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COPORATE INFORMATION

BOARD OF GOVERNORS	J. Mills Jones-Executive Governor John G. Bestman (Retired July 7, 2015) David Farhart Melissa A. Emeh (Appointed January 9, 2015) Milton A. Weeks (Appointed January 9, 2015)
AUDITOR	PricewaterhouseCoopers (Liberia) LLC 9th Street Payne Avenue Monrovia, Montserrado Liberia
SOLICITOR	Counselor Central Bank of Liberia Post Office Box 2048 Monrovia, Liberia
REGISTERED OFFICE	Central Bank of Liberia Post Office Box 2048 Monrovia, Liberia

CORPORATE GOVERNANCE

Introduction

The Central Bank of Liberia (CBL) is committed to good corporate governance. The Bank recognizes the contribution that it makes to long-term business prosperity and to ensuring accountability to the Government of Liberia (GOL). The CBL believes that full disclosure and transparency in its operations are in the interests of good governance.

The Board of Governors

The Board is responsible for the formulation and implementation of policies and controlling and monitoring activities of the Bank's executive management. The Board consists of five (5) Governors, including, the Executive Governor who serves as Chairman and four (4) Non-Executive Governors. Members of the Board are appointed by the President of Liberia and confirmed by the Liberian senate. The Board is required to meet as often as is required, but not less frequently than once every three months.

The Audit Committee

The Audit Committee is made up of four (4) Governors, one of which is a non-voting member. The committee meets on a quarterly basis. Members of the audit committee elect the Chairman of the Audit Committee. The duties of the Audit Committee includes; keeping under review the scope and results of the audit, as well as the independence and objectivity of the external auditor. The Audit Committee also keeps under review internal financial controls, risk management, and compliance with laws and regulations. The Audit Committee also reviews the adequacy of the audit program of the Internal Audit Section on an annual basis. Additionally, the Audit Committee reviews reports prepared by the Internal Audit Section in addition to the financial statements of the Central Bank.

Financial Stability Committee

The Financial Stability Committee, formerly Banking Reform Committee, is made up of the Deputy Governor of Operations, who is the Chairman, four (4) Directors and the Legal Counsellor. The committee meets on a quarterly basis. The terms of reference of the committee are determined by the main Board. The Financial Stability Committee is responsible for the stability of the banking system and promoting its contribution to economic growth and increased participation of Liberian entrepreneurs in the national economy. A reform agenda was drafted geared towards ensuring that banks are adequately capitalized with appropriate management procedures and internal controls and that the Central Bank has the capacity to effectively supervise and regulate their activities.

CORPORATE GOVERNANCE (continued)

Compliance Committee

The Compliance Committee is a subcommittee of the Financial StabilityCommittee, set up to strengthen the supervisory function of the Bank and ensure that commercial banks are in compliance with the banking laws, regulations and directives of the Central Bank.

Money management and Policy Review Committee

The Money Management and Policy Review Committee is an advisory body to the Executive Governor. The committee is made up of the Executive Governor who is an ex-officio, (2) Deputy Governors and three (3) Directors. Its responsibilities include discussions of a wide range of monetary, financial and economic issues, reviewing policies and making appropriate recommendations to the Governor for smooth operation of the Bank and the strengthening of the banking system.

External Auditors

In November 11, 2013, the Board of Governors appointed PricewaterhouseCoopers, to be its external auditor from 2013 to 2015.

REPORT OF THE BOARD OF GOVERNORS ON THE CENTRAL BANK OF LIBERIA (CBL)

The Governors take pleasure in presenting their report with the audited financial statements of the Central Bank of Liberia for the year ended December 31, 2015.

STATEMENT OF RESPONSIBILITY OF THE BOARD OF GOVERNORS

The Acts of Legislature establishing the Central Bank of Liberia (approved into law on March 18, 1999) and By-laws adopted on December 16, 1999 require the Board of Governors to ensure that financial statements prepared for each financial year give a true and fair view of the state of affairs of the Bank and the result of its operations for the period ended. In preparing the financial statements, the Board of Governors is required to:

- Select and consistently apply suitable accounting policies consistent with International Financial Reporting Standards (IFRS);
- Make judgments and estimates that are reasonable and prudent;
- State whether the applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements;
- Ensure that the financial statements are prepared on a going-concern basis, unless it is inappropriate to presume that the Bank will continue to be in business;
- Ensure that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the Central Bank of Liberia;
- Ensure that the financial statements comply with the reporting requirements of the Act of Legislature establishing the Bank, as well as the By-laws pertaining to its operation; and
- Put in place relevant mechanisms for safeguarding the assets of the Bank, accordingly, take reasonable steps for the prevention and detection of fraud and other irregularities, if any, in the normal course of business.

The statement above is made with the view of distinguishing for the benefit of all interested parties, the responsibilities of the Board of Governors and those of the External Auditor in relation to the financial statements of the Central Bank of Liberia.

NATURE OF BUSINESS/FUNCTIONS

The Central Bank has functional independence, power and authority to:

1. Issue legal tender banknotes and coins;
2. Administer the currency laws and regulate the supply of money
3. Provide credit to bank-financial institutions on a discretionary basis;
4. Act as fiscal agent for the Government;
5. Administer the New Financial Institutions Act of 1999 and regulate banking activities;
6. Regulate bank and non-bank financial institution as well as non-bank financial services institutions;
7. Hold and manage the foreign exchange reserves of Liberia, including gold;
8. Advise the Government on financial and economic matter;
9. Conduct foreign exchange operations; and
10. Play an active role in collaboration with bank-financial institutions in the creation and maintenance of efficient and safe mechanisms for payments, clearing and settlements to meet the needs of the financial markets, commerce, government agencies and the public. The Central Bank shall execute this responsibility through implementation of the proper regulations and standards, as needed.

REPORT OF THE BOARD OF GOVERNORS ON THE CENTRAL BANK OF LIBERIA (CBL) (CONTINUED)

The Loan Extension and Availability Facility (LEAF) program

The Central Bank of Liberia (CBL) has been championing the Government of Liberia's fight against poverty through an agenda that provides access to finance and creates an inclusive financial environment for all in Liberia. A number of economic intervention schemes have been developed and are being implemented through participating commercial banks. These schemes have provided access to finance capital to Liberian-owned SMEs, for agriculture projects, mortgage etc. CBL recognized, that despite these interventions, a large number of Liberians were still being excluded with lack of access, primarily because this huge segment of the Liberian population operated in the microfinance sector and did not have collateral requirements required to access finance. It was against this backdrop that The Loan Extension and Availability Facility (LEAF) program was conceived and launched in January, 2012. LEAF is being administered by CBL's Microfinance and Financial Inclusion Unit as a collateral-free economic intervention.

The core focus of implementation is achieving the objectives as approved by the Board of Governors; which include:

- Provide access to finance to microfinance sector;
- Ensuring that beneficiaries under the program derive and retain economic benefits;
- Promoting the integration of beneficiaries into formal sector of the economy;
- Creating and enhancing economic activities in rural Liberia; and
- Managing risks under the program to ensure a high repayment rate.

GOVERNORS AND GOVERNMENT INTEREST

The statement of responsibility of the Board of Governors of the Bank is set out on page 4. The Governors of the Bank do not have any interest in contracts entered into by the Bank.

Financial results

The financial results for the year are set out below:

	31-Dec-15 L$'000'	31-Dec-14 L$'000'
Operating losses attributed to shareholder	(4,378,439)	(254,790)
to which is added balance on general reserves account brought forward of	3,631,994	4,112,422
Other comprehensive income	439,824	(225,638)
leaving a balance on general reserve account to be carried forward of	(306,621)	3,631,994

Signed on behalf of the Board by:

Milton A. Weeks
Governor

Date:

Charles E. Sirleaf
Acting Executive Governor

Date:

REPORT OF THE INDEPENDENT AUDITOR
TO THE BOARD OF GOVERNORS OF THE CENTRAL BANK OF LIBERIA

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Central Bank of Liberia set out on pages 7 to 55. These financial statements comprise the statement of financial position as at 31 December 2015, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Governors' responsibility for the financial statements

The Board of Governors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control, as Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Central Bank of Liberia as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Chartered Accountants

Monrovia, Liberia

April 29, 2015

pwc

Statements of comprehensive income
(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

	Note	Year ended December 31 2015	2014
Interest income	**5(i)**	**819,812**	718,845
Interest expenses	**5(ii)**	**(96,436)**	(112,717)
Net interest income		**723,376**	606,128
Fees and commissions	**6**	**214,814**	213,080
Other income	**7**	**36,288**	1,236,555
Operating income		**974,478**	2,055,763
Loans and advances impairment charges	**8**	**(1,641,445)**	-
Administrative expenses	**9**	**(3,462,433)**	(2,153,577)
Other operating expenses	**10**	**(249,039)**	(156,976)
Net operating loss attributable to shareholder transferred to general reserve account		**(4,378,439)**	(254,790)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of pension plan	**32**	**(18,397)**	140,543
Exchange difference on translation to presentation currency		**458,221**	(366,181)
		439,824	(225,638)
Total comprehensive loss transferred to general reserve account		**(3,938,615)**	(480,428)

Statements of financial position

(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

	Note	As at December 31 2015	2014
Assets			
Cash and balances with Central Banks	11	21,232,382	14,406,168
Cash and balances with commercial banks	12	2,731,792	7,266,840
Loans and advances to operating banks	13	1,958,504	2,566,001
Loan and advances to non-banking financial institutions	14	315,933	396,409
Loans and advances to Government of Liberia	15	24,776,827	24,321,855
Investment securities: Held-to-maturity	16	668,794	569,486
Deposits with International Monetary Fund	17	37,231,890	41,491,282
Staff loans	18	208,915	183,537
Other assets	19	1,908,180	856,784
Intangible assets	21	-	4,654
Property, machinery and equipment	22	3,343,081	3,034,689
Total assets		94,376,298	95,097,705
Liabilities			
Currency in circulation	23	10,393,019	9,394,317
Deposits from commercial banks	24	11,820,642	12,235,937
Other deposits	25	1,796	1,783
Deposits of GOL and agencies	26	16,280,911	11,215,490
Instrument-CBL bills	27	1,579,938	964,828
Amount due to International Monetary Fund	28	43,578,920	47,867,110
Other liabilities	30	2,111,800	1,189,901
Provident fund	31	230,967	180,184
Retirement benefit obligations	32	1,086,339	817,574
Total liabilities		87,084,332	83,867,124
Equity			
Share capital	33	7,598,587	7,598,587
General reserve	34	(306,621)	3,631,994
Total equity		7,291,966	11,230,581
Total equity and liabilities		94,376,298	95,097,705

The financial statements on pages 7 to 55 were approved by the Board of Governors on April 29, 2016 and signed on its behalf by:

Milton A. Weeks
Governor

Date:

Charles E. Sirleaf
Acting Executive Governor

Date:

Statement of changes in equity
(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

	Share Capital	**General Reserve**	**Total Equity**
Balance at January 1, 2015	**7,598,587**	**3,631,994**	**11,230,581**
Loss for the year	**-**	**(4,378,439)**	**(4,378,439)**
Remeasurement on pension plan		**(18,397)**	**(18,397)**
Exchange difference on translation to presentation currency	**-**	**458,221**	**458,221**
Total comprehensive loss	**-**	**(3,938,615)**	**(3,938,615)**
Balance at December 31, 2015	**7,598,587**	**(306,621)**	**7,291,966**

	Share Capital	General Reserve	Total Equity
Balance at January 1, 2014	7,598,587	4,112,422	11,711,009
Loss for the year	-	(254,790)	(254,790)
Remeasurement on pension plan		140,543	140,543
Exchange difference on translation to presentation currency	-	(366,181)	(366,181)
Total comprehensive income	-	(480,428)	(480,428)
Balance at December 31, 2014	7,598,587	3,631,994	11,230,581

The notes on pages 11 to 55 are an integral part of these financial statements.

