TRUST BANK

Annual Report and Consolidated Financial Statements

For the year ended 31st December 2023

3 - 4 Ecowas Avenue
P O Box 1018
Banjul
The Gambia

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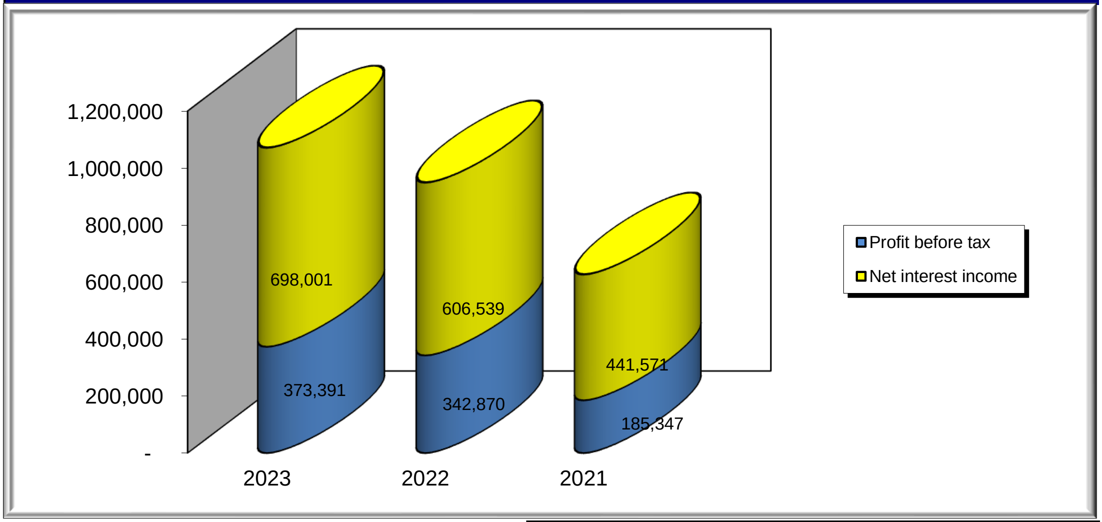
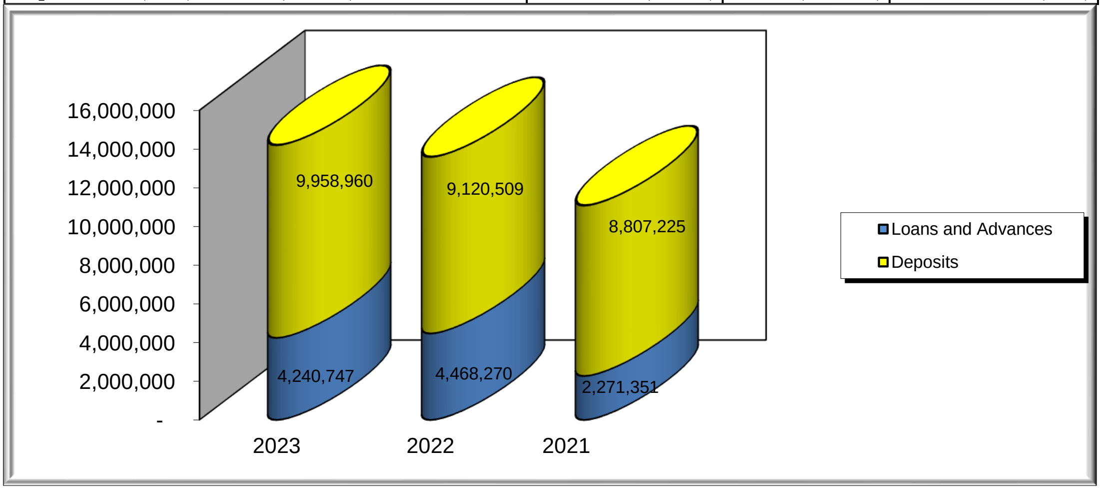
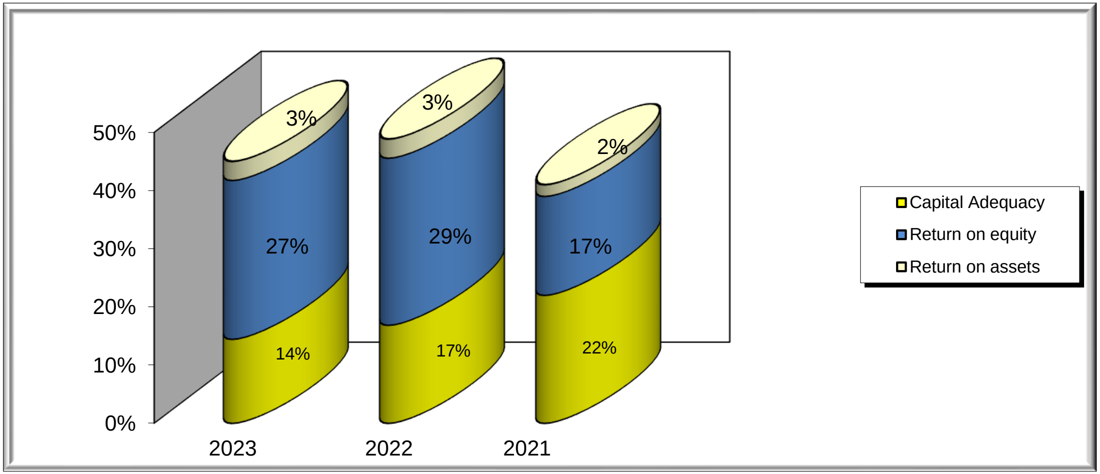


	2023	2022	2021
Profit before tax (D.000)	**373,391**	342,870	185,347
Net Interest income (D.000)	**698,001**	606,539	441,571
Operating expenses (D.000)	**(598,549)**	(528,956)	(461,733)
Impairment (loss)/ Gains (D.000)	**(6,118)**	(36,810)	(880)

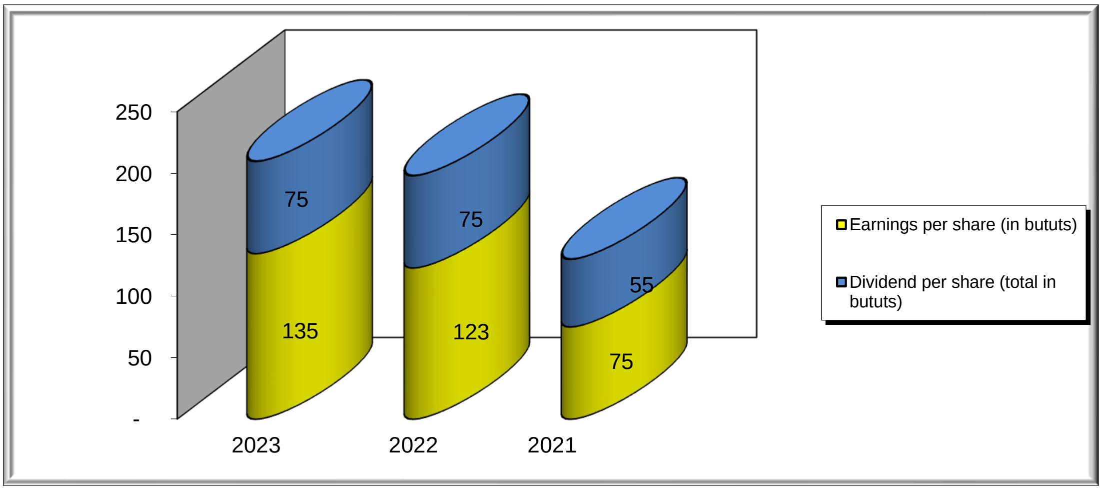


	2023	2022	2021
Total Assets (D.000)	**11,448,178**	10,418,772	10,061,788
Loans and advances (D.000)	**4,240,747**	4,468,270	2,271,351
Customer deposits (D.000)	**9,958,960**	9,120,509	8,807,225
Equity (D.000)	**1,367,525**	1,193,872	1,091,428

FINANCIAL HIGHLIGHTS OF THE BANK



	2023	2022	2021
Return on assets	**3%**	3%	2%
Return on equity	**27%**	29%	17%
Capital Adequacy	**14%**	17%	22%
Net Interest Margin	**12%**	13%	10%
Gearing	**7%**	6%	5%



	2023	2022	2021
Liquidity	**40%**	40%	62%
Non performing loan ratio	**1.7%**	0.7%	0.8%
Earnings per share (in bututs)	**135**	123	75
Dividend per share (total in bututs)	**75**	75	55
Loans to Deposit ratio	**43%**	49%	26%

GENERAL INFORMATION

DIRECTORS			
	Mr. Franklin Hayford	*Chairperson*	
	Ms. Njilan Senghore	*Managing Director*	
	Mr.Omar Mboob	*Deputy Managing Director*	
	Mrs. Angela Andrews-Njie	*Member*	
	Mr. Ansumana L.N. Touray	*Member*	
	Mr.Saloum Malang	*Member*	
	Mrs Haddy Sallah	*Member*	
	Mr. Abdoulie Jallow	*Member*	from March 2023
	Mr.Katakyie Ofori-Atta	*Member*	from October 2023
COMPANY SECRETARY	Ms. Fatou Lili Drammeh		
AUDITORS	DT associates-The Gambia Accountants and business advisers 1 Paradise Beach Place, Bertil Harding Highway Kololi, The Gambia		
REGISTERED OFFICE	Trust Bank 3/4 Ecowas Avenue Banjul, The Gambia		
SOLICITORS	Mary Abdoulie Samba 29 Independence Drive Banjul, The Gambia	Hawa Sisay Sabally No 60B Antoumana Faal Street Banjul, The Gambia	
REGISTRARS	Universal Merchant Bank Limited 123 Sethi Plaza, Adabraka, Accra, Ghana		
BANKERS	BMCE Bank International France	GCB Bank Ghana	
	Bank of Beirut London	Ghana International Bank UK	
	Central Bank of The Gambia The Gambia	Skandinaviska Ensklilda Banken Sweden	
	BMCE Bank International London	Unicredit Italy	
	Ecobank Senegal	Aktif Yatirim Bank Turkey	
	Afrexim Bank Egypt	Zhejiang Chouzhou Bank China	

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements of the Bank and its subsidiary (The Group) for the year ended 31 December 2023.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view of Trust Bank, comprising the statements of financial position at 31 December 2023 and the statements of comprehensive income, changes in equity and cashflows for the year then ended and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 2013 and the Banking Act 2009. In addition, the Directors are responsible for the preparation of the Directors' report.

The Directors are also responsible for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the ability of the Bank and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

The Auditor is responsible for reporting on whether the consolidated and separate financial statements give a true and fair view in accordance with the applicable financial reporting framework.

PRINCIPAL ACTIVITIES OF THE COMPANY

The company provides commercial banking services to the general public in accordance with the regulations of the Central Bank of The Gambia and the Banking Act 2009. It also engages in the business of local and international money transfer through its wholly owned subsidiary, Bayba Financial Services Ltd.

The Bank's mission is to be the leading bank in The Gambia by operating a profitable banking institution, which meets the needs of all local, international, corporate and individual clients and returns excellent results to its shareholders. The Bank is a direct and indirect economic contributor with relationships with external stakeholders and partners, suppliers, government bodies and legislators.

The Bank combines innovative products, quality service, responsiveness to social and economic issues and a team of professional and inspired Gambians to fulfill its mission of being the best bank for customers, shareholders and the community at large.

SUBSIDIARIES

Bayba Financial Services Limited, a company incorporated in The Gambia to engage in micro finance and money transfer activities, is a wholly owned subsidiary of the Bank.

RESULTS FOR THE YEAR AND DIVIDENDS

The results of the Group are as detailed in the accompanying financial statements.

The Directors have recommended a final dividend of D0.45 per ordinary share for the year ended 2023. The final dividend of D0.45 per share together with the interim dividend paid of D0.30 per share, gives a total dividend of D0.75 for the year (2022: D0.75).

SIGNIFICANT CHANGES IN FIXED ASSETS

Tangible fixed assets are as detailed in note 20 of the financial statements. There has not been any permanent diminution in the value of the fixed assets.

EMPLOYEES

The number of employees and the costs associated with these employees is as detailed in note 9.

DONATIONS

During the year the company made charitable donations amounting to D4.708M (2022: D4.705M).

RELATED PARTY TRANSACTIONS

The expression related party transaction shall be understood to mean any transfer of resources, services or obligations between related parties whether consideration is stipulated or not. The Bank considers a party to be a related party if:

- the party in question directly or indirectly, through subsidiaries, nominees, a third party or otherwise controls the Bank, is controlled by it or is under joint control;
- holds an equity interest in the Bank that makes it possible to exercise a significant influence over the Bank;
- exercises control over the Bank jointly with other parties;
- is an affiliated company of the Bank;
- is one of the Bank's Directors or Statutory Auditors;
- is one of the Bank's key management personnel;
- is an executive with strategic responsibilities of the Bank or its controlling company;
- is a member of the immediate family of one of the parties listed above

The Governance and Risk Committee is the committee responsible for reviewing related party transactions. Should a circumstance occur in which a committee member were to cease to qualify as independent, cease to be in office or hold an interest with regard to the approval of a transaction reviewed by the committee, the committee member in question shall be replaced with an independent Director designated by the Board of Directors. The Managing Director submits to the committee a report detailing any proposed transactions with related parties and the committee participates in the negotiations and information gathering and makes a recommendation to the Board for approval or otherwise depending on their opinion as to the Bank's interest in executing the transaction and about the transaction's suitability and substantive fairness of the transaction's terms.

During the year, no related party transactions arose other than remuneration and loans transacted for key management personnel as disclosed in Note 30 of the financial statements.

Directors with interest in the shares of the Bank are as disclosed below.

DIRECTORS AND THEIR INTEREST

The Directors who held office during the year are as shown on page 5. The directors retiring by rotation in accordance with Article 98 of the Articles of Association are Mr. Saloum Malang, Mrs. Angela Andrews Njie and Mrs Haddy Sallah . Being eligible, Mr. Saloum Malang, Mrs Angela Andrews Njie and Mrs Haddy Sallah offer themselves for re-election.

The following Directors who held office during the year had beneficial financial interest in the shares of the company as detailed below. There have been no changes between the year end and the date of this report.

		Number of Shares held
	31-Dec-23	31-Dec-22
Mr.Pa M.M Njie (Director up to May 2022)*	**-**	1,236,033
Mrs. Angela Andrews-Njie	**33,333**	33,333
Mr. Franklin Hayford	**14,620**	14,620
	47,953	1,283,986

*Mr. Pa M.M. Njie is still a shareholder but ceased to be a Director in May 2022.

INTERNAL CONTROL SYSTEMS

The Directors have overall responsibility for the Bank's internal control systems and annually review their effectiveness, including a review of financial, operational, compliance and risk management controls.

The implementation and maintenance of the risk management and internal control systems are the responsibility of the Executive Directors and Heads of Department. The systems are designed to manage rather than eliminate risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The Directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational and reputational risk identified by the Group as at the reporting date and found no significant failings or weaknesses during this review.

The Audit , Budget and Recovery Committee is the committee responsible for providing oversight function and consultative links between the External and Internal Auditors and the Board. They meet quarterly with the Internal Auditors and annually with the External Auditors at the end of each external audit to discuss issues arising from the Audit that require the attention of the Board.

AUDITOR

The Audit, Budget & Recovery Committee has responsibility delegated from the Board of Directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor. DT Assocciates were appointed as the Auditors of the bank for the financial year 2023. They do not provide any non audit services.

External auditors are appointed at the Annual General Meeting by the shareholders.

DIRECTORS' PERFORMANCE EVALUATION

The performance and effectiveness of the Board of Directors and its committees are internally assessed to be satisfactory. In compliance with the Central Bank of The Gambia's Guideline 13 issued in January 2023 and the Bank's revised Corporate Governance Charter, an external consultant was recruited to carry out an independent assessment of the performance of the Directors, Board structure and committees, Board meetings and procedures; Board management relations; succession planning and training.Overall, it was noted that the Board of Directors and its committees were operating in an effective manner and performing satisfactorily, with no major issues identified.

PROFESSIONAL DEVELOPMENT AND TRAINING

On appointment to the Board, Directors are provided with an induction which focuses on their key responsibilities, code of ethics, confidentiality and other expectations. Directors received training on Bank's compliance regime, conduct and culture and cyber security

CONFLICT OF INTEREST

The Bank has established appropriate conflict authorization procedures, under which actual or potential conflicts are regularly reviewed and authorizations sought as appropriate. During the year, no such conflicts arose and no such authorizations were sought.

BOARD BALANCE AND INDEPENDENCE

The composition of the Board of Directors and its Committees is regularly reviewed to ensure that the balance and mix of skills, independence, knowledge and experience is maintained. The Board considers the Chairman to be independent. Non Executive Directors are independent as it pertains to the Management of the Company. The continuing independence and objective judgment of the Non-Executive Directors has been confirmed by the Board of Directors. The mix of Non-Executive to Executive Directors is considered sufficient. Out of the nine Board of Directors, seven are Non-Executives.

One of the ways the Board puts in checks and balances is by separating the roles and responsibilities of the Managing Director and the Chairman to ensure that no single individual has an unfettered power or control of the Bank's Board of Directors and Executive Management.

CODE OF ETHICS

The Corporate Governance Charter provides guidelines on ethical standards and values for the board members and the Bank's Service Rules is used as a guide for the non-board members.

The Directors confirm that:

- There is a code of ethics for staff and this has been made available to them;
- There is a code of ethics for Directors and there are no waivers to the code of ethics or the rules governing ethical procedures for the Board.

DETERMINATION OF AND COMPOSITION OF DIRECTORS' REMUNERATION

Remuneration and HR of members of the Board of Directors is determined each year at the Annual General Meeting by shareholders. Board members receive fixed monthly fees Board sitting allowances for sittings which they attend as well as annual bonuses.

