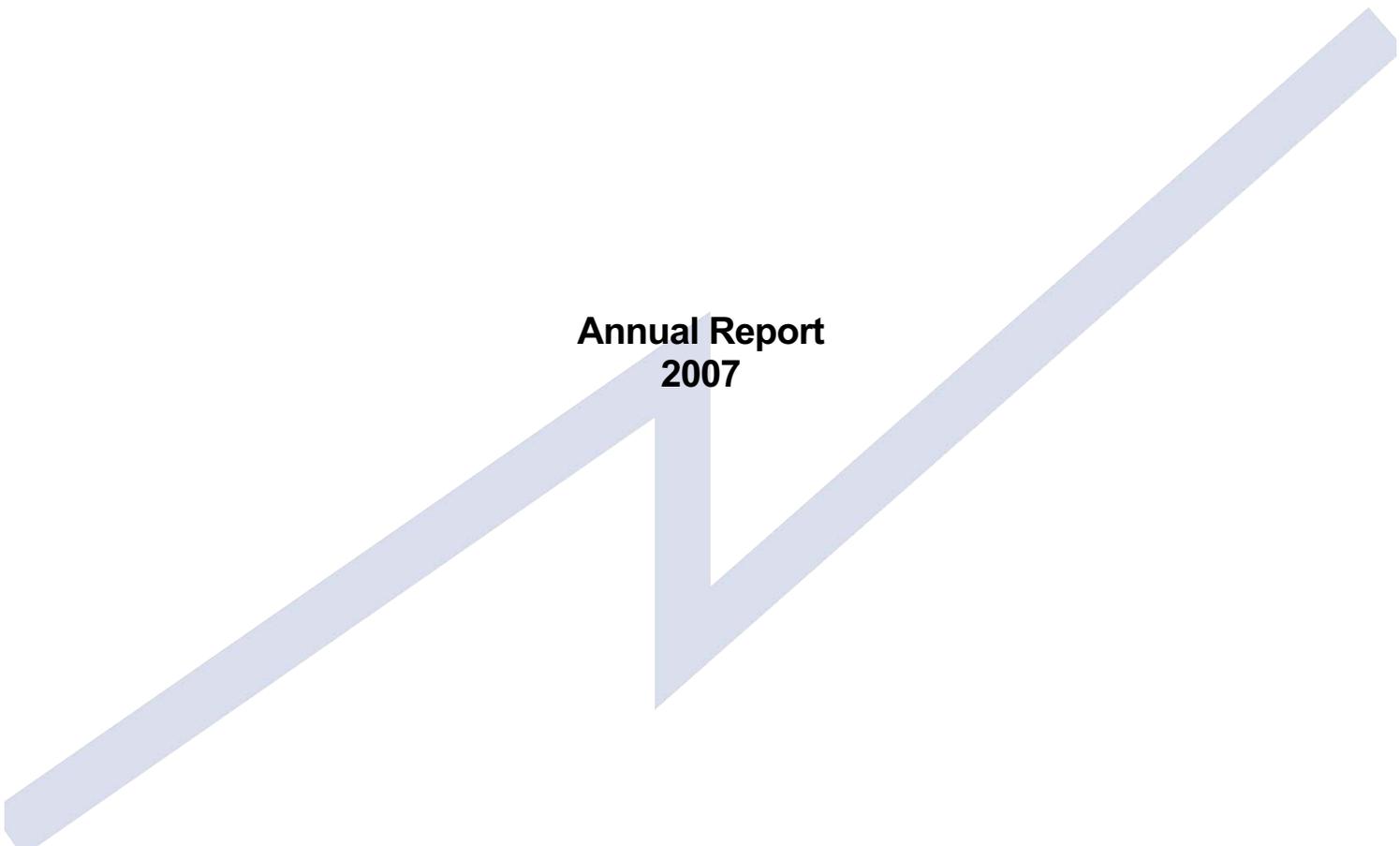


**FinaBank N.V.**  
*established 24 April 1991*



**Annual Report  
2007**



*Traditionally dressed and proud toddlers of Day Care Centre "De Papegaitjes" (The Parrots) after the symbolic receipt of our donation*



*Opening of FinaBank IBC on 22 March 2007*

*First row from left to right:*

*Mrs. R. Tjon A Pauw, Mr. H. Elcock, Mr. D. Pawironadi, Mrs. M. Atmodikromo*

#### **Board of Directors**

Mr. J.A. Tjin Wong Joe  
Mr. S.W. Kertoidjojo LLM  
Mr. G. Tjon Tjauw Liem  
Mr. C.A. Dilweg

#### **Management**

Mrs. M.E. Atmodikromo-Kartoredjo Econ.  
Mr. D.R.S. Pawironadi LLM  
Mr. R.M. Tjon Poen Gie

