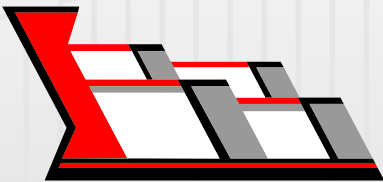


INTERBANK BURUNDI s.a.

Report & Account 2007

February 15th, 2008
15th Fiscal Year





INTERBANK BURUNDI s.a.

15, Rue de l'Industrie • P.O. Box 2970 Bujumbura • Tel. : (257) 22 22 06 29

Fax : (257) 22 22 04 61 • E-mail : info@interbankbdi.com • Web Site : www.interbankbdi.com • SWIFT CODE : IBBU BIBI

REPORTS

TO THE

ORDINARY GENERAL MEETING

15th FEBRUARY 2008

15th Fiscal Year

INTERBANK BURUNDI

Contents

- 6** MESSAGE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS
- 10** MESSAGE BY THE CHAIRMAN OF THE MANAGEMENT COMMITTEE
- 18** REPORT OF THE BOARD OF DIRECTORS
 - 18** * *Evolution of the Activities*
 - 22** * *The Social Responsibility Report*
 - 22** * *The Bank and its environment*
 - 25** * *Balance Sheet and Profit and Loss Accounts*
 - 30** * *Notes on the Balance Sheet and Profit and Loss Accounts*
- 37** AUDITORS' REPORT FOR THE 2007 FISCAL YEAR
- 38** THE ORDINARY GENERAL MEETING
- 40** OUR DISTRIBUTION NETWORK
- 42** FOREIGN CORRESPONDENTS' NETWORK



FISCAL YEAR	1998	1999	2000	2001
-------------	------	------	------	------

LOANS

Current accounts debtors	8,732.7	11,410.8	15,219.9	17,755.4
Coffee loans	803.8	1,467.9	1,217.9	826.9
Other loans	1,545.7	3,465.6	5,108.5	6,388.3
TOTAL	11,082.2	16,344.3	21,546.3	24,970.6

DEPOSITS

At sight deposits	7,321.8	11,731.1	15,812.1	19,039.9
Deposits and cash vouchers	2,421.9	4,282.8	4,483.5	4,911.6
Saving accounts	470.5	660.7	697.4	762.6
TOTAL	10,214.2	16,674.6	20,993.0	24,714.1

Margin (Res-Uses)	-868.0	330.3	-553.3	-256.5
Credit to the Financial sector	71,323.6	89,445.4	122,651.0	137,177.0
IBB share (%)	15.5	18.3	17.6	18.2
Credit from banks	55,295.5	72,073.7	102,190.9	112,134.4
IBB share (%)	20.0	22.7	21.1	22.3
Net income	871.1	973.9	1,329.8	1,121.0
Shareholders Equity	2,568.0	3,211.9	4,211.8	4,969.8

Key figures



	2002	2003	2004	2005	2006	2007
--	------	------	------	------	------	------

	20,138.7	25,083.9	29,026.0	32,976.8	41,224.0	50,086.8
	5,090.4	2,374.2	3,001.4	1,086.3	10,950.0	3,224.0
	10,679.5	8,658.8	13,069.4	9,988.4	10,361.9	16,176.9
	35,908.6	36,116.9	45,096.8	44,051.5	62,535.9	69,487.7

	30,560.2	36,960.9	49,573.1	46,254.8	64,964.7	73,002.4
	9,682.8	10,697.8	13,300.3	12,989.4	23,998.0	28,818.1
	1,039.4	1,311.6	1,545.2	2,201.2	2,569.4	3,490.4
	41,282.4	48,970.3	64,418.6	61,445.4	91,532.1	105,310.9

	5,373.8	12,853.4	19,321.8	17,393.9	28,996.2	35,823.2
	169,050.4	180,703.6	180,259.7	181,142.3	203,806.3	230,435.4
	21.2	20.0	25.0	24.3	30.7	30.2
	139,662.5	160,827.6	161,742.2	165,376.1	183,618.6	205,229.3
	30.0	22.5	27.9	26.6	34.1	33.9
	1,085.3	1,110.5	1,847.0	2,267.1	2,182.3	3,264.6
	5,692.0	6,439.5	7,553.3	8,965.9	11,567.6	13,568.5

on 10 Years



Message

of the Chairman of the Board of Directors

In 2007, Interbank Burundi recorded very good financial performances.

At 3,264.6 MF, the net profit of the Bank shows an increase of 49.6% as compared to 2006 and, for the first time, exceeds the profit of 3 billions francs. Achieved in an improving general environment, it translates a vigorous evolution of the activity in all our customers segments. It also translates a net improvement of the operational efficiency with a gross net profit increasing by 31.6% and a gain of 0.6 points of the operating ratio.

These results which confirm the relevant choice of the implemented strategies reinforce the financial soundness of our bank which, with its gross capital increased up to 13,568.5 MF, possess therefore the necessary means to pursue its growth.

Following the examples of the previous financial years, the Bank continued to strengthen its position as a community-based bank by opening two new counters, thus bringing the number of its points of sale to 23. These sites enable to receive, in good neighborhood and convivial conditions, individuals and companies in order to offer them gradually extended services. The contribution of that distribution network to the commercial and financial performances of the Bank increases year to year and its development represents one of the main assets of our growth.

At the commercial level, major initiatives accompanied that community-based bank dynamics: thus, the Bank set up a new commercial approach that is specific to the great consumers' distribution products and initiated the gradual computerization of the withdrawals and deposits transactions and created an Internet Banking service, IbbWebBank.

This effort will be maintained: while it will endeavor to research resources that are adapted to the interventions in the non-traditional sectors and that it will invest in new innovating products such as the monetic, the Bank will broaden its community-based network in the areas where its presence is still modest.

In so doing, the Bank will carry on its development strategy which turns around three main axes: customer conquest and loyalty, and innovation. The main operational deployment of that strategy will remain the constant diversification of the products and services offer in order, for instance, to compensate for the continuous erosion of the customer intermediation margins as well as the reinforcement of the Bank presence in the various customers' segments.

As a matter of fact, we believe that the future of the bank will be near its customers or not; thus, opened to progress and innovation, our Bank will continue to give priority to its customers' close relationship.



... the Bank will carry on its development strategy which turns around three main axes: customer conquest and loyalty, and innovation.



Georges COUCOULIS
Chairman of the Board of Directors

A community-based relationship that places the customers at the centre of our concerns, that makes it our absolute priority and implies that we must provide the highest qualitative advice, products and services whatever the moment or place where they do business with us.

These challenges the constant diversification of the products and services offered and the community-based relationships- are important. The combining of all these commercial, financial, cultural bank assets in order to take up these challenges can achieve the creation of an organization centered on the customer, therefore more accessible, innovating and capable of adequately responding to the customers needs, offering opportunities to its staff members, more wealth to its shareholders and a positive contribution to the communities beside which it works.

To that end, we encourage the Bank Management and all the staff members to engage in the adaptation of our network, of a strong growth relay, and in improving our collective efficiency, through the strengthening of our operational structures and our operating procedures in order to overcome this important challenge.

