

**EKONDO MICRO FINANCE BANK LIMITED
ANNUAL REPORT AND ACCOUNTS
YEAR ENDED 31ST MARCH, 2007.**

CONTENTS

	Page
CORPORATE INFORMATION	1
REPORT OF DIRECTORS	2-3
REPORT OF AUDITORS	4
ACCOUNTING POLICIES	5
BALANCE SHEET	6
PROFIT AND LOSS ACCOUNT	7
CASH FLOW STATEMENT	8
NOTES TO THE ACCOUNTS	9-15
STATEMENT OF VALUE ADDED	16
FIVE-YEAR FINANCIAL SUMMARY	17

**EKONDO MICRO FINANCE BANK LIMITED
CORPORATE INFORMATION
YEAR ENDED 31ST MARCH, 2007.**

DIRECTORS

CHIEF ASUQUO EKPENYONG - FCIB, OON - CHAIRMAN
GP. CAPT. ITA D. IKPEME (RTD) - CON
DR. (MRS) IQUO EKPENYONG
MR. GERSHOM E. HENSHAW
DR. DAVID ATTOE

SECRETARY

BARR. LINUS OKON
9 CHAMLEY STREET
CALABAR.

REGISTERED OFFICE

43 MURTALA MUHAMMED HIGHWAY
P. M. B. 1208,
CALABAR.

BANKERS

SPRINGBANK PLC
UNITED BANK FOR AFRICA PLC
GUARANTY TRUST BANK PLC
OCEANIC BANK INTERNATIONAL PLC

AUDITORS

OVO ASANGA NYONG & CO.
CHARTERED ACCOUNTANTS
26 IBB WAY (FORMER 40 AKIM ROAD)
P. O. BOX 2875
CALABAR.

REPORT OF AUDITORS TO THE MEMBERS OF EKONDO MICRO FINANCE BANK LIMITED

We have audited the financial statements set out on pages 6 to 15 which were prepared on the basis of the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on the audit, on these statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with generally accepted auditing standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the bank's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

The financial statements are in agreement with the books of account which have been properly kept and we obtained the information and explanations we required. There were no contraventions of the Bank and Other Financial Institutions Act 25 of 1991, the Community Banking Act No.46 of 1992 and all relevant circulars and Prudential Guidelines issued by the **Central Bank of Nigeria** during the year ended 31st March, 2007.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the bank as at 31st March, 2007 and of the Profit and Cashflow for the year ended on that date and have been properly prepared in accordance with the **Companies and Allied Matters Act of 1990** and the relevant statements of Accounting Standards issued by the Nigerian Accounting Standards Board.

CALABAR, NIGERIA

2007

CHARTERED ACCOUNTANTS.

EKONDO MICRO FINANCE BANK LIMITED
ACCOUNTING POLICIES
YEAR ENDED 31ST MARCH, 2007 .

The following are the significant accounting policies which have been adopted by the bank in the preparation of its financial statements.

(a) **Basis of Accounting**

The accounts have been prepared under the historical cost convention. No adjustments have been made to reflect the impact on the financial statements of specific price changes in the general level of prices.

(b) **Fixed Assets**

Fixed Assets are stated at acquisition cost. Depreciation is provided on all assets except Land, on a straight line basis to write off their cost over their estimated useful lives at the following rates:-

	%
Furniture & Fittings	20
Office Equipment	20
Motor Vehicles	20
Buildings	2

(c) **Income**

Interest, Commission and Other Income are recognised when due and accounted for on accrual basis. Interest on non-performing credits are recognised on cash basis only . Outstanding interests are accrued into Interest in Suspense Account and added to gross Loans and Advances.

(d) **Accounting Policies on Loan Loss Provision**

Provision is made in accordance with Prudential Guidelines issued by the Central Bank of Nigeria for each account that is non-performing in accordance with the terms of related facility as follows:-

Interest and/or principal outstanding for over	
90 days but less than 180 days	10%
180 days but less than 360 days	50%
360 days	100%

In addition, a Provision of 1% minimum is made for all performing accounts to recognize losses in respect of risks inherent in all credit portfolio.