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## FINANCIAL SUMMARY

### BALANCE SHEET PER 31 DECEMBER (X SRD 1,000)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b><u>ASSETS</u></b>				
Cash	20,160	9,957	5,634	3,705
Receivables from credit institutions	13,411	6,959	2,043	726
Treasury paper	1,470	1,463	470	-
Shares	45	4	4	-
Receivables from private clients	37,015	23,427	14,732	11,065
Immaterial fixed assets	198	-	-	-
Company equipment	591	191	50	119
Prepayments and accrued income	401	259	379	85
	<u>73,291</u>	<u>42,260</u>	<u>23,312</u>	<u>15,700</u>
<b><u>LIABILITIES</u></b>				
Credit institutions	27	75	-	24
Customer accounts	64,007	35,162	18,850	12,650
Other liabilities	473	359	343	185
Accruals and deferred income	3,598	3,181	1,696	1,455
Provisions insurance own risk	1,021	459	210	201
Shareholders equity	4,165	3,024	2,213	1,185
	<u>73,291</u>	<u>42,260</u>	<u>23,312</u>	<u>15,700</u>
<b><u>PROFIT AND LOSS ACCOUNT (X SRD 1,000)</u></b>				
<b><u>INCOME</u></b>				
Interest results	5,140	4,211	3,477	2,889
Other income	1,234	965	433	579
	<u>6,374</u>	<u>5,176</u>	<u>3,910</u>	<u>3,468</u>
<b><u>EXPENSES</u></b>				
Staff costs and other administrative expenses	3,671	2,888	2,306	2,301
Depreciations	178	22	90	110
Value changes on debts and provisions for liabilities as stated in the balance sheet	742	1,000	143	620
	<u>4,591</u>	<u>3,910</u>	<u>2,539</u>	<u>3,031</u>
<b>Company result</b>	<b>1,783</b>	<b>1,266</b>	<b>1,371</b>	<b>437</b>
Extraordinary income and expenses	-	-	-	-10
	<u>1,783</u>	<u>1,266</u>	<u>1,371</u>	<u>427</u>
<b>Pre-tax profit</b>	<b>1,783</b>	<b>1,266</b>	<b>1,371</b>	<b>427</b>
Taxes	642	456	494	154
	<u>1,141</u>	<u>810</u>	<u>877</u>	<u>273</u>

## Report of the Board of Directors

### To the General Meeting of Shareholders

In accordance with article 37 of the Articles of Association, we are privileged to present the 2007 annual accounts of FinaBank N.V.

The balance sheet at 31 December 2007 and notes thereto, as well as the profit and loss account for 2007 and notes thereto, have been audited at our request. We recommend that you adopt these annual accounts as presented by the management with the accompanying auditor's report of Tjong A Hung Accountants, and in so doing, discharge the Management and the Board of Directors in respect of their management and their supervision respectively.

Total profit amounted to SRD 1,782,428. After deduction of taxes amounting to SRD 641,674, the profit available for appropriation was SRD 1,140,754.

We agree with the proposal of the management to add this amount to the reserve which proposal is in line with the solvency demands of the Central Bank of Suriname.

We would like to express our appreciation and gratitude to the management and all other staff for their dedication and loyalty to the company in the past fiscal year.

Paramaribo, 6 June 2008

The Board of Directors

Mr. J.A. Tjin Wong Joe, Chairman

Mr. S.W. Kertoidjojo LLM

Mr. G. Tjon Tjauw Liem

Mr. C.A. Dilweg

## Mission Statement

*Our mission is to establish a long-lasting partnership with our clients by aiding them with custom-made products and with advice to meet their desires. Our clients may depend on us when it comes to finding solutions and tapping possibilities.*

*The market, in our vision, offers room for FinaBank also to present the community with financial products and services to effect prosperity and well-being for every citizen.*

*Our objective is to provide for the daily changing needs. The available resources are a solid basis for a better ranking of Suriname in the world. Being part of the banking society, FinaBank is committed to this objective and shall continue to contribute its share.*

## Corporate Values

### **Integrity**

*FinaBank is committed to sound management, building on its reputation, of which the foundation was laid in 1991. We therefore embrace integrity as one of our highest principles; it is in our every thought, and action, under all circumstances.*

### **Service**

*Service is our chief aim. Our complete machinery is at the disposal of our clients and we are willing to serve them on each level within the scope of our management, be it with the preservation of our self-respect.*

### **Professionalism**

*We set the highest demands to professionalism whether it be to our own organisation or to third parties working on our behalf. Our guiding principle is the inner urge to modernization, creativity and decisiveness. The bank-client relation demands nothing less than the highest quality.*

### **Productivity**

*Result-oriented thinking, -transacting, and -working, allow us to offer the client the best between quality and price.*

### **Dedication**

*Our position is the result of teamwork. Loyalty to the bank is a must. This requires constant upgrading, adjusting and pursuit of knowledge and experience, in the interest of both the bank and our clientele.*

## ***Genesis and Development***

Although the then prevailing inflation deprived the other commercial banks of opportunities to attract savings, the newly founded FinaBank, 24 April 1991, made it a mission of life to stimulate thrift and offer the public an attractive interest, knowing that in the long turn, only thrift would resort a positive effect.