We have faith in our Bank's capacity to adjust itself to the requirements of such an enterprise in a full blooming banking sector and in a region confronted to a similar challenge.

The relevancy and scope of our commercial offer and team professionalism are all assets that will enable us to start the 2008 financial year with the serenity and determination to continue our development and reinforce our positioning while expanding our scope of activities.

Georges COUCOULIS





Message of the Chairman of the Management Committee

At the commercial as well as financial level, the year 2007 was doubly prosperous for Interbank Burundi: extension of the distribution network with the opening of two operational bank counters, a very comfortable net profit which, for the first time, exceeded the threshold of three billions francs, standing at 3,264.6 MF.

These performances are so more noticeable that they occur in an ever difficult economic context although gradually improving.

As a matter of fact, the economic situation slightly deteriorated in 2007 following, among other things, the delay in the disbursement of foreign aid, the main budget component, the very low coffee production and a totally failed first agricultural season caused by too much abundant rains. Thus the economic growth declined by 3.5% instead of 5.1% registered in 2006.

Taking into account such a context, the Government economic policy remained geared to the macroeconomic stabilization based on the control of the money supply under a currency floating régime of the exchange rate and the reinforcement of the financial system.

Concerning more precisely the reinforcement of the financial system, the Central Bank particularly decided to raise the minimum capital equity of the banks from one billion to two billions and a half by the end of 2007 and to three billions and a half francs by the end of 2008, while that of the financial institutions was respectively fixed at two billions and two billions and eight hundred millions francs. Our bank rapidly conformed itself to that new requirement by raising its capital equity to 3,960,000,000 Burundi francs from February 16th 2007 during its Extraordinary General Assembly Meeting.

At the same time in January 2007 was launched the new Treasury Bills and Bonds whose final aim is among others the improvement of the management of the financial sector's liquidity ; Interbank Burundi was one of the first actors on that market.

Concerning the credit policy, in order to increase the credit to the economy, the Central Bank gradually reduced the statutory reserves requirement whose ratio dropped from 7% to 5%, in January, and to 3%, in September, while their interest rate declined from 5% to 2%, and then to 0.5%.

The performances achieved by the Bank in such a context are especially important; while they constitute a real satisfaction reason, they open interesting prospects for the pursuit of our Bank development.



... Our objective will constantly rely on the diversification of our products and services as a means to alleviate the erosion of the customers' intermediation margin induced by the requirements related to the prices determination for the more and more trained customers, informed and attracted by a competitive offer, on the reinforcement of our presence among our customers' segments and on the conquest of new niches.



Callixte MUTABAZI
Managing Director

The new operational bank counters opened in 2007, in the New Industrial Quarter, in Bujumbura, and in the Kayanza town, are today operational and are working at full capacity; the customers' base has greatly expanded with a very significant increase of the number of customers which led to the opening of 3,500 new accounts.

Concerning the technological innovation, an electronic banking service, IbbWebBank, was established and operates at the great satisfaction of our Internet Banking enthusiastic customers.

Partnerships were established or are ongoing with institutions such as the IFC, the World Bank branch specialized in the funding of the private sector or PROPARCO, the implementation body of the investments programs of the French Development Agency, which provide new openings for the expansion of our sphere of activities.

Parallel to these commercial developments, the Bank put as usual a particular accent on the credit tightening and risks prevention through targeted actions at the level of:

- The monitoring of the non-credit movements debtors;
- The monitoring of non-performing portfolios by the public relation officer;
- The ceiling of credits authorizations by the agencies;
- The clearing of all the many outstanding payments schemes.

Ancillary to the credit tightening, while setting up a reception infrastructure propitious to a better collection, the Bank initiated an active management policy of the resources in order to curb the inflation of the financial expenses by, among other things, creating a term and big sight deposits management system.

These actions, at the credit and resources levels, successfully completed the commercial provisions specifically geared to high consumers goods distribution sectors such as the customers distributing the Brarudi products.

The actions led also to very good commercial performances with the increase of the deposits and credits portfolios up to about 10 billions francs each.

The Wayforward

The ending financial year had been placed under the motto of anticipation and development: to anticipate events and constantly develop new ideas and new projects.

More than ever before, the anticipation and development of new ideas and projects will remain up-to-date in 2008, the year for scaling-up, together with 2009, before the effective adhesion of Burundi to the East African Community and its opening to the competition of the bank sectors of the sub-region. Already, the Burundian financial sector is in continuous development with the sudden emergence of new foreign businessmen on the market.

To this end, the objective will constantly rely on the diversification of our products and services as a means to alleviate the erosion of the customers' intermediation margin induced by the requirements related to the prices determination for the more and more trained customers, informed and attracted by a competitive offer, on the reinforcement of our presence among our customers' segments and on the conquest of new niches.

Therefore, while continuing the broadening of its customers' base through the installation of new counters, the Bank will endeavor to research resources that are adapted to interventions in non-traditional activity sectors such as horticulture or tourism.

The 2008 financial year economic environment will, according to us, be more conducive to the development of these activities.

On the one hand, talks with funds donors resumed during the last months and enable to hope for a rapid release of the delayed disbursement of budgetary support and the resumption of all the international financial cooperation programs.

On the other hand, the projected cyclical coffee production for 2008 should accelerate the country economic growth whose rate should average 6.0% according to the recent IMF estimates.

We would like to invite the whole social Bank system to identify and size all the opportunities offered by such a context but also to comprehend its risks in order to successfully carry out our activities and reinforce our positioning.

We accomplished great breakthroughs during the last three years thanks to the efforts of our staff members deployed all over our distribution network. But, we still have a lot to do.

With our reiterated objective of placing the customer at the centre of our profession, we are firmly convinced that we are entering a year of reinforced growth and the changes we introduce will lead to a sustainable prosperity for our shareholders, for our employees, and for all the communities in which our agencies are operational.

Callixte MUTABAZI.

Report of the Board of Directors

EVOLUTION OF THE ACTIVITIES

The activities for the financial year 2007 were carried out in a slightly deteriorated climate as compared to 2006: the economic growth slowed down following, among other things, the decline of the coffee production, and the inflation, despite a prudential monetary policy, re-emerged up to 11% due to the adjustment of the oil price and the other basic commodities.

Moreover, with a backdrop of political and security tensions and severe Government budget imbalances, the talks with the funds donors continued without succeeding to release the budgetary supports pledged during the May 2007 Round Table. This delay in the disbursement of the foreign aid not only made fragile the Government macroeconomic programme but also stopped the wiping off of the Government arrears towards the private sector with very harmful damages for the financial sector.


The economic growth thus declined due also, of course, to the very weak food production provoked by a completely failed first agricultural season due to too heavy rains; it only amounted to 3.5% instead of 5.1% achieved in 2006.

The regulatory framework of the financial sector underwent an evolution in 2007 not only for the reinforcement of the financial sector but also for the monetary policy or the credit policy.

As for the reinforcement of the financial sector, the minimum share capital of the banks was increased from one billion to two billions and a half at the end of 2007 and three and a half billions at the end of 2008 while that of the financial institutions was respectively increased at two billions and two billions and eight hundred millions francs.

Along the lines of monetary policy, the new market of Treasury Bills and Bonds was launched in January 2007 with, among others, the aim of improving the management of the financial system liquidity; Interbank Burundi was one of the first actors on this market.