Executive Management's remuneration is determined by the Remuneration and HR Committee which comprises of four board members. The remuneration and HR committee is responsible for advising the Board on the overall remuneration policies to be applied within the Bank. Promotions are merit-based, prioritizing both strong job performance and the skills and qualifications necessary for the desired role.

TYPE AND DUTIES OF OUTSIDE BOARD AND MANAGEMENT POSITIONS

Although the board charter or regulation within the jurisdiction of the country does not limit the number of outside board positions that one can hold, the following members held more than one position. The board governance committee does not feel that this will hamper their effectiveness and performance:

- Mr. Franklin Hayford is an Executive Director of Databank Financial Services Ltd. He is in addition a Director of Databank Securities Limited and a Director at Ghana Reinsurance Co. Ltd, He is also a Director at Insurance Company of Africa [Liberia], Grace Strategic Ventures Ltd and Rhun Palm Consult Ltd.
- Mrs. Angela Andrews Njie is a Co-founder, Director and Company Secretary of West African Tours Ltd ,She also served as Executive Board Member of the Chamber of Commerce and Industry in The Gambia.
- Mr. Saloum Malang is the Managing Director of Social Security and Housing Finance Corporation and a Board member of Gambia Transport Service Company (GTSC), Gambia Food and Feed Industry (GFFI), West Africa Leisure Group (WALG).
- Mr. Ansumana LN Touray is a Director on the Board of Bayba Financial Services.
- Mrs. Haddy Sallah is a board member of West African Leisure Group (WALG), Gambia Food and Feed Industries (GFFI) and the Board Chair of Gam-Petroleum Storage Company LTD
- Mr. Katakyie Ofori-Atta is a Director only on the Trust Bank Board
- Mrs. Njilan Senghore sits on the Boards of Royal Insurance Co. Ltd, GamSwitch Company Limited, Bayba Financial services Ltd and International Bank of Liberia Ltd.
- Mr. Omar Mboob sits on the Board of Bayba Financial Services and Enterprise Life Assurance Company (Gambia)
- Mr. Jallow is the Chairman of the Financial Reporting Oversight Board (FROB) and a Director at PCAM Brokers Company Ltd.

Qualifications, biographical information and ages of Directors can be found on the published annual report of the Group.

RISK MANAGEMENT OBJECTIVES, SYSTEM AND ACTIVITIES

Risk is at the heart of the Bank's strategy. The risk management objectives of the bank include the establishment of systems, processes and structures with a view to ensuring that risks relating to general banking, both locally and internationally are well managed. This involves the establishment of all relevant arrangements and protocols to ensure that the occurrence of all the associated risks are either eliminated or minimized as much as possible.
The bank's comprehensive compliance and risk policy proactively identifies and manages potential issues, ensuring adherence to regulations and safeguarding the company's interests. While we maintain a strong record of compliance, our policy addresses key remaining foreseeable risks, including correspondent banking and credit risk.

The Risk overview on pages 65 to 67 provides a summary of risk management within the Group. It highlights a brief overview of the Group's Risk Management Framework, the potential risks and impacts arising from the external environment and the principal risks faced by the Group and key mitigating actions.
The Risk Department, which reports to the Board Governance and Risk Subcommittee, has Risk Management policy manuals which provide an in-depth picture of how risk is managed within the Group, detailing emerging risk, risk governance, risk appetite, stress testing approach and a full analysis of the primary risk categories and how risks are identified, managed, mitigated and monitored.

CORPORATE RESPONSIBILITIES AND COMPLIANCE

The Bank's policy is to invest in local communities throughout the Country to help them prosper economically and build social cohesion. The Bank's support for local communities focuses on education, health, sports and natural disasters. A detailed report of the Bank's Corporate Social Responsibility (CSR) initiatives can be found in the Chairman's statement.
The Bank's CSR activities are not merely of charitable nature, but they also contribute to its positive image, to increased employee and customer satisfaction as well as other factors that need to be taken into account when measuring business success and sustainability.

CORPORATE GOVERNANCE

The Bank is committed to strong corporate governance practices that allocate rights and responsibilities among the Bank's shareholders, the Board and Executive Management to provide for effective oversight and management of the Bank in a manner that enhances shareholder value.

The Bank's corporate governance principles are contained in a number of corporate documents, including the Bank's regulations, the Board Charter, the Staff Service Rules and other policies issued from time to time.

ROLE OF THE BOARD

The Bank has a board that is comprised of Directors with the right mix of skills and experience to set the Bank's strategy, oversee its delivery and establish the Bank's culture, values and standards. It is the Board's responsibility to manage risk effectively, monitor financial performance and reporting and ensure that effective policies are in place. There is a formal schedule of matters reserved for the board of Directors, including approval of the Bank's annual budget and business plan, the Bank's strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, treasury policies, the financial statements, the Bank's dividend policy, transactions involving the issue or purchase of the Bank's shares, borrowing powers, appointments to the Board, alterations to the memorandum and articles of association, legal actions brought by or against the Bank and the scope of delegation to Board committees, subsidiary boards and management committees. Responsibility for the development of policy and strategy and operational management is delegated to the Executive Directors and Management, which as at the date of this report includes two (2) Executive Directors and eight (8) Heads of Department.

The company's board consists of nine members, seven of whom are non executive Directors. The board meets every quarter to review strategic matters relating to the operations of the Bank.

Board committee members are appointed by the Board. Each Board committee has its own written terms of reference, duties and authorities as determined by the Board.

Governance and Risk Committee

The corporate governance and Risk sub committee examines all compliance issues with both local and international legislation, regulations and best practices which impact on the bank. Its duties are to:

- To advise the Board on Risk and Capital Management related issues;
- To establish, review and recommend the Bank's risk appetite o the Board as well as assessing the appropriateness of the strategy with respect to risk appetites;
- To review and maintain an adequate Risk Management Framework, including risk policies;
- To review risk reports and monitor the Bank's risk exposures;
- To provide oversight of risk management activities;
- To monitor and advise on the adequacy of Asset and Liability Management and Capital Management processes;
- Review the effectiveness of conflict of interest and related party policies, guidelines and procedures and report its findings to the Board annually;
- Receive reports of, investigate, discuss and make recommendations in respect of breaches or suspected breaches of ethical standards and values as contained in the Bank's Charter;
- Review annually and recommend changes to the composition of the Board when warranted;
- Review annually and recommend changes to the Terms of Reference for all Board Sub Committees;
- Recommend to the Board any reports or activities on Corporate Governance that may be required or considered advisable;
- Review reports from Management on governance best practice and the Trust Bank Board's performance and practices compared to those standards;
- Assess the needs of the Board and Board committees regularly in terms of frequency of meetings, meeting agendas, reports, information and the conduct of all such meetings.
- Ensure that evaluations of the Board and Sub Committees are carried out, results reviewed and recommendations made to ensure continued effectiveness of the Board.
- Review the Directors' and Chairperson's compensation at least every two years and recommend changes to the Board when warranted.

The members of the committee are as follows:

❑	Mr. Abdoulie Jallow	*Chairperson*
❑	Mr.Saloum Malang	*Member*
❑	Mr. Ansumana L.N. Touray	*Member*
❑	Mrs. Angela Andrews-Njie	*Member*
❑	Ms. Njilan Sengore	*Member*
❑	Mr.Omar Mboob	*Member*

Audit, Budget and Recovery Committee

The Committee carries out the duties set out below, giving full consideration to relevant laws and regulations and best practices in discharging its responsibilities:

- Reviewing the Quarterly and Annual Financial Statements with Management, including major issues regarding accounting and audit principles and practices and also the adequacy of internal controls;
- Approving the Internal Audit plans, monitoring and reviewing the effectiveness of the Bank's internal controls and Internal Audit function;
- Recommending the appointment of External Auditors and overseeing the external audit process and resolution of all issues of concern raised by the Auditors;
- In Consultation with the External Auditors and the Internal Audit Department, review the integrity of the Bank's financial reporting process;
- Consider the External Auditors' recommendations on the quality and appropriateness of the Bank's accounting principles as reflected in its financial reporting;
- Meet periodically with Management to review the Bank's major financial risk exposures and steps Management has taken to monitor and control such exposures;
- Overseeing the compliance function to ensure adherence to applicable laws and operating standards including Anti-Money Laundering and Terrorism Financing regulations;
- Reviewing the adequacy and security of the Bank's assets and employees to raise concerns about any possible wrongdoing in all matters.
- Review the Bank's annual budget and ensure Management's compliance with its implementation while also reviewing significant variances and seeking for explanations where necessary.

The members of the committee are as follows:

❑	Mr. Ansumana L.N. Touray	*Chairperson*
❑	Mrs. Angela Andrews-Njie	*Member*
❑	Mr. Franklin Hayford	*Member*
❑	Mrs. Haddy Sallah	*Member*
❑	Mr. Abdoulie Jallow	*Member*

Strategy Committee

The Strategic Committee is responsible for developing and overseeing the Bank's long-term strategic plan.

The Bank is implementing a strategy across the four strategic pillars aligned to its purpose, values and ambition.

Trust Bank is committed to maintaining its position as a leading commercial bank in The Gambia. This strategic plan outlines our key focus areas for the next 2 years (2024-2026) and builds upon our strengths in financial inclusion, customer service, and innovation. We aim to achieve sustainable growth by:

- Expanding financial access through a focus on digital banking solutions and agency banking models.
- Enhancing customer experience by leveraging technology to provide personalized services and efficient banking products.
- Driving operational excellence to improve efficiency, optimize costs, and manage risk effectively.
- Supporting economic development by actively participating in key sectors and fostering entrepreneurship.

Strategic Focus Areas

1. **Financial Inclusion:**
   - Increase access to financial services for unbanked and underbanked segments through mobile banking, agency banking, and microfinance initiatives.
   - Develop innovative financial products and services tailored to meet the needs of underserved communities.
   - Partner with government agencies to promote financial literacy and inclusion programs.

2. **Customer Centricity:**
   - Invest in digital banking technologies to provide convenient, 24/7 access to banking services.
   - Implement a customer relationship management (CRM) system to personalize banking experiences and enhance customer satisfacti
   - Offer a diverse range of competitive financial products and services catering to individual, SME, and corporate clients.

3. **Operational Excellence:**
   - Optimize internal processes and workflows to improve efficiency and reduce turnaround times.
   - Leverage data analytics to identify cost-saving opportunities and make informed business decisions.
   - Continuously invest in employee training and development to maintain a skilled and motivated workforce.

4. **Supporting Economic Growth:**
   - Provide financial solutions to support key sectors of the Gambian economy, such as agriculture, tourism, and infrastructure development.
   - Develop programs for small and medium-sized enterprises (SMEs) to facilitate access to credit and financial advisory services.
   - Partner with local businesses to create a strong and sustainable economic ecosystem.

This committee gives strategic direction for the attainment of the Group's corporate vision and objectives aimed at maximizing shareholder value through growth and development. Its duties are:

- To integrate the outputs from the different activities of the Bank and suggest strategic priorities and specific objectives to follow;
- To evaluate outputs, outcomes and impacts of the various strategies adopted by the Bank and make recommendations for improvement and/or change as and when necessary;
- To integrate input from the industry, market and environment and make recommendations to the Board on proactive activities to advance the strategic objectives of the Bank;
- To direct research and development and make use of the results to identify any gaps, opportunities, strengths and weaknesses and recommend changes to the Bank's strategy;

The members of the committee are as follows:

Mrs. Angela Andrews-Njie	*Chairperson*
Mr. Franklin Hayford	*Member*
Ms. Njilan Senghore	*Member*
Mr. Ansumana L.N. Touray	*Member*
Mr.Omar Mboob	*Member*
Mr.Saloum Malang	*Member*
Mrs.Haddy Sallah	*Member*
Mr. Abdoulie Jallow	*Member*
Mr. Katakyie Ofori-Atta	*Member*

Remuneration/ Human Resource Committee

This committee has the responsibility to determine the remuneration of Executive Management and set criteria for determining general staff remuneration. Its duties are:

- To recommend to the Board a policy and structure for remuneration of all staff;
- To review and approve, each year, the staff salaries, allowances and benefits in kind proposed in the budget for all staff;
- To ensure compliance with all contractual terms and legal issues affecting all categories of staff. This also entails ensuring that the Bank is at all times in compliance with the Labour and other relevant Acts;
- To act as Trustees of the Employee Share Ownership Trust (ESOT) of the Bank;
- To examine and approve such matters in the field of remuneration, contract terms and employment matters as the Board may delegate from time to time.
- To advise the Board on the Bank's planning of its building infrastructure projects;
- To make recommendations to the Board on the plans and program of construction for building projects, including additions and/or alterations to existing buildings;
- To make recommendations on the acquisition and disposal of freehold and leasehold property;
- To make recommendations to the Board on the program for the repair and maintenance of the Bank's buildings.

The members of the committee are as follows:

Mrs. Angela Andrews-Njie	*Chairperson*
Mr. Franklin Hayford	*Member*
Ms. Njilan Senghore	*Member*
Mr.Omar Mboob	*Member*
Mr.Saloum Malang	*Member*
Mr. Katakyie Ofori-Atta	*Member*

Infrastructure & Information Technology Committee

This committee has the responsibility to determine the IT Administrative issues of the Bank and set criteria for determining admin and IT issues. Its duties are:

- To advise the Bank on the planning of its building infrastructure projects;
- To approve on behalf of the Bank the plans and program of construction for building projects, including additions and/or alterations to existing buildings;
- To approve on behalf of the Bank the acquisition and disposal of freehold and leasehold property
- To approve, on behalf of the Bank, the program for the repair and maintenance of Bank buildings. In cases where a major problem or priority arises in respect of such repair and maintenance, the Building Committee will make recommendations to the Board.
- To advise the Board on Information Technology matters and on emerging risks connected thereto.
- The Committee is responsible for all information technology related matters;
- Exercise efficient oversight on security concerns relating to information technology

The members of the committee are as follows:

Mr.Saloum Malang	*Chairperson*
Mr. Franklin Hayford	*Member*
Mr. Ansumana L.N. Touray	*Member*
Ms. Njilan Senghore	*Member*
Mr.Omar Mboob	*Member*
Mr. Katakyie Ofori-Atta	*Member*

Nomination & Evaluation Committee

- Regularly review the structure, size, composition (including the skills, knowledge, experience, diversity and length of service) of the Board as a whole and recommend changes to the Board;
- Give full consideration to succession planning for Directors and Senior Management, including overseeing the development of a diverse pipeline for succession, taking into account the challenges and opportunities, strategic and commercial issues facing the Company and the markets in which it operates and the skills and expertise needed on the board in the future;
- Keep under review the leadership needs of the organization, both executive and non-executive, to ensure that the organization can continue to compete effectively in the marketplace;
- Be responsible for identifying and nominating to the Board, candidates to fill Board vacancies as and when they arise;
- For the appointment of a Chairman, prepare a job specification, including the time commitment expected. A proposed Chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the Chairman's commitments should be approved by the Board prior to acceptance or otherwise
- As part of the process for nominating candidates for appointment, obtain details of and review any interests the candidate may have which conflict or may conflict with the interests of the Company, including those resulting from significant shareholdings and ensure that the influence of third parties does not compromise or override independent judgement. The Committee must consider whether despite any such conflict, there are nevertheless grounds for recommending the candidate for appointment and for the Board to authorise the relevant conflict;
- Ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;
- Consult with the Chief Executive Officer in relation to the appointment and dismissal of Senior Management, excluding the Company Secretary;
- Make recommendations to the Board concerning: -
  - Formulating plans for succession for both Executive and Non-Executive Directors and in particular for the key roles of Chairman and Chief Executive Officer;
  - Ø Suitable candidates for the role of Senior Independent Director;
  - The re-appointment of any Non-Executive Director at the end of their term of office, having considered their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required
  - Ø The annual re-election by shareholders of Directors in accordance with the Company's Articles of Association, having considered their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required, why their contribution is, and continues to be, important to the Company's long-term sustainable success and the need for progressive refreshing of the Board;
  - Ø Any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of the law and their service
  - Ø Make recommendations to the Chairman and Chief Executive concerning formulating plans for succession for the Executive Team.

The members of the committee are as follows:

❑	Mr. Abdoulie Jallow	*Chairperson*
❑	Mr. Franklin Hayford	*Member*
❑	Mr. Saloum Malang	*Member*
❑	Mrs Haddy Sallah	*Member*

Going concern

Directors has made an assessment of the group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, directors are not aware of any material uncertainties that may cast significant doubt upon the entity's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

AUDITORS

The auditors, DT Associates, will retire at the forthcoming Annual General Meeting. A resolution for the appointment of PKF will be proposed at that meeting.

By order of the Board of Directors
Company Secretary

Date:…31st May…….2024

Independent Auditors' Report

Report on the Audit of the Consolidated Financial Statements

To the shareholders of Trust Bank Group

Opinion

We have audited the consolidated financial statements of Trust Bank and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position as at 31 December 2023 and statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of 2013 and the Banking Act, 2009.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with other ethical requirements that are relevant to our audit of the financial statements in The Gambia and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

IFRS 9 Impairment As described in note three (3) to the financial statements, the impairment losses have been determined in accordance with IFRS 9 Financial . The interpretation of the requirements to determine impairment under application of IFRS 9, reflected in the Bank's expected credit loss model.	In assessing impairment reserve, we performed the following procedures: We gained understanding of the Bank's key credit processes comprising granting, booking, monitoring and provisioning.We read the Bank's IFRS 9 based impairment provisioning policy and compared it with the requirements of IFRS 9; We assessed the modeling techniques and methodology against the requirements of IFRS 9.