Statement of cash flows
(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

		For the year ended December 31	
		2015	2014
Cash flows from operating activities			
Interest received	**5(i)**	**513,267**	353,559
Fees and commission receipts	**6**	**214,814**	213,080
Other income received	**7**	**36,288**	74,699
Interest payment	**5(ii)**	**(95,646)**	(87,400)
Payments to employees and suppliers		**(3,027,749)**	(1,005,813)
Cash used in operations before changes in operating assets and liabilities:		**(2,359,026)**	(451,875)
Change in:			
Loans and advances to operating banks	**13**	**607,497**	(174,921)
Loans and advances to non-banking financial institutions	**14**	**80,476**	(120,317)
Loans and advances to Government of Liberia	**15**	**(454,972)**	(726,970)
Investment securities: Held to maturity	**16**	**(99,308)**	692
Staff loans	**18**	**(25,378)**	(50,962)
Other assets	**19**	**(1,051,396)**	(396,417)
Currency in circulation	**23**	**998,702**	(73,653)
Deposits from commercial banks and others	**24&25**	**(415,282)**	(1,459,169)
Deposits of GOL and agencies	**26**	**5,065,421**	6,760,775
Commercial bank loan	**29**	**-**	(1,129,676)
Other liabilities	**30**	**921,899**	(155,203)
Net cash generated from operating activities		**3,268,633**	2,022,304
Cash flows from investing activities			
Purchase of machinery and equipment	**22**	**(426,145)**	(526,866)
Proceeds from sale of machinery and equipment		**1,778**	-
Net cash used in investing activities		**(424,367)**	(526,866)
Cash flows from financing activities			
Proceeds from instruments-CBL Bills	**27**	**2,667,371**	4,129,325
Repayment of instruments upon maturity	**27**	**(2,092,470)**	(4,280,964)
Net cash generated from/(used in) financing activities		**574,901**	(151,639)
Effects of exchange rate changes on cash and cash equivalents		**(1,696,824)**	83,387
Net increase in cash and cash equivalents		**1,722,343**	1,427,187
Cash and cash equivalents at January 1		**22,312,769**	20,885,582
Cash and cash equivalents at December 31	**35**	**24,035,112**	22,312,769

The notes on pages 11 to 55 are an integral part of these financial statements.

Notes

1. General information

The Central Bank of Liberia (CBL) is the Central Bank of the Republic of Liberia and was incorporated under an Act of Legislature of March 18, 1999. The Board of Governors and other officers of the Central Bank officially took office on October 20, 1999. The Central Bank of Liberia is the successor in business to the erstwhile National Bank of Liberia (NBL) and took over its functions, assets and liabilities. The address of its registered office is P.O. Box 2048, Monrovia, Liberia. The principal activities of the Central Bank are stated under note 1.5 below.

1.1 Share capital

The minimum authorized capital of the Central Bank is L$400 million. That amount may be increased by legislative amendment to the Act, when proposed to the National Legislature by the Board of Governors of the Central Bank. According to the provisions of the Act, the Central Bank is required to have a minimum paid-up capital of L$100 million.

1.2 Subscribed capital

The Government of Liberia (GOL) in October 1999 contributed to the share capital of CBL through the issuance of promissory notes of L$200 million (equivalent of US$ 5 million at the exchange rate ruling at the date of issue).

1.3 Paid-up capital

The consideration for the paid-up capital was the net book value of assets and liabilities taken over from the National Bank of Liberia (NBL) on the establishment of CBL. The net worth of the erstwhile National Bank of Liberia (NBL) was L$7.3 billion (Note 32). The principal assets which underlie the capital transfer of L$7.3 billion are two long-term loans denominated in Liberia and United States dollars due from the Government of Liberia. The amounts are a result of transactions between the Government and the former National Bank of Liberia prior to the formation of the Central Bank of Liberia.

1.4 Ownership

In keeping with the relevant provisions of the Act, all paid-up capital shall be subscribed to and held exclusively by the Government of Liberia (GOL). No reduction of capital shall be effected except by amendment of the legislative Act which created CBL.

1. General information (continued)

1.5 Functions of the Central Bank

The principal objectives of the Bank, as set out in the Act:

- to issue legal tender banknotes and coins;
- to administer the currency laws and regulate the supply of money;
- Provide credit to bank-financial institutions on a discretionary basis.
- Act as fiscal agent for the Government; to administer the New Financial Institution Act (FIA) of 1999 and regulate banking activities;
- Regulate bank and non-bank financial institutions, as well as non-bank financial services institutions; to hold and manage the foreign exchange reserves of Liberia, including gold.
- Advise the Government on financial and economic matters; to conduct foreign exchange operations; and
- and to play an active role in collaboration with bank-financial institutions in the creation and maintenance of efficient and safe mechanisms for payments, clearing and settlements to meet the needs of the financial markets, commerce, government agencies and the general public.

1.6 Powers of the Central Bank

The powers of the Central Bank of Liberia include but are not limited to supervision of banks/financial institutions, non-bank financial institutions and authorized non-bank financial services; formulation and implementation of monetary policies; handling of external banking affairs of the Government; determination of an appropriate foreign exchange regime, formulation and implementation of foreign exchange policy, holding and managing foreign exchange reserves; and management of aggregate credit in the economy by indirect means, by loan securitization, purchase and sale of securities, transactions in derivatives and foreign exchange, and through the establishment of required reserves of the commercial banks under its jurisdiction.

Notes (continued)

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The Bank's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The financial statements have been prepared under the historical cost convention, except as disclosed below.

The disclosures on risks from financial instruments are presented in the financial risk management report contained in Note 3.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Board of Governors to exercise judgement in the process of applying the Bank's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Board of Governors believes that the underlying assumptions are appropriate and that the Bank's financial statements therefore present the financial position and results fairly. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2.1.1 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Bank

The following standards have been adopted by the Bank for the first time for the financial year beginning on 1 January 2015 and have a material impact on the Bank:

Amendments to IFRS 13, confirms that the short term receivables and payables can continue to be measured at invoice amounts if the impact of discounting is immaterial.

Amendment to IFRS 13, this clarifies the portfolio exception in IFRS 13 (measuring of fair value of a group of financial assets and financial liabilities on net basis) applies to all contracts within the scope of IAS 39 or IFRS 9.

Amendments to IAS 16 and IAS 38 – this clarifies how the gross carrying amount and accumulated depreciation are treated where an entity measures its assets at revalued amounts.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2015 are not material to the bank.

(b) New and amended standards not yet adopted by the Bank

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Bank, except the following set out below:

IFRS 9, Financial Instruments: Classification and Measurement

This IFRs is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification and measurement categories: amortised cost and fair value. The

Notes (continued)

2. Summary of significant accounting policies (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

(b) New and amended standards not yet adopted by the Bank (continued)

IFRS 9, Financial Instruments: Classification and Measurement (continued)

guidance in IAS 39 on impairment of financial assets continues to apply. However entities will be required to present the effects of changes in own credit risk of financial assets designated at fair value through profit or loss in other comprehensive income. The standard also provide entities with an accounting policy choice between applying the hedge accounting requirement of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging. The bank is yet to assess the full effect of IFRS 9, which is applicable no later than the accounting period beginning after 1 January 2018.

IFRS 15, ‘ Revenue from Contracts with Customers’

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The Bank is yet to assess the full effect of IFRS 15 and intends to adopt IFRS 15 not later than the accounting period beginning on or after January 2017.

Amendments to IAS 27, 'Equity method in separate financial statements'

Entities are to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendments are effective from 1 January 2016.

Amendments to IFRS 10, and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments are effective from 1 January 2016.

Amendments to IFRS 11, Joint arrangements

The amendments to IFRS 11 clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. Existing interests in the joint operation are not re-measured on acquisition of an additional interest, provided joint control is maintained.

The amendments also apply when a joint operation is formed and an existing business is contributed. The amendments are effective from 1 January 2016.

Amendments to IAS 1, Presentation of Financial Statements

The amendments to IAS 1 Presentation of Financial Statements are made in the context of the IASB’s Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, including materiality, disaggregation and subtotals, notes and other comprehensive income arising from investments accounted for under the equity method. According to the transitional provisions, the disclosures in IAS 8 regarding the adoption of new standards/accounting policies are not required for these amendments. The amendments are effective from 1 January 2016.

Notes (continued)

2. Summary of significant accounting policies (continued)

(b) New and amended standards not yet adopted by the Bank (continued)

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Bank.

2.2 Foreign currency translation

(a) Functional and presentation currency

Both the Liberian Dollar (L$) and the United States Dollar (US$) are legal tender in Liberia and circulate freely in the country alongside each other. Although, transactions are carried out in both currencies, the majority of the Bank's transactions are currently denominated in United States Dollars (US$). Accordingly, the Central Bank considers the United States Dollars as its functional currency for the purpose of IFRS. The financial statements are presented in Liberian Dollars (L$), which is the Bank's presentation currency. This is in keeping with requirements of Part V Section 19 of the Central Bank of Liberia Act of 1999.

b) Transactions and balances

Foreign currency and Liberia dollar transactions are converted into the functional currency (US$) using the exchange rates prevailing at the dates of the transactions. At the reporting date monetary assets and liabilities denominated in currencies other than the functional currency, are translated into the functional currency at period end rates. Non-monetary assets and liabilities are translated at historic rates. Exchange differences resulting from such conversions and translations are recognized in profit or loss. For reporting purposes all assets and liabilities are translated from the functional currency into the presentation currency at their respective year-end exchange rates, and income and expenses items are translated at their average rates. Exchange differences resulting from translation into the reporting currency are recognized in other comprehensive income.

2.3 Property, machinery and equipment

(a) Cost

Property, machinery and equipment are recorded at historical cost less accumulated depreciation. Historical cost includes expenditures directly attributable to the acquisition of the property, machinery and equipment which comprise land, work-in-progress (building under construction), leasehold improvements, motor vehicles, furniture, generators and office equipment.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the CBL and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

(b) Depreciation

Land is stated at cost and not depreciated. Depreciation on other assets is calculated using the straight-line basis to allocate cost to residual values over their estimated useful lives, as follows:

Leasehold improvements over the life of the lease	
Building	40 years
Equipment	3 years
Motor vehicles	4 to 5 years
Furniture and fixtures	5 years

Notes (continued)

2. Summary of significant accounting policies (continued)

2.3 Property, machinery and equipment(continued)

(b) Depreciation (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting date. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount. Gains and losses on disposals of property, machinery and equipment are determined by comparing the net disposal proceeds with the carrying amount of the item and are recognized within other income in Statement of comprehensive income.

2.4 Intangible assets

The Bank has adopted the cost method in accounting for its intangible assets. On initial recognition, intangible assets are recognized at cost. Intangible assets consist of Great Plain Accounting software acquired externally and used by CBL. The cost of the software includes acquisition, installation and other major costs associated with preparing the software for use. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to CBL and the cost of the item can be measured reliably. These costs are amortized on the basis of the expected useful lives of the software, estimated at 3 years, using the straight-line method. Costs associated with maintaining software programs are expensed when incurred. Intangible assets are carried at cost less accumulated amortization.

2.5 Impairment of non-financial assets

Assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' fair value (less costs of selling) and value in use. Non-financial assets that have suffered impairment are reviewed for possible reversal at each reporting date.

2.6 Financial assets

(i) Classification

The CBL classifies its financial assets in the following categories: loans and receivables and held-to-maturity. Management determines the classification of financial instruments at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when CBL provides money, or services directly to a debtor with no intention of trading the receivable.

Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial asset with fixed or determinable payments and fixed maturity. They comprise: (i) loan notes issued by the Government of Liberia. The agreement requires CBL to hold this instrument until redeemed by the GOL. (ii) United States Treasury Bills which form part of the CBL's international reserve. The CBL has the intention and ability to hold these to maturity.