In the credit sector, in view of resuming the economy allocations, the Central Bank gradually reduced the reserve requirements whose coefficient fell from 7% to 5% in January and to 3% in September, while the interest rate was reduced from 5% to 2% and then to 0.5%.



The Board of Directors at the February 15th, 2008 Ordinary General Assembly (Hotel NOVOTEL)

From left to right :

**Arturo Costa (Director), Marguerite Rumbete (Director),
Callixte Mutabazi (Managing Director),
Georges Coucoulis (Chairman), Bonaventure Nicimpaye (Director)
Gabriel Baziruwisabiye (Director)**



It is in this economic and regulatory framework that Interbank Burundi confirmed its high level of commercial and financial performances: the funds collection increased by 15.1%, the outstanding credits increased by 11.1%, the commissions and income on operations increased by 32.5% with an increase of the net benefit of 49.6%.

PURCHASED FUNDS

Apart from the widening of the client base induced by the extension of our distribution network, important commercial initiatives such as the specific approach to the distribution of high consumer goods or the setting up of the IbbWebBank, the internet banking service, fed the funds collection by the bank, without forgetting the continuation of the conquest of the foreign currency customers for which the Bank once again generated new relationships.

The client funds thus underwent a vigorous increase and stood at 105,310.8 M against 91,632.1 M in 2006.

LOANS

In this field, the Bank remained faithful to its strict loans control policy whose outstanding values therefore increased less rapidly than the purchased funds.

The credit to the economy however substantially increased due mainly to the strong loan demand fed by the needs of working capital by the companies following the important arrears due by the Government to the private sector.

LOANS MANAGEMENT

The loans management relies on a set of rules and procedures on the provision, delegation of authority, risks monitoring, risks classification, on the identification and provisioning of gradual risks.

For the financial year 2007, a particular attention was reserved on the prevention of incidents within the performing portfolios through a quasi weekly monitoring of the debtors' dormant accounts and through the ceiling of credits authorizations by the agencies.

At the same time, all the amortization plans with several arrears were reversed while assessing the situation of the compromised portfolio on a bi-monthly period.

Outstanding Credits

The demand for credits for the working capital of our Government-creditors debtors has led to the credit expansion of the outstanding credits.

The latter underwent an increase of 11.1%, standing at 69,487.7 MF against 62,535.9 MF twelve months earlier.

SERVICES

International Banking

In 2007, the Bank confirmed its positioning and competitiveness at the International Banking: the extension of its foreign currencies client base thanks to the adhesion of new clients and the strengthening of its relationships with its traditional partners induced a significant increase of the “International Banking” portfolio.

Therefore, the foreign currencies increased by 57% while their share in the funding of foreign trade which was already very competitive was greatly reinforced.

Counter Transactions

The counter operations were made in twenty-three counters instead of twenty-one in 2006; be it on the collection or payments levels, the transactions tremendously increased.

Thus, the total deposits and transfers to the Central Bank were 183,908.7 MF as compared to 134,575.9 MF in 2006 while the daily collection reached the pick of 2,546.7 MF against 2,127.6 MF in 2006.

Inter-agences Transactions

In 2007, the Bank extended its network by establishing two commercial branches: two operational bank counters in the New Industrial Quarter, in the Buyenzi City Market, and in the Kayanza City Centre.

The inter-agence transactions strongly intensified their activities due to the synergies created within the Interbank Burundi distribution network: they amounted to 181,805.6 MF against 158,242.1 MF in 2006.

PROFITABILITY OF THE TRANSACTIONS

Following a strong gradual increase of the interests margin due to the extension of the credits volume, to the Treasury Bills and investments in our foreign correspondents, foreign transactions continuously sustained by the importance of the foreign currency funds, and a successful control of the overhead costs, the Bank net profit increased greatly standing at 3,264.6 MF, that is a rise of 49.6%.

THE SOCIAL RESPONSIBILITY REPORT

PERSONNEL

Human Resources Management

In 2007, Interbank Burundi carried on a human resources policy based on dialogue, listening, jobs management, and the mobility of the staff members. The end result of this policy remains the reconciliation of the profitability objectives and the extension of the Bank with the staff human and social development.

Strongly related to the Bank development needs, the recruitment and training policies take inspiration from those principles while ensuring capacity building and abiding to the equity and accountability criteria.

About thirty staff members were recruited in 2007 against eleven in 2006, something which, considering the present economic environment, is worth stressing; the great number of recruits were attached to the commercial entities.

It is worth noting however that the feminization of the staff significantly increased, the female staff members representing now 31% of the total staff members, and 7 exploitation sites out of 23 are now managed by female officers; this progression is a testimony of the diversity promotion policy which has been for long the main concern of the Interbank Burundi.

Training

In order to provide every staff member the opportunity of fulfilling his potential, training remained a priority in 2007.

On top of the activities fostering the theoretical and practical mastery of the development tools, at the example of the Seminar on “ The Management of Change” facilitated by the 'Cabinet Afrique Conseil' in October 2007, other training sessions were devoted to staff members skills development and professionalization through the many exchange meetings organized on Sundays by the various Bank managers. These gatherings were organized mainly for the agences managers, the operations control, reception, and visa personnel.

Human Development

Constantly eager to establish an environment conducive to a better productivity, Interbank Burundi remained mindful of the living conditions of its staff members by adjusting their salaries, whose greatest share is comprised by allowances and benefits, to the general prices framework through substantial salary increases in conformity with the positions held.



At the same time, the social dialogue continued at all levels with the aim of closely involving all the staff in the good functioning of the Bank.

It is in this framework that the staff representatives, to start with, and all the staff, in the second place, actively took part in the restoration of the Complementary Pension Fund by providing it with a new regulatory framework that is more realistic and protects their interests.

Thus, the Complementary Pension Fund and its entities such as IMMO-PLUS and VILLAGE HOTEL are henceforth daily managed by the staff representatives.

It is worth noting that the contributions to the Complementary Pension Fund amount now to 37% of the monthly gross salary in addition to the 5% of net income annually granted by the Bank. In addition, it should be recalled that this Fund holds about 10% of the Bank share capital and as such it receives an important dividend at the end of every financial year, thus strengthening its financial creditworthiness.

THE BANK AND ITS ENVIRONMENT

Enjoying the country most dense agencies and counters network, with the most advanced regional localization, Interbank Burundi is deeply locally rooted and that requires of it an active social accountability. Taking into account the local specificities, it therefore would like to take its share in the life of the communities in which it is professionally and personally involved.

This social commitment is translated into many-sided activities covering four main intervention sectors: solidarity, the artistic and cultural promotion, sports, and training.

The Interbank Burundi solidarity is expressed mostly not only by being at the side of the beneficiaries : the destitutes, and self-promotion associations, but also in case of severe crises.

It is therefore enthusiastically that the Bank contributed to the roofing of the schools built by the various communities. It is with the similar enthusiasm that it associated itself to the Bujumbura Lions Club in the building of the Ijenda Hospital by providing a substantial contribution.

