred tax, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred tax is provided fully on timing difference, which is expected to reverse at the rate of tax likely to be in force at the time of reversal.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the associated unutilized tax losses and deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## **Notes to the financial statements** *(continued)*

### **Significant accounting policies** *(continued)*

#### **(g) Cash and short-term funds**

Cash and cash equivalents include notes and coins on hand, balances with other Banks, balances held with the Central Bank of Liberia and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their value and are used by the Bank in the management of its short-term commitments.

#### **(h) Loans and advances**

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near term

Loans and advances are stated net of provision for bad and doubtful items. Recoveries are written back to the profit and loss account when received. Interest income on non-performing loans are suspended and only recognized on cash basis.

Credit facilities are classified in line with the Prudential Regulations issued by the Central Bank of Liberia, which requires that provisions for credit losses be made against facilities based on their classifications, and are as follows:

Current/non-classified	2%
OLEM	5%
Sub-standard	25%
Doubtful	50%
Loss	100%

#### **(i) Property and equipment**

##### *(i) Recognition and measurement*

Land and leasehold improvements comprise mainly branches and offices. All property, plant and equipment are stated at historical cost less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset (costs of bringing the assets to its location and working condition). Purchase software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Work in progress represents property under construction, or plant and equipment undergoing installation, and is not depreciated; upon completion of construction or installation, the attributable cost of each asset is transferred to the relevant asset category.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

## **Notes to the financial statements** *(continued)*

### **Significant accounting policies** *(continued)*

#### *(ii) Subsequent costs*

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Bank and the cost of the items can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Major improvements are capitalized

#### *(iii) Depreciation*

Depreciation of property and equipment is calculated to write off the cost or valuation over the estimated useful lives of the assets on a straight line basis. Property and equipment are depreciated from the month the asset is brought into use. The annual rates adopted for the various asset categories are as follows:

i. Leasehold improvements	Over the term of the leases
ii. Motor vehicles	25.00%
iii. Computers	33.33%
iv. Furniture & equipment	20.00%

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

#### **(j) Provision for loan losses**

Provision 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 Regulations 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 provision.

## **Notes to the financial statements** *(continued)*

### **Significant accounting policies (continued)**

#### **(k) Employee benefits**

##### *(i) Defined contribution plans*

The Bank pays contributions to the National Social Security and Welfare Corporation (NASSCORP) on a mandatory basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

##### *(ii) Termination benefits*

Termination benefits are payable when employment is terminated by the Bank before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Bank recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

#### **(l) Share capital and reserves**

##### *Share issue costs*

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

#### **(m) Earnings per share**

The Bank presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

## **Notes to the financial statements** *(continued)*

### **Significant accounting policies** *(continued)*

#### **(n) New Standards and Interpretations not yet adopted**

A number of new standards, amendments to Standards and Interpretations are not yet effective for the year ended December 31, 2009, and have not been applied in preparing these financial statements.

- IFRIC 13 *Customer Loyalty Programmes* addresses the accounting by entities that operate or otherwise participate in customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. IFRIC 13 becomes mandatory for the by 2013 for the Bank's financial statements and will be applicable retrospectively.
- Amendments to IFRS 2 *Share-based Payment – Vesting Conditions and Cancellations* clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to IFRS 2 will become mandatory by 2013 for the Bank's financial statements, with retrospective application.
- IFRS 8 *Operating Segments* introduces the “management approach” to segment reporting. IFRS 8, which becomes mandatory by 2013 for the Bank's financial statements, will require a change in the presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the Bank's chief operating decision maker in order to assess each segment's performance and to allocate resources to them. Currently the Bank presents segment information in respect of its business and geographical segments. This standard will have no effect on the Bank's reported total profit or loss or equity.
- Revised IAS 1 *Presentation of Financial Statements (2008)* introduces the term “total comprehensive income,” which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of financial statements.
- Revised IAS 23 *Borrowing Costs* removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Revised IAS 23 will become mandatory by 2013 for the Bank's financial statements and will constitute a change in accounting policy for the Bank.

## **Notes to the financial statements** *(continued)*

### **Significant accounting policies** *(continued)*

#### **New Standards and Interpretations not yet adopted** *(continued)*

In accordance with the transitional requirements, the Bank will apply the revised IAS 23 to qualifying assets for which capitalization of borrowing costs commences on or after the effective date. Therefore there will be no impact on prior periods in the Bank's 2013 financial statements.