Notes (continued)

2. Summary of significant accounting policies (continued)

2.6 Financial assets (continued)

(ii) Recognition and measurement

Financial assets are recognized when CBL becomes a party to the contractual provisions of instruments. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the CBL has substantially transferred all the risk and rewards of ownership.

Loan and receivables are initially recognized at fair value, which is the cash consideration to originate or purchase such loans including transaction costs and are measured subsequently, at amortized cost using the effective interest rate method.

Held-to-maturity investments are initially recognized at fair value including direct and incremental transaction costs and subsequently measured at amortized cost, using the effective interest method.

2.7 Financial liabilities

The Bank's financial liabilities represent mainly deposits from commercial banks, liabilities to the IMF, other liabilities and commercial bank loans. These financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. They are derecognized when they are extinguished, when the obligation to settle is discharged, cancelled or expires.

2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amounts reported on the reporting date when there is a legally enforceable right to offset the amounts recognized and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty. Currently, the CBL does not have any contractual or legal right to offset any financial asset and liability.

2.9 Impairment of financial assets

a) Assets carried at amortised cost

The Bank assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Bank uses to determine that there is objective evidence of an impairment loss include:

(i) a breach of contract, such as a default or delinquency in interest or principal payments;
(ii) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
(iii) it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; or
(iv) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including adverse changes in the payment status of borrowers in the portfolio and national or local economic conditions that correlate with defaults on the assets in the portfolio.

Notes (continued)

2. Summary of significant accounting policies (continued)

2.9 Impairment of financial assets (continued)

a) Assets carried at amortised cost (continued)

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss.

If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Bank may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

b) Renegotiated loans

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated and repayments are being received regularly are no longer considered to be past due but are treated as new loans. In subsequent years, the renegotiated terms apply in determining whether the asset is considered to be past due.

2.10 Cash and cash equivalents

Cash and cash equivalents include US dollar banknotes in the operational vault, deposits held with banks; loans and advances to banks, amounts due from other banks and short-term highly liquid government securities with original maturities of three months or less and subject to insignificant risk of changes in value.

Currency in circulation refers to both the asset and liability adjustment under "Liberian dollar notes held by the Bank that is not in circulation".

Notes (continued)

2. Summary of significant accounting policies (continued)

2.11 Employees' benefits

a) Pension obligations

The Bank operates an unfunded pension plan. The related liability is determined by periodic actuarial assumptions under a defined benefit pension plan.

A defined benefit plan is a pension plan that defines an amount of pension benefit that employees will receive on retirement, usually dependent on one or more factors, such as retirement age, years of service and final year compensation. The liability recognized in the statement of financial position in respect of defined benefit retirement plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. In the absence of any high quality bonds in Liberia, the present value of the defined benefit obligation is determined by discounting the projected cash outflows using the average rates of return on US corporate bonds, since the obligation is quoted in United States dollars.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in General reserve in the statement of changes in equity and in the statement of financial position. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of comprehensive income.

For defined obligation plans, CBL pays contributions (i.e. social security contributions) to publicly administered pension insurance on a mandatory, contractual or voluntary basis. CBL has no further payment obligation once the contributions have been paid. The contributions are recognized as employee benefit expense when due.

b) Provident fund

The provident fund is a defined contribution plan under which the Bank pays fixed contributions into a separate entity. The Bank's obligations to the defined contribution scheme are charged to the statement of comprehensive income in the year in which they fall due. The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

2.12 Accounts receivable

Accounts receivable are amounts due from staff and customers for services provided in the ordinary course of business. If collection is expected in one year or less, they are a classified as current assets. If not, they are presented as non-current assets. Account receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment.

2.13 Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Notes (continued)

2. Summary of significant accounting policies (continued)

2.14 Provisions

Provisions, including any restructuring, redundancy and legal claims are recognized: when CBL has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small. Provisions are measured at the present value of the expenditures expected to be required to settle obligations using a rate that reflects a current market assessment of the time value of money and the risks specific to such obligation.

2.15 Revenue recognition

a) Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognized within 'interest income' and 'interest expense' in Statement of comprehensive income using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or when appropriate, a shorter period of the net carrying amount of the financial asset or financial liability.

CBL derives its interest income principally from GOL long-term loans and investment securities and its deposits with foreign banks. Interest expense is incurred principally on Treasury bills issued to the commercial banks.

b) Fees and commission income

Fees and commissions are generally recognized on an accrual basis when the service has been provided. Commissions and fees arising from negotiating, or participating in the negotiation of a transaction with a third party, are recognized on completion of the underlying transaction.

2.16 Deferred currency cost

Costs related to printing currency are amortized when the notes are put into circulation using the weighted average method. Unissued Liberian Dollar notes at the reporting date are treated as inventory items at the cost of production. All other costs relating to the production of notes are expensed in the period in which they are incurred.

2.17 Currency in circulation

Currency issued by CBL represents claims on the Central Bank in favor of the holder. The liability in respect of notes and coins in issue at the reporting date is stated at the nominal value of the currency. Previously issued Liberian dollar notes that are held by CBL and no longer in circulation are not liabilities or assets of the Bank.

Notes (continued)

2. Summary of significant accounting policies (continued)

2.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The significant leases entered into by CBL are operating leases on which CBL is the lessee. These lease agreements specify options for renewal. According to these lease agreements, a substantial portion of the risks is transferred to CBL, but all of the rewards substantially remain with the lessor(s). The total payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty, is recognized as an expense in the period in which the termination takes place.

2.19 Leasehold improvements

This involves costs incurred in refurbishing various properties leased by CBL. The various lease agreements all specify options for renewal (capital leases). Lease agreements normally cover periods of 1-10 years. Costs associated with leases include initial rental repayments, cost of improvements, renovations, and all other costs incurred in preparing the property for use. Leasehold improvements are amortized over the lives of the related or underlying leases.

2.20 Allocation of net profits

Profits of CBL are stated according to Part X; Section 46 of the CBL Act of 1999. Subject to subsection (4), the net profit of the Central Bank in each year is reflected as follows:

(a) an allocation from net profit is made to the capital account of the Central Bank in such amount as shall be required to increase the authorized capital of the Central Bank to a level equivalent to at least five percent of the aggregate amount of monetary liabilities shown on the Statement of financial position of the Central Bank for the end of the fiscal year.

The aggregate amount of the monetary liabilities of the Central Bank shall be at any time the sum of (i) all outstanding banknotes, coins and debts securities issued by the Central Bank; and

(ii) the credit balances of all accounts maintained on the books of the Central Bank by account holders;

(b) an allocation from net profit is made to redeem the securities (now capital notes) issued by the Ministry of Finance to the CBL;

(c) an allocation from net profit shall be made to the General Reserve maintained by the Central Bank in such an amount as shall be required to increase the amount of the General Reserve to a level equivalent to the amount of the authorized capital of the Central Bank; the General Reserve may only be used to offset losses of the Central Bank;

(d) any residual profit remaining after the allocations shall be allocated as follows:

- i) the preceding allocations from net profit shall be deemed to have been made entirely from net operating revenues, except that, if no operating revenues are included in net profit or after the proceeding allocations have exhausted net operating revenues included in net profit, such allocations shall be deemed to have been made from net unrealized valuation gains;

Notes (continued)

2. Summary of significant accounting policies (continued)

2.20 Allocation of net profits (continued)

ii) Residual net operating revenues, if any, shall be distributed to the National Treasury within four months after the end of the financial year, and residual net realized valuation gains, if any, shall be allocated to a Valuation Reserve Account maintained on the Statement of financial position of the Central Bank.

2.21 Allocation of net losses

If the Central Bank incurs net losses for any financial year, the net loss shall be allocated as follow: If the net loss is comprised of net operating losses and net unrealized valuation losses, the amount of net operating losses shall be charged to the general reserve or to capital in that order, and the amount of net unrealized valuation losses shall be allocated to the valuation reserve account or, to the extent that the balance of the valuation reserve account would be negative as a result of such allocation, to the general reserve or to capital in that order; If the net loss is the operating revenue is greater than the net unrealized valuation losses, the net shall be to the valuation reserve account or, to the extent the balance of the valuation reserve account would be negative as a result of such allocation, to the general reserve or capital in that order, or if the net loss is the sum of the net operating loss less the smaller net unrealized valuation gains, the net loss shall be charged to the general reserve or capital in that order.

3. Financial risk management

The Central Bank's activities expose it to limited financial risks. The Central Bank's aim is therefore to achieve an appropriate balance between risk and reward intended to minimize potential adverse effects on the Central Bank's financial performance, taking into account its role in policy-oriented activities. The Central Bank's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The most important types of risks are credit risk, liquidity risk, and market risk. Market risks include foreign exchange risk and interest rate risk.

3.1. Credit risk

The Central Bank takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss to the Bank by failing to discharge an obligation. Credit risk arises from loans and advances, cash and cash equivalents and deposits with banks and financial institutions, staff loans and other receivables. The credit risk management and control are centralized in a credit risk management team, which reports to the Board of Governors on a quarterly basis.

The Bank is also exposed to other credit risk arising from investment securities. Exposure to the risk of loss from credit arises principally in lending activities.

3.1.1. Credit risk measurement

Loans and advances

In measuring credit risk related to loans and advances to GOL and commercial banks at a counterparty level, the Central Bank considers the 'probability of default' by the GOL or counterparty on its contractual obligations. Exposure at default is based on the amount the Central Bank expects to be owed at the time of default.

Notes (continued)

2. Summary of significant accounting policies (continued)

3.1. Credit risk (continued)

3.1.1. Credit risk measurement (continued)

Loans and advances (continued)

In measuring credit risk related to loans and advances to GOL and commercial banks at a counterparty level, the Central Bank considers the 'probability of default' by GOL or the counterparty on its contractual obligations. Exposure at default is based on the amount the Central Bank expects to be owed at the time of default.

Balances with central banks and operating banks

For banks and financial institutions, only reputable financial institutions are accepted based on the Bank's internal policy. The treasury department manages the credit risk exposure, by assessing the counterparties' performances.

Loan Extension and Availability Facility (LEAF)

For the Loan Extension and Availability Facility, only microfinance institutions, credit unions and village savings and loan associations are accepted based on the program requirements and the Microfinance unit manages the credit risk exposure, by on-site monitoring and participating in activities of the mentioned groups including periodic distribution of funds at share-out programs.

Held-to-maturity investment securities

Investments are held with the Government of Liberia. The treasury department manages the credit risk exposure by assessing the counterparties' performance.

Other assets

For accounts receivable, the Finance Department assesses the credit worthiness of potential customers, taking into account its financial position, past experience and other factors. The bank does not grade the credit quality of receivables. Individual risk limits are set based on internal ratings in accordance with limits set by the Board. Credit limits is regularly monitored.

3.1.2. Risk limit control and mitigation policy

The Central Bank manages limits and controls the concentration of credit risk wherever identified. Exposure to credit risk is managed through regular analysis of the ability of the borrowers to meet interest and capital repayment obligations. Specific control and mitigation measures used by the CBL are collateral. The Central Bank employs policies and practices to mitigate credit risk. The most traditional of these is the taking of security for advances. CBL implements guidelines on the acceptability of specific classes of collateral or other credit risk mitigation. The principal collateral for loans and advances includes provident funds, life insurance, and property deeds for staff loans. Collateral on all loan and advances to the Government of Liberia and commercial banks is their deposit accounts held at the Bank when contracts are signed.

Notes (continued)

3. Financial Risk Management (continued)

3.1. Credit risk (continued)

3.1.3. Impairment and provisioning policy

Impairment provisions are recognized for financial reporting purposes only for potential losses that have been incurred at the reporting date based on objective evidence of impairment.

Due to the different methodologies applied, the amount of incurred losses provided for in the financial statements is usually lower than the amount determined from the expected loss, as the provisions are discounted to reflect the time value of money.