Full provision has been made for any losses that may arise from off Balance Sheet engagements.

(e) **Investment Securities**

Investment securities comprise equity and debt securities which the bank intends to hold until maturity. Interest earned on investment securities is reported as investment income. Dividend received is reported as dividend income. A change in market value is not taken into account unless it is considered to be permanent.

**EKONDO MICOR FINANCE BANK LIMITED
REPORT OF DIRECTORS
YEAR ENDED 31ST MARCH, 2007.**

In compliance with the **COMPANIES AND ALLIED MATTERS ACT 1990**, the Directors are pleased to present the Report and Audited Financial Statement for the year ended 31st March 2007.

1. LEGAL FORM/PRINCIPAL ACTIVITIES

The Bank was duly incorporated in Nigeria on August 11, 1997 as a Private Limited Company with Licence to do the business of Community banking. In 2006 it converted with a Provisional Licence from the Central Bank of Nigeria to a Micro Finance Bank. The business of the bank is done in its Calabar and Ikang Offices.

2. RESULTS

The activities of the bank during the period showed the following results.

	2007	2006
PROFIT AND LOSS ACCOUNT	₦	₦
Profit before Taxation	43,988,061	30,943,734
Taxation	<u>(1,500,000)</u>	<u>(1,000,000)</u>
Profit after Taxation	42,488,061	29,943,734
Appropriation:		
Statutory Reserves	(10,622,015)	(7,485,934)
Proposed Dividend	<u>(22,500,000)</u>	<u>(19,436,177)</u>
General Reserves	<u>9,366,046</u>	<u>3,021,623</u>

3. Dividend

In view of the above result, the Directors recommend a dividend of 15kobo per N1.00 share.

4. Transfers to Reserves

Transfers have been made according to Prudential Guidelines to Statutory Reserves Account in the sum of **N10,622,015** with the balance of **N 9,366,046** left in the General Reserves Account.

5. Directors

Chief Asuquo Ekpenyong - FCIB, OON - Chairman
Gp. Capt. Ita D. Ikpeme (Rtd) - CON
Dr. (Mrs) Iquo Ekpenyong
Mr. Gershom E. Henshaw
Dr. David Attoe

6. Employment and Employees

It is the policy of the bank that there is no discrimination or unfairness in considering applications for employment including those from disabled persons. The bank has no disabled person in its employment. The bank is committed to keeping employees fully informed regarding the bank's performance and progress and seeking their views whenever practicable on matters which particularly affect them as employees. Training is carried out at various levels through both in-house and external courses and career development is encouraged. During the year under review, the bank utilised the facilities of local training institutions and organisations for training its staff.

7. Health, Safety and Staff Welfare

The bank continues to give careful attention to her employees' health and safety through the network of hospitals and clinics in retainerhip. The bank also provides adequately, to all levels of employees, for transportation, housing, lunch, dressing etc.

8. Frauds/Forgeries

A fraud of N3,687,630 occurred in the bank during the year which has duly been reported to the Central Bank of Nigeria.

9. Auditors

In accordance with Section 357(2) of the Companies and Allied Matters Act, 1990, Messrs Ovo Asanga Nyong & Co., - Chartered Accountants - having indicated their willingness, are to continue in office as auditors to the bank. A resolution will be proposed at the Annual General Meeting authorising the directors to fix their remuneration.

BY ORDER OF THE BOARD

LINUS B. OKON Esq
SECRETARY

CALABAR, NIGERIA.