Despite the difficult times following the start, FinaBank in a rather short time managed to grow into a trendsetter in the Surinamese banking society. The trust of our clients and the community, by and large, allowed FinaBank from the beginning an almost explosive growth to which until this moment no end is in sight. The need for “another bank” was and is still noticeable. FinaBank’s client base is increasing steadily.

The first branch was opened on 26 March 1998 in Nieuw Nickerie. FinaBank Nickerie plays an important role in the western part of the country and, let it be said with pride, is still at the root of an essential contribution to the company result.



The opening of FinaBank International Banking Centre by Minister Marica on 22 March 2007 marked yet another milestone in our history. FinaBank International Banking Centre offers a new concept of banking, both nationally as well as internationally. The new concept is visible by a number of innovations in the banking field of which, naturally, the broad office hours are one of the eye catchers.

*Opening of IBC on 22 March 2007  
Minister C. Marica Econ. (Trade and Industry)*



*FinaBank Nickerie*



*FinaBank IBC*

## **Report of the Management**

### **The Bank's Operations**

#### ***The annual accounts***

The year under review was yet another one with favourable financial results. Balance sheet total increased with a surprising 73% or SRD 31.0 million. The capital ratio, the relation between shareholder's equity and balance sheet total, dropped slightly from 7% in 2006 to 6%. The main reason for this decrease must be sought in the substantial growth of receivables on credit institutions and clients with 66% and cash with 103%.

Interest result soared with 22% to SRD 5.1 million, a growth which can mainly be attributed to the extended lending operations. Partially influenced by the staff and other administrative costs the total expenses increased with 17,4% to SRD 4.5 million. The positive influence from the lending operations was thus levelled off contrary to 2005 when compared to 2006 staff and other administrative expenses witnessed a decrease of 16%.

Net profit over 2007 hereafter amounted to SRD 1,140,754.

#### ***Lending operations***

The credit portfolio grew strongly i.c. from SRD 23.4 million to SRD 37.0 million; an increase of SRD 13.6 million or 58%. In combination with the enhanced credit portfolio, the interest results also boosted, be it with 22%.

The Manager's Loan, the Hire and Purchase Deals for the Trade Unions and the Bridge Credit were among the new products introduced in 2007.

The monetary supervision has set limits to which a bank may grant credit to one single client. This limit is related to the equity of the bank. To serve one of these clients we entered into negotiations with the management of some colleague banks. The negotiations took place in February 2007 and were aimed at reaching a certain form of cooperation.

We take pleasure in reporting the signing of the Intercreditor Agreement and Credit Agreement with C. Kersten and Co. on 30 March 2007, all this within the framework of a syndicated loan. The syndicated loan is one of an international character as apart from FinaBank, participation came from the Inter-American Development Bank, the Inter-American Investment Corporation, Sagicor Merchant Limited of Port of Spain (Trinidad and Tobago), De Surinaamsche Bank LLC and Assuria Life Insurance LLC.

This syndicated loan should also be considered historic because it is the first private lending in Suriname extended by the Inter-American Development Bank. It has allowed FinaBank to gain expertise in the area of syndicated loans and international publicity.

Another syndicated loan followed. In this case to the Energie Bedrijven Suriname LLC (State Energy Company) in cooperation with De Surinaamsche Bank LLC and the Stichting Volkscredietbank.

### **Customer accounts**

The stable exchange rate development and the sound macroeconomic climate had a positive influence on saving in Suriname Dollars. Customer account balances grew strongly of which current accounts with 73%, savings accounts with 142% and deposits with 46%. Saving and investing in foreign currency rose considerably also.



*FinaBank employees*

### **Human Resources**

At the beginning of the year under review staff totalled 55 and at year-end 63. We celebrated the copper jubilee, 12½ years of service, of Mrs. M. Sadiroon of Accounting Department. Ten years of service were celebrated with Mrs. M. Atmodikromo, Manager, and Mr. J. Tjon Joen Song of Accounting Department. Newcomers in this respect were Mrs. L. Somoredjo, Mr. R. Chan Jet Soe and Mr. H. Wongsonadi with 5 years of service.

A number of employees attended the October-Course Customer Service Excellence which was conducted by NGS Business Consulting from Trinidad and Tobago. FinaBank employees are primarily oriented at optimising our service capability both in quantity and quality. They are recruited not only on the basis of their intellectual knowledge and experience but also on the basis of their charisma.

### **Swing relation with other banks**

Our clearing (swing) relation with Surinaamse Volkscredietbank and Surinaamse Post Spaarbank was extended with a similar relation with De Surinaamsche Bank be it at this stage for the Suriname Dollar only. An extension to other foreign currencies is expected to develop shortly.