3.1.4. Maximum exposure to credit risk before collateral held or other credit enhancements at December 31, 2015 and 2014.

		2015		2014	
	Grouping	L$'000'	Percentage of financial assets	L$'000'	Percentage of financial assets
Cash and balances with central banks	I	**19,585,192**	38.32	12,443,500	26.05
Cash and balances with commercial banks	I	**2,731,792**	5.34	7,266,840	15.21
Loans and advances to operating banks	I	**1,958,504**	3.83	2,566,000	5.37
Loans and advances to NBFI	I	**315,933**	0.62	396,409	0.84
Staff loans	I	**208,915**	0.41	183,537	0.38
Other assets	I	**866,969**	1.70	17,151	0.04
Loans and advances to GOL	II	**24,776,827**	48.47	24,321,855	50.92
Investment security (HTM)	II	**668,794**	1.31	569,486	1.19
		51,112,926	100.00	47,764,778	100.00

Credit quality of financial assets that are neither past due nor impaired

Category	2015	2014
	L$'000'	L$'000'
Group I	**25,667,305**	22,873,437
Group II	**25,445,621**	24,891,341
Total	**51,112,926**	47,764,778

Group 1

These are existing customers (more than 6 months) with no defaults in the past. Counterparties in this group include other central banks, commercial banks, employees (staff loans) and other assets.

Group II

These are existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered by means of accrued interest capitalization, re-negotiation of loans and cash settlement. This group is mainly composed of loans to the Government of Liberia and other Agencies of Government. Refer to Note 14.

Notes (continued)

3. Financial Risk Management (continued)

3.1 Credit risk (continued)

3.1.4. Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

The above table 3.1.4 represents a worst case scenario of credit risk exposure to the Bank at December 31, 2015 and 2014 without taking account of any collateral held or other credit enhancements attached. The exposures set out above are based on carrying amounts as reported in the Statement of financial position.

As shown above, 97.3% as at December 31, 2015 (2014:98.8%) of the total maximum exposure arises from loans and advances to GOL, Investment Security (HTM) and operating banks.

Management is confident in its ability to continue and minimize the losses arising from its exposure to credit risk resulting from loans and advances to the GOL and amounts due from the central banks and commercial banks.

3.1.5. Loans and advances, amounts due from banks and other assets

The table below shows the gross (undiscounted) balances of CBL's loans and advances with central banks, commercial banks and other assets analyzed by type and performance less impairment:

December 31, 2015

	Loans and advances to GOL and HTM L$000	Loans and advances to Staff L$000	Balances with Central Bank & Comm. Banks L$000	Loans and advances to operating banks and non-banking financial institutes L$000	Other assets L$000
Neither past due nor impaired	25,445,621	190,741	22,316,984	2,274,437	866,969
Past due but not impaired	-	18,174	-	-	-
Individually impaired	-	12,719	-	-	115,580
Gross	25,445,621	221,634	22,316,984	2,274,437	982,549
Less: Allowance for impairment	-	(12,719)	-	-	(115,580)
Carrying value	25,445,621	208,915	22,316,984	2,274,437	866,969

Notes (continued)

3. Financial Risk Management (continued)

3.1. Credit risk (continued)

3.1.5. Loans and advances, amounts due from banks and other assets (continued)

December 31, 2014

	Loans and advances to GOL and HTM L$000	Loans and advances to Staff L$000	Balances with Central Bank & Comm. Banks L$000	Loans and advances to commercial banks and non-banking financial institutes L$000	Other assets L$000
Neither past due	24,891,341	165,633	19,710,340	2,962,410	17,151
Past due but not	-	17,904	-	-	-
Individually	-	3,623	-	-	16,830
Gross	24,891,341	187,160	19,710,340	2,962,410	33,981
Less: Allowance for impairment	-	(3,623)	-	-	(16,830)
Carrying value	24,891,341	183,537	19,710,340	2,962,410	17,151

(a) Neither past due nor impaired

Loan and advances neither past due nor impaired are loans and advances to GOL, other Central Banks and Commercial Banks with no default in the past. The table below details the nature of counterparties by industry.

At Deceember 31	2015 L$000	2014 L$000
Loan and advances GOL and HTM	**25,445,621**	24,891,341
Balances with Commercial Banks	**2,274,437**	2,962,410
Balances with Central Banks	**22,316,984**	19,710,340
Loan and advances to Staff	**190,741**	165,633
Other assets	**866,969**	17,151
Total	**51,094,752**	47,746,875

b) Past due but not impaired

Loans to staff that have resigned from the Bank and defaulted in repayment.

At December 31	2015 L$000	2014 L$000
Loan and advances to Staff	**18,174**	17,904
	18,174	17,904

Notes (continued)

3. Financial Risk Management (continued)

3.1. Credit risk (continued)

3.1.5. Loans and advances, amounts due from banks and other assets (continued)

(c) Loans and advances individually impaired

The individually impaired loans and advances to staff before taking into consideration the cash flows from collateral held has been disclosed in the table below:

	December 31, 2015				December 31, 2014			
	Loans and advances to GOL	**Loans and advances to staff**	**Balances with Central Bank & commercial banks**	**Other assets**	Loans and advances to GOL	Loans and advances to staff	Balances with Central Bank & commercial banks	Other assets
	L$ 000	**L$ 000**	**L$ 000**	**L$ 000**	L$ 000	L$ 000	L$ 000	L$ 000
Individually impaired	**-**	**12,719**	**-**	**115,580**	-	3623	-	16,830
		12,719	**-**	**115,580**	**-**	**3,623**	**-**	**16,830**

3.2. Liquidity risk

Liquidity risk is the risk that the Central Bank is unable, or will encounter difficulty, to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

3.2.1 Liquidity risk management process

The liquidity management processes, as carried out within the Finance Department and monitored by executive management and the Treasury Section include:

- Preparing cash-based budgets and periodic variance reports to ensure management of future cash flows in order to meet payment demands when they come due;
- Managing the concentration and profile of debt maturities;
- Monitoring the Statement of financial position, liquidity ratios against internal requirements; and
- Managing the concentration and profile of asset maturities.

Monitoring and reporting take the form of cash flow measurement and projection for the next day, week and months respectively, as these are key periods for liquidity management. The basis for the projection is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets

3.2.2. Financial liabilities and assets held for managing liquidity risk

The table below presents the Central Bank's financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the reporting date. The amounts disclosed in the table are contractual undiscounted cash outflows, whereas the Central Bank manages the inherent liquidity risk based on expected undiscounted cash inflows.

Notes (continued)

3. Financial Risk Management (continued)

3.2. Liquidity risk (continued)

As at 31 December 2015 (L'000')	Up to 3month	3-12 months	1-5 years	Over 5 years	Total
Assets					
Cash and balances with central banks	**21,232,382**	**-**	**-**	**-**	**21,232,382**
Cash and balances with commercial banks	**2,731,792**	**-**	**-**	**-**	**2,731,792**
Loans and advances to Bank	**-**	**-**	**1,958,504**	**-**	**1,958,504**
Loans and advances to Other	**-**	**-**	**315,933**	**-**	**315,933**
Loans and advances to GOL	**-**	**2,456,582**	**-**	**22,320,245**	**24,776,827**
Invest. Security(HTM)	**-**	**-**	**-**	**668,794**	**668,794**
Due from IMF	**-**	**-**	**37,231,890**	**-**	**37,231,890**
Staff loans	**-**	**-**	**208,915**	**-**	**208,915**
Other Assets	**-**	**866,969**	**-**	**-**	**866,969**
	23,964,174	**3,323,551**	**39,715,242**	**22,989,039**	**89,992,006**

As at December 31, 2014 (L'000')	Up to 3month	3-12 months	1-5 years	Over 5 years	Total
Assets					
Cash and balances with central banks	14,406,168	-	-	-	14,406,168
Cash and balances with commercial banks	7,266,840	-	-	-	7,266,840
Loans and advances to Bank	-	-	2,566,000	-	2,566,000
Loans and advances to Other	-	-	396,409	-	396,409
Loans and advances to GOL	-	184,752	-	18,901,175	19,085,927
Invest. Security(HTM)	-	-	-	569,486	569,486
Due from IMF	-	-	41,491,282	-	41,491,282
Staff loans	-	-	183,537	-	183,537
Other Assets	-	17,151	-	-	17,151
	21,673,008	201,903	44,637,228	19,470,661	85,982,800

Notes (continued)

3. Financial Risk Management (continued)

3.2. Liquidity risk (continued)

As at December 31, 2015 (L$'000')	Up to 3 month	3-12 months	1-5 years	Over 5 years	Total
Liabilities					
Currency in circulation	10,393,019	-	-	-	10,393,019
Deposits from commercial banks	3,265,444	8,555,198	-	-	11,820,642
Other deposits	1,796	-	-	-	1,796
Deposits of GOL and agencies	16,280,911	-	-	-	16,280,911
Due to IMF		-	43,578,920	-	43,578,920
Instruments-CBL Bills	1,579,938	-	-	-	1,579,938
Other liabilities	-	2,229,367	-	-	2,229,367
Total liabilities (contractual maturity dates)	31,521,108	10,784,565	43,578,920	-	85,884,593
Assets held for managing liquidity risk (contractual maturity dates)	23,964,174	3,323,551	39,715,242	22,989,039	89,992,006

As at December 31, 2014 (L$'000')	Up to 3 month	3-12 months	1-5 years	Over 5 years	Total
Liabilities					
Currency in circulation	9,394,317	-	-	-	9,394,317
Deposits from commercial banks	4,654,558	7,581,379	-	-	12,235,937
Other deposits	1,783	-	-	-	1,783
Deposits of GOL and agencies	11,215,490	-	-	-	11,215,490
Due to IMF		-	47,867,110	-	47,867,110
Instruments-CBL Bills	983,960	-	-	-	983,960
Other liabilities	-	1,275,510	-	-	1,275,510
Total liabilities (contractual maturity dates)	26,250,108	8,856,889	47,867,110	-	82,974,107
Assets held for managing liquidity risk (contractual maturity dates)	21,673,008	3,469,503	44,637,229	21,438,989	91,218,729

Notes (continued)

3. Financial Risk Management (continued)

3.2. Liquidity risk (continued

3.2.3. Assets held for managing liquidity risk

The Bank manages its liquidity risks through appropriate structuring of its investment portfolios to ensure that the maturity profiles of assets adequately match those commitments. This is monitored and managed on a daily basis. In addition, the Bank's investment portfolio comprises mainly highly liquid investment instruments.

The Bank's assets held for managing liquidity risk comprise:

- Cash and balances with central banks and other operating banks;
- Loans and advances to operating banks, non-bank financial institutions and Government of Liberia;
- Investment securities;
- Amount due from IMF; and
- Staff loans and other assets.

3.3 Market risk

Market risk, is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk arises from open positions in interest rates and currency, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates and foreign exchange rates.

The Central Bank's primary exposure to market risk lies with its deposits held overseas which are exposed to changes in U.S. dollars interest rate.

The objective of market risk measurement is to manage and control market risk exposures within acceptable limits while optimizing the return on risk. The Bank treasury is responsible for the development of detailed risk management policies and for day-to-day implementation of those policies.

a) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Central Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on cash flows. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. Investment denominated in U.S. dollars and Liberian dollars attracts interests in U.S. dollars and Liberian dollars respectively.

The Central Bank has capacity to manage these risks by monitoring interest rates daily and ensuring within the limits of its policy function that its financial liabilities match the maturing profile of its financial assets.

The Bank uses gap analysis to measure its exposure to interest rate risk. Through this analysis, it compares the values of interest rate sensitive assets and interest rate sensitive liabilities that mature or re-price at various time periods in the future.

Notes (continued)

3. Financial Risk Management (continued)

3.3 Market risk (continued)

a) Interest rate risk (continued)

The table below summarizes the Central Bank's exposure to interest rate risk. It includes the Central Bank's financial instruments at their carrying amounts, categorized by the earlier of contractual re-pricing or maturity date.