EKONDO MICRO FINANCE BANK LIMITED
BALANCE SHEET
AS AT 31ST MARCH, 2007

	Notes	2007 ₦	2006 ₦
ASSETS			
Cash & Short Term Funds	1	207,021,548	154,311,361
Investments	2	22,138,183	40,092,032
Loans & Advances	3	271,787,010	136,020,578
Other Assets	4	20,445,215	2,490,729
Fixed Assets	5	79,559,484	11,382,451
TOTAL ASSETS		<u>600,951,440</u>	<u>344,297,151</u>
LIABILITIES			
Deposits, Current & Other Accounts	6	292,487,934	124,208,957
Taxation	7	1,500,000	1,000,000
Other Liabilities	8	13,938,590	3,626,469
Dividend Payable	9	22,500,000	19,436,177
		<u>330,426,524</u>	<u>148,271,603</u>
CAPITAL AND RESERVES			
Share Capital	10	150,000,000	97,180,885
Share Premium		440,000	-
Deposit for Shares		1,252,192	-
Statutory Reserves	11	88,802,271	78,180,256
General Reserves	12	30,030,453	20,664,407
		<u>270,524,916</u>	<u>196,025,548</u>
TOTAL LIABILITIES & EQUITY		<u>600,951,440</u>	<u>344,297,151</u>
Acceptances, Confirmed Credits & Other Obligations on behalf of Customers & Customers' Liabilities thereof		<u>NIL</u>	<u>NIL</u>

**Approved by the Board of Directors on
July 10, 2007 & signed on its behalf by:**

..... **CHAIRMAN**
Chief Asuquo Ekpenyong OON, FCIB

..... **DIRECTOR**
Gp. Capt. Ita D. Ikpeme (Rtd) CON

Notes 1 to 16 annexed form part of these Accounts.

EKONDO MICRO FINANCE BANK LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST MARCH 2007

	Notes	2007 ₦	2006 ₦
Earnings			
Interest Income	13	66,231,572	46,543,862
Interest Expenses	15	(5,448,664)	(4,266,137)
Net Interest Income		60,782,908	42,277,725
Other Income	14	<u>43,296,413</u>	<u>24,342,520</u>
Net Income		104,079,321	66,620,245
Operating Expenses	16	(44,721,462)	(29,541,070)
Provision for Bad & Doubtful Debts	3.6	(9,492,745)	(1,210,365)
Depreciation	5	(5,877,053)	(4,925,076)
Profit before Taxation		43,988,061	30,943,734
Taxation	7	(1,500,000)	(1,000,000)
Profit after Taxation		<u>42,488,061</u>	<u>29,943,734</u>
Appropriation:			
Statutory Reserves	11	(10,622,015)	(7,485,934)
Proposed Dividend	9	<u>(22,500,000)</u>	<u>(19,436,177)</u>
General Reserves		<u>9,366,046</u>	<u>3,021,623</u>

Notes 1 to 16 annexed form part of these Accounts.