Concerning the cultural and artistic domain, Interbank Burundi is strongly attached to the country cultural heritage and has, for several years, invested itself in the valorization of the Burundian arts through the purchase of various Burundian artistic works. To that end, it has just dedicated the theme of the 2008 Interbank Burundi Calendar to the rock and paintings of Burundian and African artists.

In the sports domain, Interbank Burundi maintained the partnerships established since several years with the great golf, tennis and athletic tournaments.

In the field of training, the Bank continued to enrol young trainees at the end of their schooling in order to test their employability and to ensure the supervision of their schooling end works.

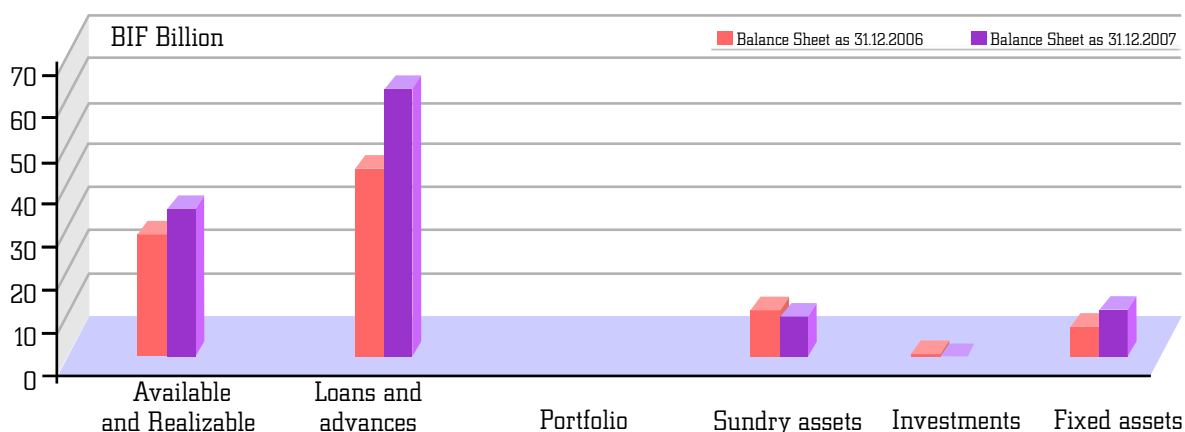
Again in the field of training, Interbank Burundi maintained its support, for the fourth year in a row, to the University Tournament, a competition organized every year by the Bujumbura Rotary Club, a program enabling the first three laureates to get the funding of their studies for three consecutive years.



**Balance
Sheet
and Profit
and Loss
Account
2006 - 2007**

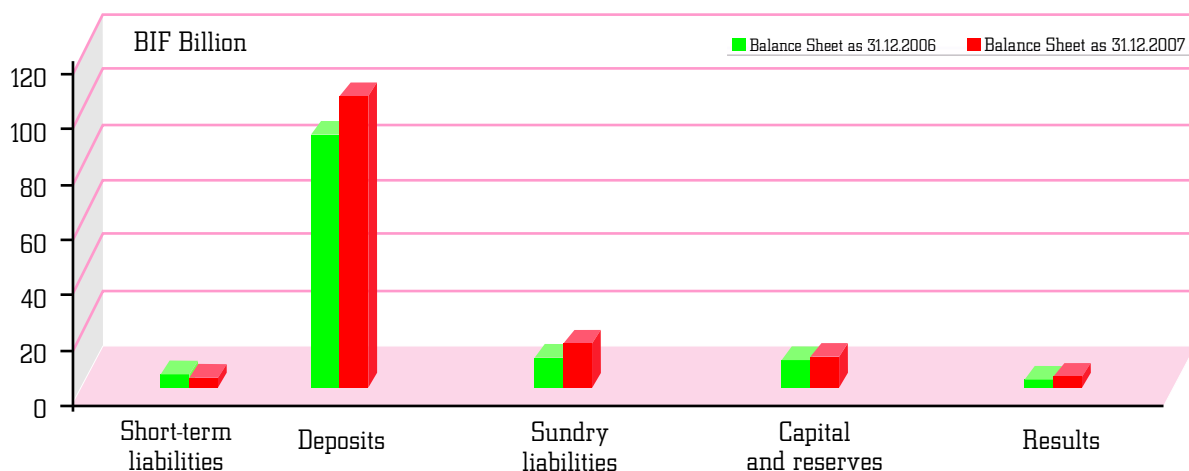
Balance Sheet as on 31.12.2007

ASSETS	31.12.2006	31.12.2007
1. Available and Realizable	34,618,067,956	41,859,427,353
·Cash-Central Bank-CCP	17,541,993,152	17,849,460,864
·Banks	16,566,198,074	23,652,320,782
·Call money (lendings)	0	0
·Other short-term assets	509,876,730	357,645,707
2. Loans and advances	62,535,922,508	69,487,705,469
·Current account debtors	41,224,030,281	50,086,816,582
·Coffee loans	8,525,159,120	1,716,829,796
·Rice loans	355,245,711	192,343,633
·Bills and commitments	12,437,481,396	17,491,715,458
3. Portfolio	48,000,000	3,000,000,000
·Treasury Bonds	0	3,000,000,000
·Treasury Certificates	48,000,000	0
4. Sundry assets	9,255,447,711	10,569,218,985
5. Investments	88,303,680	88,303,680
·Share capital	88,303,680	88,303,680
6. Fixed assets	10,841,212,988	11,613,870,147
·Land	183,891,024	183,891,024
·Premises	8,115,496,674	9,080,561,988
·Equipments and Furniture	2,467,883,842	2,284,397,555
·Start-up costs	73,941,448	65,019,580
TOTAL	117,386,954,843	136,618,525,634



as compared with 31.12.2006

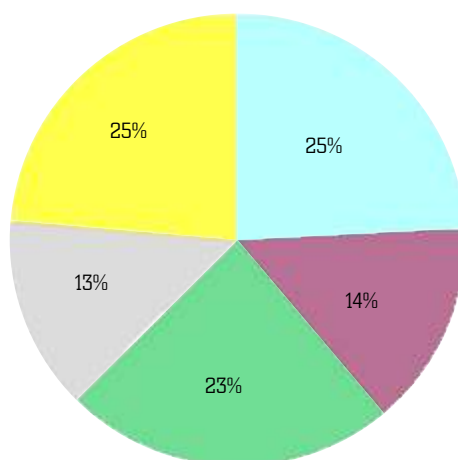
LIABILITIES	31.12.2006	31.12.2007
1.Short-term liabilities	3,836,725,906	2,832,570,972
·Preferential creditors	1,798,027,101	2,000,500,445
·Banks	1,623,870,537	116,028,058
·Refinancing from the Central Bank	0	0
·Other short-term liabilities	414,828,268	716,042,469
2. Deposits	91,532,095,762	105,310,859,686
·At sight deposits	64,964,704,930	73,002,423,972
·Term deposits	23,132,003,140	28,102,127,884
·Savings accounts	2,569,387,692	3,490,307,830
·Cash vouchers	866,000,000	716,000,000
3. Sundry liabilities	10,450,497,020	14,906,559,846
4. Capital and reserves	9,385,146,577	10,303,646,577
·Capital	1,320,000,000	3,960,000,000
·Capital and reserves to be shared	357,579,659	0
·Legal reserve	132,000,000	396,000,000
·Revaluation reserves	1,325,566,918	1,325,566,918
·Available reserve	296,000,000	3,653,579,659
·General provision for risks	5,954,000,000	968,500,000
5. Results	2,182,489,578	3,264,888,553
·Profit carried forward	223,044	283,696
·Net profit	2,182,266,534	3,264,604,857
TOTAL	117,386,954,843	136,618,525,634