- Amendments to IAS 32 and IAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation* require puttable instruments and instruments that impose on the entity an obligation, to deliver to another party a pro rata share of the net assets of the entity only on liquidation to be classified as equity if certain conditions are met. The amendments, which become mandatory by 2013 for the Bank's financial statements with retrospective application required, are not expected to have any significant impact on the financial statements.

**Notes to the financial statements** *(continued)*

**4. Net interest income**

**Interest income**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Placements	<b>49,758</b>	37,482
Loans and advances to customers	<b>601,466</b>	386,199
Total interest income	<b>651,224</b>	423,681

**Interest expenses**

Savings accounts	<b>20,116</b>	21,475
Current accounts	<b>11,030</b>	-
Time deposits	<b>534</b>	1,825
Others	<b>75</b>	855
Total interest expenses	<b>31,755</b>	24,155

<b>Net interest income</b>	<b>619,469</b>	399,526
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**5. Fee and commission income**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Accounts servicing fees	<b>155,779</b>	85,388
Import and documentary fees	<b>66,346</b>	21,474
Commission on remittances	<b>376,476</b>	294,291
Guarantees	<b>9,821</b>	17,336
Other commission and fees	<b>310,830</b>	258,021
Total fee and commission income	<b>919,252</b>	676,510

**Fee and commission expenses**

Visa charges	<b>263</b>	-
Total fee and commission expenses	<b>263</b>	-

<b>Net interest income</b>	<b>918,989</b>	676,510
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Account servicing fees relate to fees earned on current account services and related services. Commission on remittances relates to fees earned on activities of the Bank relating to outward and inward remittance service charges on current accounts, and other earnings on similar commission related transactions.

Import and documentary fees relate to income on import and export finance transactions, and issue of letters of credit. Other commission and fees relate to establishment fees earned on loans and advances other than interest income and other transactions not included in the other categories.

**Notes to the financial statements** *(continued)*

**6. Net trading income**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Foreign exchange gains	<b>54,110</b>	392,371
Revaluation gains	<b>9,405</b>	(317,988)
<b>Net trading income</b>	<b>63,515</b>	74,383
	=====	=====

The foreign exchange gain includes gains and losses from spot transactions. Revaluation gains include gains and losses from translated foreign currency assets and liabilities.

**Notes to the financial statements** *(continued)*

**7. Loan losses expense**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
This comprises:		
New provisions	<b>193,280</b>	220,070
Recovery of amounts previously written-off	<b>(36,246)</b>	(57,727)
Provision for recoveries now released	-	
	<b>157,034</b>	162,343
	=====	=====

**8. Personnel expenses**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Salaries and allowances	<b>229,722</b>	181,509
Medical	<b>2,490</b>	1,131
Other employee costs	<b>71,125</b>	63,666
	<b>303,337</b>	246,306
	=====	=====

**9. Operating expenses**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Audit fees & expenses	<b>1,858</b>	972
Occupancy expenses	<b>39,130</b>	27,981
Administrative and management fees	<b>40,779</b>	17,568
Bank charges	<b>8,417</b>	13,950
Board expenses	<b>15,667</b>	5,725
Advertising & subscription	<b>42,260</b>	35,286
Travel & entertainment	<b>35,105</b>	23,268
Donation & contributions	<b>5,434</b>	3,296
Insurance	<b>12,436</b>	6,404
Legal & professional fees	<b>29,498</b>	23,274
Training & recruitment	<b>1,897</b>	2,589
Repairs & maintenance	<b>27,533</b>	18,525
Post & communications	<b>90,949</b>	48,673
Printing & publications	<b>32,522</b>	31,445
Utilities	<b>51,062</b>	45,869
Others	<b>26,982</b>	34,576
<b>Total operating expenses</b>	<b>461,529</b>	339,401
	=====	=====

**Notes to the financial statements** *(continued)*

**10. Income tax expense**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Brought forward	<b>97,271</b>	81,229
Current year tax	<b>195,736</b>	105,587
	<b>293,007</b>	186,816
Advanced corporate tax (2007)	-	(5,109)
Tax payment (2007)	-	(67,688)
Advanced corporate tax (2008)	<b>(6,869)</b>	(16,748)
Tax payment (2008)	<b>(112,972)</b>	-
Current advanced corporate tax	<b>(22,858)</b>	-
	<b>150,308</b>	97,271
Overpayment of tax (2008)	<b>31,002</b>	-
	<b>181,310</b>	97,271
	=====	=====