EKONDO MICRO FINANCE BANK LIMITED
CASHFLOW STATEMENT
YEAR ENDED 31ST MARCH 2007

	2007	2006
	₦	₦
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	43,988,061	30,943,734
Add: Depreciation	5,877,053	4,925,076
Provision for Loans & Advances	9,492,745	1,210,365
Loss on Asset Disposal	-	1,720
Recoveries (Loan/Advances)	554,809	2,535,344
	<u>59,912,668</u>	<u>39,616,239</u>
Deduct:		
Miscellaneous (Non Cash) Income	(5,125,671)	(96,438)
Profit on Assets Disposal	(99,900)	-
Provision no longer required	(1,035,000)	(2,024,204)
Cashflow before Changes in Operating Assets / Liabilities	<u>53,652,097</u>	<u>37,495,597</u>
Changes in Operating Assets/ Liabilities		
Loans & Advances	(140,631,252)	17,065,682
Other Assets	(17,954,486)	9,977,840
Deposits, Current & Other Accounts	168,278,977	22,154,178
Other Liabilities	10,312,121	(3,597,962)
Tax Paid	-	-
	<u>20,005,360</u>	<u>45,599,738</u>
CASHFLOW FROM OPERATING ACTIVITIES	<u>73,657,457</u>	<u>83,095,335</u>
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(74,054,186)	(3,720,500)
(Purchase)/ Disposal of Investments	17,953,849	(603,099)
Disposal of Fixed Assets	100,000	124,140
Net Cashflow from Investing Activities	<u>(56,000,337)</u>	<u>(4,199,459)</u>
CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds from Sale of Shares	52,819,115	22,226,000
Deposit for Shares	1,252,192	-
Premium	440,000	-
Dividend Paid	(19,436,177)	(13,532,178)
Net Cashflow from Financing Activities	<u>35,075,130</u>	<u>8,693,822</u>
NET INCREASE/(DECREASE) in Cash & Cash Equivalent		
	52,732,250	87,589,698
Cash & Cash Equivalent at Beginning	<u>154,311,361</u>	<u>66,721,663</u>
Cash and Cash Equivalent at End	<u>207,043,611</u>	<u>154,311,361</u>

EKONDO MICRO FINANCE BANK LIMITED
NOTES TO THE ACCOUNTS
AS AT 31ST MARCH 2007

	2007	2006
	₦	₦
1. CASH & SHORT TERM FUNDS		
a) Cash		
Cash in Treasury & with Cashier	4,821,399	6,265,360
Ikang Cash Office	983,922	706,447
	<u>5,805,321</u>	<u>6,971,807</u>
b) Balances With Other Banks		
Spring Bank Plc	1,119,894	2,561,044
Ecobank Plc	7,029	7,029
UBA	18,977,876	835,833
Continental Trust Bank Plc	-	5,197
Guaranty Trust Bank Plc	12,516,307	3,719,399
Oceanic Bank Plc	64,531,011	29,076,249
	<u>97,152,117</u>	<u>36,199,554</u>
c) Funds Placement		
Oceanic Bank Ltd	69,000,000	55,000,000
Intercontinental Bank Plc	-	30,000,000
Davandy Finance & Securities Ltd	25,064,110	26,140,000
First Inland Bank Plc	10,000,000	-
	<u>104,064,110</u>	<u>111,140,000</u>
	<u>207,021,548</u>	<u>154,311,361</u>
2. INVESTMENTS		
Quoted Shares (Market Value N31,468,219)	21,852,469	6,880,603
Cross River State Govt. Bond	285,714	571,429
Golf Course Estate Project	-	32,640,000
	<u>22,138,183</u>	<u>40,092,032</u>
3.1 LOANS & ADVANCES		
Analysis by Classification		
Overdraft	91,229,476	126,468,029
Loans	204,603,251	28,055,549
Classified	13,894,789	14,572,686
	<u>309,727,516</u>	<u>169,096,264</u>
<u>Less:</u> Provision for Bad & Doubtful Debts	(29,211,113)	(20,273,177)
Interest in Suspense	(8,729,393)	(12,802,509)
	<u>271,787,010</u>	<u>136,020,578</u>

	2007	2006
	₪	₪
3.2 Loans & Advances		
Analysis by Performance		
Performing	271,474,410	145,426,378
Non Performing		
- Substandard	2,218,779	755,932
- Doubtful	19,519,673	8,341,268
- Lost	<u>16,514,654</u>	<u>14,572,686</u>
	<u>309,727,516</u>	<u>169,096,264</u>
Less:		
Provision for Bad & Doubtful Debts	(29,211,113)	(20,273,177)
Interest in Suspense	<u>(8,729,393)</u>	<u>(12,802,509)</u>
	<u>271,787,010</u>	<u>136,020,578</u>
3.3 Loans & Advances		
Analysis by Security		
Secured by Real Property	220,739,163	46,733,721
Otherwise Secured	88,988,353	122,362,543
Unsecured	-	-
	<u>309,727,516</u>	<u>169,096,264</u>
3.4 Loans & Advances		
Analysis by Maturity		
Under 1 month	-	-
1 - 3 months	80,311,536	139,550,407
3 - 6 months	28,476,120	23,286,694
6 - 12 months	71,936,968	3,200,000
Above 12 months	<u>129,002,892</u>	<u>3,059,163</u>
	<u>309,727,516</u>	<u>169,096,264</u>