Profit and Loss

DEBIT	31.12.2006	31.12.2007
1. Interests paid	3,213,606,101	3,956,416,046
2. Staff expenses	1,849,098,927	2,176,019,749
3. Other operating expenses	3,008,803,071	3,449,482,099
4. Corporate and other taxes	1,728,947,475	2,295,628,762
5. Depreciation & Provisions	3,228,485,111	3,500,787,382
6. Net income	2,182,266,534	3,264,604,857
TOTAL	15,211,207,219	18,642,938,895

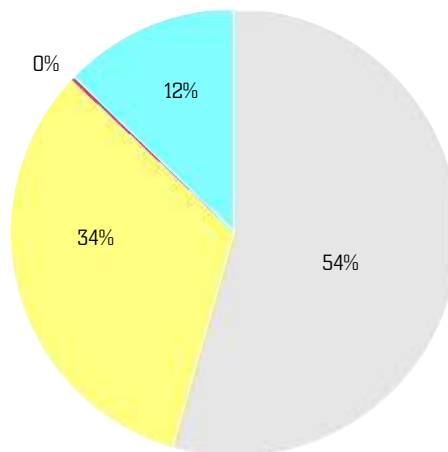
Breakdown of 2007 expenses per item



Account as on 31.12.2007

CREDIT	31.12.2006	31.12.2007
1. Interests and commissions on loans	8,182,451,637	9,031,690,376
2. Revenues from operations	5,098,099,742	7,331,340,163
3. Revenues from portfolio	44,768,626	802,042,084
4. Other revenues	1,885,887,214	1,477,866,272
TOTAL	15,211,207,219	18,642,938,895

Breakdown of 2007 earnings per item



■ Interests and commissions on loans	■ Revenues from portfolio
■ Revenues from operations	■ Other revenues

Notes on the balance sheet and profit & loss accounts

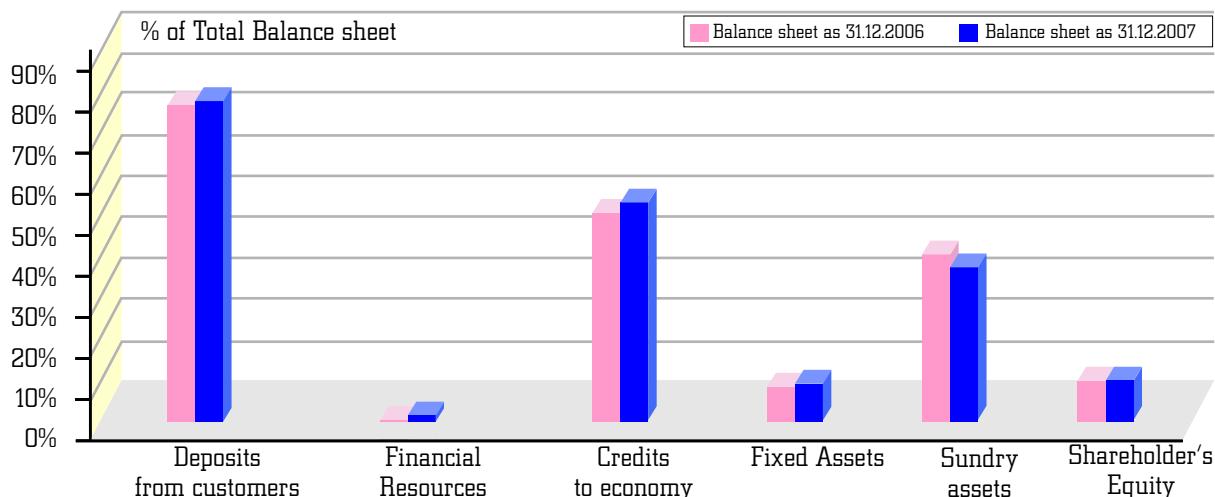
1. BALANCE SHEET

The following balance sheet data give the figures of all the Interbank Burundi entities including the Ngozi, Kirundo, Gitega, Muyinga, Rumonge, Makamba, and Kayanza agencies which have their own accounting.

Bif million	31.12.2007	Variation %	31.12.2006	Variation %
TOTAL BALANCE SHEET	136,618.5	+16.4	117,386.9	+29.3
Deposits from customers	105,310.9	+15.1	91,532.1	+49.0
Financial Resources	116.0	-92.9	1,623.9	-80.3
Credits to economy	69,487.7	+11.1	62,535.9	+42.0
Net Fixed Assets	11,613.9	+7.1	10,841.2	+56.3
Sundry Assets	55,517.0	+26.1	44,009.8	+10.6
Shareholders' Equity	13,568.5	+17.3	11,567.6	+29.0

The main characteristics of the December 31st 2007 balance sheet are as follows:

- The customers' deposits progression regressed at 105,310/9 MF, that is an increase of 15.1% compared to the achievements of the 2006 financial year increase of 49.0% ; the financial resources continued their regression, showing a decline of 92.9% and standing at 116.0 MF;
- The credits to the economy increased by 11.0%, standing at 69,487.7 MF and showing a slower pace than in 2006 during which they increased by 42.0%;
- The sundry reallocations, mainly constituted of the bank balances and cash flows, amount to 55,517.0 MF and increased by 26.1% as compared to 10.6% in 2006.



DEBTS TO CUSTOMERS

BIF million	31.12.2007	Variation %	31.12.2006	Variation %
TOTAL CUSTOMER DEPOSITS	105,310.9	+15.1	91,532.1	+49.0
Deposits at sight and one month at most	98,503.5	+15.4	85,365.4	+50.9
Deposits for more than one month	2,601.1	-4.8	2,731.3	+56.8
Cash vouchers	716.0	-17.3	866.0	-7.5
Savings deposits	3,490.3	+35.8	2,569.4	+16.7

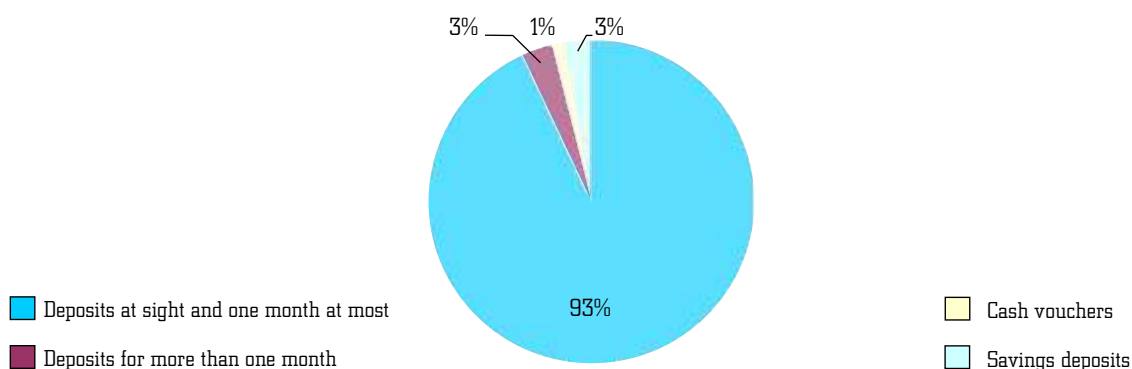
The customers' deposits showed a moderate increase, standing at 105,310.9 MF against 91,532.1 MF only twelve months earlier, that is, a progression of 15.1%.