· The identification of exposures with a significant deterioration in credit quality · Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows and forward-looking macroeconomic factors (e.g. unemployment rates, interest rates, gross · The need to apply additional overlays to reflect current or future external factors that are not appropriately captured by the expected credit loss model.	We checked and understood the key data sources and assumptions for data used in the Expected Credit Loss (ECL) models used by the Bank to determine impairment provisions. We examined a sample of exposures and performed procedures to evaluate the: · Data used to determine the impairment reserve, including transactional data captured at loan origination, ongoing internal credit quality assessments and interfaces to the expected credit loss model; · Expected credit loss model, including the models developed and approval, ongoing monitoring/validation, model governance and mathematical accuracy; · We checked the appropriateness of the Bank's staging; · Basis for and data used to determine overlays; · For Probability of Default (PD) used in the ECL calculations we checked the Through the Cycle (TTC) PDs calculation and checked the appropriateness of conversion of the TTC PDs to point in time (PIT) PDs; · We checked the appropriateness of determining Exposure at Default, including the consideration of prepayments and repayments in the cash flows and the resultant arithmetical calculations; · We checked the calculation of the Loss Given Default (LGD) used by the Bank in the ECL calculations, including the appropriateness of the use of collateral and the resultant arithmetical calculations; · For forward looking assumptions used by the Bank's management in its ECL calculations, we held discussions with management and corroborated the assumptions using publicly available information; · We checked the completeness of loans and advances, off balance sheet items, investment securities, placements and other financial assets included in the ECL calculations; Other key modeling assumptions adopted by the Bank; and We then challenged the appropriateness of the models and management assumptions included in the ECL calculations. We also performed procedures to ensure the competence, objectivity and independence of the Bank's consultant.

	We involved our credit specialists in areas that required specific expertise (i.e. data reliability and the expected credit loss model). We checked the appropriateness of the opening balance adjustments and assessed the accuracy of the disclosures in the financial statements. We found that the assumptions used by management were comparable with historical performance and have been assessed as reasonable. We considered the disclosure of loan impairment to be appropriate and adequate. We further assessed also as appropriate the classifications of the Bank's loans and advances in accordance with Central Bank of The Gambia, prudential guidelines and the transfer of any excess provision over the IFRS computed provisions to the regulatory credit risk reserve.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's Statement, Directors' Report, Audit Committee's Report, Corporate Governance report, Internal Control and Risk Management systems report. The other information does not include the financial statements and our report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2013, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

We also provide those charged with governance a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits derivable by the public from such communication.

The engagement partner on the audit resulting in this independent auditor's report is Aji Penda Sankareh.

DT Associates
Chartered Accountants
Registered Auditors

Date: 2024

Consolidated Statement of comprehensive income
For the year ended 31 December 2023

	Notes	**The Group** 31-Dec-23 D'000	The Group 31-Dec-22 D'000	**The Bank** 31-Dec-23 D'000	The Bank 31-Dec-22 D'000
Interest and similar income	*5*	**819,881**	666,311	**798,876**	652,133
Interest and similar expense	*5 & 19*	**(102,655)**	(46,798)	**(100,875)**	(45,594)
Net Interest Income		**717,226**	619,513	**698,001**	606,539
Fees and commission income	*6*	**214,368**	212,454	**210,275**	207,945
Fees and commission expense	*6*	**(10,265)**	(12,501)	**(10,265)**	(12,501)
Net fee and commission income		**204,103**	199,953	**200,010**	195,444
Net trading income	*7*	**54,737**	87,278	**37,548**	62,395
Other operating income	*8*	**47,254**	45,183	**42,499**	44,258
Operating income		**1,023,320**	951,927	**978,058**	908,636
Net impairment loss on financial asset	*16*	**(7,253)**	(36,993)	**(6,118)**	(36,810)
Personnel expenses	*9*	**(285,634)**	(253,597)	**(261,326)**	(232,937)
Depreciation and amortization	*20*	**(76,470)**	(74,570)	**(72,381)**	(70,511)
Depreciation of Right-of-Use	*19*	**(2,104)**	(1,082)	**(2,104)**	(1,082)
Other expenses	*10*	**(287,854)**	(238,969)	**(262,738)**	(224,426)
		(659,315)	(605,211)	**(604,667)**	(565,766)
Profit before income tax		**364,005**	346,716	**373,391**	342,870
Income tax expense	*11*	**(105,097)**	(98,159)	**(104,193)**	(96,998)
Profit for the year		**258,908**	248,557	**269,198**	245,872
Other comprehensive income, net of income tax					
Items that will not be reclassified to profit or loss:		-	-	-	-
Net gain on fair value equity intructment at FVOCI	*18a*	**21,113**	2,644	**24,455**	6,881
		-	-	-	-
Other comprehensive income for the year		**21,113**	2,644	**24,455**	6,881
Total comprehensive income for the year		**280,021**	251,201	**293,653**	252,753
Profit attributable to:					
Controlling equity holders of the Bank/Group		**258,908**	248,557	**269,198**	245,872
Non controlling interest		-	0	-	-
Profit for the year		**258,908**	248,557	**269,198**	245,872
Total comprehensive income attributable to:					
Controlling equity holders of the Bank/Group		**258,908**	251,201	**269,198**	245,872
Non controlling interest		-	-	-	-
Total comprehensive income for the year		**258,908**	251,201	**269,198**	245,872
Basic/diluted earnings per share (Bututs)	*12*	**129**	124	**135**	123

The accompanying notes are an integral part of the financial statements

Consolidated Statement of financial position
As at 31 December 2023

		The Group		The Bank	
		31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	Notes	**D'000**	D'000	**D'000**	D'000
ASSETS					
Cash and cash equivalents	*14*	**3,365,462**	2,817,104	**3,350,153**	2,801,255
Financial assets at amortised cost	*15*	**2,518,783**	2,023,784	**2,498,783**	2,005,034
Loans and advances to customers	*16*	**4,331,265**	4,537,463	**4,240,747**	4,468,270
Investment in subsidiary	*17*	**-**	-	**78,455**	75,113
Investment in other equity securiti	*18*	**140,462**	119,349	**140,462**	119,349
Property, plant and equipment	*20a*	**945,328**	820,539	**932,498**	807,154
Right-of-Use Assets	*19*	**16,994**	4,145	**16,994**	4,145
Intangible assets	*20b*	**54,242**	46,440	**50,385**	42,583
Deferred tax	*21*	**10,653**	11,553	**10,653**	11,553
Other assets	*22*	**155,122**	106,991	**129,048**	84,316
TOTAL ASSETS		**11,538,311**	10,487,368	**11,448,178**	10,418,772
LIABILITIES					
Deposits from Banks	*23*	**4,342**	4,015	**4,342**	4,015
Deposits from Customers	*24*	**10,048,656**	9,176,477	**9,958,960**	9,120,509
Current tax	*11*	**18,879**	5,559	**19,026**	5,779
Employee benefit obligations		**2,617**	1,252	**2,617**	1,252
Finance Lease Liabiliies	*19*	**3,820**	3,441	**3,820**	3,441
Other liabilities	*25*	**106,106**	104,170	**91,887**	89,904
Total liabilities		**10,184,420**	9,294,914	**10,080,652**	9,224,900
EQUITY					
Stated capital	*26*	**200,000**	200,000	**200,000**	200,000
Income surplus	*26*	**288,134**	215,109	**245,118**	179,376
Statutory reserves	*26*	**399,987**	332,688	**399,988**	332,688
Credit Risk reserve	*26*	**-**	-	**26,694**	10,538
Revaluation reserve	*26*	**385,401**	385,401	**385,401**	385,401
Equity revaluation reserve	*26*	**80,369**	59,256	**110,324**	85,869
Total equity attributable to equity holders of the Group		**1,353,891**	1,192,454	**1,367,525**	1,193,872
Non Controlling interest		-	-	-	-
TOTAL LIABILITIES AND EQUITY		**11,538,312**	10,487,368	**11,448,178**	10,418,772

These financial statements were approved by the Board of Directors on ……31st May……. 2024, and were signed on its behalf by:

…………………………. ***Chairperson*** …………………………. ***Managing Director***

…………………………. ***Director*** …………………………. ***Secretary***

The accompanying notes are an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

The Bank	Attributable to equity holders of the Bank						
	Stated capital D'000	Statutory reserve D'000	Credit risk reserve D'000	Revaluation reserve D'000	Equity Revaluation reserve D'000	Income surplus D'000	Total equity D'000
At 1 January 2022	200,000	295,854	10,203	385,401	78,988	120,982	**1,091,428**
Net income for the year	-	-	-	-	-	245,563	**245,563**
Transfer from credit risk reserve	-	-	335	-	-	(335)	-
Transfer to statutory reserve	-	36,834	-	-	-	(36,834)	-
Revaluation on Equity investment	-	-	-	-	6,881	-	**6,881**
Dividend paid to equity holders	-	-	-	-	-	(150,000)	**(150,000)**
Revaluation on PPE	-	-	-	-	-	-	-
Balance At 31 December 2022	**200,000**	**332,688**	**10,538**	**385,401**	**85,869**	**179,376**	**1,193,872**
Net income for the year	-	-	-	-	-	269,198	**269,198**
Transfer from credit risk reserve	-	-	16,156	-	-	(16,156)	-
Transfer to statutory reserve	-	67,299	-	-	-	(67,299)	-
Dividend paid to equity holders	-	-	-	-	-	(120,000)	**(120,000)**
Revaluation on Equity investment	-	-	-	-	24,455	-	**24,455**
At 31 December 2023	**200,000**	**399,988**	**26,694**	**385,401**	**110,324**	**245,118**	**1,367,525**

The accompanying notes are an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

The Group	**Attributable to equity holders of the Group**					
	Stated capital D'000	**Statutory reserve D'000**	**Revaluation reserve D'000**	**Equity Revaluation reserve D'000**	**Income surplus D'000**	**Total equity D'000**
At 1 January 2022	200,000	295,854	385,401	56,612	153,644	**1,091,511**
Net income for the year	-	-	-	-	248,248	**248,248**
Transfer from credit risk reserve	-	-	-	-	-	**-**
Transfer to statutory reserve	-	36,834	-	-	(36,834)	**-**
Transfer to retained earnings	-	-	-	-	-	**-**
Dividend paid/returned to equity holders	-	-	-	-	(149,949)	**(149,949)**
Revaluation on Equity investment	-	-	-	2,644	-	**2,644**
Post acquisition NCI	-	-	-	-	-	**-**
						-
At 31 December 2022	200,000	332,688	385,401	59,256	215,109	**1,192,454**
Net income for the year	-	-	-	-	258,908	**258,908**
Transfer to statutory reserve	-	67,299	-	-	(67,299)	**-**
Dividend paid/returned to equity holders	-	-	-	-	(118,584)	**(118,584)**
Revaluation on Equity investment	-	-	-	21,113	-	**21,113**
At 31 December 2023	**200,000**	**399,987**	**385,401**	**80,369**	**288,134**	**1,353,891**

The accompanying notes are an integral part of the financial statements

Consolidated Statement of cashflows
For the year ended 31 December 2023

		The Group		The Bank	
		31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	Notes	**D'000**	D'000	**D'000**	D'000
CASHFLOWS FROM OPERATING ACTIVITIES					
Profit for the year before taxes		**364,005**	346,716	**373,391**	342,870
Adjustments to reconcile profit before taxes to net cash provided by operating activities:					
Depreciation and amortization	*19,20*	**78,574**	75,652	**74,485**	71,593
Net impairment gain on financial assets	*16*	**7,253**	36,993	**6,118**	36,810
Net interest income		**(717,226)**	(619,513)	**(698,001)**	(606,539)
Profit on sale of assets		**(498)**	(839)	**(498)**	(839)
Fair value gain on subsidiary		**-**	-	**(3,342)**	-
Fixed assets written off		**543**	4,195	**543**	4,195
		(267,349)	(156,796)	**(247,304)**	(151,910)
Changes in trading assets		**(495,000)**	986,179	**(493,749)**	1,004,929
Changes in loans and advances to customers		**198,945**	(2,277,998)	**221,405**	(2,234,038)
Changes in other assets		**(48,131)**	167,242	**(44,732)**	147,444
Changes in deposits from banks		**327**	(22,969)	**327**	(22,969)
Changes in deposits from customers		**872,179**	329,466	**838,451**	313,284
Changes in other liabilities and provisions		**3,301**	(62,296)	**3,348**	(37,794)
		264,272	(1,037,172)	**277,746**	(981,054)
Interest and dividends received		**819,881**	666,311	**798,876**	652,133
Interest paid		**(102,276)**	(46,456)	**(100,496)**	(45,252)
Income tax paid		**(90,877)**	(91,547)	**(90,046)**	(90,000)
Net cash used in operating activities		**891,000**	(508,864)	**886,080**	(464,173)
CASHFLOWS FROM INVESTING ACTIVITIES					
changes of investment securities		**-**	-	**3,342**	(15,000)
Addition of ROU		**(14,952)**	-	**(14,952)**	-
Purchase of property and equipment	*20*	**(187,219)**	(84,360)	**(182,303)**	(80,017)
Proceeds from the sale of property/ equipment		**1,880**	1,631	**498**	1,631
Purchase of intangible assets	*20*	**(23,767)**	(5,541)	**(23,767)**	(5,541)
Net cash used in investing activities		**(224,058)**	(88,270)	**(217,182)**	(98,927)
CASHFLOWS FROM FINANCING ACTIVITIES					
Dividends paid		**(118,584)**	(149,949)	**(120,000)**	(150,000)
Net cash used in investing activities		**(118,584)**	(149,949)	**(120,000)**	(150,000)
NET INCREASE IN CASH/ CASH EQUIVALENTS		**548,358**	(747,083)	**548,898**	(713,100)
Cash and cash equivalents at beginning of the year		**2,817,104**	3,564,187	**2,801,255**	3,514,355
CASH/CASH EQUIVALENTS AT 31 DECEMBER 2023		**3,365,462**	2,817,104	**3,350,153**	2,801,255

The accompanying notes are an integral part of the financial statements

1. Reporting entity

Trust Bank PLC ("the Bank") was established in July 1997 and is domiciled in The Gambia. The address of the Bank's registered office is: 3-4 ECOWAS Avenue, Banjul, The Gambia.

The principal activities of the Bank are as follows:

- receiving deposits;
- provision of loans;
- system of payments and clearing;
- dealing in financial instruments of the money market in the Gambia and in foreign currencies exchange services;
- managing clients' receivables and securities on clients' accounts including consulting service (portfolio management);
- providing banking information;
- performing mortgage activities;

Operating income was mainly generated from the provision of banking services in The Gambia. The Bank considers that its products and services arise from one segment of business - the provision of banking and related services.

The Bank's shareholders as a percentage of subscribed registered capital is as follows:

	2023	2022
Social Security & Housing Finance	36.98%	36.98%
Databank	22.12%	22.12%
Others	40.90%	40.90%

The Bank's ordinary shares are publicly traded on the Ghana Stock Exchange.

The Bank performs its activities in the Gambia through its 18 branches as follows:

- Banjul
- Bakau
- Westfield
- Kololi
- Bundung
- Yundum
- Brikama
- Farafenni
- Sinchu
- Basse
- Soma
- Bakoteh
- Lamin
- Barra
- Latrikunda
- Serrekunda Saho kunda
- Serrekunda Market
- Brusubi

The consolidated financial statements of the Group as at and for the year ended 31st December, 2023 comprise the Bank and its subsidiary (together referred to as the "Group"). The Group primarily is involved in Corporate and Retail Banking. It also engages in local and international money transfers through its subsidiary.

2. Basis of preparation

2.1 Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by International Accounting standards board (IASB) and current interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") .

Additional information required under the Companies Act (2013) and the Banking Act (2009) have been included, where appropriate.

The financial statements were approved by the Board of Directors o on 31st May 2024

2.2 Basis of measurement

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

- financial instruments at fair value through profit or loss are measured at fair value;
- financial instruments held fair value through other comprehensive income are measured at fair value;
- Non current assets whose markets values can be reliably measured at reporting dates.

2.3 Functional and presentation currency

The financial statements are presented in Dalasi currency which represents the functional currency of the Bank, being the currency of the economic environment in which the Bank operates. The financial statements are rounded to the nearest thousand.

2.4 Use of estimates and judgments

The presentation of financial statements in conformity with IFRS requires the preparation of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and future changes in the economic conditions, business strategies, regulatory requirements, accounting rules or/and other factors could subsequently result in a change in estimates that could have a material impact on the reported financial position and results of operations. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

• **Business model assessment**: Classification and measurement of financial assets depends on the results of the SPPI and the business model test (as shown in the financial assets sections of note 16). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

•**Significant increase of credit risk**: Expected Credit Loss (ECL) are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

• **Establishing groups of assets with similar credit risk characteristics:** When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics of the characterics considered in this judgement. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

- **Models and assumptions used**: The Group uses various assumptions eg GDP growth , interest rate movements etc in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk

- Provisioning for expected credit losses and identified contingencies involve many uncertainties about the outcome of those risks and require the management of the Bank to make many subjective judgments in estimating the loss amounts.

- The income taxes rules and regulations have recently experienced significant changes; there is no major historical precedent and interpretation judgment with respect to the extensive and complex issue affecting the banking sector.

The following are key estimations that the directors have used in the process of applying the Group's accounting policies and that could have effect on the amounts recognised in financial statements:

Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and determining the forward looking information relevant to each scenario: When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Probability of default: PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Loss Given Default: LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Fair value measurement and valuation process: In estimating the fair value of a financial asset or a liability, the Group uses market-observable data to the extent it is available. Where such Level 1 inputs are not available the Group uses valuation models to determine the fair value of its financial

3. Significant accounting policies

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

a. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Bank and entities controlled by the Bank (its subsidiary) made up to 31 December each year. Control is achieved when the Bank:

• has the power over the investee;
• is exposed, or has rights, to variable return from its involvement with the investee; and
• has the ability to use its power to affect its returns.

The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Bank has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power, including:

• the size of the Bank's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
• potential voting rights held by the Bank, other vote holders or other parties;
• rights arising from other contractual arrangements; and

• any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings

Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated profit or loss account from the date the Bank gains control until the date when the Bank ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the owners of the Bank and to the non-controlling interests (NCI). Total comprehensive income of the subsidiaries is attributed to the owners of the Bank and to the NCI even if this results in the NCI having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.
All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation, with the exception of foreign currency gains and losses on intragroup monetary items denominated in a foreign currency of at least one of the parties.

NCI in subsidiary are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the NCI's proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other NCI are initially measured at fair value. Subsequent to acquisition, the carrying amount of NCI is the amount of those interests at initial recognition plus the NCI's share of subsequent changes in equity.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the NCI are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the NCI are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Bank.