3.5 Provision for Bad & Doubtful Debts

		2007		2006	
		Balance	Provision	Balance	Provision
	%	₪	₪	₪	₪
Performing	1	271,474,410	2,714,744	145,426,378	1,454,264
Non Performing:					
- Sub-Standard	10	2,218,779	221,878	755,932	75,593
- Doubtful	50	19,519,673	9,759,837	8,341,268	4,170,634
- Lost	100	<u>16,514,654</u>	<u>16,514,654</u>	<u>14,572,686</u>	<u>14,572,686</u>
		<u>309,727,516</u>	<u>29,211,113</u>	<u>169,096,264</u>	<u>20,273,177</u>
Interest in Suspense			8,729,393		12,802,509
Total Provision			<u>37,940,506</u>		<u>33,075,686</u>

	2007	2006
	₦	₦
3.6 Provision Written to Profit & Loss Account		
a) Loans & Advances		
Balance Brought Forward	20,273,177	21,598,156
Recoveries/Write-off	(554,809)	(2,535,344)
Provision for the year	9,492,745	1,210,365
Balance Carried Forward	<u>29,211,113</u>	<u>20,273,177</u>
b) Interest in Suspense		
Balance Brought Forward	12,802,509	7,828,259
Write back/Write-off	(4,073,116)	-
Additions during the year	-	4,974,250
Balance Carried Forward	<u>8,729,393</u>	<u>12,802,509</u>
c) Provision as per Balance Sheet		
Principal (a)	29,211,113	20,273,177
Interest in Suspense (b)	8,729,393	12,802,509
Total	<u>37,940,506</u>	<u>33,075,686</u>
4. OTHER ASSETS		
Cheque Book & Stamps	98,456	182,193
Stationery Stock	265,604	234,672
Clearing Account	22,063	87,148
Pass Book	6,260	6,120
Ikang Cash Office	2,678,419	-
DFS Insurance Brokers	73,125	-
Investment Interest due not received	3,413,306	11,096
Debtors/Prepayments	9,303,911	1,969,500
Fraud & Forgery	3,687,630	-
Shorts in Till	20,526	-
Davandy Finance & Securities Ltd	875,915	-
	<u>20,445,215</u>	<u>2,490,729</u>

5. FIXED ASSETS

COST	AT	ADDITIONS	DISPOSALS	AT
	1/4/2006			31/3/2007
	₦	₦	₦	₦
Furniture & Fitting	1,956,928	3,113,085	-	5,070,013
Office Equipment	8,604,872	4,174,947	-	12,779,819
Plant & Machinery	3,651,760	958,450	-	4,610,210
Motor Vehicles	5,225,000	19,507,075	(1,300,000)	23,432,075
	5,000,000	-	-	5,000,000
Land & Buildings	8,094,865	46,300,629	-	54,395,494
Borehole	132,600	-	-	132,600
	<u>32,666,025</u>	<u>74,054,186</u>	<u>(1,300,000)</u>	<u>105,420,211</u>

DEPRECIATION	AT	FOR THE	ON	AT
	1/4/2006			YEAR
	₦	₦	₦	₦
Furniture & Fittings	1,956,828	56,870	-	2,013,698
Office Equipment	5,495,890	1,911,364	-	7,404,254
Plant & Machinery	2,914,795	922,042	-	3,836,837
Motor Vehicles	3,897,719	2,815,880	(1,299,900)	5,413,699
	4,999,900	-	-	4,999,900
Land & Buildings	1,888,942	170,897	-	2,059,839
Borehole	132,500	-	-	132,500
	<u>21,283,574</u>	<u>5,877,053</u>	<u>(1,299,900)</u>	<u>25,860,727</u>