**11. Cash and short-term funds**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Cash on hand and in vaults	<b>599,574</b>	1,148,771
Balances with the Central Bank	<b>362,173</b>	37,095
Of collection, money at call & placements	<b>4,612,419</b>	3,491,390
	<b>5,574,166</b>	4,677,256
	=====	=====

**Analysis of cash and cash equivalents**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Cash and short-term funds	<b>5,574,166</b>	4,677,256
Deposits from banks <i>(Note 16)</i>	<b>(99,101)</b>	(95,617)
	<b>5,475,065</b>	4,581,639
	=====	=====

**12. Loans and advances to customers**

**a. Analysis by type of advance**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Loans	<b>3,018,440</b>	2,025,422
Overdrafts	<b>2,886,460</b>	1,609,294
	<b>5,904,900</b>	3,634,716
Gross loans and advances	<b>5,904,900</b>	3,634,716
Provision for loan losses <i>(Note 12e)</i>	<b>(307,430)</b>	(239,044)
Interest in suspense	<b>(8,063)</b>	(4,767)
	<b>5,589,407</b>	3,390,905
	=====	=====

**Notes to the financial statements** *(continued)*

**12. Loans and advances to customers (continued)**

**b. Analysis by industry**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Agric, forestry and fishing	<b>91,220</b>	-
Manufacturing	<b>172,646</b>	112,792
Tertiary	<b>5,641,034</b>	3,521,924
<b>Gross loans and advances</b>	<b>5,904,900</b>	3,634,716
Provision for loan losses <i>(Note 12e)</i>	<b>(307,430)</b>	(239,044)
Interest in suspense	<b>(8,063)</b>	(4,767)
	<b>5,589,407</b>	3,390,905
	=====	=====

**c. Type of customer**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Individuals	<b>677,920</b>	2,504,771
Private corporation & businesses	<b>5,056,917</b>	1,030,329
Non-financial public corporations	<b>23,250</b>	12,617
Central & other levels of government	<b>74,001</b>	84,774
Others	<b>72,813</b>	2,225
<b>Gross loans and advances</b>	<b>5,904,900</b>	3,634,716
Provision for loan losses <i>(Note 12e)</i>	<b>(307,430)</b>	(239,044)
Interest in suspense	<b>(8,063)</b>	(4,767)
	<b>5,589,407</b>	3,390,905
	=====	=====

**b. Analysis by performance**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Performing	<b>5,496,695</b>	3,376,764
Non-performing	<b>408,205</b>	257,952
<b>Gross loans and advances</b>	<b>5,904,900</b>	3,634,716
Provision for loan losses <i>(Note 12e)</i>	<b>(307,430)</b>	(239,044)
Interest in suspense	<b>(8,063)</b>	(4,767)
	<b>5,589,407</b>	3,390,905
	=====	=====

**Notes to the financial statements** *(continued)*

**Loans and advances to customers** *(continued)*

**c. Analysis by security**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Secured against real estate	<b>1,610,454</b>	24,566
Unsecured	<b>42,372</b>	-
Otherwise secured	<b>4,252,074</b>	3,610,150
<b>Gross loans and advances</b>	<b>5,904,900</b>	3,634,716
Provision for loan losses <i>(Note 12e)</i>	<b>(307,430)</b>	(239,044)
Interest in suspense	<b>(8,063)</b>	(4,767)
	<b>5,589,407</b>	3,390,905
	=====	=====

**d. Analysis by maturity**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Due on demand or within 1 month	<b>2,498,920</b>	416,481
Due after 1 month but within 3 months	<b>414,843</b>	391,051
Due after 3 month but within 6 months	<b>406,441</b>	531,027
Due after 6 month but within 12 months	<b>1,464,206</b>	1,863,336
Due after 12 months	<b>1,120,490</b>	432,821
<b>Gross loans and advances</b>	<b>5,904,900</b>	3,634,716
Provision for loan losses <i>(Note 12e)</i>	<b>(307,430)</b>	(239,044)
Interest in suspense	<b>(8,063)</b>	(4,767)
	<b>5,589,407</b>	3,390,905
	=====	=====