When the Group loses control of a subsidiary, the gain/loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any NCI. All amounts previously recognised in OCI in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

b. Foreign currency

(i) Foreign currency transactions

For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in Gambian Dalasis (GMD) which is the functional currency of the Bank, and the presentation currency for the consolidated financial statements.

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in

Exchange differences are recognised in profit or loss in the period in which they arise except for:

• exchange differences on transactions entered into to hedge certain foreign currency risks (see below under Derivative financial instruments and Hedge accounting); and

• exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in OCI and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in OCI and accumulated in a separate component of equity (attributed to NCI if appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest become a financial asset), all of the exchange differences accumulated in a separate component of equity in respect of that operation attributable to the owners of the Bank are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to NCI and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

c. Net Interest Income

Interest income and expense for all financial instruments except for those classified as held for trading or those measured or designated as at FVTPL are recognised in 'Net interest income' as 'Interest income' and 'Interest expense' in the profit or loss account using the effective interest method. Interest on financial instruments measured as at FVTPL is included within the fair value movement during the period, see 'Net trading income' and 'Net income from other financial instruments at FVTPL'.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

The interest income/ interest expense is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortised cost of financial liabilities. For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Interest income and expense in the Group's consolidated statement of profit or loss also includes the effective portion of fair value changes of derivatives designated as hedging instruments in cash flow hedges of interest rate risk. For fair value hedges of interest rate risk interest income and expense, the effective portion of fair value changes of the designated derivatives as well as the fair value changes of the designated risk of the hedged item are also included in interest income and expense.

d. Fees and commissions income/expense

Fee and commission income and expense include fees other than those that are an integral part of EIR (see above). The fees included in this part of the Group's consolidated statement of profit or loss include among other things fees charged for servicing a loan, non-utilisation fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement and loan syndication fees.

Fee and commission expenses with regards to services are accounted for as the services are received.

e. Net trading income

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

f. Income tax

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

(i) Current tax

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

(ii) Deferred tax

Deferred income tax is provided, using the balance sheet liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities.

The Bank recognizes corporate income tax and deferred tax on the balance sheet as "Income tax assets" or "Income tax liabilities" as appropriate.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

g. Financial assets

(i) Recognition

Loans and advances are recognized on the date that they are originated. Investments are recognized on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'financial assets at fair value through other comprehensive income(FVTOCI) , financial assets at amortised cost'. The classification depends on the banks business model and contractual cash flow characteristic of the financial assets.

(ii) Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants. The Group has an established forbearance policy which applies for corporate and retail lending.

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers the following:

• Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then;

• A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest. If the difference in present value is greater than 25% the Group deems the arrangement is substantially different leading to derecognition.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originatedcredit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

• the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with

• the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified as part of the Group's forbearance policy, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

(iii) Offsetting

Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the Bank has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

(iv) Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

(v) Financial assets at fair value through profit and loss

This category comprises two sub categories; financial assets classified as held for trading and financial assets designated at fair value through profit or loss upon initial recognition.

Investments in equity instruments are classified as at FVTOC, unless the Group designates an equity investment that is either held for trading or a contingent consideration arising from a business combination as at FVTPL on initial recognition

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if part of a portfolio of identified financial instruments for which there is evidence of recent actual patterns of short term profit taking.

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets.

For all other financial instruments, fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models.

(vi) Impairment of financial assets

The Group recognizes loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

(i) loans and advances to banks(ii)loans and advances to customers; and (iii) financial guarantee contracts issued .No impairment loss is recognized on equity investments.

With the exception of Purchased and Originated Credit Impaired (POCI) financial assets ECLs are required to be measured through a loss allowance at an amount equal to:

12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down; and for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original Effetive Interest Rate (EIR), regardless of whether it is measured on an individual basis or a collective basis.

(vii)Credit impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events: (i) significant financial difficulty of the borrower or issuer; (ii) a breach of contract such as a default or past due events; (iii) the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise considered .

It may not be possible to identify a single discrete event—instead; the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt reporting date. Instruments that are financial assets measured at amortised cost or Fair Value Through Profit or Loss (FVTOCI) are credit-impaired at each reporting date. The definition of default includes unlikeliness to pay indicators and a backstop if are overdue for 90 days or more.

(vii) Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Group; or
- the borrower is unlikely to pay its credit obligations to the Group in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Overdrafts are considered as being past due once the customer has not paid interest on his OD facility for more than three months or has been advised of a limit smaller than the current amount outstanding.

When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status etc. . The Group uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

(ix) Significant increase in credit risk

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience including forward-looking information.

For corporate lending, forward-looking information includes the future prospects of the industries in which the Group's counterparties operate, financial analysts etc. , as well as consideration of various internal and external sources of actual and forecast economic information. For retail, lending forward looking information includes the same economic forecasts as corporate lending with additional forecasts of local economic indicators, including internally generated information of customer payment behavior. The Group allocates its counterparties to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime (Probability of Default) PD by: comparing:

- the remaining lifetime PD at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

The PDs used are forward looking and the Group uses the same methodologies and data used to measure the loss allowance for ECL.

The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. However the Group still considers separately some qualitative factors to assess if credit risk has increased significantly. For corporate lending there is particular focus on assets that are included on a 'watch list' given an exposure is on a watch list once there is a concern that the creditworthiness of the specific counterparty has deteriorated. For retail lending the Group considers the expectation of forbearance and events such as unemployment, bankruptcy or death.

As a back-stop when an asset becomes 30 days past due, the Group considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

(x) Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

(xi) Financial liabilities and equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

(xii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(h) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

(i)Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

• it has been incurred principally for the purpose of repurchasing it in the near term; or

• on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

• it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

• the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

• it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire hybrid (combined) contract to be designated as at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains/losses arising on remeasurement recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'net income from other financial instruments at FVTPL' line item in the profit or loss account.
However, for non-derivative financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

For issued loan commitments and financial guarantee contracts that are designated as at FVTPL all gains and losses are recognised in profit or loss.

In making the determination of whether recognising changes in the liability's credit risk in OCI will create or enlarge an accounting mismatch in profit or loss, the Group assesses whether it expects that the effects of changes in the liability's credit risk will be offset in profit or loss by a change in the fair value of another financial instrument measured at FVTPL. This determination is made at initial recognition.

(ii) Other financial liabilities

Other financial liabilities, including deposits and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(ii) Other financial liabilities

Other financial liabilities, including deposits and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) Derecognition of financial

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

Note 4(h) sets out the amount of each class of financial asset or liability that has been designated at fair value through profit or loss. A description of the basis for each designation is set out in the note for the relevant asset or liability class.

(iv)Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

• the amount of the loss allowance determined in accordance with IFRS 9 with 20% Credit Conversion Factor; and

• the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the Group's revenue recognition policies.

Financial guarantee contracts not designated at FVTPL are presented as provisions on the consolidated statement of financial position and the remeasurement is presented in other revenue.

The Group has not designated any financial guarantee contracts as at FVTPL.

i. Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, balances held with the Central Bank of the Gambia (CBG), including the compulsory minimum cash reserve requirement and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of its short term commitments.

Cash and cash equivalents for the purpose of cash flow statement preparation comprise cash held in local and foreign currencies, local and foreign bank deposits, and cash balances with the Central Bank of The Gambia,T-bills, demand deposits with other banks.

(j) Loan collateral

In terms of handling collateral, the Bank places great emphasis mainly on the valuation and revaluation of real estates, determination of collateral acceptability for the purposes of credit risk mitigation and collateral enforcement, should the client be in default. there was no changes in the bank's collateral policy during the year.

The Bank mainly accepts the following types of collateral:

- Financial collateral,
- Real estates,
- Receivables.

The value of pledged collateral is determined on a case-by-case basis for each type of collateral depending on the type of collateral and transaction, and individual risk characteristics.

k . Property, Plant and Equipment and Right of Use

Land and buildings held for use in the production or supply of goods or services for rental to others (excluding investment properties), or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset. Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

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

Depreciation is determined separately for each category of asset and is charged so as to write off the cost or valuation of the assets (other than land and items under construction) to their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives of property, plant and equipment and intangible fixed assets are as follows:

	Number of Years
Buildings	50
Furniture and equipment	1 to 5
Office	1 to 5
Computer equipment	5
Vehicles	3
Computer software	5
Right to use of Land	99

Residual values and estimated useful lives are assessed on an annual basis. Surpluses or deficits on the disposal of property and equipment are recognised in the income statement. The surplus or deficit is the difference between the net disposal proceeds and the carrying amount of the asset.

Properties in the course of construction for administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Bank's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

i . Lease

The Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

ii . Bank as a lessee

The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented within Note 19 Right-of-use assets and are subject to impairment in line with the Bank's policy as described in Note Impairment of non-financial assets.

Lease
liabilities

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Bank as a lessor

Leases in which the Bank does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(i) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably. The costs of the day to day servicing of property and equipment are recognised in profit or loss as incurred.

(ii) Impairment of property, plant and equipment and intangible assets

At each balance sheet date, the Bank reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in income statement.

l. Intangible Assets

An intangible asset is generally considered as an identifiable non monetary asset without physical substance. It is distinguished from goodwill based on the identifiability concept. It is recognised when future economic benefits will flow to the Group and it can be reliably measured. The useful life may be finite or indefinite depending on the nature and legal framework underpinning the transaction. Impairment assessment is made of all indefinite intangibles at each reporting date and the appropriate adjustments made.

Software license costs are recognized as intangible assets carried at cost less accumulated amortization. Software cost is amortized over a period of 5 years. However, purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Subsequent expenditure on software is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

m. Impairment of non financial assets

The carrying amounts of the Group's non financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of goodwill is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

n. Credit Risk Reserve

This is a reserve created to set aside the shortfalls between amounts recognised as impairment loss on loans and advances based on ECL computation and provisions made for bad and doubtful loans and advances calculated in accordance with IFRS and the Central Bank's prudential guidelines respectively.

o. Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

p. Employee benefits

The Bank operates a defined contribution plan for all employees. Under the plan, fixed contributions are paid into a separate entity and the Bank will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

q. Basic and diluted earnings per share

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

r. Dividend

Dividend revenue from investments is recognised when the shareholder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Bank and the amount of revenue can be measured reliably).

Dividends payable are recognised as a liability in the period in which they are declared.

4 Financial risk management

(a) Introduction and overview

Effective risk management is of critical importance and key to the delivery of sustainable returns for shareholders. Risk taking is an inherent part of the Bank's business activities and is defined as the possibility of losing some or all of an original investment. Risk management systems and governance structures are designed to reduce earnings volatility and achieve an appropriate balance between risk and reward and increased profitability.

The main risks the Bank is exposed to are as follows:

- **Credit risk** this reflects the possible inability of a customer to meet his/her repayment obligations.
- **Liquidity risk** this reflects the inability to accommodate liability maturities and withdrawals, fund asset growth or meet contractual obligations.
- **Market risk** this reflects the risk of fluctuations in asset and commodity values caused by changes in market prices and yields and it includes foreign currency risk, interest rate risk and other price risks.
- **Operational risk** this reflects the potential loss result from inadequate or failed internal processes, systems, people, legal issues, external events and non compliance with regulatory issues.

These are principal risks of the Bank. The notes to the financial statements presents information about the Bank's exposure to these risk, as well as their impact on earnings and capital.

Risk management framework

The Risk management framework consists of a comprehensive set of policies, procedures and processes designed to identify, measure, monitor, mitigate and report significant risk exposure in a consistent and effect manner across the Bank. The Board of Directors has established the Asset and Liability (ALCO), Audit, Credit and Risk Management committees which are responsible for developing and monitoring the Bank's risk management policies in their specified areas.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Audit committee is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Audit committee is assisted in these functions by the Internal Audit Department, Legal and Compliance Department. These departments undertake both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

The Credit committee oversees control and management of all policies, processes and procedures relating to the Bank's lending function. The scope of risks covered by this committee includes credit risk, concentration risk and country risk.

The Asset and liability committee (ALCO) is a decision making body for developing policies relating to all asset and liability management matters.

The Risk Management department is responsible for developing and monitoring the Bank's risk management policies and procedures over specified areas on a day to day basis. It reports to the Board on its activities through the Audit Committee.

(b) Credit risk

Credit risk is the risk of financial loss to the bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations to pay the bank in accordance with agreed terms. Credit risk is the most important risk for the bank's business and is attributed to both on balance sheet financial instruments such as loans, overdrafts, investments and credit equivalent amounts related to off balance sheet financial items.

(i) Significant increase in credit risk

The Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

(ii) Internal credit risk ratings

In order to minimise credit risk, the Group has tasked its credit management committee to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The Group's credit risk grading framework comprises diffrent categories. The credit rating information is based on a range of data that is determined to be predictive of the risk of default and applying experienced credit judgement. The nature of the exposure and type of borrower are taken into account in the analysis.

(ii) Incorporation of forward-looking information

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Group employs experts who use external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Group applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome and consists of information used by the Group for strategic planning and budgeting. The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Group has not made changes in the estimation techniques or significant assumptions made during the reporting period.

The table below summarises the principal macroeconomic (Fom Trading Economics and MPC) indicators included in the economic scenarios used at 31 December 2023 for the years 2023 to 2026, of the Gambia , which is the country where the Group operates and therefore is the country that has a material impact in ECLs.

	2023	2024	2025	2026	2027
Inflation	18%	12%	6%	5%	5%
Base scenario	70%	70%	70%	70%	70%
Range of upside scenarios	15%	15%	15%	15%	15%
Range of downside scenarios	15%	15%	15%	15%	15%

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

The Group has performed a sensitivity analysis on how ECL on the main portfolios will change if the key assumptions used to calculate ECL change by 15%. The table below outlines the total ECL per portfolio as at 31 December , if the assumptions used to measure ECL remain as expected (amount as presented in the statement of financial position), as well as if each of the key assumptions used change by plus or minus 15%. The change are applied to each probability weighted scenarios used to develop the estimate of expected credit losses.

Loans and advances to customers

		Average PD	Average LGD	Average EAD	ECL
	As expected	0.2090	0.5810	0.71400	(63,429)
Inflation	+15%	0.24035	0.6682	0.8211	(72,943)
	-15%	0.17765	0.4939	0.6069	(53,915)

The Group is not able to estimate the impact on ECL of the following uncertain events/factors, despite best efforts, due to lack of reasonable and supportable information or statistically co-related:

Unemployment rates
Benchmark interest rates
House prices

(iv) Measurement of ECL

The key inputs used for measuring ECL are:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. The calculation is based on Markov statistical models,. These statistical models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures. The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral. The LGD models for secured assets consider forecasts of future collateral valuation taking into account sale discounts, time to realization of collateral, cross collateralization and etc. LGD models for unsecured assets ignore time of recovery but recovery rates. The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original EIR of the loan.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date and expected drawdowns on committed facilities. The Group's modeling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortization profiles, changes in utilization of undrawn commitments and credit mitigation actions taken before default. The Group uses EAD models that reflect the characteristics of the portfolios.

The Group measures ECL considering the risk of default over the contractual period over which the entity is exposed to credit risk and not a longer period, even if contract extension or renewal is common business practice. The group manages its financial instruments on a collective basis and is canceled only when the Group becomes aware of an increase in credit risk at the facility level. The longer period is estimated taking into account the credit risk management actions that the Group expects to take to mitigate ECL, e.g. reduction in limits or cancellation of the loan commitment.

The measurement of ECL is based on probability weighted average credit loss. As a result, the measurement of the loss allowance should be the same regardless of whether it is measured on an individual basis or a collective basis (although measurement on a collective basis is more practical for large portfolios of items). In relation to the assessment of whether there has been a significant increase in credit risk it can be necessary to perform the assessment on a collective basis as noted below.

(v) Groupings based on shared risks characteristics

When ECL are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, such as:

- **instrument type;**
- **collateral type;**
- **industry;**
- **income bracket of the borrower;**
- **credit risk grade;**

Management of credit risk

For risk management purposes, the bank considers and consolidates all elements of credit risk exposure. Credit risk arising on trading securities is managed independently, but reported as a component of market risk exposure.