These somewhat appreciable performances are mainly due to the broadening of the client base induced by the expansion of our distribution network, which gained two more units, to new relationships in foreign currency, and thanks to a specific commercial approach towards the BRARUDI products distributors and other high consumer products.

They are strongly characterized by the net increase of the saving deposits (+35.8%) and, to a lesser extent, by the one of deposits at sight and one month at most (+15.4%); the latter's share in the total resources remained stable at 93.5% against 93.3% on December 31st, 2006.

As for the share of the customers' deposits in the total balance sheet, it declined from 78.0% on December 31st, 2006, to 77.1% at the end of December 2007.

2007 DEBTS TO CLIENTS



CREDITS TO THE ECONOMY

Bif million	31.12.2007	Variation %	31.12.2006	Variation %
TOTAL CREDITS	69,487.7	+11.1	62,535.9	+42.0
Exports credits	1,507.2	-37.8	2,424.8	+76.0
Coffee credits	1,716.8	-79.9	8,525.2	+684.8
Degrressive overdrafts	7,649.2	+57.1	4,869.8	+122.6
Accounts Debtors	50,086.8	+21.5	41,224.0	+25.0
Other loans	8,527.1	+55.3	5,492.1	-14.5

Following the collapse of the coffee credits which decreased by 79.9% due to the bad 2007/2008 coffee campaign, the credits to the economy underwent a slight increase of 11.1% in 2007 while they had increased by 42.0% in 2006. The decline of the coffee credits outstanding amount was counterbalanced by the strong progression of the treasury credits, either the amortizable credits (+57.1%) or the overdrafts (+21.5%), and through the funding of equipment in rise by 53.1%.

This treasury credits evolution translates the strong credit demand fed by the needs in working capital caused by the important arrears of the Government towards the private sector.



2. PROFIT AND LOSS ACCOUNT

In millions Bif	31.12.2007	Variation %	31.12.2006	Variation %
+Interests received	10,059.0	+23.1	8,168.2	+5.7
- Interests paid	4,749.0	+19.2	3,982.6	+34.3
=INTERESTS MARGIN	5,310.0	+29.9	4,185.6	-12.2
+Commissions & Other revenues	8,341.8	+32.5	6,295.4	+17.4
=BANK NET PROFIT	13,651.8	+30.3	10,481.0	+3.5
-Staff salaries	2,241.1	+18.4	1,893.1	+13.7
-Other operating costs	3,091.6	+40.1	2,206.8	+21.4
-Depreciation	854.3	+20.9	706.7	+33.3
=GROSS OPERATING PROFIT	7,464.8	+31.6	5,674.4	-7.2
- Prudential provisions	2,646.5	+4.9	2,521.8	+7.2
+Reversals	242.1	-67.6	747.6	+285.2
=PROFIT BEFORE TAX	5,060.4	+29.7	3,900.2	-1.4
-Taxes	1,795.8	+4.5	1,717.9	+1.8
=NET PROFIT	3,264.6	+49.6	2,182.3	-3.7



The Bank Net Profit (BNP)

The Interbank Burundi gross margin for 2007 shows a very strong increase, standing at 13,651.8 MF against 10,481.0 MF during the preceding year, that is, a significant rise of 30.3%.

On the one hand, this increase may be explained by the net rise of the client intermediation margin following the upward reverse of the financial expenditures and the increase of the loans credits volumes.

On the other hand, it translates the continuous sustained increase of the foreign exchange operations facilitated by, among other things, the important hard currencies' resources which produced substantial exchange profits.

The bank net profit is distributed as follows:

- **The interest margin** maintains its share in the GNP at 38.9%, against 39.9% at the end of December 2006, standing at 5,310.0 MF, a rise of 26.9% ; this increase derives from the growth recession of the rise of the financial expenditures (+19.2% against +34.3% in 2006) and the acceleration of the interests received (+23.1% instead of +5.7% in 2006). An evolution that expresses the success of the active deposits management policy and the benefits of investments in Treasury Bills and foreign correspondents accounts.
- **The customers' net commissions and other revenues** stood at 8,341.8 MF and still represents about 60.0% of the GNP (61.1%); as they represent an increase of 32.5% against 17.4% in 2006, these revenues are mainly due to the international banking operations amounting to 7,444.4 MF, that is 89.2% of the total commissions and other revenues, an increasing proportion of 3.9 points as compared to the end of December 2006.

Operating Expenses

The overheads volume greatly increased as compared to 2006 and stood at 6,187.0 MF against 4,806.6 MF the previous year, that is, a rise of 28.7% against 19.9% at the end of December 2006.

This growth is mainly due to the rise of the operating expenses which increased by 35.4% and stood at 3,945.9 MF while they had increased by 24.0% only twelve months earlier.

The staff expenses are controlled and stood at +18.4% while more rapidly increasing as compared to 2006 due to more important recruitments (+30 units against 11 units); they stood at 2,241.1 MF against 1,893.1 MF on December 31st, 2006.

It is worth noting that the increase of operating expenses derived from the continuation of the commercial progression and computerization programs related to the expansion of our distribution network and the diversification of our products and services.

The operating ratio (relationship between the operating expenses and the bank net profit) stabilized itself at 45.3% against 45.9% the previous year, that is, a gain of 0.6 points.

Provisions for Risks

The cost of the risks slightly increased by 4.9% (+7.2% in 2006) standing at 2,646.5 MF.

This expenses put the aggregated provisions for doubtful loans at 9,214.7 MF as compared to outstanding loans of 9,493.3 MF, that is, a coverage rate of 97.1% against 96.4% in 2006.

Net Profit

The financial year net profit amounts to 3,264.6 MF after deduction of the profit tax of 1,795.8 MF.

PROFIT ALLOCATION

Ladies and Gentlemen Shareholders,

In conformity with article 52 of the Bank Memorandum and Articles of Association, the Annual General Meeting is invited to take a decision on the profit allocation project for the financial year.

The net profit amounts to 3,264,888,553 taking into account the profit carried forward of 283,696 BIF.

We propose the following appropriation:

Available reserves	BIF	2,000,920,341
Dividends	BIF	1,164,705,882
Directors fees	BIF	99,000,000
Carried forward	BIF	262,330
TOTAL	BIF	3,264,888,553

ADMINISTRATION

In conformity with Article 18 of the Bank Memorandum and Articles of Association, the term of office of the following directors:

- Mr. Gabriel BAZIRUWISABIYE
- Mr. Arturo COSTA
- Mr. Georges COUCOULIS
- Mr. Callixte MUTABAZI
- Mr. Bonaventure NICIMPAYE
- Mrs. Marguerite RUMBETE
- SALEX CORPORATION

expires at the end of the present Assembly Meeting. These directors are re-eligible and they would like to stand in for reelection.