### **On-site inspection of FinaBank Nieuw Nickerie**

We are very glad to report a successful on-site inspection by the Central Bank of Suriname of our branch in Nieuw Nickerie in February 2007. The last on-site inspection goes back quite a number of years.

### ***FinaBank IBC***

The opening ceremony on 22 March 2007 of FinaBank International Banking Centre at Mr. J. Lachmonstraat was performed by Minister C. Marica (Econ.) of Trade and Industry by cutting the proverbial ribbon. The occasion was added lustre to by the presence of the Speaker of the National Assembly, Mr. S. Somohardjo, the representative of the Governor of the Central Bank of Suriname, Mr. R. Lachmising, and the representative of the International Development Bank in Suriname, Mr. A. Brewster.

The opening of IBC allows FinaBank again to establish a name as trendsetter in the Surinamese banking society. FinaBank IBC's new concept of banking is based on a number of innovations. First, the broadened opening hours, from Monday to Friday from 07.00 hours to 22.00 hours. From 22.00 hours, our FinaMatics offer much more possibilities than the standard ATM. The FinaMatic allows the user to draw money in a currency of his choice, independent of the currency of the account. The FinaMatic, furthermore, demands one card only for all accounts a client has with our bank. FinaBank International Banking Centre is open on Saturdays also from 09.00 hours to 12.00 hours and from 18.00 hours to 22.00 hours. The ever demanding client leads the way FinaBank is but willing to follow.

The second reason for FinaBank to be considered a trendsetter is its ability to meet the client in terms of time-effective banking. No longer is costly time lost by following long lines to a specific counter. FinaBank International Banking Centre has concentrated all transactions at one single employee. Switching from one line to another is now a thing of the past. Ease for the client is our sole aim.



*The boots at FinaBank IBC allow the client every privacy*

March 22, 2007, opening day of IBC, was seized by FinaBank to give new meaning to the definition of *corporate social responsibility*. A donation was made to the Annie Day-Care Centre Its Foundation for Early Crèche Stimulation was awarded SRD 5,000 for repair and maintenance of premises and inventory. FinaBank shall, furthermore, try to mitigate the needs of the centre somewhat by means of an annual contribution, for a period of four years, in the costs of electricity.

FinaBank holds the proverb "Rather a good neighbour than a far friend:" in high regard. In that conviction the Bethlehem Church of the Lutheran Parish was, at its own request, provided with a sound installation and the Child Day-Care Centre De Papegaaitjes (The Parrots) with a swing.



*Mr. R. Lachmising, representative of the Governor of the Central Bank of Suriname, is the first person to make use of the possibilities of the FinaMatic to draw US Dollars from an account in Suriname Dollars.*



*Donation to Child Day-Care Centre De Papegaitjes (The Parrots)*

*Donation to Foundation Early Stimulation Crèche*

*Donation to Bethlehem Church*

FinaBank International Banking Centre considers it a privilege to encourage thrift. Clients opening a savings account in the first week business started could for instance profit for one day of the interest of an amount of USD 1,000,000. This principal amount was booked on and off the same day just to facilitate the interest calculation. The savings book is a beautiful reminder of the time the holder was “a millionaire for one day”. Suriname has since this opening week of IBC seen the “rise and sudden end” of many a millionaire. Babies born on the 22<sup>nd</sup> of March 2007 qualified for a USD savings book with an initial deposit of USD 50. About 20 proud parents presented their baby to profit from this action.

FinaBank IBC has in the year under review invested many efforts in strengthening ties with its international relations. The connection with SWIFT since 2007 allows us to perform, safely and faster, transactions with and from clients abroad.



*From left to right: Mrs. A. Atmodikromo, District's Commissioner Mr. R. Strijk, Mr. D. Pawironadi, Minister C. Marica, National Assembly Speaker Mr. S.P. Somohardjo*

### **Social involvement**

As stated in the mission statement, FinaBank is involved with the community and in doing so takes co-responsibility for a well-balanced development. In managing the company, FinaBank, therefore, seeks to convert socially accepted principles into commercial principles and so strives to have its service and other activities contributing to sustainable development.

In 2007 FinaBank tried to prove that profit maximisation may not be the only mainspring of a company. To that respect FinaBank sought cooperation with various organizations by means of gifts and donations. Mention is hereby made of the annual donations of deposit books to the best primary school pupils and the annual sponsoring of the National Short Course Championships organised by the Suriname Swimming Board. The deposit books donation to primary school pupils started as an activity with the Rotary Club Residence, an acton in which we proudly participate. These two activities are the most eye catching.



*Mr. A. Brewster, representative of the Inter-American Development Bank in Suriname*

### **The future**

To improve the services to the clients in the western part of the country, FinaBank started to investigate the possibilities to set up an auxiliary branch in the Nickerie district. We are also looking for opportunities to expand the bank to the east i.c. the border district with French Guyana. Our promise to bring the bank to the people, wherever they may be, is in light of the above, still valid.