NET BOOK VALUE	AT			AT
	1/4/2006			31/3/2007
	₦	₦	₦	₦
Furniture & Fittings	100	(56,870)	3,113,085	3,056,315
Office Equipment	3,111,982	(1,911,364)	4,174,947	5,375,565
Plant & Machinery	736,965	(922,042)	958,450	773,373
Motor Vehicles	1,327,281	(2,815,880)	19,507,075	18,018,476
	100	-	-	100
	-	-	(100)	-
Land & Buildings	6,205,923	(170,897)	46,300,629	52,335,655
Borehole	100	-	-	100
	<u>11,382,451</u>	<u>(5,877,053)</u>	<u>74,054,186</u>	<u>79,559,484</u>

6. a) DEPOSITS, CURRENT & OTHER ACCOUNTS

	2007	2006
	₦	₦
Demand	144,487,038	44,936,527
Savings	99,097,597	68,893,738
Fixed Deposit	48,903,299	10,378,692
	<u>292,487,934</u>	<u>124,208,957</u>

	2007	2006
	N	N
b) Maturity Profile of Deposit		
under 1 month	243,584,635	113,829,471
1 - 3 months	20,548,168	7,654,138
3 - 6 months	27,029,050	987,277
6 - 9 months	240,000	-
9 - 12 months	1,086,081	1,738,071
Above 12 months	-	-
	<u><u>292,487,934</u></u>	<u><u>124,208,957</u></u>
7. TAXATION		
Provision for Taxation is made in accordance with the Companies Income Tax Act 1979 (as amended).		
Balance Brought Forward at 1st April	1,000,000	2,024,204
Provision for the year	1,500,000	1,000,000
	<u>2,500,000</u>	<u>3,024,204</u>
Provision no longer required	1,000,000	(2,024,204)
Balance at 31st March	<u><u>1,500,000</u></u>	<u><u>1,000,000</u></u>
8. OTHER LIABILITIES		
Creditors/Accruals	13,916,527	3,539,321
Uncleared Effects	22,063	87,148
Balance at 31st March	<u><u>13,938,590</u></u>	<u><u>3,626,469</u></u>
9. DIVIDEND		
Balance at 1st April	19,436,177	13,532,178
Proposed Dividend	22,500,000	19,436,177
	<u>41,936,177</u>	<u>32,968,355</u>
Payment during the year	(19,436,177)	(13,532,178)
Balance at 31st March	<u><u>22,500,000</u></u>	<u><u>19,436,177</u></u>
10. SHARE CAPITAL		
Ordinary Shares of N1.00 each		
Authorised	<u><u>150,000,000</u></u>	<u><u>100,000,000</u></u>
Allotted, Called-Up & Fully Paid	<u><u>150,000,000</u></u>	<u><u>97,180,885</u></u>
10. SHARE PREMIUM	<u><u>440,000</u></u>	<u><u>-</u></u>
DEPOSIT FOR SHARES	<u><u>1,252,192</u></u>	<u><u>-</u></u>