Credit risk is managed through a framework that sets out policies and procedures covering the identification, measurement and management of credit risk. The management of credit risk is delegated to the Credit committee whose goal is to enhance a strong credit culture by:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements;
- Establishing the authorization and structure for the approval and renewal of credit facilities. Authorization limits are allocated to branch and corporate officers. Larger facilities require approval by the head of the credit committee or the Board of Directors as appropriate;
- Reviewing and assessing credit risk. The bank assesses all credit exposures in excess of designated limits prior to facilities being committed to customers. Renewals and reviews of facilities are subject to the same review process;
- Monitor credit concentration. Credit concentration is the risk of loss to the bank arising from an excessive concentration of exposure to a single counterparty, industry or sector. Large exposure limits have been established under the Central Bank of The Gambia's guidelines and concentration risk is monitored on an ongoing basis;
- Mitigate potential credit losses from any given account, customer or portfolio using a range of tools such as collateral. Risk mitigation policies determine the eligibility of collateral types;
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product type;
- Providing advice, guidance, specialist skills and training to business units to promote best practice throughout the bank in the management of credit risk;

Exposure to credit risk

	Loans and advances to customers	Loans and advances to customers
	2023	2022
stage 3 impairment	**D'000**	D'000
Grade 6: Impaired (substandard)	**81,740**	2,493
Grade 7: Impaired (standard)	**-**	-
Grade 8: Impaired (doubtful)	**11,114**	7,028
Grade 9: Impaired (loss)	**24,874**	23,021
Gross amount	**117,728**	32,542
Allowance for impairment	**(47,008)**	(389)
Carrying amount	**70,720**	32,153
stage 1 impairment		
Grade 1-3 Normal	**3,813,078**	4,412,131
Gross amount	**3,813,078**	4,412,131
Allowance for impairment	**(6,303)**	(68,717)
Carrying amount	**3,806,775**	4,343,414
stage 2 impairment		
Grade 4-5 Watch list	**373,273**	93,162
Allowance for impairment	**(10,021)**	(459)
Carrying amount	**363,252**	92,703
Past due comprises:		
90-180 days	**81,740**	2,493
181-360 days	**35,988**	30,049
Carrying amount	**117,728**	32,542
Neither past due nor impaired		
Grade 1-3 Normal	**3,813,078**	4,412,131
Grade 4-5 Watch list		-
Carrying amount	**3,813,078**	4,412,131
Includes loans with renegotiated terms		
Total carrying amount	**4,240,747**	4,468,270
	-	

For further detail on IFRS 9 credit quality refer to tables below:

The following table sets out information about the credit quality of financial assets measured at amortised cost . For loan commitments and financial guarantee contracts the amounts represent amount committed and or guaranteed respectively

Credit quality analysis **Loans and advances to customers as amortised cost**

2023

		12-Months ECL	Life-Time ECL not credit impaired	ECL credit impaired	Total
Grade 1-3:	Normal	3,813,078	-	-	**3,813,078**
Grade 4-5:	Watch list	-	373,273	-	**373,273**
Grade 6	Substandard	-	-	81,740	**81,740**
Grade 7:	Standard	-	-	-	-
Grade 8:	Doubtful	-	-	11,114	**11,114**
Grade 9:	Loss	-	-	24,874	**24,874**
Loss Allowance		(6,303)	(10,021)	(47,008)	**(63,332)**
Carrying Value		**3,806,775**	**363,252**	**70,720**	**4,240,747**

2022

		12-Months	Life-Time ECL not credit	ECL credit	Total
Grade 1-3:	Normal	4,412,131	-	-	**4,412,131**
Grade 4-5:	Watch list	-	93,162	-	**93,162**
Grade 6	Substandard	-	-	2,493	**2,493**
Grade 7:	Standard	-	-	-	-
Grade 8:	Doubtful	-	-	7,028	**7,028**
Grade 9:	Loss	-	-	23,021	**23,021**
Loss Allowance		(68,717)	(459)	(389)	**(69,565)**
Carrying Value		**4,343,414**	**92,703**	**32,153**	**4,468,270**

Credit quality analysis

Impairment of Financial guarantees contracts

2023

		12-Months ECL	**Life-Time ECL not credit**	**ECL credit**	**Total**
Grade 1-3:	Normal	104	-	-	**104**
Grade 4-5:	Watch list	-	-	-	-
Grade 6	Substandard	-	-	-	-
Grade 7:	Standard	-	-	-	-
Grade 8:	Doubtful	-	-	-	-
Grade 9:	Loss	-	-	-	-
Loss Allowance		1,151	-	-	**1,151**
Closing Balance		**1,255**	-	-	**1,255**

2022

		12-Months ECL	**Life-Time ECL not credit**	**ECL credit**	**Total**
Grade 1-3:	Normal	413	-	-	**413**
Grade 4-5:	Watch list	-	-	-	-
Grade 6	Substandard	-	-	-	-
Grade 7:	Standard	-	-	-	-
Grade 8:	Doubtful	-	-	-	-
Grade 9:	Loss	-	-	-	-
Loss Allowance		(309)	-	-	**(309)**
Closing Balance		**104**	-	-	**104**

(i) Impaired loans and securities

Impaired loans and securities are loans and securities for which the bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan/security agreements. Interest on these loans are calculated and treated on non-accrual basis and portions shall only be considered when payments (settlement) is made.

(ii) Past due or non performing but not impaired loans

Loans and securities where contractual interest or principal payments are past due or non performing are not treated as impaired when the discounted cash flows of the forced sale value of the collateral is estimated to be more than the loan.

(iii) Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the bank has made concessions that it would not otherwise consider. The status or risk grade of a restructured facility does not change until there is evidence of performance over a reasonable period of time.

(iv) Allowances for impairment

The bank establishes an allowance for impairment losses that represents the estimate of expected losses in the loan portfolios. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for groups of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

Set out below is an analysis of the gross and net (of allowance for impairment) amounts of individually impaired financial assets by risk grade.

Loans and advances

	Loans and advances to customers	
31st December 2023	**Gross**	**Net**
	D'000	**D'000**
Grade 6: Individually impaired	**81,740**	**81,701**
Grade 7: Individually impaired	**11,114**	**11,016**
Grade 8: Individually impaired	**24,874**	**24,622**
Total	**117,728**	**117,339**

	Loans and advances to customers	
31st December 2022	Gross	Net
	D'000	D'000
Grade 6: Individually impaired	2,493	2,454
Grade 7: Individually impaired	7,028	6,930
Grade 8: Individually impaired	23,021	22,769
Total	32,542	32,153

The bank holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. Collateral for loans and advances to banks is in the form of treasury bills. Collateral is not usually held against investment securities, and no such collateral was held at 31 December 2023 or 2022.

An estimate of the fair value of collateral and other security enhancements held against financial assets is shown below. Collateral values of impaired loans are at cash flows of the forced sale values less estimated costs of sale as discounted to present values.

	Loans and advances to customers	Loans and advances to customers
	2023	2022
	D'000	D'000
Against stage 1 impaired		
Property	**12,505,939**	8,475,900
Cash	**27,990**	301,538
Equity	**-**	-
Other	-	-
Against stage 2 impaired		
Property	**663,226**	219,759
Cash	**687**	230
Equity	**-**	-
Other		
Against stage 3 impaired		
Property	**636,844**	1,546,860
Cash	**-**	-
Equity	**-**	-
Other	**-**	-
Other	-	-
Total	**13,834,686**	10,544,287

(vii) Assets held for sale

The type and carrying amount of collateral that the bank has taken possession of in the period are measured at the lower of its carrying amount and fair value less costs to sell as stated below:

	Loans and advances to customers	Loans and advances to customers
	2023	2022
	D'000	D'000
Against individually impaired		
Property	-	-
Cash	-	-
Equity	-	-
Total	-	-

The bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk at the reporting date is shown below:

	Loans and advances to customers	Loans and advances to customers
	2023	2022
Carrying amount		
	D'000	D'000
Concentration by sector		
Agriculture	**2,883**	461
Manufacturing	**38,263**	13
Service Industry	**374,462**	178,434
Construction	**731,646**	861,447
Energy	**900,487**	951,845
Tourism	**185,429**	223,915
Distributive Trade	**507,555**	569,998
Other	**1,472,046**	1,682,157
Total	**4,212,771**	4,468,270

(c) Liquidity risk

Liquidity risk is the risk that the bank will encounter difficulty in meeting obligations from its financial liabilities as they fall due. The risks arise from mismatches in cash flows.

Management of liquidity risk

Liquidity risk means a risk of possible loss of the Bank's ability to fulfil its liabilities when they become due. The Bank wishes to maintain its solvency, i.e. the ability to meet its financial liabilities in a proper manner and in time, and to manage its assets and liabilities so as to ensure continuous liquidity. Liquidity management is the responsibility of the Assets and Liabilities Committee (ALCO) and the Treasury Department. Regular meetings of ALCO are held on a weekly basis, during which the Bank's liquidity is evaluated and, subsequently, decisions are taken based on the current state of affairs.

The Bank's liabilities represent primarily deposits from customers. These amounts generally bear no specific maturity date and are payable on demand. The few customer deposits maintained on fixed terms all matures with a maximum period of one year. This means the undiscounted cash flows are not materially different from the discounted ones.

The Bank is exposed to daily calls on its available cash resources from current accounts, maturing deposits, loan draw downs and guarantees. The Bank does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Bank sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of interbank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

The Integrated Risk Management function monitors the Bank's liquidity on a daily basis and reports on its development. Information on the liquidity position is reported to ALCO on a weekly basis. The Asset and Liabilities Management function submits reports on the Bank's structure of assets and liabilities to ALCO for approval.

The Bank is obliged to perform its activities so as to ensure that at any time it meets the liquidity requirements of the Central Bank of The Gambia.

Exposure to liquidity risk

The key measure used by the bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, the net liquid assets are considered as including cash and cash equivalents and investment in securities for which there is an active and liquid market less any deposits from banks, debt securities issued, other borrowings and commitments maturing within the next month. Details of the reported ratio of net liquid assets to customer deposits at the reporting date and during the reporting period were as follows:

	2023	2022
At 31 December	**40.0%**	40.0%
Average for the period	**47.4%**	47.4%
Maximum for the period	**64.1%**	64.1%
Minimum for the period	**39.0%**	39.0%

Residual contractual maturities of financial liabilities

	Carrying amount	**Gross nominal inflow/outflow**	**Less than 1 month**	**1 month to 3 months**	**3 months to 1 year**	**1-5 years**
	D'000	**D'000**	**D'000**	**D'000**	**D'000**	**D'000**
31st December 2023						
Deposits from Banks	4,342	4,342	-	4,342	-	-
Deposits from Customers	9,958,960	9,958,960	9,763,910	53,896	141,154	-
	9,963,302	**9,963,302**	**9,763,910**	**58,238**	**141,154**	**-**
	-	-				
31st December 2022						
Deposits from Banks	4,015	4,015	-	4,015	-	-
Deposits from Customers	9,120,509	9,120,509	8,907,852	36,795	175,862	-
	9,124,524	**9,124,524**	**8,907,852**	**40,810**	**175,862**	**-**

(d) Market risk

The Bank is exposed to market risks. Market risks result from open positions from transactions with interest rate, cross-currency and equity products that are subject to general and specific market changes. To assess the approximate level of market risks associated with the Bank's positions, and the expected maximum amount of potential losses, the Bank uses internal reports and models for individual types of risks faced by the Bank. The Bank uses a system of limits, the aim of which is to ensure that the level of risks the Bank is exposed to at any time does not exceed the level of risks the Bank is willing and able to take. These limits are monitored on a daily basis.

For risk management purposes, market risk is regarded as the risk of potential losses the Bank may incur due to unfavorable development in market rates and prices.

The Bank primarily faces the following market risks:

- Currency risk
- Interest rate risk

Sensitivity analysis of market risks

Sensitivity analysis reflects the implications on the Bank's profit/loss arising from the movements in market parameters (interest rates, exchange rates, share prices, etc.) by predetermined values. For monitoring and limiting of risk, the Bank uses 2% for interest rates, a 5% movement in exchange rates and 20% movement in share and commodity prices.

These movements represent management's assessment of the reasonably possible change in foreign exchange and interest rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

Currency risk

Currency risk represents the potentiality of loss resulting from unfavorable movements in foreign currency exchange rates. The Bank controls this risk by the determination and monitoring of open position limits.

Open currency positions are subject to real-time monitoring through the banking information system. Limits for these positions are set in line with the CBG guidelines. Data on the Bank currency positions and on the Bank's compliance with the limits set by CBG are reported on a weekly basis.

The Bank's foreign exchange balance as of 31 December 2023 and 2022 were as follows:

	Net FX positions	
	2023	2022
	D'000	D'000
EURO	**21,000**	21,199
USD	**15,382**	5,382
GBP	**31,928**	33,926
Other	**4,631**	6,633
Total net FX balance sheet position	**72,941**	67,140

Change in the present value of assets and liabilities of the Bank following the movements in exchange rates of the selected currencies to the detriment of the Bank as of 31 December 2023:

	Present value of exchange rate	Exchange rate in sensitivity	Bank's position in respective	Bank's loss in respective
				D'000
EURO	69.70	73.19	21,000	**73,185**
USD	63.00	66.15	15,382	**48,453**
GBP	80.20	84.21	31,928	**128,031**
Total				**249,670**

Change in the present value of assets and liabilities of the Bank following the movements in exchange rates of the selected currencies to the detriment of the Bank as of 31 December 2022:

	Present value of exchange rate	Exchange rate in sensitivity	Bank's position in respective	Bank's loss in respective
				D'000
EURO	64.00	67.20	21,199	67,837
USD	61.00	64.05	5,382	16,415
GBP	74.00	77.70	33,926	125,526
Total				209,778

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The length of time for which the rate of interest is fixed on a financial instrument therefore indicates to what extent it is exposed to interest rate risk.

Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

The ALCO is the monitoring body for compliance with these limits and is assisted by Risk management in its day to day monitoring activities. A summary of the bank's interest rate gap position on non trading portfolios is as follows:

	Carrying amount	Less than 3 months	3-6 months	6 to 12 months	1-5 years	More than 5 years
	D'000	D'000	D'000	D'000	D'000	D'000
31st December 2023						
Cash and cash equivalents	**3,350,153**	**3,350,153**	**-**	**-**	**-**	**-**
Loans/advances to customer	**4,240,747**	**1,827,274**	**471,705**	**33,999**	**1,535,849**	**371,920**
Investment securities	**2,498,783**	**735,624**	**165,120**	**299,214**	**1,298,825**	**-**
	10,089,683	**5,913,051**	**636,825**	**333,213**	**2,834,674**	**371,920**
Deposits from banks	**4,342**	**4,342**	**-**	**-**	**-**	**-**
Deposits from customers	**9,958,960**	**9,763,910**	**53,896**	**141,154**	**-**	**-**
	9,963,302	**9,768,252**	**53,896**	**141,154**	**-**	**-**
	(126,381)	**3,855,201**	**(582,929)**	**(192,059)**	**(2,834,674)**	**(371,920)**
	0					
31st December 2022						
Cash and cash equivalents	2,801,255	2,801,255	-	-	-	-
Loans/advances to customers	4,468,270	1,847,274	474,361	32,671	1,738,372	375,592
Investment securities	2,005,034	510,625	136,785	382,625	974,999	-
	9,274,559	5,159,154	611,146	415,296	2,713,371	375,592
Deposits from banks	4,015	4,015	-	-	-	-
Deposits from customers	9,120,509	8,907,852	36,795	175,862	-	-
	9,124,524	8,911,867	36,795	175,862	-	-
	(150,035)	3,752,713	(574,351)	(239,434)	(2,713,371)	(375,592)

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in yield curves worldwide and a 50 bp rise or fall in the greater than 12 month portion of all yield curves.

Overall non trading interest rate risk positions are managed by Assets and Liabilities Management Committee, which uses investment securities, advances to banks and deposits from banks to manage the overall position arising from the bank's non trading activities.

Exposure to other market risks - non trading portfolios and trading portfolio

The following table sets out the allocation of the carrying value of assets and liabilities subject to market risk between trading and non-trading portfolios:

2023

		Market risk type	
	Carrying amount	**Trading portfolios**	**Non-trading portfolios**
Cash and cash equivalents	**3,350,153**	**-**	**3,350,153**
Trading assets	**2,498,783**	**2,498,783**	**-**
Loans and advances to customers	**4,240,747**	**-**	**4,240,747**
Investment in subsidiaries	**78,455**	**-**	**78,455**
Investment in other equity securities	**140,462**	**-**	**140,462**
	10,308,600	**2,498,783**	**7,809,817**
Deposits from Banks	**4,342**	**4,342**	**-**
Deposits from Customers	**9,958,960**	**9,958,960**	**-**
	9,963,302	**9,963,302**	**-**

2022

	Carrying amount	**Trading portfolios**	**Non-trading portfolios**
Cash and cash equivalents	2,801,255	-	2,801,255
Trading assets	2,005,034	2,005,034	-
Loans and advances to customers	4,468,270	-	4,468,270
Investment in subsidiaries	75,113	-	75,113
Investment in other equity securities	119,349	-	119,349
	9,469,021	2,005,034	7,463,987
Deposits from Banks	4,015	4,015	-
Deposits from Customers	9,120,509	9,120,509	-
	9,124,524	9,124,524	-

(e) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. As in the case of other types of risks, operational risk is managed by applying the standard principle including the separation of functions in risk management and controlling.

The Bank puts the accent on process quality improvement and operational risk mitigation actions. The essential assumption of set goals is based on operational risk awareness and operational risk bank culture.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall bank standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions.
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with bank standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the bank.

(f) Other risks

Simultaneously, in terms of implementation of internal process of capital adequacy determination, the Bank monitors and develops quantification and management methods aimed at other risks, in particular:

- Strategic risk;
- Reputation risk;
- Other risks factors.

Trust Bank has prepared itself to fulfil requirements subject to the capital adequacy with special emphasis on the fulfilment of local legislative requirements as per the Banking Act 2009 and other directives of the Central Bank of the Gambia.

(g) Capital management

Regulatory capital

The Central Bank of The Gambia sets and monitors capital requirements for the bank as a whole.

In implementing current capital requirements, The Central Bank of The Gambia requires the bank to maintain a prescribed ratio of total capital to total risk weighted assets. The bank is also required to maintain a credible capital plan to ensure that capital level of the bank is maintained in consonance with the bank's risk appetite.

The Bank's regulatory capital is analyzed into two tiers:

- Tier 1 capital, which includes ordinary share capital, share premium, retained earnings, translation reserve and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities, and the elements of the fair value reserve relating to unrealised gains on equity instruments classified as available for sale.

Various limits are applied to elements of the capital base, qualifying tier 2 capital cannot exceed tier 1 capital; and qualifying subordinated loan capital may not exceed 50 percent of tier one capital. Other deductions from capital include the carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation, investments in the capital of banks and certain other regulatory items.

Risk weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off balance sheet exposures.

The bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the bank recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The bank has complied with all externally imposed capital requirements throughout the period.

There has been no material change in the bank's management of capital during the period.

The bank's regulatory capital position at 31 December was as follows:

	2023	2022
	D'000	D'000
Tier 1 capital		
Ordinary share capital	**200,000**	200,000
Statutory reserves	**399,988**	332,688
Retained earnings	**245,118**	179,376
Total tier 1 capital	**845,106**	712,064
Tier 2 capital		
Equity Revaluation reserves (50%)	**55,162**	42,935
Property Revaluation reserves (50%)	**192,701**	192,701
Total tier 2 capital	**247,863**	235,635
Total regulatory capital	**1,092,969**	947,699
Risk weighted assets		
Investment at bank	**218,917**	194,462
Retail bank, corporate bank and treasury	**7,349,449**	5,428,456
Total risk weighed assets	**7,568,366**	5,622,918

Capital ratios

Total regulatory capital expressed as a percentage of total risk weighted assets	**14%**	17%
Total tier 1 capital expressed as a percentage of risk weighted assets	**11%**	13%

Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation, by bank, and is subject to review by the bank's credit committee or ALCO as appropriate.