**e. Allowances for loan loss provision**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Balance at 1 January	<b>239,044</b>	305,394
Re-instatement of provision on previously written of loans	<b>57,746</b>	2,342
Adjusted balance at 1 January	<b>296,790</b>	307,736
Write-off	<b>(146,394)</b>	(231,035)
<b>Loan losses for the year:</b>		
Net charge for the year <i>(Note 7)</i>	<b>157,034</b>	162,343
<b>Balance at 31 December</b>	<b>307,430</b>	239,044
	=====	=====

**Notes to the financial statements** (continued)

**13. Property plant and equipment**

*In thousands of Liberian dollars*

	Land	Leasehold improvement	Furniture & equipment	Computers	Motor vehicles	Total
<b>Cost</b>						
At January 1, 2008	7,957	115,935	81,720	74,911	27,234	307,757
Acquisitions	1,728	62,207	30,417	56,675	22,953	173,980
Write-off/reclassification	-	(9,069)	(19,989)	(16,416)	(6,682)	(52,156)
<b>At 31 December 2008</b>	<b>9,685</b>	<b>169,073</b>	<b>92,148</b>	<b>115,170</b>	<b>43,505</b>	<b>429,581</b>
At January 1, 2009	9,685	169,073	92,148	115,170	43,505	429,581
Acquisitions	-	61,857	64,410	12,001	36,488	174,756
Write-off/reclassification	-	(324)	(4,383)	(2,996)	(6,578)	(14,281)
<b>At 31 December 2009</b>	<b>9,685</b>	<b>230,606</b>	<b>152,175</b>	<b>124,175</b>	<b>73,415</b>	<b>590,056</b>
<b>Depreciation</b>						
At January 1, 2008	-	34,626	39,510	36,563	12,593	123,292
Charge	-	12,281	20,457	23,904	6,319	62,961
Write-off/reclassification	-	(9,069)	(19,989)	(16,416)	(6,682)	(52,156)
<b>At 31 December 2008</b>	<b>-</b>	<b>37,838</b>	<b>39,978</b>	<b>44,051</b>	<b>12,230</b>	<b>134,097</b>
At January 1, 2009	-	37,838	39,978	44,051	12,230	134,097
Charge	-	22,127	34,868	23,414	18,223	98,632
Write-off/reclassification	-	(324)	(4,383)	(2,996)	(6,578)	(14,281)
<b>At 31 December 2009</b>	<b>-</b>	<b>59,641</b>	<b>70,463</b>	<b>64,469</b>	<b>23,875</b>	<b>218,448</b>
<b>Carrying amounts</b>						
At January 1, 2008	7,957	81,309	42,210	38,348	14,641	184,465
At December 31, 2008	9,685	131,235	52,170	71,119	31,275	295,484
<b>At 31 December 2009</b>	<b>9,685</b>	<b>170,965</b>	<b>81,712</b>	<b>59,706</b>	<b>49,540</b>	<b>371,608</b>

**Notes to the financial statements** *(continued)*

**14. Other assets**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Interest & fees receivable	<b>50,571</b>	24,035
Prepaid expenses	<b>178,940</b>	86,077
Advanced corporate tax	<b>22,858</b>	16,748
Sundry receivables	<b>1,310,042</b>	500,308
Due from Western Union	<b>1,416</b>	14,711
	<u><b>1,563,827</b></u>	<u>641,879</u>
Provision	<b>(50,264)</b>	(42,321)
	<u><b>1,513,563</b></u>	<u>599,558</u>
	=====	=====

**15. Deposits from customers**

**a. Analysis by type of deposit**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Current accounts	<b>7,483,403</b>	5,439,842
Savings accounts	<b>2,406,662</b>	1,561,757
Time deposits	<b>6,070</b>	32,273
	<u><b>9,896,135</b></u>	<u>7,033,872</u>
	=====	=====

**b. Analysis by maturity**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Due on demand or within 1 month	<b>9,890,065</b>	7,029,862
Due after 1 month but within 3 months	<b>2,465</b>	1,605
Due after 3 month but within 6 months	<b>2,200</b>	963
Due after 6 month but within 12 months	<b>1,405</b>	1,442
Due after 12 months		-
	<u><b>9,896,135</b></u>	<u>7,033,872</u>
	=====	=====

**c. Analysis by type of depositor**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Individuals	<b>5,073,915</b>	4,050,738
Private corporations & enterprises	<b>3,580,531</b>	2,297,758
Financial corporations	<b>102,719</b>	53,187
Non-financial corporations	<b>1,121,408</b>	589,477
Central & other levels of government	<b>15,015</b>	41,520
Staff	<b>2,547</b>	1,192
	<u><b>9,896,135</b></u>	<u>7,033,872</u>
	=====	=====