In order to serve our clients in a more professional manner Finabank shall in 2008 convert the current administration to a modern, state of the art, system named RIBS (Real-time Integrated Banking System). Today's clientele has become very critical. We may therefore not lag behind. Our only choice is to follow the developments in especially the banking sector i.c. phone banking and internet banking. FinaBank has to cater to the wishes of the modern consumer by offering advanced products and services. RIBS is fully able to meet these demands.

Management wishes to thank all staff members for their support in realising the company's results in the fiscal year 2007. We wish to thank also the Board of Directors and the Financial Council for their lasting support and advice. Our thanks go to VIP Management and Consultancy N.V. for their constant support. Finally, we wish to thank our clientele for their unremitting confidence in what FinaBank really stands for i.e. reliability and service at all times.

Paramaribo, June 2008

Mrs. M. E. Atmodikromo-Kartoredjo Econ.

Mr. D.R.S. Pawironadi LLM

Mr. R.M. Tjon Poen Gie



*FinaBank Center*



*FinaBank Nickerie*



*FinaBank IBC*

**BALANCE SHEET AT 31 DECEMBER 2007 before profit appropriation**

	<u>31-12-2007</u>		<u>31-12-2006</u>	
	<u>SRD</u>	<u>SRD</u>	<u>SRD</u>	<u>SRD</u>
<b>ASSETS</b>				
Cash		20,160,400		9,957,257
Loans and advances: Credit institutions		13,410,781		6,959,567
Treasury paper		1,470,192		1,463,095
Shares		44,615		3,520
Loans and advances: Clients		37,014,777		23,426,555
Company equipment				
- Transport vehicles	7,562		14,995	
- Office inventory	110,580		147,693	
- Office machinery	321,344		7,858	
- Software	151,099		20,580	
	<u>          </u>	590,585	<u>          </u>	191,126
Immaterial fixed assets				
- Purchase prices		198,267		-
Prepayments and accrued income		401,427		258,816
		<u>73,291,044</u>		<u>42,259,936</u>
		<u>                  </u>		<u>                  </u>
<b>LIABILITIES</b>				
Credit institutions		27,490		74,974
Customer accounts		64,006,812		35,161,874
Other liabilities		473,439		359,141
Accruals and deferred income				
- Interest payable	640,986		631,385	
- Other transitory items	2,956,879		2,549,970	
	<u>          </u>	3,597,865	<u>          </u>	3,181,355
Provision insurance own risk		1,020,937		458,845
Equity				
- Issued share capital	652,000		652,000	
- Share premium account	66,000		66,000	
- General reserves	2,241,747		1,431,567	
- Fund for general bank risks	64,000		64,000	
- Result current year	1,140,754		810,180	
	<u>          </u>	4,164,501	<u>          </u>	3,023,747
		<u>73,291,044</u>		<u>42,259,936</u>
		<u>                  </u>		<u>                  </u>

## PROFIT AND LOSS ACCOUNT

	<u>2007</u>		<u>2006</u>	
	<u>SRD</u>	<u>SRD</u>	<u>SRD</u>	<u>SRD</u>
<b>INCOME</b>				
Interest income	7,597,173		5,944,688	
Interest expenses	2,457,321		1,733,689	
	-----		-----	
		5,139,852		4,210,999
Commission income	495,110		387,292	
Results from financial transactions	3,903		30,125	
Other income	735,044		547,921	
	-----		-----	
Total income		1,234,057		965,338
		-----		-----
		6,373,909		5,176,337
<b>EXPENSES</b>				
Staff and other administrative expenses	3,670,689		2,888,442	
Depreciations	178,420		22,234	
Value changes on receivables and provisions for liabilities as stated in the balance sheet	742,372		999,754	
	-----		-----	
Total expenses		4,591,481		3,910,430
		-----		-----
<b>Pre-tax profit</b>		1,782,428		1,265,907
Taxes		641,674		455,727
		-----		-----
<b>Net result</b>		1,140,754		810,180
		=====		=====