Although maximization of the return on risk adjusted capital is the principal basis used in determining how capital is allocated within the bank to particular operations or activities, it is not the sole basis used for decision making. Consideration also is made of the synergies with other operations and activities, the availability of management and other resources, and the capability of the activity with the bank's longer term strategic objectives. The bank's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

(h) Financial assets and liabilities

Accounting classifications and fair values

The table below sets out the Bank's classification of each class of financial assets and liabilities, and their fair value (excluding accrued interest)

31st December 2023	**Designated at FVPL D'000**	**Designated at FVOCI D'000**	**Amortised cost D'000**	**Total carrying amount D'000**	**Fair value D'000**
Cash and cash equivalents	**3,350,153**	**-**	**-**	**3,350,153**	**3,350,153**
Financial assets at amortised c	**-**		**2,498,783**	**2,498,783**	**2,498,783**
Loans and advances	**-**		**4,240,747**	**4,240,747**	**4,240,747**
Investment in equity securities		**218,917**		**218,917**	**218,917**
	3,350,153	**218,917**	**6,739,530**	**10,308,600**	**10,308,600**
Trading liabilities					
Deposits from banks	**-**	**-**	**4,342**	**4,342**	**4,342**
Deposits from customers	**-**	**-**	**9,958,960**	**9,958,960**	**9,958,960**
	-	**-**	**9,963,302**	**9,963,302**	**9,963,302**
31st December 2022					
Cash and cash equivalents	2,801,255	-	-	2,801,255	2,801,255
Financial assets at amortised c	-	-	2,005,034	2,005,034	2,005,034
Loans and advances	-	-	4,468,270	4,468,270	4,468,270
Investment in securities	-	194,462	-	194,462	194,462
	2,801,255	194,462	6,473,304	9,469,021	9,469,021
Trading liabilities					
Deposits from banks	-	-	4,015	4,015	4,015
Deposits from customers	-	-	9,120,509	9,120,509	9,120,509
	-	-	9,124,524	9,124,524	9,124,524

(i) Risk Overview

Principal Risks	Narration	Key Mitigating actions	Commentary on current status
Credit Risk	As a provider of credit facilities to customers, any adverse changes in the economy or market in which the Group operates, or the credit quality and behavior of borrowers would reduce the value of the Group's assets and increase the allowances for impairment losses, thereby impacting profitability.	Credit policies incorporate prudent lending guidelines, oversight board control on risk appetite	Through effective risk management, Non performing loans continue to be managed within acceptable levels. NPL ratio is currently at 1.7%.
Liquidity Risk	The primary objective of liquidity risk management is to provide a planning mechanism for unanticipated changes in the demand or needs for liquidity created by customer behavior or abnormal market conditions.	The ALCO committee emphasizes the maximization and preservation of customer deposits and other funding sources. ALCO monitors deposit rates, levels, trends and significant changes. Liquidity is managed on a short to medium term basis ensuring that cash flow demands can be met as and when required.	A substantial portion of the Bank's assets are funded by customer deposits widely diversified by type and maturity. Lending is fully funded by Deposits, usually in the same currency and a loan to deposit ratio of not more than 60% is maintained. The Bank also maintains significant levels of Treasury Bills with widely diversified maturity periods. These provide a large pool of primary assets to meet cash outflows. The Bank's liquidity ratio has, on average, remained above 40%.
Market Risk	The Group faces a number of market risks including interest rate risk and foreign exchange risks. The Bank's exposure to market risk arises principally from customer driven transactions.	Market Risk is managed by the Bank's Retail and Corporate units both of which are supervised by ALCO to ensure that all regulatory ratios are met.	The Bank has throughout the year maintained an FX exposure position of ±15% to guard against adverse movements in FX rates. The ALCO committee has also maintained oversight over interest rate gaps by ensuring appropriate match between assets and liabilities.

Operational Risk	The Group faces a number of key operational risks including fraud losses and failings in customer processes. The availability, resilience and security of the core IT systems is the most	Operational Risk is inherent in the Group's business activities and is managed through an overall framework designed to balance strong corporate oversight with independent risk management. The Bank continues to upgrade and secure all it's major IT platforms	The Bank's robust internal controls successfully prevented any losses from internal process failures during the year
Compliance and Regulatory Risk	This includes the Risk of non compliance with regulatory	This risk is managed by the Group's Compliance Department. They are responsible for establishing and maintaining the appropriate framework of Compliance policies and procedures. The Bank has invested in FIRCOSOFT , FIRCO Due Diligence Softwares and Dow Jones for improved KYC processes.	The Bank generally complied with regulatory requirements.

Capital Management	The Group's policy is to maintain a strong capital base so as to maintain investor and market confidence and sustain future development of the Business.	Capital Adequacy and the use of regulatory capital are monitored daily by management. The required information is filed with the Central Bank on a monthly basis. The Central Bank requires all banks to hold a minimum regulatory capital of D200 Million and maintain a ratio of total regulatory capital to risk weighted assets plus risk weighted off-balance sheet assets above a required minimum of 10%.	The Bank complied with the statutory capital requirements throughout the period. Share Capital was D200M throughout the year. Capital adequacy ratio was maintained at above the minimum ratio of 10%.

5. Interest income and expense

Interest and other similar income for the year ended consist of:

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Cash and cash equivalents	**42,770**	9,875	**21,765**	9,926
Loans and advances to customers	**537,000**	507,813	**537,000**	493,584
Investment securities:Treasury Bills	**113,815**	72,099	**113,815**	72,099
Investment securities:Government Bonds	**126,296**	76,524	**126,296**	76,524
Total interest income	**819,881**	666,311	**798,876**	652,133

Interest and similar expenses for the year ended consist of:

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Deposits from customers	**(101,994)**	(43,421)	**(100,214)**	(42,217)
Interbank undertakings	**(282)**	(3,035)	**(282)**	(3,035)
Total interest expense	**(102,276)**	(46,456)	**(100,496)**	(45,252)
Net interest income	**717,605**	619,855	**698,380**	606,881

The total interest income calculated using the EIR method for financial assets measured amortised cost is D537.0M during the financial year 2023 (2022: 493.5M). There was no interest expense calculated using the EIR method for financial liabilities measured at amortised cost for both current and prior year

Included within various captions under interest income for the year ended 31 December 2023is a total of D13.7M (2022: D2.2M) accrued on impaired financial assets.

The increase in interest expense is due to a rise in the interest rate from 0.5% to 2% in March 2023, reflecting the adjustments made in line with the Monetary Policy Committee (MPC) rate increases.

There is no component of interest income and expense reported above that relate to financial assets or liabilities carried at fair value through profit or loss.

6. Net fee and commission income

Fees and commission income

	The Group		The Bank	
	31-Dec-23	**31-Dec-22**	**31-Dec-23**	**31-Dec-22**
Fees and commission income can be summarised as follows:	**D'000**	D'000	**D'000**	D'000
Banking customer fees	**84,731**	78,913	**80,638**	74,404
Credit related fees	**53,388**	62,333	**53,388**	62,333
Foreign currency related fees and commissions	**29,753**	26,863	**29,753**	26,863
Commission on trade finance transactions	**46,496**	44,345	**46,496**	44,345
Total fees and commission income	**214,368**	212,454	**210,275**	207,945
Fees and commission expense				
Interbank transaction fees	**(10,187)**	(12,410)	**(10,187)**	(12,410)
Foreign currency related fees	**(78)**	(91)	**(78)**	(91)
Total fees and commission expense	**(10,265)**	(12,501)	**(10,265)**	(12,501)
Net fees and commission income	**204,103**	199,953	**200,010**	195,444

7. Net trading income

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Foreign currency revaluation gain	**29,607**	20,930	**12,418**	20,930
Exchange gain	**25,130**	66,348	**25,130**	41,465
Net trading income	**54,737**	87,278	**37,548**	62,395

8. Other operating income

Other income can be summarized as follows:	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Sundry Income	**17,620**	16,859	**12,290**	15,359
Ebanking related income	**18,010**	17,798	**18,010**	17,798
Profit on sale of fixed assets	**498**	839	**498**	839
Dividend received	**3,624**	4,964	**3,624**	4,964
Rental income	**-**	-	**575**	575
ATM related charges	**7,502**	4,723	**7,502**	4,723
Total other income	**47,254**	45,183	**42,499**	44,258

Sundry income is derived from activities unrelated to the main focus of a business or our balance sheet items. It is a single general ledger line that mainly constitutes: Sale of cheque books; Visa statement fees; commission on clearance certificate etc

Rental Income is the part of the low value lease applicable to bank's premises rented to other business including any amounts received for sub-renting spaces

9. Personnel costs

Personnel costs can be summarized as follows:		The Group		The Bank	
		31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
		D'000	D'000	**D'000**	D'000
Salaries and allowances		**187,740**	158,918	**171,077**	139,994
Contributions to defined contribution plans		**33,122**	24,141	**29,656**	23,615
staff medical expenses		**12,896**	8,269	**9,896**	8,269
Other staff costs	*9a*	**11,203**	10,650	**10,968**	10,450
Staff Bonus		**21,376**	35,000	**21,376**	35,000
Staff Leave allowance		**2,044**	1,956	**1,649**	1,567
Cashiers efficiency allowance		**2,658**	2,600	**2,658**	2,600
Weekend duty allowance		**5,565**	5,011	**5,166**	5,011
Directors fees		**7,665**	5,800	**7,515**	5,179
Increase/(decrease) in liability for leave arrears		**1,365**	1,252	**1,365**	1,252
Total personnel costs		**285,634**	253,597	**261,326**	232,937

The total number of employees as at 31 December 2023 was 401 of which 62 employees are directors and senior management of the Bank (2022: 396 and 51 respectively). Pursuant to The Gambian legal regulations, an employer is obliged to pay contributions to the Social Security and Housing Finance Corporation based on a percentage of basic salary. These expenses are charged to the income statement in the period in which the employee was entitled to salary.

The Bank contributes to a supplementary pension plan administered internally, based on the employment period of the employee. No liabilities arise to the Bank from the payment of pensions to employees in the future. Supplementary pension contribution expenses amounted to D9.327M as of 31 December 2023 (2022: D7.391M).

9a . relates to staff expenses that are not directly within the scope of payroll , such as fringe Benefit Tax paid during the year , staff over time expenses and injury compensation cost etc

10. Other expenses

General and administration expenses can be summarized as follows:

		The Group		The Bank	
		31-Dec-23 D'000	31-Dec-22 D'000	**31-Dec-23 D'000**	31-Dec-22 D'000
Advert/publicity		**12,738**	11,064	**12,235**	7,992
Corporate rebranding		**-**	13,085	**-**	13,085
Audit fees		**1,526**	1,526	**1,210**	1,210
Consultancy fees		**622**	658	**354**	658
Electricity and water		**31,093**	16,493	**29,093**	15,213
Insurance premium		**14,278**	12,694	**13,678**	12,145
Legal and professional fees		**2,250**	462	**2,250**	462
Losses and charge offs	*10a*	**392**	5,182	**392**	5,182
Motor vehicle expenses		**15,923**	12,334	**14,768**	11,221
National education levy		**100**	100	**100**	100
Other office expenses	*10c*	**17,817**	9,180	**14,023**	7,843
Postage and DHL		**199**	92	**164**	92
Printing and stationery		**26,114**	22,766	**23,519**	21,893
Rent and rates		**4,727**	4,677	**2,735**	3,185
Repairs and maintenance property/equipment		**31,288**	27,683	**28,293**	25,983
Security		**9,912**	8,960	**9,020**	8,235
Software and Hardware maintenance		**79,020**	59,293	**73,434**	57,207
Staff training		**9,814**	9,294	**9,814**	9,294
Stock exchange expenses		**740**	401	**740**	401
Subscriptions and donations		**7,380**	7,171	**7,380**	7,171
Telephone/Telex/Swift		**10,089**	7,330	**8,098**	7,330
CBG Penalties	10b	**-**	-	**-**	-
Trade license		**6,122**	6,158	**5,728**	6,158
Witholding tax		**3,121**		**3,121**	
Travel cost		**2,589**	2,366	**2,589**	2,366
Total general and admin expenses		**287,854**	238,969	**262,738**	224,426

10a Provisions for General Losses reporting under note 25b are estimations of potential losses that the Bank may experience due to frauds and other losses. The provision is treated as an expense in the Group's income statement as losses and charge offs and shown in note 10 while the credit entry goes to provision for general loses in the statement of financial position until time of full write off.

10b. During the year there was no CBG penalty levied for non regulatory compliance .

10c . This line captures small expenses that do not necessarily have any specific GL by virtue of their nature and office consumable /assets or supplies that do not meet the capilitisation threshold. The main increase in 2023 is as a result of the purchase of stackable crates for the Bank's new document archiving system. These items did not fall under the capitalisation threshold.

11. Income taxes

Income tax expense

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Current tax expense	**103,745**	92,838	**103,293**	91,677
Adjustment	**452**	-	-	-
	104,197	92,838	**103,293**	91,677
Deferred tax expense				
Origination/reversal of temporary differences	**900**	5,321	**900**	5,321
Total income tax	**105,097**	98,159	**104,193**	96,998

Legal entities in the Gambia must individually report taxable income and remit corporate income taxes thereon to the appropriate authorities at higher of 1% on revenue or 27% on profit.

Reconciliation of effect tax rate

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Profit before income tax	**364,005**	346,407	**373,391**	342,561
Income tax using enacted corporation tax rate	**98,281**	93,530	**100,815**	92,491
Non deductible expenses	**19,330**	19,564	**18,666**	18,900
Capital Allowances	**(14,946)**	(18,473)	**(16,188)**	(19,715)
Deffered tax	**900**	5,321	**900**	5,321
Total income tax exp in income statement	**103,565**	99,943	**104,193**	96,998
Reconciliation of effective tax rate	**%**	%	**%**	%
Domestic tax rate	**27**	27	**27**	27
Non deductible expenses	**5.31**	5.65	**5.00**	5.52
Capital Allowances	**(4.11)**	(5.33)	**(4.34)**	(5.76)
Over provided in prior year	-	-	-	-
Total income tax expense in income statement	**28.21**	27.33	**27.66**	26.76

Income tax liability

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Balance at the beginning of the year	**5,559**	4,268	**5,779**	4,102
Current tax expense	**104,197**	92,838	**103,293**	91,677
Tax paid during the year	**(90,877)**	(91,547)	**(90,046)**	(90,000)
Tax liability at the end of the year	**18,879**	5,559	**19,026**	5,779

Deferred tax assets and liabilities as of 31 December 2022 and as of 31 December 2023 relate to the following items:

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Opening balance	**(11,553)**	(16,874)	**(11,553)**	(16,874)
Charged to income (non current tangible assets)	**900**	5,321	**900**	5,321
Tax (asset) at the end of the year	**(10,653)**	**(11,553)**	**(10,653)**	(11,553)

12. Earnings per share

The calculation of basic earnings per share at 31 December 2023 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding as shown below:

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Profit attributable to ordinary shareholders	**258,908**	248,248	**269,198**	245,872
Weighted average number of ordinary shares	**200,000**	200,000	**200,000**	200,000
Earnings per ordinary share (dalasis)	**1.29**	1.24	**1.35**	1.23

Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2023 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares as shown below:

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Profit attributable to ord. shareholders (diluted)	**258,908**	149,586	**269,198**	149,633
Weighted average no. of ord. shares (diluted)	**200,000**	200,000	**200,000**	200,000
Earnings per ordinary share (dalasis)	**1.29**	0.75	**1.35**	0.75

13. Dividend per share

At the Annual General Meeting to be held in July 2024, a final dividend in respect of the year ended 31 December 2023 of D0.45 (2022: D0.30) for every ordinary share will be proposed. An interim dividend of D0.30 (2022: D0.45) for every ordinary share was declared and paid during the year. This will bring the total dividend for the year to D0.75 (2022: D0.75).

Payment of dividends is subject to withholding tax at the rate of 15%.

14. Cash and cash equivalents

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Balances with banks	**1,718,408**	943,592	**1,703,099**	932,639
Cash in hand-Local & Foreign	**282,693**	586,896	**282,693**	582,000
Unrestricted balances with the Central Bank	**1.364.361**	1.286.616	**1.364.361**	1.286.616
Treasury bills with maturity periods < 3 mths	-	-	-	-
Total cash and cash equivalents	**3,365,462**	2,817,104	**3,350,153**	2,801,255

The minimum obligatory reserve is maintained as a non interest bearing deposit under the regulations of the Central Bank of The Gambia. The amount of the reserve depends on the level of deposits accepted by the Bank. The Bank's ability to withdraw below the minimum 13% average threshold of the reserve is not restricted by statutory legislation but will be subject to the payment of a penalty. The prevailing Cash Reserve Requirement rate as at 31st December 2023 is 13% of average deposits.

Furthermore, the bank maintains deposits with other banks to optimize cash management strategies and facilitate operational activities like telegraphic transfers for customers. These deposits are generally excluded from ECL calculations due to their low default risk associated with reputable counterparties. However, the bank employs robust credit risk management practices to continuously monitor the creditworthiness of these counterparties. In the rare event where there is a significant risk, an ECL assessment would be conducted accordingly.