As at December 31, 2015 (L$000)	Up to 1 year	1-5 years	Over 5 years	Non-interest bearing	Total
Assets					
Cash and balances with central banks	19,585,192	-	-	1,647,190	21,232,382
Cash and balances with commercial banks	2,731,792	-	-	-	2,731,792
Loans and advances to operating banks	-	1,958,504	-	-	1,958,504
Loans and advances to non-banking financial institutions	-	315,933	-	-	315,933
Loans and advances to GOL	33	-	18,430,760	6,346,034	24,776,827
Investment securities (HTM)	58,707	-	610,087	-	668,794
Deposits with IMF	-	21,968,340	-	15,263,550	37,231,890
Staff loans	-	208,915	-	-	208,915
Other assets	-	-	-	866,969	866,969
Total financial assets	22,375,724	24,451,692	19,040,847	24,123,743	89,992,006
(L$000)					
Liabilities					
Currency in circulation	-	-	-	10393019	10,393,019
Deposits from banks	-	-	-	11,820,642	11,820,642
Other deposits	-	-	-	1,796	1,796
Deposits of GOL and agencies	-	-	-	16,280,911	16,280,911
Due to IMF	-	-	-	43,578,920	43,578,920
Instruments-CBL Bills	1,579,938	-	-	-	1,579,938
Other liabilities	-	-	-	2,229,367	2,229,367
Total financial liabilities	1,579,938	-	-	84,304,655	85,884,593
Total interest rate repricing gap	20,795,786	24,451,692	19,040,847		

Notes (continued)

3. Financial Risk Management (continued)

3.3. Market risk (continued)

a) Interest rate risk (continued)

As at December 31, 2014 (L$000)	Up to 1 year	1-5 years	Over 5 years	Non-interest bearing	Total
Assets					
Cash and balances with central banks	12,443,500	-	-	1,962,668	14,406,168
Cash and balances with commercial banks	7,266,840	-	-	-	7,266,840
Loans and advances to operating banks	-	2,566,001	-	-	2,566,001
Loans and advances to non-banking financial institutions	-	396,409	-	-	396,409
Loans and advances to GOL	412,531	-	17,533,496	6,375,828	24,321,855
Investment securities (HTM)	-	-	569,486	-	569,486
Deposits with IMF	-	24,072,145		17,419,137	41,491,282
Staff loans	-	183,537	-	-	183,537
Other assets	-	-	-	17,151	17,151
Total financial assets	20,122,871	27,218,092	18,102,982	25,774,784	91,218,729
(L$000)					
Liabilities					
Currency in circulation	-	-	-	9,394,317	9,394,317
Deposits from banks	-	-	-	12,235,937	12,235,937
Other deposits	-	-	-	1,783	1,783
Deposits of GOL and agencies	-	-	-	11,215,490	11,215,490
Due to IMF	-	-	-	47,867,110	47,867,110
Instruments-CBL Bills	964,828	-	-	-	964,828
Other liabilities	-	-	-	1,275,510	1,275,510
Total financial liabilities	964,828	-	-	81,990,147	82,954,975
Total interest rate repricing gap	19,158,043	27,218,092	18,102,982		

a) Foreign exchange risk

The Central Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. In particular, it is exposed to fluctuations in the exchange rate between the Liberian Dollar, United States Dollars and the Euro. The table below summarizes the Central Bank's exposure to exchange rate risk at December 31, 2015. Also reflected is the carrying amount of the Central Bank's holdings, categorized by currency.

Notes (continued)

3. Financial Risk Management (continued)

3.3. Market risk (continued)

b) Foreign exchange risk

Concentration of currency risk on financial instruments

Analysis of assets and liabilities by currency

At December 31, 2015

	United States dollar	Others	Liberian dollar	Total
Assets	L$ (000)	L$ (000)	L$ (000)	L$ (000)
Cash and balances with central banks	21,232,382		-	21,232,382
Cash and balances with commercial banks	2,456,932	200,995	73,865	2,731,792
Loans, advances and overdraft to commercial banks	1,508,927		449,577	1,958,504
Loans and advances to non-banking financial institutions(NBFI)	-		315,933	315,933
Loans and advances to Government of Liberia	17,599,712		7,177,115	24,776,827
Investment securities (held-to-maturity)	610,087	58,707	-	668,794
Deposits with IMF	-	37,231,890	-	37,231,890
Staff loans	208,915		-	208,915
Other assets	1,832,674		75,506	1,908,180
Total financial assets	45,449,629	37,491,592	8,091,996	91,033,217
Liabilities				
Currency in circulation	-		10,393,019	10,393,019
Deposit from banks	7,904,662		3,915,980	11,820,642
Other deposits	187		1,609	1,796
Deposits of GOL and agencies	11,489,977		4,790,934	16,280,911
Amount due from IMF	-	43,578,920	-	43,578,920
Instruments-CBL bills	-		1,579,938	1,579,938
Other liabilities	1,969,363		142,437	2,111,800
Total financial liabilities	21,364,189	43,578,920	20,823,917	85,767,026
Net financial position	24,085,440	(6,087,328)	(12,731,921)	5,266,191

Notes (continued)

3. Financial Risk Management (continued)

3.3. Market risk (continued)

b) Foreign exchange risk (continued)

Concentration of currency risk on financial instruments

Analysis of assets and liabilities by currency

At December 31, 2014

	United States dollar	Others	Liberian dollar	Total
Assets	L$ (000)	L$ (000)	L$ (000)	L$ (000)
Cash and balances with central banks	14,406,168	-	-	14,406,168
Cash and balances with commercial banks	2,288,305	4,797,022	181,513	7,266,840
Loans, advances and overdraft to commercial banks	1,891,177	-	674,824	2,566,001
Loans and advances to non-banking financial institutions(NBFI)	-	-	396,409	396,409
Loans and advances to Government of Liberia	17,100,315	-	7,221,540	24,321,855
Investment securities (held-to-maturity)	569,486	-	-	569,486
Deposits with IMF	-	41,491,282		41,491,282
Staff loans	183,537	-	-	183,537
Other assets	12,692	-	4,459	17,151
Total financial assets	36,451,680	46,288,304	8,478,745	91,218,729
Liabilities				
Currency in circulation	-	-	9,394,317	9,394,317
Deposit from banks	8,981,797	-	3,254,140	12,235,937
Other deposits	175	-	1,608	1,783
Deposits of GOL and agencies	7,664,521	-	3,550,969	11,215,490
Amount due from IMF	-	47,867,110	-	47,867,110
Instruments-CBL bills	-		964,828	964,828
Other liabilities	1,083,037	-	192,473	1,275,510
Total financial liabilities	17,729,530	47,867,110	17,358,335	82,954,974
Net financial position	18,722,150	(1,578,806)	(8,879,590)	8,263,755

c) Sensitivity analysis for "foreign exchange risk"

	2015			2014		
	L$ (000)			L$ (000)		
	Balance December 31	**Exchange rate +1%**	**Exchange rate -1%**	Balance December 31	Exchange rate + 1%	Exchange rate -1%
Total assets	**45,449,629**	**45,904,126**	**44,995,133**	36,451,680	36,816,197	36,087,163
movement		**454,494**	**(454,496)**		364,517	(364,517)

If the financial assets in Liberian Dollars depreciated by 1% against the U.S Dollars on the reporting date, assets denominated in U.S. Dollars would have been L$45.9 billion, which is L$0.454 billion higher than the reported figure of L$45.4 billion. The comparative would have been L$36.8 billion, which is L$0.364 billion higher than L$36.5 billion reported for December 2014.

Notes (continued)

3. Financial Risk Management (continued)

3.3. Market risk (continued)

c) Sensitivity analysis for "foreign exchange risk" (continued)

If the Liberian Dollar appreciated by 1% against the U.S. Dollar at December 31, 2015, financial assets denominated in U.S. Dollars would have been L$44.9 billion, L$0.454 billion lower than L$45.4 billion at December 31, 2015 (December 31, 2014: L$36.1 billion, L$0.346 billion lower than L$36.5billion). This analysis shows how profit or loss and equity would have been affected by changes in the risk variable that were reasonably possible at the reporting date.

Concentration of currency risk on financial instruments

	2015			2014		
	L$ (000)			L$ (000)		
	Balance December 31	**Exchange rate + 1%**	**Exchange rate - 1%**	Balance December 31	Exchange rate + 1%	Exchange rate - 1%
Total liabilities	**21,364,189**	**21,577,831**	**21,150,548**	17,729,530	17,906,826	17,552,235
movement		**213,641**	**(213,641)**		177,295	(177,295)

If the financial liabilities in Liberian Dollars depreciated by 1% against the U.S Dollars on the reporting date, liabilities denominated in U.S. Dollars would have been L$21.5 billion, which is L$0.213 billion higher than the reported figure of L$21.4 billion. The comparative would have been L$17.9 billion, which is L$0.177 billion higher than L$17.7 billion reported for December 2014. If the Liberian Dollar appreciated by 1% against the U.S. Dollar at December 31, 2015, financial liabilities denominated in U.S. Dollars would have been L$21.2billion, L$0.213 billion lower than L$21.4 billion at December 31, 2015 (December 31, 2014: L$17.6 billion, L$0.177 billion lower than L$17.7billion). This analysis shows how profit or loss and equity would have been affected by changes in the risk variable that were reasonably possible at the reporting date.

	2015			2014		
	L$ (000)			L$ (000)		
	Balance December 31	**Interest rate + 1%**	**Interest rate - 1%**	Balance December 31	Interest rate + 1%	Interest rate - 1%
Net interest income	**723,376**	**430,119**	**426,035**	606,128	612,577	599,678
movement		**297,341**	**(297,341)**		6,449	(6,450)

If the Liberian Dollars depreciated by 1% against the U.S Dollars on the reporting date, net interest income would have been L$0.430 billion, which is L$0.297 billion higher than the reported figure of L$0.723 billion. The comparative would have been L$0.612 billion, which is L$0.064 billion higher than L$0.606 billion reported for December 2014. If the Liberian Dollar appreciated by 1% against the U.S. Dollar at December 31, 2015, net interest income would have been L$0.426 billion, L$0.297 billion lower than L$0.723 billion at December 31, 2015 (December 31, 2014: L$0.599 billion, L$0.064 billion lower than L$0.606 billion). This analysis shows how profit or loss and equity would have been affected by changes in the risk variable that were reasonably possible at the reporting date.

Notes (continued)

3. Financial Risk Management (continued)

3.4. Fair value of financial assets and liabilities

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities not presented at their fair values as at December 31, 2014 and 2013 respectively:

	Carrying Value		Fair Value	
	Dec 31 2015	Dec 31 2014	Dec 31 2015	Dec 31 2014
Financial assets				
Cash and balances with central banks	**21,232,382**	14,406,168	**21,232,382**	14,406,168
Cash and balances with commercial banks	**2,731,792**	7,266,840	**2,731,792**	7,266,840
Loans and advances to operating banks	**1,958,504**	2,566,001	**1,958,504**	2,566,001
Loans and advances to non-banking financial institutions	**315,933**	396,409	**315,933**	396,409
Loans and advances to GOL	**24,776,827**	24,321,855	**24,776,827**	24,321,855
Investment securities (HTM)	**668,794**	569,486	**668,794**	569,486
Due from International Monetary Fund	**37,231,890**	41,491,282	**37,231,890**	41,491,282
Staff loans	**208,915**	183,537	**208,915**	183,537
Other assets	**1,908,180**	17,151	**1,908,180**	17,151
Total financial assets	**91,033,217**	91,218,729	**91,033,217**	91,218,729
Financial liabilities				
Currency in circulation	**10,393,019**	9,394,317	**10,393,019**	9,394,317
Deposits from banks	**11,820,642**	12,235,937	**11,820,642**	12,235,937
Other deposits	**1,796**	1,783	**1,796**	1,783
Deposits of GOL and agencies	**16,280,911**	11,215,490	**16,280,911**	11,215,490
Instruments-CBL bills	**1,579,938**	964,828	**1,579,938**	964,828
Due to the International Monetary Fund	**43,578,920**	47,867,110	**43,578,920**	47,867,110
Other liabilities	**2,111,800**	1,275,510	**2,111,800**	1,275,510
Total financial liabilities	**85,767,026**	82,954,975	**85,767,026**	82,954,975

(i) Loans and advances to banks

Loans and advances to banks include inter-bank placements and items in the course of collection.