## CASH FLOW STATEMENT

	2007		2006	
	<u>SRD</u>	<u>SRD</u>	<u>SRD</u>	<u>SRD</u>
<b>Cash flow from operational activities</b>				
Net result		1,140,754		810,180
Adjustments for:				
- Depreciations	178,420		22,234	
- Value changes Loans and Advances	696,347		1,017,180	
- Provisions for Insurance Own Risk	562,092		249,192	
	<u>                    </u>	1,436,859	<u>                    </u>	1,288,606
		<u>2,577,613</u>		<u>2,098,786</u>
<b>Cash flow from company activities</b>				
Receivables: Clients	-14,284,569		-9,711,826	
Prepayments and Accrued Income	-142,611		119,979	
Payables: Credit Institutions	-47,484		74,974	
Payables: Clients	28,844,938		16,312,162	
Other Liabilities	114,298		15,630	
Accruals and Deferred Income	416,510		1,485,502	
	<u>                    </u>	14,901,082	<u>                    </u>	8,296,421
Total cash flow from operational activities		<u>17,478,695</u>		<u>10,395,207</u>
<b>Cash flow from investment activities</b>				
- Investments in equipment	-511,790		-162,893	
- Start-up costs	-264,356		-	
- Treasury Paper	-7,097		-992,507	
- Shares	-41,095		200	
	<u>                    </u>	-824,338	<u>                    </u>	-1,155,200
<b>Cash flow from financing activities</b>				
- Issued Share Capital	-		152,000	
- Deposits on Share Capital	-		-152,000	
	<u>                    </u>	-	<u>                    </u>	-
<b>Net cash flow</b>		<b>16,654,357</b>		<b>9,240,007</b>
<b>Cash at 1 January + Receivables from Credit Institutions</b>		<b>16,916,824</b>		<b>7,676,817</b>
		<u>                    </u>		<u>                    </u>
<b>Cash at 31 December + Receivables from Credit Institutions</b>		<b>33,571,181</b>		<b>16,916,824</b>
		<u>                    </u>		<u>                    </u>

## Notes to the 2007 annual accounts

### INTRODUCTION

#### Foundation and objectives

The company was founded on 24 April 1991 with the following objectives.

- To practise the general banking business in the broadest sense, consisting a.o. of:
  - a. accepting monetary funds in current account or as deposit;
  - b. granting credits to the private sector, the public sector and private individuals, irrespective of the form;
  - c. rendering customer related services benefiting domestic and foreign payment- or capital traffic;
- To procure, possess, manage, and alienate stocks;
- To found, co-found, represent, manage and govern, as well as to participate in which ever form, in other enterprises and institutions whatever the nature may be;
- To render all services and to conduct all activities, which directly or indirectly can be attributed to the operations of a general bank.

After a suspension of operations in 1992, the company re-started its activities in 1998.

### GENERAL BASES OF VALUATION FOR COMPOSING ANNUAL ACCOUNTS

#### Comparison with the preceding year

The bases employed for valuation and result determination have remained unchanged with respect to the preceding year.

#### Other assets and liabilities

Unless mentioned otherwise, assets and liabilities are stated at nominal value. In so far deemed necessary, a provision is deducted from loans and advances.

#### Principles of currency translation

Assets and liabilities noted in foreign currency are translated at the rate of exchange quoted by the Central Bank of Suriname. For the purpose of translation an average annual rate has been calculated and employed based on the denoted purchase and selling rates. Foreign currency transactions conducted in the course of the year are processed in the annual accounts at the then prevailing rate.

The average annual rate and the rates per 31 December of the most occurring foreign currencies are as follows:

	<u>Average annual rate</u> <u>SRD</u>	<u>31-12-2007</u> <u>SRD</u>	<u>31-12-2006</u> <u>SRD</u>
USD 1	2,75	2,71	2,71
EURO 1	3,78	3,98	3,57

## **BASES OF VALUATION OF ASSETS AND LIABILITIES**

### **Cash**

This concerns cash and receivables from the Central Bank of Suriname. They are stated at nominal value.

### **Treasury paper**

The treasury promissory notes are issued by the Central Bank of Suriname and stated at approximated market value which is determined by deducting the discount from the purchased nominal value.

### **Investments**

These are shares in various financial- and credit institutions. They are stated at market value.

### **Immaterial fixed assets**

This concerns the start-up costs made while preparing the opening of the International Banking Centre Branch. These assets are stated at actual costs minus depreciations.

### **Shares**

These are shares in local companies. They are stated at market value. The value increase or decrease is recognized in the profit and loss account.

### **Loans and advances / Receivables from clients**

Unearned interest and a provision for bad debts and the interest on non-performing loans have been deducted from the loans portfolio.

### **Company equipment**

Equipment is stated at acquisition cost minus straight-line depreciations which are calculated on the basis of the estimated economic life span.

### **Provision insurance own risk**

The risk on personal loans and hire purchase financing is covered internally and such up to a maximum of SRD 15,000 per loan.

### **Fund for general bank risks**

A fund for general banking risks (FAR = Fonds voor Algemene Risico's) is maintained for reasons of prudence in order to cover the general risks related to the banking business. The level of this fund and the additions are based on the expected development of current as well as future risks. Additions are recognised in the Profit and Loss Account under "Value changes on receivables and provisions for liabilities as stated in the balance sheet".

## **BASES OF DETERMINATION OF THE RESULT**

The result is determined as the difference between earned interest and other income on the one hand, and interest expenses and other costs on the other hand. Profits on transactions are recognised in the year to which they relate; losses are taken into account as soon as they are foreseeable.

Fixed assets are depreciated on the bases of purchasing value. The depreciations are calculated according to the straight-line method based on the estimated economic life span.