15. Financial Assets at Amortised Cost

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Treasury Bills	**1,318,895**	888,240	**1,298,895**	869,490
Treasury Bonds	**1,199,888**	1,135,544	**1,199,888**	1,135,544
Total financial assets at Amortised Cost	**2,518,783**	2,023,784	**2,498,783**	2,005,034

16. Loans and advances to customers at amortised cost

An analysis of loans and advances to customers is as follows:

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Loans	**2,682,217**	2,701,643	**2,585,123**	2,621,123
Overdrafts	**1,701,184**	1,863,106	**1,701,184**	1,863,106
Nawec Bond	**17,869**	53,606	**17,869**	53,606
Total loans and advances at amortised cost	**4,401,270**	4,618,355	**4,304,176**	4,537,835
Less:				
Stage 3 impairment	**(47,892)**	(1,273)	**(47,008)**	(389)
Stage 2 impairment	**(10,118)**	(4,940)	**(10,118)**	(4,940)
Stage 1 impairment	**(11,995)**	(74,679)	**(6,303)**	(64,236)
Total loans and advances	**4,331,265**	4,537,463	**4,240,747**	4,468,270

An analysis of loans by customer group is as follows:

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Corporate Clients	**3,080,889**	3,232,849	**3,012,923**	3,176,485
Retail Clients	**1,320,381**	1,385,507	**1,291,253**	1,361,351
Total loans and advances	**4,401,270**	4,618,355	**4,304,176**	4,537,835

Allowance for impairment

The movement in stage 3 allowances for impairment is as follows:	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Balance at the beginning of the year	**1,273**	1,077	**389**	376
Impairment loss for the year				
Charge for the year	**22,442**	(533)	**22,442**	(716)
Recoveries	**45,729**	7,239	**45,729**	7,239
Write offs	**(21,552)**	(6,510)	**(21,552)**	(6,510)
Balance at the end of the year	**47,892**	1,273	**47,008**	389

The movement in stage 1 & 2 allowances for impairment is as follows:

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Balance at the beginning of the year	**37,302**	41,784	**32,745**	31,341
Impairment loss for the year				
Charge for the year stage 1	**(5,152)**	4,781	**(5,152)**	4,781
Stage 1 charge on financial guarantee	**(1,151)**	309	**(1,151)**	309
Charge for the year stage 2	**(8,886)**	32,745	**(10,021)**	32,745
Balance at the end of the year	**22,113**	79,619	**16,421**	69,176
Portfolio allowance for financial assets	**-**	-	**-**	-
Charge for stage 2 impairement				
Total impairment charge	**7,253**	36,993	**6,118**	36,810

1,135

Explanation of the term 12 months ECL , life time ECL and credit impaired are included in notes under impairment

17. Investment in subsidiaries

	% of ordinary	The Group 31-Dec-23 D'000	The Group 31-Dec-22 D'000	The Bank 31-Dec-23 D'000	The Bank 31-Dec-22 D'000
Bayba Financial Services Ltd	**100%**	-	-	**75,113**	70,876
Home Finance Company Ltd	**60%**	-	-	-	-
Fair Value gain on Bayba				**3,342**	4,237
As at 31 December		-	-	**78,455**	**75,113**

Home Finance Company of the Gambia Limited (HFC), is a mortgage company in the Gambia that specializes in the provision of Home Purchase Loans. HFC was incorporated as a private limited liability company in 2001 and licensed by the Central Bank of the Gambia (CBG) as a non-bank financial institution specializing in mortgages.

At the extra ordinary general meeting of the Shareholders of Home Finance Company on 20th October 2020, it was resolved that the company be put into voluntary liquidation. Pursuant to this resolution by the Shareholders and after approval of Central Bank of The Gambia, the company appointed a Liquidator (Donald C Kaye) and **VOLUNTARY LIQUIDATION** commenced at the close of business on Wednesday 3rd November 2021.

Since inception of Home Finance, the company experienced a lot of constraints and was seen as an unprofitable, Management were not able to offer any return on shareholders' investment throughout and recorded significant financial and capital deficiencies. Consequently, the shareholders decided not to invest further capital in order to bring its unimpaired capital to the minimum of D 50 million being the minimum capital requirement of a Non-Bank Financial Institution (NBFI) as directed by the Central Bank in September 2019.

As a consequence of this Voluntary Liquidation, the shareholders of which Trust Bank had 60% shares, no longer substantially retained all risks and rewards and therefore not expected to recognize the asset. All rights, obligations, controls and rewards from the Liquidation are strictly that of Liquidator whose main responsibility is to secure and realize all the Company's assets then meet all expenses of the liquidation, pay all creditors and thereafter distribute residual funds to Shareholders.

According to the liquidator's report, the net liquidation proceeds to Trust Bank is expected to exceed the carrying amount of the net assets and accordingly a fair value gain of D2.3M has been recognized as per the summary below. At as end year 2023 the bank has received an accumulated amount of D15.4M.

	D,000
Cash and Bank	5,831
Investments-Treasury Bills	3,978
Fixed assest	575
Loans / Property Held-for-Sale	17,700
Staff Debtors	360
Realizable value of assets	**28,444**
Payables	(4,449)
Net Assets	23,995
TBL share of the net assets 60%	14,397
Carrying amount of the investment	12,058
Fair Value gain	2,339

18a. Fair value of the Group's financial assets that are measured at fair value on a recurring basis

		The Group		The Bank	
		31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	% of ordinary	**D'000**	D'000	**D'000**	D'000
International Bank of Liberia	**12.97%**	**127,835**	106,675	**127,835**	106,675
Gamswitch Co	**5%**	**3,634**	3,642	**3,634**	3,642
Enterprise Life Assurance Co	**19%**	**8,993**	9,032	**8,993**	9,032
As at 31 December		**140,462**	119,349	**140,462**	119,349

	IBL	**Gamswitch**	**ELAC**
	D'000	**D'000**	**D'000**
Opening Balance	106,675	3,642	9,032
Fair Value Gain	21,160	(8)	(39)
As at 31	**127,835**	**3,634**	**8,993**

In January 2024, Talent Factory Africa Limited, a professional valuation firm, revalued the bank's total equity investments using a Price-to-Earnings (P/E) and Price-to-Book ratio methodology. This revaluation resulted in a surplus of D24.5 million recognized in Other Comprehensive Income (OCI) with no impairment reversal.

of each reporting period. Please refer to the table below for sensitivity analysis done on the investments .

18b. Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about the valuation technique(s) , inputs used and sensitivity analysis

Financial assets/ financial liabilities	**Valuation technique(s) and key input(**	**Significant unobservable input(s)**	**Relationship and sensitivity of unobservable inputs to fair value**
Investments in unlisted shares (note 18)	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.	long term revenue growth taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 2 to 5 per cent	The higher the revenue growth rate, the higher the fair value. If the revenue growth was 3.5 per cent higher/lower while all other variables were held constant, the carrying amount would increase/decrease by D8.5M
		Long-term pre-tax operating margin taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 3 to 9 per cent	The higher the pre-tax operating margin, the higher the fair value. If the pre-tax operating margin was 6.0 per cent higher/lower while all other variables were held constant, the carrying amount would increase/ decrease by D14.6 M

Financial assets/ financial liabilities	**Valuation technique(s) and key input(**	**Significant unobservable input(s)**	**Relationship and sensitivity of unobservable inputs to fair value**
		Weighted average cost of capital, determined using a Capital Asset Pricing Model, ranging from 7 to 16 per cent	The higher the weighted average cost of capital, the lower the fair value. If the weighted average cost of capital was 12.1 per cent higher/lower while all other variables were held constant, the carrying amount would decrease/ increase by D 24M
		Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries, ranging from 5 to 10 per cent	the higher the discount , the lower the faiver value If the discount was 5 per cent higher/ lower while all other variables were held constant, the carrying amount would decrease/increase by D12M

19. Right of Use assets

Leasing

	31-Dec-23	31-Dec-22
	D'000	D'000
Finance costs		
Interest expense on lease liabilities	379	342
Total finance costs	379	342
Depreciation Charge		
Depreciation of right-of-use-assets	2,104	1,082
Total depreciation and amortisation expense	2,104	1,082

Right-of-use assets

The Bank leases several assets which includes buildings for commercial and residential purposes. The average lease term is 5 years (2022: 5 years).

	31-Dec-23	31-Dec-22
	D'000	D'000
At 1 January	7,608	7,608
Additions	14,953	-
Terminated contracts	-	-
As at 31 December	22,561	7,608
Depreciation Charge		
At 1 January	3,463	2,381
Charge for the period	2,104	1,082
As at 31 December	5,567	3,463
Carrying amount		-
Opening NBV	4,145	5,227
Closing NBV	16,994	4,145

There was no expired lease contract in the current year

	31-Dec-23	31-Dec-22
	D'000	D'000
Amounts recognised in profit or loss		
Depreciation expense on right-of-use assets	**2,104**	1,082
Income from subleasing right-of-use assets	**-**	-
As at 31 December	**2,104**	1,082

Lease Liability	**31-Dec-23**	31-Dec-22
	D'000	D'000
At 1 January	**3,441**	3,099
Addition during the year		-
Interest expense for the period	**379**	342
Payment during the year	**-**	-
As at 31 December	**3,820**	3,441

Lease Liability		
Lease prepaid for the Period	**-**	-
Total cash outflows as at 31 December	**-**	-

	31-Dec-23	31-Dec-22
	D'000	D'000
Maturity Analysis of lease liability		
Not more than one year		
Over one year but less than five years	**3,820**	3,441
More than five years		
	3,820	3,441

20a. Property, plant and equipment

The Group and The B	Work in Progress	Land and buildings	Furniture & Fittings	Machines & equipment	Motor vehicles	Total The Bank	Total The Group
Cost	**D'000**	**D'000**	**D'000**	**D'000**	**D'000**	**D'000**	**D'000**
At 01-Jan-22	2,355	709,386	99,414	367,098	26,362	**1,204,615**	**1,230,352**
Additions	65,265	-	-	-	14,752	**80,017**	**84,360**
Transfers	(40,731)	215	8,651	31,865	-	**-**	**-**
Disposal/write offs	-	-	(27,946)	(102,193)	(8,415)	**(138,554)**	**(138,554)**
Reclassification		-			-	**-**	**-**
At 31-Dec-22	**26,889**	**709,601**	**80,119**	**296,770**	**32,699**	**1,146,078**	**1,176,158**
Additions	161,061	-	-	-	21,242	**182,303**	**187,219**
Transfers	(58,938)	732	12,374	45,832	-	**-**	**-**
Disposal	-	-	(3,741)	(5,810)	(4,561)	**(14,112)**	**(14,112)**
At 31-Dec-23	**129,012**	**710,333**	**88,752**	**336,792**	**49,380**	**1,314,269**	**1,349,265**
Depreciation							
At 01-Jan-22	-	(13,339)	(77,315)	(312,955)	(18,929)	(422,538)	(435,888)
Depreciation expense	-	(12,258)	(8,792)	(24,385)	(8,713)	(54,148)	(57,493)
Disposal/write offs	-	-	27,334	102,013	8,415	137,762	137,762
Reclassification	-	-			-	-	
At 31-Dec-22	**-**	**(25,597)**	**(58,773)**	**(235,327)**	**(19,227)**	**(338,924)**	**(355,619)**
Depreciation expense		(12,087)	(9,130)	(25,466)	(9,733)	**(56,416)**	**(60,505)**
Disposal		-	3,474	5,534	4,561	**13,569**	**12,187**
At 31-Dec-23	**-**	**(37,684)**	**(64,429)**	**(255,259)**	**(24,399)**	**(381,771)**	**(403,937)**
Carrying amount							
At 31-Dec-22	26,889	684,004	21,346	61,443	13,472	807,154	820,539
At 31-Dec-23	**129,012**	**672,649**	**24,323**	**81,533**	**24,981**	**932,498**	**945,328**

A professional valuer, Francis Thomas Jones Associates, in 2021 revalued the bank's freehold and leasehold properties on an open market basis. The resulting surplus of D202M Million which is comprised of the adjustments of D151.2M and D52.2M shown above was transferred to a revaluation reserve account as shown in the statement of financial position.

20b. Intangible assets

The Group and The Bank	Purchased software	Total The Bank	Total The Group
cost	**D'000**	**D'000**	**D'000**
At 01-Jan-22	325,006	**325,006**	**330,365**
Additions	5,541	**5,541**	**5,541**
Write offs	**(38,270)**	**(38,270)**	**(38,270)**
At 31-Dec-22	**292,277**	**292,277**	**297,636**
Additions	23,767	**23,767**	**23,767**
Write offs	-	**-**	**-**
At 31-Dec-23	**316,044**	**316,044**	**321,403**
Accumulated amortisation			
At 01-Jan-22	(267,406)	**(267,406)**	**(268,194)**
Amortisation expense	(16,363)	**(16,363)**	**(17,077)**
Write offs	34,075	**34,075**	**34,075**
At 31-Dec-22	**(249,694)**	**(249,694)**	**(251,196)**
Amortisation expense	(15,965)	**(15,965)**	**(15,965)**
Write offs		**-**	**-**
At 31-Dec-23	**(265,659)**	**(265,659)**	**(267,161)**
Carrying amount			
At 31-Dec-22	42,583	42,583	46,440
At 31-Dec-23	**50,385**	**50,385**	**54,242**

Intangible assets represent licences for computer software.

21. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Property, plant, equipment/ software	**(10,652)**	(11,552)	**(10,652)**	(11,552)
Net tax (assets)/liabilities	**(10,652)**	(11,552)	**(10,652)**	(11,552)

Movements during the year

2022	**Opening**	**Recognised in P/L**	**Recognised in equity**	**Closing**
	D'000	**D'000**	**D'000**	**D'000**
Property, plant, equipment/ software	(16,873)	5,321	-	**(11,552)**
	(16,873)	**5,321**	-	**(11,552)**

Movements during the year

2023	**Opening**	**Recognised in P/L**	**Recognised in equity**	**Closing**
	D'000	**D'000**	**D'000**	**D'000**
Property, plant, equipment/ software	**(11,552)**	900	-	(10,652)
	(11,552)	**900**	-	(10,652)

22. Other assets

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Bills discounted	-	-	-	-
Prepayments	**68,942**	38,451	**41,926**	36,481
MTO clearing	**6.318**	25.246	**6.318**	3.599
Stationery Stock	**14,387**	12,209	**14,387**	12,209
Travelex receivable	-	-	-	-
Assets on order	**9,279**	1,467	**9,279**	1,467
Unpaid shares	-	1,739	-	1,739
Lease Vehicle	**33,135**	24,845	**33,135**	24,845
Fund transfer clearing	**18,919**	-	**18,919**	-
Receivable from HFC liquidator	-	2,077	-	2,077
Others 22 a	**4,142**	957	**5,084**	1,899
	155,122	106,991	**129,048**	84,316

22a Other as used in this section, includes insignificant balance sheet asset accounts not covered specifically in other areas of the FS, for example receivables other than loans and Overdrafts that are fully provided but not yet written off. Individually, these accounts are insignificant in the overall financial condition of the Bank.

23. Deposits from banks

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Money market deposits	**4,342**	4,015	**4,342**	4,015
Total deposits from banks	**4,342**	4,015	**4,342**	4,015

24. Deposits from customers

Deposits from customers by product group are as follows:

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Time deposits	**284,746**	268,625	**195,050**	212,657
Current accounts	**3,305,851**	2,713,478	**3,305,851**	2,713,478
Savings accounts	**6,458,059**	6,194,374	**6,458,059**	6,194,374
Total deposits from customers	**10,048,656**	9,176,477	**9,958,960**	9,120,509

The amounts shown as deposits above are all current. The Bank does not hold deposits to be settled after 12 months.

25. Other liabilities

		The Group		The Bank	
		31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
		D'000	D'000	**D'000**	D'000
Accounts payable	*25a*	**44,994**	31,746	**30,775**	31,746
Provision for general losses	*25b*	**9,848**	10,479	**9,848**	10,479
Provision for staff bonus		**18,852**	26,873	**18,852**	26,873
Building loan suspense	*25c*	**1,821**	519	**1,821**	519
Dividend payable		**6,931**	9,041	**6,931**	9,041
Due to MTO Partners	*25d*	**-**	14,266	**-**	-
Other creditors and accruals		**4,863**	4,244	**4,863**	4,244
Accrued expenses	*25e*	**18,797**	7,002	**18,797**	7,002
Other liabilities		**106,106**	104,170	**91,887**	89,904

Included in Accounts Payable reporting under 25a is Unclaimed Funds of D28.072M that do not meet the statutory requirement of the CBG guideline on Unclaimed Funds to be transferred to Deposit Insurance Scheme but mainly inflows with wrong details after Bank queries were sent for further clarifications without any response from the remitting correspondent Bank and thus kept aside in a separate suspense account for tracking purpose until it is transferred to the CBG.

25b Provisions for General Losses reporting under note 25b are estimations of potential losses that the Bank may experience due to frauds. The provision is treated as an expense in the Group's income statement as losses and charge offs and shown in note 10 while the credit entry goes to provision for general loses in the statement of financial position until time of full write off.

25c Included in the Staff building suspense reporting under note 25c are building loans granted to staff but not yet fully disbursed. The undisbursed part of the loans goes to this account if the property is not an outright purchase but for building a new property or completing property that that has not reached the certification level for further disbursement. The certification payment is done based on the advice of recognized and certified property appraisers.

25d Due from MTO partners are remittances paid on behalf of our Money Transfer Partners with pending reimbursements based on the contractual terms as shown in note 25d.

25e The Group records revenue and expense when they are earned regardless of when the money is received or paid. As such, Accrued expenses reporting under 25e includes services that are provided to the Group by suppliers, recorded in the books but there was no actual cash payment based on the terms of the agreement.

26. Statement of changes in equity

Share capital	**The Group**		**The Bank**	
	31-Dec-23	**31-Dec-22**	**31-Dec-23**	**31-Dec-22**
	D'000	D'000	**D'000**	D'000
On issue at 1 January	**200,000**	200,000	**200,000**	200,000
Exercise of options	-	-	**-**	-
On issue at 31 December	**200,000**	200,000	**200,000**	200,000

To comply with a recent Central Bank of The Gambia regulation requiring all banks in the Gambia to increase their authorized Share Capital to D500 million by year end 31st December 2025, Trust Bank is undertaking a phased capital increase. Our current Share Capital with 200 million ordinary shares with a par value of D1 each (2022: 200M ordinary shares of D1 each) will be increased by a transfer from Statutory reserves. This plan involves increasing our authorised share capital from D100M to D500M following shareholder approval at the Annual General Meeting in July 2024 followed by transfers from statutory reserves to share capital in phases to reach the minimum of D500M by 31st December 2025. For the Financial Year 2023, the Bank has transferred 25% of profits to statutory reserves (2022:15%)

Description of rights:

Each holder of the equity share is the Company's shareholder. Each shareholder enjoys its fundamental shareholder rights resulting from the Bank's Articles, namely:

- The right to share in the Company's profit (dividend), based on the proportion of total face value of their shares to the total face value of all shareholders;
- The right to attend the General Meeting, vote at the General Meeting, ask for information thereon and explanations regarding the Company's issues and/or issues concerning the controlled entities and related to the agenda of the General Meeting, make motions at the General Meeting;
- The right to share in the liquidation balance.