If you approve their application, their term of office will expire at the end of the 2009 Annual General Assembly Meeting dealing with the 2008 financial statements.

To conclude this report, we would once again like to congratulate and thank the Management Committee and all its collaborators for the sizeable work accomplished in a somewhat difficult environment although in constant improvement and for their unwavering and renewed commitment for the development of Interbank Burundi.

The Board of Directors

Auditors'

Report for the 2007 fiscal year

In accordance with the provisions of the decree-law n° 1/017 dated October 23rd, 2003, on the Banks and Financial Institutions regulations, we have the honour of presenting to you the report on the implementation of our supervision mandate as auditors for the fiscal year 2007.

Our control was carried out in conformity with the recognized international financial audit standards and included the control of the documents and other accounting books.

We carried out up to December 31st, 2007, audit tests and reconciliation tests and did the usual inventory control. Our findings are in conformity with the figures of the Accountancy.

According to the general norms of the audit, we checked the Assets and Liabilities accounts, the profit and loss accounts for the year ended on December 31st, 2007. These accounts are in conformity with the balance of the trial balance. We assure the General Assembly that the assets effectively exceeds the minimum own equity provided for by article 26, by the liabilities of the Bank towards third parties.

In conclusion to our works and in conformity with the decree-law n° 1/017 dated October 23rd, 2003, we can certify that the annual INTERBANK accounts for the fiscal year 2007 show a **total balance sheet of 136,618,525,634 BIF (one hundred and thirty six billions six hundred and eighteen millions five hundred and twenty five thousands six hundred and thirty four francs) and a net profit of 3,264,604,857 BIF (three billions two hundred and sixty four millions six hundred and four thousands and eight hundred and fifty seven francs)** and that the Balance Sheet, the Profit and Loss Accounts presented to you for approval correctly reflect the financial situation of the IBB on December 31st, 2007.

Bujumbura, January 25th, 2008

The Auditors

DEM CONSULT

Léon MWEBEYA

Déo BANDEREMBAKO

Resolutions of the February 15th, 2008 Ordinary General Meeting

First resolution :

The General Assembly, after listening to the reports of the Board of Directors and the Auditors for the fiscal year 2007, approves these reports.

Second resolution :

The General Assembly approves the balance sheet and the loss and profit accounts of the INTERBANK BURUNDI, S.A. for the financial year ending on December 31st, 2007.

Third resolution :

The General Assembly approves the allocation of the profit balance as submitted to it:

* Free reserves	2,000,920,341
* Dividends	1,164,705,882
* Directors' Fees	99,000,000
* Balance carried forward	262,330

Fourth resolution :

The General Assembly discharges the members of the Board of Directors of their management for the financial year 2007.

Fifth resolution :

In accordance with article 18 of the Bank constitution, the General Assembly appoints the Directors as follows:

- Mrs Marguerite RUMBETE
- Mr. Georges COUCOULIS
- Mr. Gabriel BAZIRUWISABIYE
- Mr. Costa ARTURO
- Mr. Bonaventure NICIMPAYE
- Mr. Callixte MUTABAZI and
- SALEX CORPORATION

for a term of one year ending during the 2009 Annual General Meeting to the effect of approving the balance sheet for the 2008 financial year.