	2007	2006
	₹	₹
11. STATUTORY RESERVES		
Balance at 1st April	35,180,256	27,694,322
Prior-Year Adjustment	43,000,000	-
Transfer from Profit & Loss Account	<u>10,622,015</u>	<u>7,485,934</u>
Balance at 31st March	<u>88,802,271</u>	<u>35,180,256</u>
12. GENERAL RESERVES		
Balance at 1st April	63,664,407	60,642,784
Prior-Year Adjustment	(43,000,000)	-
Retained Profit for the year	<u>9,366,046</u>	<u>3,021,623</u>
Balance at 31st March	<u>30,030,453</u>	<u>63,664,407</u>
13. INTEREST INCOME		
Loans/Advances	49,544,578	38,194,919
Inter Bank Transactions	<u>16,686,994</u>	<u>8,348,943</u>
	<u>66,231,572</u>	<u>46,543,862</u>
14. OTHER INCOME		
Commission	29,344,556	18,965,938
Investment Income	6,961,219	353,895
Miscellaneous	5,435,829	463,139
Bad Debt Recovered	554,809	2,535,344
Tax Provision no longer required	<u>1,000,000</u>	<u>2,024,204</u>
	<u>43,296,413</u>	<u>24,342,520</u>
15. INTEREST EXPENSE		
Fixed Deposit	2,293,958	1,331,228
Savings	<u>3,154,706</u>	<u>2,934,909</u>
	<u>5,448,664</u>	<u>4,266,137</u>
16. OPERATING EXPENSES		
Audit Fees	200,000	200,000
Salaries & Employees' Benefits/Allowance	18,683,977	14,363,655
Repairs & Maintenance	2,127,230	1,287,710
Staff Training & Development	525,917	1,010,691
Board Meeting Expenses	1,501,345	638,270
Bank Charges	1,867,111	1,537,995
Administration Expenses (Note 16.1)	<u>19,815,882</u>	<u>10,502,749</u>
	<u>44,721,462</u>	<u>29,541,070</u>

	2007	2006
	₦	₦
16.1. OTHER CHARGES		
Postages, Telex & Telegramme	71,610	37,821
Rent & Rates	70,400	44,000
Electricity & Lighting	610,227	721,792
Diesel Expenses	1,926,790	1,212,912
Telephone	740,050	544,641
Publications/Magazine/Newspapers	14,450	7,150
Security Services	873,940	810,560
Miscellaneous Expenses	679,330	460,112
Transport & Travelling	833,490	1,114,965
Motor Vehicle Expenses	1,175,288	1,442,030
Adverts & Publicity	2,834,185	650,907
Public Relations	381,850	741,780
Printing & Stationery	1,444,000	652,348
Donations & Subscriptions	633,600	296,600
Internet Expenses	640,145	465,611
Cleaning/Toiletries	83,810	117,105
Insurance Premium	1,462,739	277,500
Shorts in Till	57,305	11,900
Promotion Expenses	580,934	-
Annual General Meeting Expenses	351,655	412,095
Legal Expenses	984,000	323,000
Staff End of Year Party	-	82,500
Loss on Sale of Vehicle	-	1,720
Staff Uniforms	22,000	73,700
T.V. Subscription	87,100	-
Micro-Finance Licencing Expenses	407,650	-
Share Capital Increase Expenses	1,383,400	-
Staff Pension Scheme - Employers Contribution	211,434	-
Commissioning Expenses - Head Office Building	1,267,500	-
Fraud Recovery Expenses	50,000	-
	<u>19,815,882</u>	<u>10,502,749</u>

EKONDO MICRO FINANCE BANK LIMITED
STATEMENT OF VALUE ADDED
YEAR ENDED 31ST MARCH, 2007.

	2007	%	2006	%
	₦		₦	
Interest Income	66,231,572		46,543,862	
Less: Interest Expense	<u>(5,448,664)</u>		<u>4,266,137</u>	
Net Interest Income	60,782,908		42,277,725	
Other Income	<u>43,296,413</u>		<u>24,342,520</u>	
Operating Income	104,079,321		66,620,245	
Less: Administration Expenses & Payment for Other Services	<u>(35,530,230)</u>	_____	<u>(16,387,780)</u>	_____
VALUE ADDED	<u>68,549,091</u>	<u>100.00</u>	<u>50,232,465</u>	<u>100.00</u>
DISTRIBUTED AS FOLLOWS:				
To Pay Employees				
- Salaries & Wages	18,683,977	27.26	14,363,655	28.60
To Pay Providers of Capital				
- Dividends	22,500,000	32.82	19,436,177	38.70
To Pay Government				
- Taxes/Levies	1,500,000	2.19	1,000,000	2.00
To Expand Business				
- Depreciation	5,877,053	8.57	4,925,076	9.80
- Retained Earnings	<u>19,988,061</u>	<u>29.16</u>	<u>10,507,557</u>	<u>20.90</u>
	<u>68,549,091</u>	<u>100.00</u>	<u>50,232,465</u>	<u>100.00</u>