Income tax is calculated by applying the valid rate on the results of the reporting year thereby considering the fiscal facilities.

**NOTES TO THE BALANCE SHEET PER 31 DECEMBER 2007**

	<u>31-12-2007</u> <u>SRD</u>	<u>31-12-2006</u> <u>SRD</u>
<b>ASSETS</b>		
<b>Cash</b>		
This includes legal tender, foreign currency, cash reserve and demand deposits with the Central Bank of Suriname.	<b>20,160,400</b> =====	9,957,257 =====
<b>Receivables from credit institutions</b>		
Concerns the current account balances with commercial banks.	<b>13,410,781</b> =====	6,959,567 =====
<b>Treasury paper</b>		
This includes an investment in treasury promissory notes of the Central Bank of Suriname with a nominal value of respectively SRD 500,000 and SRD 1,000,000. The term has been set at a maximum of six months with an interest of respectively 10% and 8% p.a.		
<b>Shares</b>		
These are shares in financial institutions and companies.	<b>44,615</b> =====	3,520 =====
<b>Receivables from clients</b>		
This includes receivables from credit granting after deduction of necessary provisions and interest on non-performing loans.	<b>37,014,777</b> =====	23,426,555 =====
<b>Provision on overdrafts on current accounts</b>	<b>239,130</b> =====	112,785 =====

## Company equipment

	<u>Transport</u> <u>SRD</u>	<u>Office-</u> <u>inventory</u> <u>SRD</u>	<u>Office</u> <u>equipment</u> <u>SRD</u>	<u>Software</u> <u>SRD</u>	<u>Total</u> <u>SRD</u>
<b>1 January 2007</b>					
Purchase value	53,194	263,387	78,254	212,500	607,415
Depreciations	-38,199	-115,694	-70,396	-192,000	-416,289
Book value	<u>14,995</u>	<u>147,693</u>	<u>7,858</u>	<u>20,580</u>	<u>191,126</u>
	=====	=====	=====	=====	=====
<b>Transactions in 2007</b>					
Investments	-	10,403	318,976	182,411	511,790
Depreciations	-7,433	-47,516	-5,490	-51,892	-112,231
	<u>-7,433</u>	<u>-37,113</u>	<u>313,486</u>	<u>130,519</u>	<u>399,459</u>
	=====	=====	=====	=====	=====
<b>31 December 2007</b>					
Purchase value	53,194	273,790	397,230	394,991	1,119,205
Depreciations	-45,632	-163,210	-75,886	-243,892	-528,620
Book value	<u>7,562</u>	<u>110,580</u>	<u>321,344</u>	<u>151,099</u>	<u>590,585</u>
	=====	=====	=====	=====	=====
			<b><u>31-12-2007</u></b>	<b><u>SRD</u></b>	<b><u>31-12-2006</u></b>
					<b><u>SRD</u></b>

### **Immaterial fixed assets**

These concern the start-up costs while preparing for the opening of the International Banking Centre Branch.

**198,267**                      -  
=====

### **Prepayments and accrued income**

These include prepaid expenses and interest receivables on extended credits.

**401,427**                      258,816  
=====

## **LIABILITIES**

### **Credit institutions**

Concerns a debt to a credit institution.

### **Clients**

The specification is as follows:

Deposits	<b>21,864,280</b>	14,992,693
Savings accounts	<b>25,626,832</b>	10,607,779
Current accounts	<b>16,515,700</b>	9,561,402
	<b><u>64,006,812</u></b>	<u>35,161,874</u>
	=====	=====

**Other liabilities**

Relates to pre-paid client insurance premiums of which the settlement will take place in the coming year.

**Interest payable**

Accruals and deferred income

**640,986**

631,385

**Other transitory items**

These concern expired deposits, income tax, and other costs due.

**2,956,879**

2,549,970

**Total Accruals and deferred income****3,597,865**

3,181,355

**Provision insurance own risk**

This concerns a provision with regard to the risk linked to the demise of clients. The risk on personal loans and hire purchase financing is covered internally, be it to a maximum of SRD 15,000 per loan.

**1,020,937**

458,845

**Equity****31-12-2007**  
**SRD****31-12-2006**  
**SRD****Issued share capital**

The authorized capital of the company amounts to SRD 3,250,000, divided in

- a. 500 registered shares @ SRD 10 nominal, marked Series A of which no share certificates have been issued and;
- b. 324,500 shares to bearer @ SRD 10 nominal marked Series B.

The authorized capital has, per balance sheet date, been placed and deposited up to an amount of SRD 652,000 divided in 500 shares Series A, each SRD 10 nominal and 64,700 shares Series B, each SRD 10 nominal. The shares of Series A and B are respectively registered and to bearer.

**Share premium account**

The share premium account came into being with the 2004 issue of shares.