Their fair value approximates their carrying amounts.

(ii) Deposits from banks, government and agencies, and other deposits

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand.

(b) Fair value hierarchy

The Bank currently does not hold any financial instruments measured at fair value.

Notes (continued)

3.5. Capital management

The Central Bank's objective in managing capital and reserves is to ensure the Central Bank's ability to continue to perform its functions as set by the Central Bank of Liberia Act of 1999.

4. Critical accounting estimates and judgments in applying accounting policies

CBL makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgments are continually made and evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas where estimates are made are:

a) Impairment losses on loans and advances

CBL reviews its loans and advances to assess for impairment on an annual basis. In determining whether an impairment loss should be recorded in profit or loss, CBL makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows of the loans. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers, or national or local economic conditions that correlate with defaults on assets. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to loans of the same portfolio when determining its future cash flows. The methodology and assumptions used to estimate both the amount and timing of future cash flows are reviewed regularly to reduce any differences between estimated loss and actual loss experience.

b) Held-to-maturity investment securities

CBL classifies some financial assets with fixed or determinable payments and fixed maturities as held-to-maturity investment. In making these judgments, CBL has the positive intention and ability to hold such investments to maturity. If the Bank fails to keep these investments to maturity other than certain specific circumstances, these investments are reclassified as loans and receivable. Accordingly, the investment would be measured at amortized cost.

c) Property, machinery and equipment

Estimates of the future useful economic life have been made by management in determining depreciation rates for property, machinery and equipment.

d) Post-employment benefits Pension benefits

Critical estimates have been made by management in determining the actual liability of the post-employment benefits. The liability for post-employment benefits is sensitive to the assumptions made.

In Liberia there is limited data available on which to make actuarial assessments, including the assumptions necessary. In particular details of mortality are not available and there are no long term securities benchmark discount rates. Furthermore, there is limited experience of staff turnover patterns at CBL. These factors make the actuarial assumptions unusual and uncertain. Management has solicited and received professional actuarial advice in determining the assumptions and the quantum of the liability. Details are disclosed in note 32.

Notes (continued)

(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

	Dec-15	Dec-14
5(i) Interest income		
GOL loans and advances	**234,949**	234,037
Investment securities-held-to-maturity	**61,542**	60,591
Placements and staff loans	**216,723**	58,449
Loan Extension and Availability Facility (LEAF) loans and advances	**53**	482
Unwinding of discount element of credit impairment on GOL loans (Note 15)	**306,545**	365,286
	819,812	718,845
5(ii) Interest expense		
Liberia Trade for Development and Investment Bank, Limited (TRADEVCO) loan	**-**	4,824
Investment securities: CBL instrument	**89,629**	86,847
Interest expense: Deutsche Bundes Bank	**6,017**	-
Amortized cost-Held to Maturity - Investment security	**789**	553
Fair value losses on financial assets upon initial recognition	**-**	20,493
	96,436	112,717
6. Fees and commissions		
Service fees and commissions	**207,603**	209,594
Note transfer fees	**7,211**	3,486
	214,814	213,080
7. Other income		
Rental income	**180**	253
Fines	**830**	810
Other miscellaneous income	**33,716**	73,636
Release of Tradevco loan (note 29)	**-**	1,161,856
Profit on disposal of property machinery and equipment	**1,562**	-
	36,288	1,236,555
8. Loans and advances impairment charge		
LIBA loan - First International Bank Liberia Limited	**128,628**	-
Overdraft facility - First International Bank Liberia Limited	**154,687**	-
Loan facility - First International Bank Liberia Limited	**1,062,000**	-
Loans and advances to non-banking financial institution	**296,130**	-
	1,641,445	-
9. Administrative expenses		
Staff costs (i)	**970,195**	856,309
Board fees and expenses(ii)	**37,634**	51,294
Depreciation/amortization(iii)	**122,624**	66,890
Other administrative expenses(iv)	**2,030,936**	1,035,581
CBL contribution to regional bodies	**301,044**	143,503
	3,462,433	2,153,577

Notes (continued)
(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

9. Administrative expenses (continued)

	Dec-15	Dec-14
(i) Staff costs:		
Salaries and wages	**624,023**	538,033
Social security contibutions	**22,023**	19,215
Other personnel costs	**136,260**	111,416
(Gain)/loss on fair valuation of staff loan	**(11,767)**	27,865
Pension cost (Note 32):		
Current service cost	**158,168**	121,792
Interest cost	**41,488**	37,988
	970,195	856,309
(ii) Board fees and expenses		
Board fees	**31,483**	37,040
Board expenses	**6,151**	14,254
	37,634	51,294
(iii) Depreciation and amortization		
Depreciation on equipment	**79,209**	27,601
Depreciation on furnitures and fixtures	**3,504**	560
Depreciation on vehicles	**15,969**	29,046
Depreciation on leasehold properties	**2**	1,838
Amortization on banking software	**4,655**	6,205
Depreciation on building	**19,285**	1,640
	122,624	66,890
(iv) Other administrative expenses		
Property cost/occupancy	**115,016**	56,241
Office expenses	**867,260**	271,855
Professional services	**102,822**	91,439
Travel expenses	**171,080**	105,475
Other miscellaneous expenses	**280,140**	68,362
Subscription and public relation	**444,832**	386,909
Vehicle fuel,insurance and maintainance	**49,786**	55,300
	2,030,936	1,035,581

Included in professional services is the following:

Fees paid to auditors:		
Audit of the bank's financial statement	**10,309**	12,160
Total	**10,309**	12,160

10. Other operating expenses

Currency expense		
Notes importation cost	**88,717**	73,129
Mute exportation cost	**1,148**	9,855
Cost of destroying banknotes	**1,006**	742
Amortization of currency printing cost-banknotes	**158,168**	71,600
Loss on disposal of motor vehicle	**-**	1,651
	249,039	156,977

Notes (continued)

(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

11. Cash and balances with Central Banks	**Dec-15**	Dec-14
Cash on hand and in vault	**2,219,521**	2,908,151
Cash balances at rural branches	**65,728**	210,985
Balances with other central banks	**19,585,192**	12,443,500
Less: Liberian Dollars in vault & cash centers (Note 23)	**(638,059)**	(1,156,468)
	21,232,382	14,406,168
12. Cash and balances with commercial banks		
Balances with local banks	**366,881**	5,251,222
Balances with foreign banks (commercial)	**2,364,911**	2,015,618
	2,731,792	7,266,840
13. Loans and advances to operating banks		
(i) Loans and advances-placements		
Balance at January 1	**583,539**	571,920
Accrued interest	**15,168**	11,619
Exchange difference	**40,211**	-
Balance at December 31	**638,918**	583,539
(ii) Loans and advances-mortage - Liberian Bank for Development and Investment (LBDI)		
Balance at January 1	**804,512**	783,770
Amortized cost adjustment	**9,571**	20,742
Exchange difference	**32,692**	-
Balance at December 31	**846,775**	804,512
(iii) Loans and advances-placement - Liberia Business Association (LIBA)		
Balance at January 1	**406,778**	395,661
Addition	**53,100**	
Repayment	**(85,059)**	-
Amortized cost adjustment	**3,153**	11,117
Specific allowance for impairment (Note 8)	**(128,629)**	
Exchange difference	**19,824**	
Balance at December 31	**269,167**	406,778
(iv) Loans and advances - Rubber Planters Association (RPAL)		
Placements	**131,442**	129,750
Accrued interest	**1,298**	1,692
Balance at December 31	**132,740**	131,442
(v) Overdraft to commercial banks		
First International Bank Liberia Limited Current Account	**154,687**	639,729
Gobal Bank Liberia Limited Current Account	**70,904**	
Specific allowance for impairment (Note 8)	**(154,687)**	-
	70,904	639,729
(vi) Loan and advances -First International bank (FIB)		
Placements	**1,062,000**	-
Specific allowance for impairment (Note 8)	**(1,062,000)**	
Balance at December 31	**-**	-
Total loans and advances to commercial banks	**1,958,504**	2,566,001

Notes (continued)
(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

14. Loan and advances to Non-banking financial Institution

	Dec-15	Dec-14
Loan Extension and Availability Facility (LEAF)	612,063	396,409
Specific allowance for impairment	(296,130)	-
	315,933	396,409

15. Loans and advances to Government of Liberia (GOL)

	Dec-15	Dec-14
(i) GOL Long Term Loan		
Balance at January 1	17,533,496	17,177,137
Unwinding of discount	306,545	365,286
Exchange difference	590,719	(8,927)
	18,430,760	17,533,496
(ii) GOL Bridge Loan		
Balance at January 1	-	41,889
Less: amortized cost adjustment	-	(41,889)
	-	-
(iii) GOL EBOLA Loan		
Drawdown	-	412,500
(iv) Overdraft to Government of Liberia		
GOL payroll account LRD	29	29
GOL Operation account	-	2
GOL Payroll account	2	-
GOL UNMIL Transition account	2	-
	33	31
(v) Long term receivable from GOL		
Amount due from Ministry of Finance	6,346,034	6,375,828
Balance at December 31	24,776,827	24,321,855

The loans to the Government of Liberia were mainly taken over from the National Bank of Liberia pursuant to the establishment of CBL in 2000. The terms of these loans were renegotiated with the GOL and agreed in July 2007. The terms included extension of the repayment periods, reductions in interest rates and capitalization of accrued and deferred interest to the date of the agreement.

In 2012, the Bank and the GOL agreed on a bridge loan in the amount of US$20 million at a rate of 2% per annum. This amount was given in two phases. The first phase was in the amount of US$7.5 million for six months beginning July 1, 2012 and ended in December 2012, while the second phase totaling US$12.5 million was for one year beginning July 31, 2012 and should have ended in June 30, 2013. However, the loan was fully settled on June 19, 2014.

On July 30, 2014 the Bank and the GOL entered into a short-term loan facility in the amount of US$5,000,000 to assist the GOL in the fight against the deadly EBOLA OUTBREAK at an interest rate of 1% per annum payable within a year. Two tranches of US$2.5million were paid on March 3 and August 31, 2015 by GOL in settlement of the facility.

Notes (continued)
(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

	Dec-15	Dec-14
16. Investment securities: Held-to-maturity		
Balance at January 1	**569,486**	570,178
Additional investment	**58,707**	(553)
Charge during the year	**(789)**	-
Exchange difference	**41,390**	(139)
Balance at December 31	**668,794**	569,486

17. Deposits with International Monetary Fund

	Dec-15	Dec-14
IMF quota subscription	**15,263,550**	17,419,137
Special drawing right holdings	**21,968,340**	24,072,145
	37,231,890	41,491,282

Liberia's Membership with IMF

Article XIII, Sections 2a and 3 in the Articles of Agreement of the IMF requires each member to designate its Central Bank as a depository for all the Funds holdings and currency, and guarantee all assets of the Fund against loss resulting from failure or default on the part of its designated depository.

With reference to the guidelines of the Financial Organizational and Operations manual of the IMF, Central Bank of Liberia uses the gross method of presenting the assets and liabilities arising from the GOL's membership with statement of financial position. The IMF recommends the use of the gross method for a country whose depository and fiscal agent are the same. The position in the General Department is presented on a gross basis if the IMF No.1, No.2, and Securities Accounts are shown as liabilities and the member's quota is shown as an asset. Additionally, on March 18, 2013 a memorandum of understanding between the Ministry of Finance of the Republic of Liberia and the Central Bank of Liberia regarding respective roles and responsibilities in connection with transactions with the International Monetary Fund was signed.