EKONDO MICRO FINANCE BANK LIMITED
FIVE YEAR FINANCIAL SUMMARY
ENDED 31ST MARCH ,

	2007	2006	2005	2004	2003
	₦	₦	₦	₦	₦
TURNOVER AND PROFIT					
TURNOVER	<u>109,527,985</u>	<u>70,886,382</u>	<u>73,339,681</u>	<u>60,100,433</u>	<u>59,346,601</u>
Profit/(Loss) before Taxation	43,988,061	30,943,734	33,627,415	21,059,267	28,945,980
Taxation	(1,500,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,431,865)
Profit/(Loss) after Taxation	42,488,061	29,943,734	32,627,415	20,059,267	27,514,115
Retained Profit/(Loss)					
Brought Forward	63,664,407	60,642,784	50,362,339	49,943,621	39,209,101
Prior-year Adjustment	(43,000,000)	-	(657,938)	(5,956,723)	471,851
Dividends (Proposed/Paid)	(22,500,000)	(19,436,177)	(13,532,178)	(8,669,010)	(10,254,955)
Statutory Reserves	(10,622,015)	(7,485,934)	(8,156,854)	(5,014,816)	(6,996,491)
General Reserves	<u>30,030,453</u>	<u>63,664,407</u>	<u>60,642,784</u>	<u>50,362,339</u>	<u>49,943,621</u>
ASSETS					
Cash & Short Term Funds	207,021,548	154,311,361	66,721,663	105,789,356	136,510,876
Investments	22,138,183	40,092,032	39,488,933	52,275,622	73,894,407
Loans & Advances	271,787,010	136,020,578	156,735,531	69,611,241	46,397,867
Other Assets	20,445,215	2,490,729	12,468,569	16,890,221	11,492,123
Fixed Assets	79,559,484	11,382,451	12,712,887	14,587,852	15,321,419
TOTAL ASSETS	<u>600,951,440</u>	<u>344,297,151</u>	<u>288,127,583</u>	<u>259,154,292</u>	<u>283,616,692</u>
LIABILITIES					
Deposits/Current & Other					
Accounts	292,487,934	124,208,957	102,054,779	115,376,951	146,208,835
Taxation	1,500,000	1,000,000	2,024,204	1,024,204	2,956,865
Other Liabilities	13,938,590	3,626,469	7,224,431	6,390,917	4,837,486
Dividend Payable	22,500,000	19,436,177	13,532,178	8,669,010	10,254,955
	<u>330,426,524</u>	<u>148,271,603</u>	<u>124,835,592</u>	<u>131,461,082</u>	<u>164,258,141</u>
CAPITAL & RESERVES					
Share Capital	150,000,000	97,180,885	67,660,891	53,347,006	51,274,774
Share Premium	440,000	-	7,293,994	4,446,397	3,617,504
Deposit for Shares	1,252,192	-	-	-	-
Statutory Reserves	88,802,271	35,180,256	27,694,322	19,537,468	14,522,652
General Reserves	30,030,453	63,664,407	60,642,784	50,362,339	49,943,621
SHAREHOLDERS' FUND	<u>270,524,916</u>	<u>196,025,548</u>	<u>163,291,991</u>	<u>127,693,210</u>	<u>119,358,551</u>
TOTAL LIABILITIES & EQUITY	<u>600,951,440</u>	<u>344,297,151</u>	<u>288,127,583</u>	<u>259,154,292</u>	<u>283,616,692</u>