**General reserves**

Balance per 1 January 2007

**1,431,567**

554,193

Result preceding year

**810,180**

877,374

Balance per 31 December 2007

**2,241,747**

1,431,567

**Fund for general bank risks**

Concerns a fund for general bank risks as a coverage for general risks associated with the banking business.

## NOTES TO THE 2007 PROFIT AND LOSS ACCOUNT

	<u>2007</u>	<u>2006</u>
	<u>SRD</u>	<u>SRD</u>
<b>INCOME</b>		
<b>Interest result</b>		
Concerns the difference between interest income from lending activities and interest paid on customer accounts.	5,139,852 =====	4,210,999 =====
<b>Commission income</b>		
Relates to income from services rendered.	495,110 =====	387,292 =====
<b>Result from financial transactions</b>		
This includes the exchange rate differences arising from translation of foreign currency noted monetary assets and liabilities.		
<b>Other income</b>		
This includes charges to third parties, and administrative-, withdrawal-, and other costs.	735,044 =====	547,921 =====
<b><u>EXPENSES</u></b>		
<b>Staff costs</b>		
This item concerns salaries, bonuses and other staff provisions.	1,400,832 =====	1,212,121 =====
<b>Other operational costs</b>		
This item comprises a.o. costs of automation, housing, office, etc.	2,269,857 =====	1,676,321 =====
<b>Depreciations</b>		
Regards depreciations on fixed assets.	178,420 =====	22,234 =====
<b>Value changes of receivables and provisions as stated in the balances sheet</b>		
Analysis:		
Addition to Provision for value changes on receivables	666,669	1,025,495
Addition to Provision for overdrafts on current accounts	76,151	18,672
Release to Provision insurance own risk	-448	-44,413
	742,372 =====	999,754 =====

## **OTHER DATA**

The Board of Directors and the Management of  
FinaBank LLC

## **AUDITOR'S REPORT**

### **Introduction**

We have audited the financial statements of FinaBank LLC for the year 2007. These financial statements consist of the company balance sheet at 31 December 2006, the profit and loss account for 2007, the cash flow statement for 2007 and the notes thereto.

### **Responsibility of the management**

The management of the company is responsible for preparing the financial statements, which must present a true and fair picture of the financial position and the result of the company, both in accordance with generally accepted standards for valuation. This responsibility includes a.o. designing, implementing and maintaining an internal control system that is suitable for preparing and accurately presenting the financial position and result of the company in the financial statements in such a way that they contain no material misstatement as a result of fraud or errors, selecting and applying acceptable policies for financial reporting and making assumptions that are reasonable under the circumstances.

### **Responsibility of the auditor**

Our responsibility is to issue an opinion on the financial statements based on our audit. We performed our audit in accordance with generally accepted financial reporting standards. This requires us to comply with prevailing codes of conduct and to plan and conduct our audit in such a way as to obtain assurance that the financial statements contain no material misstatement.

An audit includes performing activities to obtain audit information on the amounts and notes contained in the financial statements. Selection of the activities to be performed depends on the professional opinion of the auditor, including an assessment of the risks of material misstatement as a result of fraud or errors. In making this assessment, the auditor takes into account the internal control system that is relevant for ascertaining and accurately presenting the financial position and the result of the company in the financial statements, in order to be able to select audit activities which are adequate under the circumstances but which are not intended to provide an opinion on the effectiveness of the internal control system of the company. An audit also includes a.o. assessing the acceptability of the accounting principles used for financial reporting and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements.

Based on the information obtained, we believe that our audit provides a reasonable basis for our opinion.

### **Opinion**

In our opinion, the annual accounts give a true and fair view of the financial position of FinaBank LLC as at 31 December 2007 and of the result for the year then ended in accordance with generally accepted financial reporting standards.

Paramaribo, 28 May 2008  
Tjong A Hung Accountants

## Addresses

### **FinaBank Centrum**

59 - 61 Dr. S. Redmondstraat  
Paramaribo  
P.O.Box 2922  
Telephone: (597) 47 22 66  
Telefax: (597) 42 26 72  
E-Mail: [finabank@sr.net](mailto:finabank@sr.net)  
Website: [www.finabanknv.com](http://www.finabanknv.com)

### **FinaBank Nickerie**

84 R.P. Bharosstraat  
Nieuw Nickerie  
Telephone: (597) 02 11 050  
Telefax: (597) 02 11 053

### **International Banking Centre**

49 Mr. J. Lachmonstraat  
Paramaribo  
Telephone: (597) 43 03 00  
Telefax: (597) 43 03 10

Design: Uniad  
Graphical processing: Drukkerij Leo Victor

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Paramaribo, the 28<sup>th</sup> of July 2008

Alwin R.J. LINGER  
Sworn Translator and Interpreter

Address: Bombaystraat Nr. 9  
Paramaribo  
Telephone: (597) 44 26 88 / (597) 86 00078  
E-Mail: [alwinlinger@gmail.com](mailto:alwinlinger@gmail.com)