Central Bank of Liberia is the fiscal and depository agent of Liberia for transactions with the International Monetary Fund. Financial resources made available to Liberia by the Fund are channeled through CBL to the Government. CBL has a claim on the GOL matching liabilities to the Fund. Similarly CBL has a liability to the Government of Liberia matching the assets, the quota subscription, held in the Fund. As of close of business on March 14, 2008, the IMF confirmed the completion of Liberia's clearance of its arrears, payment of quota increase and related Fund financing transactions and the granting of new facilities. All applicable entries were recorded in the IMF's accounts held at Central Bank of Liberia.

IMF Quota Subscription

Quota subscriptions are a central component of the IMF's financial resources. Each member country of the IMF is assigned a quota, based broadly on its relative position in the world economy. A member country's quota determines its maximum financial commitment to the IMF, its voting power, and has a bearing on its access to IMF financing.

Notes (continued)

(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

17. Deposits with the International Monetary Fund (continued)

Special drawing rights holdings and allocation

SDR's are interest-bearing assets allocated by the IMF to each participant in the Special Drawing Rights Department to meet various global operating needs of the Fund as and when they arise, as a supplement to the Fund's existing reserves. SDR's are allocated by the IMF to members participating in the SDR department in proportion to their quotas to the Fund at the time of allocation.

The difference between Liberia current position (assets and liabilities) with the IMF is recognized as a long term receivable from the Government of Liberia which will be paid by GOL through the Ministry of Finance (MOF) on a future date to be agreed by MOF and CBL. The outstanding difference is shown in note 14 (v).

18. Loans to staff	**Dec-15**	Dec-14
Gross amount	**266,547**	240,442
Provision	**(12,719)**	(3,623)
Amortisation of staff loan	**(44,913)**	(53,282)
	208,915	183,537
Amortisation of staff loan		
Balance at January 1	**53,282**	24,469
Charge	**(11,767)**	27,865
Exchange difference	**3,398**	948
	44,913	53,282
Provision		
Balance at January 1	**3,623**	3,623
Additions	**9,096**	-
Balance at December 31	**12,719**	3,623

Staff of the Bank of Liberia is entitled to loan at 4% as compared to the market rate of 13.53% as at the reporting date.

Notes (continued)
(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

19. Other assets

	Dec-15	Dec-14
Accounts receivable(i)	**866,969**	17,151
Prepaid expenses(ii)	**984,269**	631,398
Deferred currency cost(iii)	**56,942**	208,235
	1,908,180	856,784
19(i) Accounts receivable		
Due from others	**1,089**	17,942
Other receivables	**981,460**	16,039
	982,549	33,981
less provision:		
Allowance for bad debt-Belle Dunbar	**-**	(16,830)
Allowance for bad debt	**(115,580)**	-
	(115,580)	(16,830)
Net book amount	**866,969**	17,151
Movement on provision		
Balance at January 1	**16,830**	17,087
Addition	**(115,580)**	-
Balance written off	**(16,830)**	-
Exchange difference	**-**	(257)
Balance at December 31	**(115,580)**	16,830
19(ii) Prepaid expenses		
Rent	**1,420**	2,333
Insurance	**218**	2,130
Others	**982,631**	626,935
	984,269	631,398
19(iii) Deferred currency cost		
At January 1	**208,235**	276,954
Amortization charge	**(158,168)**	(71,594)
Exchange difference	**6,875**	2,875
Balance at December 31	**56,942**	208,235

Notes (continued)

(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

20. Financial instruments by category

At December 31, 2015	**Loan and receivables**	**Held-to-maturity**	**Total**
Financial assets			
Cash and balances with Central banks	**21,232,382**	**-**	**21,232,382**
Cash and balances with Ccommercial banks	**2,731,792**	**-**	**2,731,792**
Loans, advances and overdraft to bank	**1,958,504**	**-**	**1,958,504**
	315,933	**-**	**315,933**
Loans and advances to Government of Liberia	**24,776,827**	**-**	**24,776,827**
Investment securities (held-to-maturity)	**-**	**668,794**	**668,794**
Deposits with IMF	**37,231,890**	**-**	**37,231,890**
Staff loans	**208,915**	**-**	**208,915**
Other assets	**1,908,180**	**-**	**1,908,180**
	90,364,422	**668,794**	**91,033,217**
Financial Liabilities			**Amortized cost**
Currency in circulation	**-**	**-**	**10,393,019**
Deposit from banks	**-**	**-**	**11,820,642**
Other deposits	**-**	**-**	**1,796**
Deposits of GOL and agencies	**-**	**-**	**16,280,911**
Due to IMF			**43,578,920**
Investment Securities-CBL bills	**-**		**1,579,938**
Other liabilities	**-**	**-**	**2,111,800**
	-	**-**	**85,767,026**

At 31 December 2014	Loan and receivables	Held-to-maturity	Total
Financial assets			
Cash and balances with Central banks	14,406,168	-	14,406,168
Cash and balances with Ccommercial banks	7,266,840	-	7,266,840
Loans, advances and overdraft to bank	2,566,001	-	2,566,001
Loans and advances to non-banking financial institutions	396,409	-	396,409
Loans and advances to Government of Liberia	24,321,855	-	24,321,855
Investment securities (held-to-maturity)	-	569,486	569,486
Deposits with IMF	41,491,282		41,491,282
Staff loans	183,537	-	183,537
Other assets	17,151	-	17,151
	90,649,243	569,486	91,218,729
Financial Liabilities			Amortized cost
Currency in circulation	-	-	9,394,317
Deposit from banks	-	-	12,235,937
Other deposits	-	-	1,783
Deposits of GOL and agencies	-	-	11,215,490
Due to IMF			47,867,110
Investment Securities-Treasury bills	-		964,828
Other liabilities	-	-	1,275,510
	-	-	82,954,975

Notes (continued)

(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

21. Intangible assets

	Dec-15	Dec-14
At January 31 2014:		
Opening net book value	**4,655**	10,860
Amortization charge	**(4,655)**	(6,205)
Closing net book value	**-**	4,655
At December 31 2015:		
Cost	**18,616**	18,615
Accumulated amortization	**(18,616)**	(13,960)
Net book value	**-**	4,655

22. Property, machinery and equipment

	Land	Work-in-progress	Building	Leasehold improvement	Furniture & fixtures	Equipment	Motor Vehicles	Total
At December 31, 2015:								
Opening net book value	**36,880**	**2,872,672**	**51,476**	**2**	**897**	**35,034**	**37,728**	**3,034,689**
Additions	**-**	**8,429**	**-**	**-**	**-**	**398,646**	**19,070**	**426,145**
Disposal	**-**		**-**	**-**	**-**	**-**	**217**	**217**
Charge for the year	**-**	**-**	**(19,285)**	**(2)**	**(3,504)**	**(79,209)**	**(15,969)**	**(117,969)**
Transfers		**(2,881,101)**	**2,681,746**		**45,066**	**154,290**	**-**	**0**
Closing net book value	**36,880**	**-**	**2,713,937**	**-**	**42,459**	**508,761**	**41,046**	**3,343,082**
At December 31, 2015:								
Cost	**36,880**	**-**	**2,738,029**	**73,120**	**50,383**	**719,397**	**83,874**	**3,701,683**
Accumulated depreciation	**-**	**-**	**(24,092)**	**(73,120)**	**(7,924)**	**(210,637)**	**(42,829)**	**(358,602)**
Net book value	**36,880**	**-**	**2,713,937**	**-**	**42,459**	**508,760**	**41,045**	**3,343,081**
At December 31 2014:								
Opening net book value	36,880	2,386,682	53,116	1,840	1,293	37,870	52,478	2,570,159
Additions	-	485,990	-	-	164	24,765	15,947	526,866
Disposal	-	-	-	-	-	-	(1,651)	(1,651)
Charge for the year	-	-	(1,640)	(1,838)	(560)	(27,601)	(29,046)	(60,685)
Closing net book value	36,880	2,872,672	51,476	2	897	35,034	37,728	3,034,689
At December 31 2014:								
Cost	36,880	2,872,672	56,283	73,120	5,317	166,462	82,107	3,359,820
Accumulated depreciation	-	-	(4,807)	(73,118)	(4,420)	(131,428)	(44,379)	(325,131)
Net book value	36,880	2,872,672	51,476	2	897	35,034	37,728	3,034,689

Notes (continued)

(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

22. Property, machinery and equipment (continued)

Profit/loss on disposal of property,machinery and equipment

	Dec-15	Dec-14
Cost	17,735	66,979
Accumulated depreciation	(17,518)	(65,328)
Net book value	216	1,651
Proceeds from disposal	1,778	-
Gain on disposal	1,562	(1,651)

23. Currency in circulation

Liberian notes

	Dec-15	Dec-14
L$5	598,078	616,634
L$10	1,018,926	1,021,021
L$20	1,709,760	1,884,957
L$50	3,079,427	2,722,669
L$100	4,601,837	4,282,454
Total currency notes	11,008,028	10,527,735
Coins	23,050	23,050
Less:		
Liberian Dollars held by the Bank and payment centers (Note 11)	(638,059)	(1,156,468)
	10,393,019	9,394,317
24. Deposits from commercial banks		
Reserve requirement-commercial banks	8,501,561	7,523,953
Current accounts-commercial banks	3,258,300	4,647,884
Current accounts-non commercial banks	53,637	57,426
Collection accounts failed banks	7,144	6,674
	11,820,642	12,235,937
25. Other deposits		
Forex bureau deposits	1,796	1,783
26. Deposits of GOL and Agencies		
Demand deposits-Central government	1,686,047	549,495
Withholding taxes payable	24,415	19,488
Demand deposits-individual ministries & agencies	9,017,167	9,844,017
Other government related deposits	342,117	328,763
Small Medium Enterprises deposits	173,387	161,694
State owned enterprises	5,037,778	312,033
	16,280,911	11,215,490

(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

27. Investment securities	**Dec-15**	Dec-14
Instruments-CBL bills	**1,579,938**	964,828
Movement in investment securities		
Balance at January 1	**964,828**	1,116,467.00
Additions	**2,667,371**	4,129,325
Interest payable	**40,209**	-
Repayment on maturity	**(2,092,470)**	(4,280,964)
Balance at December 31	**1,579,938**	964,828
Maturing within 120 days of acquisition	**1,579,938**	964,828

The Central Bank of Liberia issued treasury bills by way of regular auctions only to commercial banks with reserves and current accounts at the Bank.

28. Amount due to International Monetary Fund

	Dec-15	Dec-14
IMF SDR allocation	**14,647,973**	16,716,628
GRA accounts #1	**7,889,796**	7,889,796
GRA accounts #2	**1,449**	1,654
IMF securities	**7,370,087**	9,525,155
ECF loan	**9,853,727**	13,733,877
IMF Rapid Credit Facility Loan-RCF	**3,815,888**	-
	43,578,920	47,867,110

General Resource Account (GRA)

The GRA is the principal account of the IMF and handles transactions between the IMF and its membership. The GRA can best be described as a pool of currencies and reserve assets built up from members' fully paid capital subscriptions in the form of quotas.

Balances of the Fund's holdings of member's currency are shown in the Securities account, the No.1 accounts, and the No. 2 account, as well as currency valuation adjustment accounts. These accounts are considered as liabilities maintained in the currency of the IMF member.

This comprises Special Drawing Rights (SDR) currency holdings, which are denominated in Liberian dollars by IMF. Transactions effected under agreement with the Fund are converted to Liberian dollars at an exchange rate applicable on the dates of the respective transactions. Outstanding balances with the Fund are revalued on the basis of a rate ruling at the reporting date. Foreign exchange gains and losses arising from the annual revaluation are posted to General Reserve.