**Notes to the financial statements** *(continued)*

**16. Deposit from banks**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Affiliate banks	<b>5,506</b>	36,270
Other local banks	<b>79,009</b>	59,347
	<b>84,515</b>	95,617
	=====	=====

**17. Other liabilities**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Cash collaterals	<b>69,625</b>	176,238
Remittances awaiting disposal	<b>52,734</b>	29,636
Accruals & other liabilities	<b>1,704,039</b>	744,236
	<b>1,826,398</b>	950,110
	=====	=====

**18. Share capital**

<i>In thousands of Liberian dollars</i>	<b>2009</b>		2008	
	<b>No. of shares</b>	<b>Proceeds</b>	No. of shares	Proceeds
<b>Authorized share capital</b>				
Ordinary shares of US\$2/L\$83 each				
Balance at 1 January and 31 December	<b>2,000</b>	<b>166,000</b>	2,000	166,000
	=====	=====	=====	=====
<b>Issued share capital</b>				
<b>Ordinary shares of US\$1 each</b>				
Balance at 1 January	<b>2,000</b>	<b>166,000</b>	2,000	166,000
Issued during the year	-	-	-	-
Share premium	-	-	-	-
<b>Balance at 31 December</b>	<b>2,000</b>	<b>166,000</b>	<b>2,000</b>	<b>166,000</b>
	=====	=====	=====	=====

**19. Shareholders' advance**

The parent company, Ecobank Transnational Incorporated, made advances to Ecobank Liberia in the past to boost the capital of the bank as required by Central Bank of Liberia. These advances are expected to be converted to share capital in the future. The total advances made to date amounts to L\$259,150,000.

**Notes to the financial statements** *(continued)*

**20. Retained earnings**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
At 1 January	<b>245,851</b>	127,551
Net (loss)/profit for the year	<b>386,199</b>	235,313
Dividends	<b>(80,250)</b>	(63,000)
Prior period adjustments	<b>(894)</b>	4,815
Transfer to statutory reserves	<b>(96,550)</b>	(58,828)
<b>At 31 December</b>	<b>454,356</b>	245,851
	=====	=====

**21. Reserves**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Statutory reserves	<b>213,065</b>	116,515
Other reserves	<b>(1,183)</b>	(1,183)
<b>At 31 December</b>	<b>211,882</b>	115,332
	=====	=====

**(a) Statutory reserves**

In accordance with Section 15 of the New Financial Institution Act 1999, the Bank is to maintain a statutory reserve account into which transfers from the net profit of the Bank should be made. A transfer of 25% has been made from the net profit after taxation in accordance with Section 15b(i) of the New Financial Institution Act 1999 as the aggregate of the actual paid-up or assigned capital and statutory reserve is less than one and one half times the greater of its minimum required capital.

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Balance at 1 January	<b>116,515</b>	57,687
Transfer from net profits	<b>96,550</b>	58,828
<b>Balance at 31 December</b>	<b>211,065</b>	116,515
	=====	=====

**(b) Other reserves**

<i>In thousands of Liberian dollars</i>	<b>2009</b>	2008
Balance 1 January	<b>(1,183)</b>	(1,183)
Movement		-
<b>Balance at 31 December</b>	<b>(1,183)</b>	(1,183)
	=====	=====

**22. Capital commitment**

Commitment for capital expenditure at December 31, 2009 amounted to nil (2008: nil).

**Notes to the financial statements** *(continued)*

**23. Acceptances and guarantees**

There were no outstanding commitments as at the end of December 31, 2009 (2008: nil).

**24. Contingent liability**

The outstanding Contingent Liabilities as at December 31, 2009 representing Documentary and Commercial Letter of Credit, Performance Bond, Guarantees and Indemnities was L\$358,174,070 (2008: L\$393,996,620).

**25. Related party transactions**

*Identity of related parties*

The Bank has a related party relationship with its parent body in the group. The parent body owns 100% of the total shareholding of the Bank.

A number of business transactions are entered into with the Group. These include the maintenance of the various nostro accounts on which interests are earned and the payment of certain operating and capital expenditure on behalf of the Bank.

**26. Restatement of 2008 balances**

Some balances for 2008 have been restated for comparative purpose.

**27. Post Balance Sheet Event**

The Managing Director, Morenike Adepoju, was re-assigned and replaced by Kola Adeleke effective March 1, 2010.