Our distribution Network

Head Office : Bujumbura-Downtown

15, Avenue de l'Industrie

Tel. : (257) 22 06 29

Fax : (257) 22 04 61

E-mail : info@interbankbdi.com

Web Site : www.interbankbdi.com

SWIFT CODE : IBBU BIBI

Quartier Asiatique

Avenue NTAHANGWA

Tel. : (257) 22 22 06 29

Fax : (257) 22 21 00 35

E-mail : asiatique@interbankbdi.com

Buyenzi Counter

20^{ème} Avenue n°1

Tel. : (257) 22 22 06 29

Fax : (257) 22 21 00 33

E-mail : buyenzi@interbankbdi.com

BRARUDI Counter

Boulevard du 1^{er} Novembre

Tel. : (257) 22 21 09 41

Building Administratif Counter

Tel. : (257) 22 22 06 29

Meridien Source du Nil Counter

Avenue Nicolas Mayugi

Tel (257) 22 25 03 57

Buyenzi City Market Counter

Avenue de l'OUA

Tel. : (257) 22 25 95 41

Fax : (257) 22 25 95 13

Place de l'Indépendance

Avenue du Commerce

Tel. : (257) 22 22 06 29

Fax : (257) 22 24 29 49

E-mail : api@interbankbdi.com

Bujumbura Central Market

Avenue de la Croix-Rouge

Tel. : (257) 22 24 12 75 / 22 22 06 29

Fax : (257) 22 24 17 76

E-mail : amc@interbankbdi.com

Jabe Counter

Avenue de la Jeunesse

Tel. : (257) 22 22 06 29

Fax : (257) 22 24 48 07

E-mail : jabe@interbankbdi.com

Uprona Bld Counter

Boulevard de l'Uprona

Tel : (257) 22 22 09 75

Fax : (257) 22 25 10 91

E-mail : etranger@interbankbdi.com

Bujumbura Port Counter

Avenue de la Tanzanie

Tel. : (257) 22 22 06 29

Fax : (257) 22 24 43 57

E-mail : port@interbankbdi.com

Bujumbura International Airport Counter

Tel. : (257) 22 24 43 58

Novotel Counter

Boulevard du Peuple Murundi

Tel. : (257) 22 24 43 55

BINUB Head Office Counter

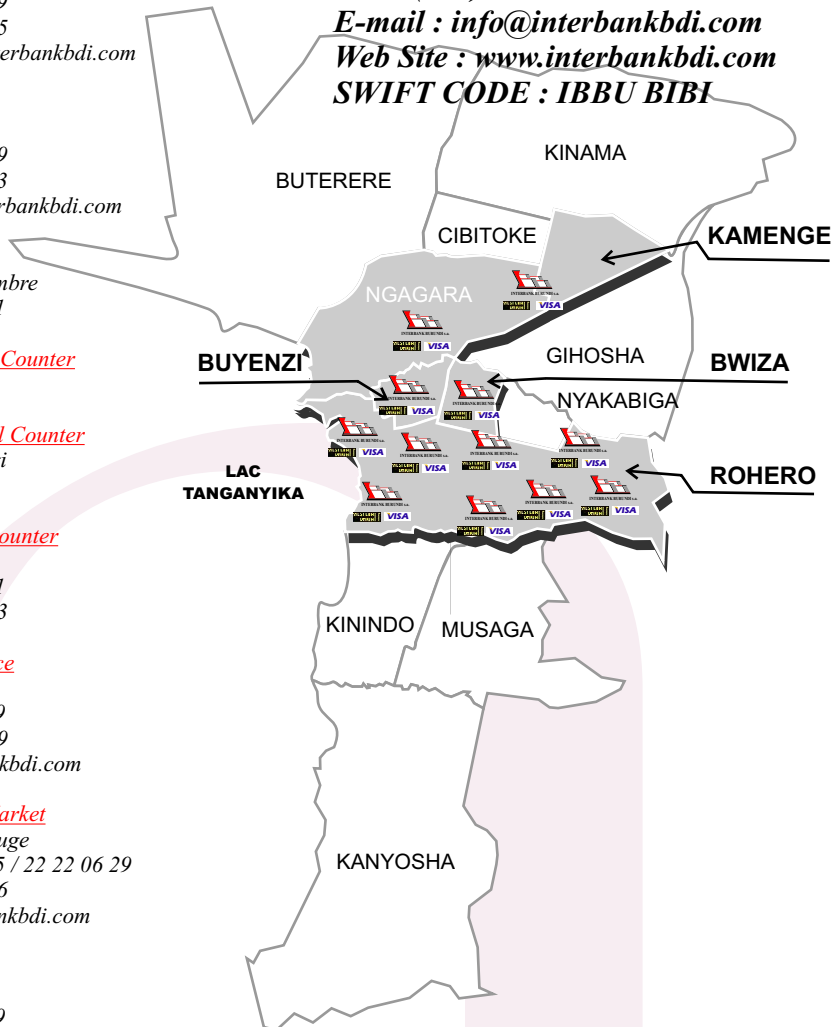
Chaussée d'Uvira

BINUB Headquarters

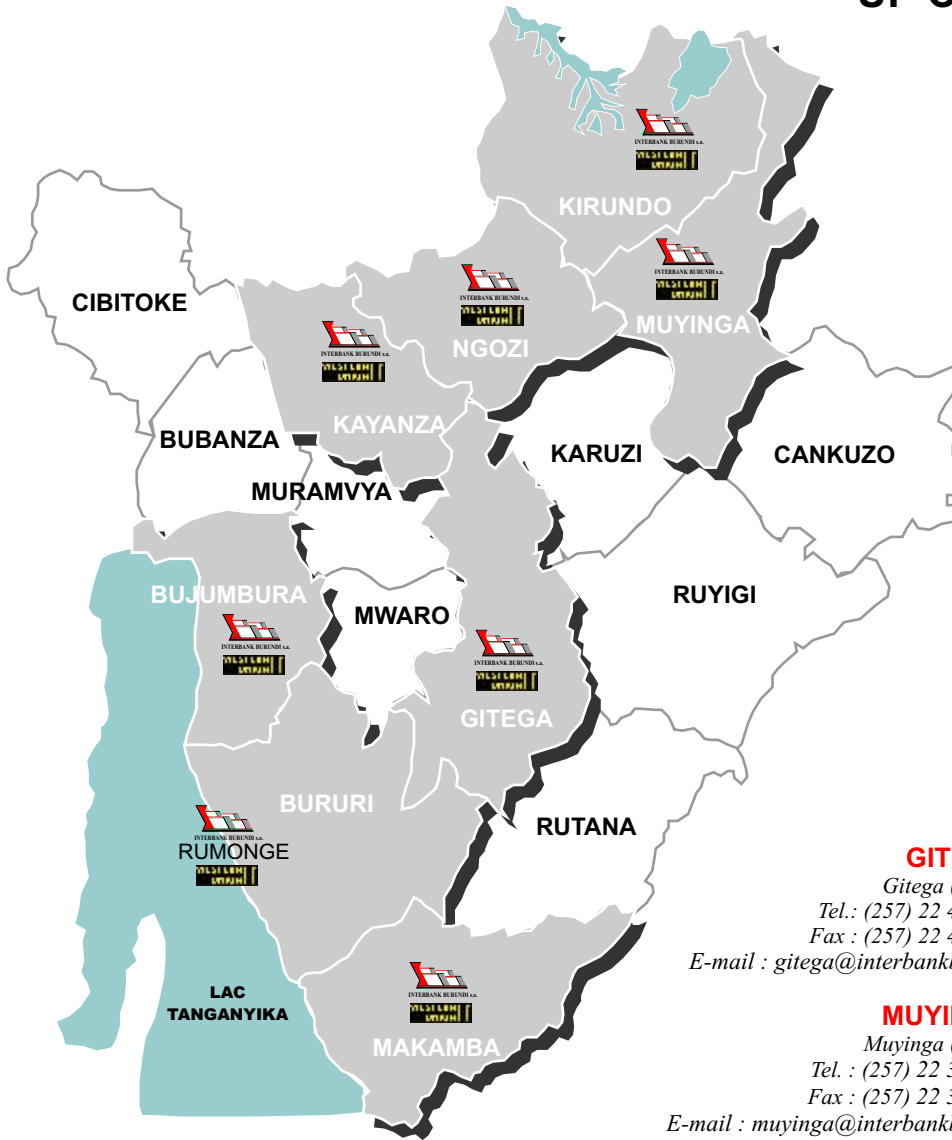
Tel. : (257) 22 20 52 38

Kamenge Counter

Tel. : (257) 22 23 97 66



UP COUNTRY



NGOZI :
 Ngozi (Centre)
 Tel. : (257) 22 30 23 24
 Fax : (257) 22 30 23 34
 E-mail : ngozi@interbankbdi.com

KIRUNDO :
 Kirundo (Centre)
 Tel. : (257) 22 30 46 33
 E-mail : kirundo@interbankbdi.com

GITEGA :
 Gitega (Centre)
 Tel.: (257) 22 40 32 66
 Fax : (257) 22 40 32 68
 E-mail : gitega@interbankbdi.com

MUYINGA :
 Muyinga (Centre)
 Tel. : (257) 22 30 67 63
 Fax : (257) 22 30 67 68
 E-mail : muyinga@interbankbdi.com

KAYANZA :
 Kayanza Commercial Centre (Rn1)
 Tel. : (257) 22 30 50 12

RUMONGE :
 In front of the City Market
 Tel. : (257) 22 50 40 12
 E-mail : rumonge@interbankbdi.com

MAKAMBA :
 In front of the City Market
 Tel. : (257) 22 50 40 12
 E-mail : makamba@interbankbdi.com

BRANCHES & COUNTERS

Foreign

Correspondents' Network

FORTIS BANK

MONTAGNE DU PARC,
3- 1000 BRUXELLES
Web Site : <http://www.fortis.be>
IBAN BE 59 291114520826
SWIFT CODE : GEBABEBB

CITIBANK N.A / PARIS

CITICENTER CEDEX 36
92073 PARIS LA DEFENSE
Web Site : <http://www.citibank.com>
CODE SWIFT : CITIFR PP

ING BELGIUM

24, AVENUE MARNIX
B 1050 BRUXELLES
Web Site : <http://www.bbl.be>

KBC BANK N.V. Havenlaan2,
2-1080 BRUXELLES, Belgium
CODE SWIFT : KREDBEBB

KREDIETBANK / BRUXELLES

2-1080 BRUXELLES
Web Site : <http://www.kbc.be>
IBAN BE 04 3010102188-31
SWIFT CODE : BBR UEBB

CITIBANK N.A. / NEW YORK

111 WALL STREET
NEW YORK 10043
Web Site : <http://www.citibank.com>
SWIFT CODE : CITI US33

KENYA COMMERCIAL BK LIMITED / NAIROBI

MOI AVENUE NAIROBI
Web Site : <http://www.kcb.co.ke>
CODE SWIFT : KCBLKENX