Extended Credit Facility (ECF) loan and interest (Formerly PRGF Loan)

The ECF facility is a loan obtained by GOL to strengthen the country's balance of payment position, and to foster sustainable growth, leading to higher living standards and reduction in poverty. The ECF date of arrangement was November 19, 2012 and expires on November 18, 2015.

On October 10, 2014 the IMF through its Extended Credit Facility granted the GOL additional amount of SDR 32.3 million to help address the negative impact of the Ebola epidemic on Liberia's external position and support the GOL efforts in containing the outbreak.

IMF Rapid Credit Facility Loan-RCF

The rapid credit facility was obtained by GOL to support its balance of payment needs. The RCF date of arrangement was February 2015.

(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

29. Commercial bank loan	**Dec-15**	Dec-14
At January 1	-	1,129,676
Interest	-	4,824
Exchange difference	-	27,356
Balance written off	-	(1,161,856)
At December 31	-	-

The indebtedness represents a liability that came about through an agreement between CBL and the Liberia Trade for Development and Investment Bank Limited (TRADEVCO) under which, CBL accepted a liability concerning claims of TRADEVCO excess reserves balances. The Bank issued ten promissory notes to TRADEVCO upon the signing of the agreement. The accepted net obligation of US$ 12.357 million is payable over a 20 year period and carries annual interest rates of 0% for years 1 to 5, 1% for years 6 to 10 (to accrue only) and 1.5% for years 11 to 20. The agreement provides for a ten year moratorium on both the principal and interest repayment. CBL reserves the right to effect repayment during this period. The repayment of these promissory notes was due to begin July 1, 2011, but no payment has been made to TRADEVCO at the date of reporting.

On September 8, 2014, the Supreme Court in a judgement quashed an earlier ruling of the Lower Court for inadvertently dismissing CBL's complaint at the time without taking any evidence from both parties. The Supreme Court maintained that TRADEVCO has been liquidated voluntarily and therefore did not exist as a corporate entity to sue or be sued. The Governors are of the opinion that, this matter has been settled and therefore should be stricken from the list of the Bank's obligations. Any existing provision has thus been reversed.

Notes (continued)

(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

30. Other Liabilities	**Dec-15**	Dec-14
Accounts payables(i)	**249,474**	188,035
Others(ii)	**1,862,326**	1,001,866
	2,111,800	1,189,901
(i) Accounts payable		
Official checks-CBL	**23,738**	9,646
Unearned Banking Operating Levy	**2,148**	4,950
Security Unearned Interest	**5,310**	-
Non-Bank Institution Fees	**-**	413
Unearned Insurance Operating Levy	**2,212**	3,713
Managers' checks-CBL	**95,548**	67,523
Stale checks payable	**4,069**	5,274
Due to staff	**3,049**	1,941
Accrued expenses	**113,400**	94,575
	249,474	188,035
(ii) Others		
Commercial losses payable	**-**	1,566
Commercial bank Mutes	**57,376**	30,745
Dormant Demand Deposit	**-**	523
Banking Institute of Liberia	**1,204**	140
Micro finance Unit-LISS II Project	**938**	875
Union Bank of Switzerland	**151,282**	141,026
First Union Bank	**1,463**	1,364
Multilateral Investment Guarantee Agency(MIGA)	**1,318**	1,318
West African Monetary Agency-BCEAO	**798,092**	743,984
Microfinance-LEAF Program	**21,005**	8,380
FUAB Collection Account	**1,869**	1,869
Interest payable-CBL Treasury bills	**12,063**	24,764
UNDP VSLA Project A/c	**1**	1
Others payables	**93,238**	45,311
Provision for legal claims	**722,477**	-
	1,862,326	1,001,866

31. Provident fund		
At January 1	**180,184**	143,030
Contributions during the year	**51,082**	41,129
Interest earned	**240**	62
Payments	**(14,041)**	(4,243)
Exchange difference	**13,502**	206
At December 31	**230,967**	180,184

Notes (continued)

(All amounts are expressed in thousands of Liberian Dollars unless otherwise stated)

32. Retirement benefit obligations	**Dec-15**	Dec-14
Statement of financial position obligation :		
Pension benefits	**1,086,339**	817,574
Statement of comprehensive income charge:		
Pension benefits	**14,572**	9,162
Pension benefits		
Amounts recognized in the statement of financial position are determined as follow:		
Present value of unfunded obligations:		
Staff pension scheme	**1,086,339**	817,574
Ex-gratia pension scheme	**-**	-
Liability in the statement of financial position	**1,086,339**	817,574
The movement in the defined benefit obligation is as follows:		
At January 1	**817,574**	811,328
Current service cost	**158,168**	121,792
Interest cost	**41,488**	37,988
Remeasurement	**18,397**	(140,543)
Benefits paid	**(14,572)**	(9,162)
Exchange difference	**65,284**	(3,829)
At December 31	**1,086,339**	817,574
The amounts recognized in the statement of comprehensive income:		
Current service cost	**158,168**	121,792
Interest cost	**41,488**	37,988
Total included in staff costs (Note 9)	**199,656**	159,780
Remeasurement	**18,397**	(140,543)
Total included in other comprehensive income	**18,397**	(140,543)

Following the adoption of IAS 19 (revised), there is no effect on the financial statements as pension scheme is unfunded by the Bank and there are no plan amendments.

Notes (continued)
(All amounts in thousands of Liberian Dollars unless otherwise stated)

32. Retirement benefit obligations (continued)

Mortality

The principal actuarial assumptions used were as follows:

	2015	2014
Discount rate	5%	4%
Rate of salary increases	5%	5%
Rate of inflation	3%	2%

For mortality assumptions, the 1983 US Sex Distinct Group Annuity Mortality Table (GAM) is the basis for the calculation. The final unisex mortality rate used reflects the 10% margin removed from them and the resulting rates were blended using 95%/5% male-female ratio. The same basis was used in the previous year's valuation. This was considered, on the advice of the actuary, to be the best available basis for assessing mortality.

33. Share capital

	Dec-15	Dec-14
Share authorized	**400,000**	400,000
Paid-in-capital	**7,398,587**	7,398,587
Subscribed capital	**200,000**	200,000
	7,598,587	7,598,587

The capital of CBL is owned exclusively by the Government of Liberia. The minimum authorized capital of CBL is L$400 million. The amount may be increased by an amendment to the CBL Act, as shall be proposed by the Board of Governors to the National legislature. The Act requires the Bank to have a minimum paid-up capital of L$100 million. The consideration for the paid-up capital was the net book value of assets and liabilities taken over from National Bank of Liberia on the establishment of CBL. In addition the GOL subscribed a further US$5 million (L$ equivalent L$200 million) at the establishment of CBL to have it capitalized. The consideration was a series of promissory notes, which matured on April 21 and October 20 each year from 2001 to 2003.

Notes (continued)
(All amounts in thousands of Liberian Dollars unless otherwise stated)

	Dec-15	Dec-14
34. General reserve		
General banking reserve	**(306,621)**	3,631,994
Movements in reserve were as follows:		
Balance at January 1	**3,631,994**	4,112,422
Operating loss	**(4,378,439)**	(254,790)
Other comprehensive income	**439,824**	(225,638)
Balance at December 31, 2015	**(306,621)**	3,631,994

35. Cash and cash equivalents

	Dec-15	Dec-14
Balances with Central Banks (Note 11)	**21,232,382**	14,406,168
Balances with Local Banks (Note 12)	**366,881**	5,251,222
Balances with foreign banks (commercial) (Note 12)	**2,364,911**	2,015,618
Overdraft to commercial banks (Note 13)	**70,904**	639,729
Overdraft to Government of Liberia (Note 15)	**33**	31
	24,035,111	22,312,768

As part of its normal business, CBL acts as custodian for customers' assets and fulfills an agency role. No significant unrecoverable liability arises from these transactions.

Legal proceedings

Debt action

The Central Bank of Liberia is a co-defendant with the Government of Liberia (GOL) in two separate legal proceeding that have been deemed actionable relative to:

a) Construction of Defense Building

Outstanding commitments related to long-term construction contract on which CBL, through the GOL guaranteed thirty-six promissory notes amounting to approximately US$17 million; and,

b) Purchase of Aircraft

Commitment for the purchase of an aircraft for the Government during the 1980's for which payment remains outstanding. The amount of the liability remains uncertain.

However, the principal defendant in these cases is the Government of Liberia, and it is considered unlikely that any liability will arise against CBL. Accordingly no provisions have been made in these financial statements.

ii) Other litigations

Central Bank of Liberia is also a party to several other proceedings either in fiduciary, receivership capacity, or by reason of regulatory responsibilities:

Notes (continued)
(All amounts in thousands of Liberian Dollars unless otherwise stated)

36. Contingent liabilities and commitments (continued)

a) Labor matters

CBL is a defendant in two labor cases involving actions of dismissal. The case involved John Cooper vs the CBL was fully settled with the CBL paying an amount of US$1m. The estimated amount of this claim was approximately US$1.2 million. Also, the legal case with Cephas and the CBL is pending with the estimated liability of US$0.5million. Based on legal advice, considers that these claim is not due now and it is unlikely that any liability will arise in less than one year. Accordingly, no provision has been made for such cases in the financial statements.

b) Fraud matters

In 2008, certain tellers of CBL and certain staff of the Ministry of Finance were alleged to have been involved in the re-encashment of Government of Liberia salary checks. There have been no direct liabilities against the CBL even though the accused employees were found guilty at the lower court. An appeal of the ruling by the Lower Court is currently pending at the Supreme Court.

c) Bill of Information

The case between the Estate of the late Samuel K. Doe through his wife Madam Nancy B. Doe and the Central Bank of Liberia was heard in the Commercial Court. Madam Doe sued the Bank for an amount of US$5m plus all the interest and charges amounting to US$10m plus. The case is still in the Commercial Court pending the satisfaction of the judgement by CBL before the appeal can be heard by the Supreme Court. Also in this case, the Government of Liberia through the Ministry of Justice has filed a Petition for Writ of prohibition before the Chamber Justice awaiting ruling.

37. Related party transactions

CBL is the official depository and fiscal agent of the Government of Liberia, the sole shareholder of the Bank. The Bank performs official banking services for the Government and a number of its agencies. Related party transactions reflected in the Bank's operations are therefore in respect of these banking services, in addition to loans and advances granted to the Government prior to 2003.

The following transactions were carried out with related parties:

Interest income earned during the year

Interest income earned during the year	Dec-15	Dec-14
GOL loans and advances (Note 5)	**234,949**	234,037
GOL investment securities: Held-to-maturity (Note 5)	**61,542**	60,591
	296,491	294,628

Year end balances arising from related party transactions:

Receivables from related party:	Dec-15	Dec-14
Due from Government of Liberia- long term loan (Note 15)	**25,445,621**	24,891,341
Payables to related party:		
Deposits of GOL and agencies(Note 26)	**16,280,911**	11,215,490

Notes (continued)
(All amounts in thousands of Liberian Dollars unless otherwise stated)

37. Related party transactions (continued)

Key management personnel

Governors, Non-Executive Directors and other key management personnel

The following particulars relate to key management personnel including Board of Governors, Executive Governors and Directors:

Loans to key management personnel were as follows:

	Dec-15	Dec-14
Loans outstanding at January 1	**51,908**	30,761
Loans granted during the period	**18,300**	31,268
Loans repaid during the period	**(28,826)**	(10,121)
Loans outstanding at December 31	**41,382**	51,908
Interest income earned	**1,468**	1,069

No provision has been recognized in respect of loans given to related parties.

None of the key management personnel had a material interest, directly or indirectly, at any time during the year in any other significant transaction or arrangement with CBL.

Remuneration of key management personnel

	Dec-15	Dec-14
Salaries and short term benefits	**166,793**	110,825
Post employment benefit	**15,031**	8,034
	181,824	118,859