Each holder of preferred shares enjoys similar rights; the only difference is that the preferred shares are not equipped with the right of voting at a General Meeting, except for cases for which the law assigns voting power to such shares. Preferred shares are assigned a preferential right applicable to dividends, i.e. if the Company generates minimum net profit equal to the number of issued preferred shares, a minimum dividend of D1 per preferred share will be paid to the

Equity shares are publicly traded on the securities market, while preferred shares are non-publicly traded

Income surplus	**The Group**		**The Bank**	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
At 1 January	**215,109**	153,644	**179,376**	120,982
Profit for the year	**258,908**	248,248	**269,198**	245,563
Transfer to credit risk reserves	**-**	-	**(16,156)**	(335)
Transfer to statutory reserve	**(67,299)**	(36,834)	**(67,299)**	(36,834)
Dividends paid	**(118,584)**	(149,949)	**(120,000)**	(150,000)
Balance at 31 December	**288,134**	215,109	**245,118**	179,376

Statutory reserves

This represents amounts set aside as a non-distributable reserve from annual profits in accordance with Section 19 of the Banking Act 2009, Guideline 3.

Credit risk reserve

Credit risk reserve represents the amount required to meet the Central Bank of The Gambia guidelines for allowances on impairment. This is not distributable and represents the excess of loan provisions computed in accordance with the Central Bank of The Gambia prudential guidelines over the impairment of loans and advances arrived at in accordance with IFRS 9.

Reconciliation between IFRS 9 and the Prudential Guidelines

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Opening balance	**-**	-	**10,538**	10,203
Provisions as per Prudential	**79,899**	70,214	**79,585**	69,900
Provisions as per IFRS 9	**(63,884)**	(70,020)	**(63,429)**	(69,565)
	16,015	194	**26,694**	10,538

Revaluation reserve

A professional valuer, Francis Thomas Jones Associates, in 2021 revalued the bank's freehold and leasehold properties on an open market basis.

Equity revaluation reserve

The Group's equity investments are measured at fair value at the end of each reporting period. The reserve account shows the difference between the book value and the fair value as at the reporting

Dividends

The following dividends were declared and paid by the Group for the year ended 31 December:

	2023	2022
	D'000	D'000
D0.30 per ordinary share (2022:D0.45)	**60,000**	90,000
	60,000	90,000

After 31 December 2023, the following dividends were proposed by the directors in respect of 2023. The final dividend for 2023 has not been provided for and there are no income tax consequences. However, the final dividend relating to 2022 of D60M as indicated below and the interim dividend of D60M for 2023 as indicated above were paid in full as shown in the cashflow statement and statement of changes in equity.

	2023	2022
	D'000	D'000
D0.45 per ordinary share (2022: D0.30)	**90,000**	60,000
	90,000	60,000

27. Off-balance sheet contingencies and commitments

In the ordinary course of business, the bank conducts business involving guarantees, acceptances and performance bonds. These facilities are offset by corresponding obligations of third parties. At the year end, the contingencies were as follows:

	The Group		**The Bank**	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Bonds and guarantees	**1,007,503**	251,579	**1,007,503**	251,579
Letters of credit, acceptances and other documentary credits	**315,752**	415,061	**315,752**	415,061
	1,323,255	666,640	**1,323,255**	666,640

Derivatives/Commitments

The bank does not engage in any derivative financial instruments to hedge risk exposures for any purpose.

Nature of contingent liabilities

Guarantees are generally written by a bank to support performance by a customer to third parties. The bank will only be required to meet these obligations in the event of the customer's default.

Letters of credit commit the bank to make payments to third parties, on production of documents, which are subsequently reimbursed by customers.

An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer. The bank expects most acceptances to be presented and reimbursement by the customer is almost

28. Other contingencies

In the ordinary course of business, the Bank is subject to legal actions and complaints. Based on legal advice, the Directors do not expect the ultimate liability, if any, arising from such actions or complaints to have a material effect on the financial situation or the results of the future operations

29. Significant subsidiaries

	Country of incorporation	Ownership interest 2023	2022
Bayba Financial Services Limited	The Gambia	**100%**	100%

Bayba Financial Services Ltd operates accounts with the bank. Interest accrues on these accounts and placements are at normal commercial rates.

30. Related parties

Loans and Advances to Directors

Directors and their immediate relatives have transacted loans with the bank during the period as follows:

	The Group 31-Dec-23	31-Dec-22	The Bank 31-Dec-23	31-Dec-22
	D'000	D'000	**D'000**	D'000
Gross amount at 1 January	**1,026**	1,026	**1,229**	1,229
Interest charged	**306**	216	**285**	195
Loan disbursed	**6,925**	6,989	**6,536**	6,600
Cash received	**(359)**	(419)	**(212)**	(272)
Net movement in overdraft balances	**-**		**-**	-
Net amount at 31 December	**7,898**	7,812	**7,838**	7,752

For Directors and companies in which they have equity in, interest rates charged on balances outstanding are the same as that which would be charged in an arm's length transaction. However, interest has been suspended for non performing accounts amounting to Nil (2022: Nil).

Impairment losses of nil have been recorded against balances outstanding from Directors (2022: Nil).

Included within loans and advances as at 31st December 2023 is Nil (2022: Nil) due from our subsidiaries. Interest and charges received on advances granted during the year amounted to nil (2021: 0.461M).

Included in deposits as at 31st December 2022 is D15.596Million (2022: D15.596 Million) due to our subsidiary company. Interest paid on these deposits during the year amounted to nil (2022: nil Million).

Loans and advances to employees

	The Group		**The Bank**	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Balance at 1 January	**68,697**	19,399	**67,080**	17,782
Loans advanced during the year	**61,756**	58,101	**58,137**	54,482
Loan repayments received	**(32,386)**	(6,979)	**(30,591)**	(5,184)
Balance at 31 December	**98,067**	70,521	**94,626**	67,080

For Senior Management and all other staff, interest rates charged on balances outstanding are a third of the rates that would be charged in an arm's length transaction.

Impairment losses of D0.406 Million have been recorded against balances outstanding from Staff (2022: D0.826Million)

Key management personnel compensation for the period comprised:

	The Group		**The Bank**	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Directors board fees	**4,576**	3,873	**4,141**	3,438
Directors sitting fees	**3,504**	1,872	**3,374**	1,742
Senior Management salaries	**14,293**	13,103	**10,788**	9,598
Senior Management pension contributions	**1,793**	2,561	**1,608**	2,376
	24,166	21,409	**19,911**	17,154

31. Penalties

No penalty charge was levied by The Central Bank of The Gambia for non-compliance with its guidelines

32. Events after statement of financial position date

Events subsequent to the reporting date are reflected in the financial statements only to the extent that they related to the year under consideration and the effect is material. The Group’s subsequent event has been disclosed below:

Claim for payment of bills of exchange

The Bank operates in a regulatory and legal environment that by nature has some element of litigation risk inherent in its operations. As a result, the Bank is involved in various but insignificant arbitration proceedings in The Gambia. The Bank has formal controls and policies for managing legal claims. Based on professional legal advice, the Bank provides and/or discloses amounts in accordance with its regulatory requirements and IFRS.

The only significant legal claim against the Bank is in respect of a claim against the Bank for payment of Bills of Exchange. In receiving these Bills of Exchange, the Bank acknowledged receipt and expressly highlighted that the Bank does not accept any form of liability howsoever arising and specially ousted the operation and reliance on any tenor term inferring the acceptance of avalisation. The claimant has nonetheless filed a claim for payment of US$5M by implying that the Bank consented to avalisation. The Bank maintains that it did not by act or omission agree to any term of avalisation and consequently bears no responsibility. The Bank’s legal counsel’s opinion is that it is possible, but not probable, that the court ruling may be in favor of the claimant. The Bank whilst vigorously defending the suit shall institute Third Party Proceedings in the same suit against the Customer of the Claimant in order that any judgement which may be made against the Bank (in a worst case scenario) the court shall order the Customer of the Claimant to indemnify the Bank to the full extent of the judgement. Accordingly, no provision for any claims has been made in these financial statements.

33. New standards, interpretations and amendments to existing standards that are not yet effective

Standards and Interpretations issued but not yet adopted

Lease Liability in a Sale-and-Leaseback (Amendments to IFRS 16, Leases)

requires a seller-lessee to account for variable lease payments that arise in a sale-and-leaseback transaction as follows.

On initial recognition, include variable lease payments when measuring a lease liability arising from a sale-and-leaseback transaction

After initial recognition, apply the general requirements for subsequent accounting of the lease liability such that no gain or loss relating to the retained right of use is recognized.

Seller-lessees are required to reassess and potentially restate sale-and-leaseback transactions entered into since the implementation of IFRS 16 in 2019.

Supplier Finance Arrangements (Amendment to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments: Disclosures) requires an entity to disclose qualitative and quantitative information about its supplier finance arrangements[4], such as terms and conditions – including, for example, extended payment terms and security or guarantees provided.

The IASB decided that, in most cases, aggregated information about an entity's supplier finance arrangements will satisfy the information needs of users of financial statements.

Amongst other characteristics, IAS 7 explains that a supplier finance arrangement provides the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date.

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1, Presentation of Financial Statements), published in 2020 and 2022 respectively, clarify that the classification of liabilities as current or noncurrent is based solely on an entity's right to defer settlement for at least 12 months at the reporting date. The right needs to exist at the reporting date and must have substance.

Only covenants with which an entity must comply on or before the reporting date may affect this right. Covenants to be complied with after the reporting date do not affect the classification of a liability as current or noncurrent at the reporting date. However, disclosure about covenants is now required to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

The amendments also clarify that the transfer of an entity's own equity instruments is regarded as settlement of a liability. If a liability has any conversion options, they generally affect its classification as current or noncurrent, unless these conversion options are recognized as equity under IAS 32, Financial Instruments: Presentation.

Lack of exchangeability (Amendment to IAS 21, The Effects of Changes in Foreign Exchange Rates) applies when one currency cannot be exchanged into another. This may occur, for example, because of government imposed controls on capital imports and exports, or the volume of foreign currency transactions that can be undertaken at an official exchange rate is limited. The amendments clarify when a currency is considered exchangeable into another currency and how an entity estimates a spot rate for currencies that lack exchangeability. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.

34. Value Added Statement for the year ended 31 December 2023

	The Group		The Bank	
	31-Dec-23	31-Dec-22	**31-Dec-23**	31-Dec-22
	D'000	D'000	**D'000**	D'000
Interest earned and other operating income	**1,088,986**	966,043	**1,046,699**	922,473
Direct cost of services	**(112,920)**	(59,299)	**(111,140)**	(58,095)
Value added by banking services	**976,066**	906,744	**935,559**	864,378
Non banking income	**47,254**	45,183	**42,499**	44,258
Impairment (loss)/ gain	**(7,253)**	(36,993)	**(6,118)**	(36,810)
Value added	**1,016,067**	914,934	**971,940**	871,826
Distributed as follows:				
To employees:				
Directors (without executives)	**7,665**	5,800	**7,515**	5,179
Executive Management	**16,086**	15,664	**12,396**	11,974
Other Employees	**261,883**	232,133	**241,415**	215,784
To Government:				
Income Tax	**104,197**	92,838	**103,293**	91,677
To providers of capital:				
Dividends to Shareholders	**118,584**	149,949	**120,000**	150,000
To expansion and growth:				
Depreciation and amortisation	**76,470**	74,570	**72,381**	70,511
Retained earnings	**288,134**	215,109	**245,118**	179,376

PROFILE OF CURRENT DIRECTORS

MR. FRANKLIN HAYFORD – CHAIRMAN

Age: 66 years

Mr. Franklin Hayford is an Executive Director of Databank Financial Services Ltd., Accra, Ghana. He is a Director of International Bank (Liberia) Ltd, Ghana Reinsurance Company Ltd., Insurance Company of Africa [Liberia], Grace Strategic Ventures Ltd., and Rhun Palm Consult Ltd. Mr. Hayford is also the Resident Director of Databank Securities Ltd, The Gambia. Mr. Hayford has over the years been very active in private business in The Gambia, holding different managerial positions in a number of companies. He represents a number of International Institutions in The Gambia

Mr. Hayford holds a BSc degree in Management Sciences from the University of Manchester in the U.K

MR. ANSUMANA L.N. TOURAY– DIRECTOR

Age: 53 years

Ansumana L.N. Touray is the Deputy Managing Director of Social Security and Housing Finance Corporation (SSHFC). He is a Board member of the Bayba Financial Services as well as the West African Leisure Group. He is a Chartered Accountant with over twenty years' experience in budgeting, business process re-engineering, auditing, financial management and reporting for government, profit and non-profit organizations. He has worked at the Ministry of Finance and Economic Affairs (MoFEA) for many years in various capacities; including Deputy Permanent Secretary, Director of Budget, and as Financial Management Specialist (with the Integrated Financial Management Information System).

Mr. Touray was the one who introduced the concept of Citizens Budget when he was the Director of Budget to enable the budget to be understood by non-technical people. Another key achievement in my career is the transformation of the Government manual accounting, payroll and budgeting systems into computerized ones with the IFMIS Project implementation.

During his tenure at MoFEA, he represented the Ministry at various Board and Committee meetings both locally and internationally. Mr Touray was the Government Focal Person of the Climate Investment Fund of the World Bank as well as the Government Representative of the African Risk Capacity of the African Union during his time at the Ministry. He had earlier worked as an Audit Senior for Deloitte for some years before his tenure at MOFEA.

From the educational front, he is a Fellow of the Association of Chartered Certified Accountants (FCCA) after having studied for his ACCA at Emile Woolf College in London, UK; and banked double Masters: Master of Science (MSc) in Accounting and Financial Management from DeVry University, USA and Masters in Business Administration (MBA) in Executive Leadership from Breyer State University, USA.

MRS. ANGELA ANDREWS-NJIE – INDEPENDENT NON EXECUTIVE DIRECTOR

Age: 67 years

Mrs. Angela Andrews Njie is a Co-founder, Director and Company Secretary of West African Tours Ltd, a company founded in 1987. Prior to this, she worked for the Gamnor Group (The Gambia), CT Bowering (London) and British Aluminium. Since 1993, she has also undertaken short term consultancies for a number of Institutions including an assignment at Tanzania's Civil Training Center on behalf of the Commonwealth Secretariat, and an audit assignment in collaboration with Coopers & Lybrand Dieye under the direction of the World Bank. She also served as Executive Board Member of the Chamber of Commerce and Industry in The Gambia. Mrs. Andrews-Njie graduated from the London School of Accounting as an ACIS (Chartered Institute of Secretaries) Graduate and an ACMA (Chartered Institute of Management Accountants) Graduate in 1981 and 1983 respectively. Prior to that, she obtained a Diploma in Administration from Hull College in 1979. In 2004, she obtained an MBA in International Business from the University of Birmingham. She joined the Board in May 2002

MR. SALOUM MALANG - DIRECTOR
AGED: 51 years

Mr. Saloum Malang is the current Managing Director of Social Security and Housing Finance Corporation and a Board member of Gam Petroleum, Gambia Transport Service Company (GTSC), Gambia Food and Feed Industry (GFFI), West Africa Leisure Group (WALG) and TBL. Mr. Malang started his Public Sector carrier in 1998 at the Sea Port where he worked at the Banjul Shipyard Co. Ltd under the Gambia Ports Authority (GPA) as Commercial Officer also responsible for the admin functions and was the Board and Management Secretary. Mr. Malang spearheaded and drafted the first and only Corporate Planning Strategic document of Banjul Shipyard

In 2004, Mr. Malang left the seaport for the airport where he worked under Gambia International Airlines Co. Ltd (GIA) temporarily heading the HR/Admin department and rose through the ranks to admin manager and later started the Corporate Department as Senior Corporate Planning Manager responsible for monitoring and evaluating the strategic direction of the institution and serving as Board Secretary, involved in investment analysis for projects, and the Chairman of the Contracts Committee for 12 years. He was the focal person for the twin projects of the GIA which were the construction of the Corporate Head Office at the entrance of the Banjul International Airport and the Cargo Complex sponsored by the European Union (EU). In 2017, he was promoted to the position of Deputy Managing Director and served as Acting Managing Director from 2018 to 2019.

Prior to his current position, Mr. Malang served as Director General of the Gambia Public Procurement Authority (GPPA) for two years where he successfully created a team to upload and manage the organization's cloud resources and he succeeded in producing 10 Oracle certified Foundation Associate including himself. At GPPA, he proactively started the digitalization of Public Procurement using internal resources to prepare the Authority ahead of the World Bank e-GP digitalization.

Mr. Malang holds a Bachelor's Degree in Business Administration with Honors from the International Islamic University of Malaysia in 1998, and later holds an MSc in Public Sector Management from GIMPA, Ghana graduating with 3.9 CGPA in 2011. He had a stint with the Medical Research Council and after his Advance Level, he worked with Standard Chartered Bank Gambia ltd in 1993 for one year before travelling to Malaysia on a scholarship.

HADDY SALLAH – DIRECTOR
AGE 55 years

Haddy is currently the Director of Finance and Investments at Social Security and Housing Finance Corporation (SSHFC), with over 30 years of working experience and 12 years of post-graduate experience.

She has master's degree in Finance (MBA International) from Cambridge and Chelmsford, through the London College of Accountancy in 2009. She is a member of the Association of Accounting Technicians Qualified (MAAT) In 1999 and a European Diploma Supplement in 2009 from the London College of Accountancy.

She has worked all her life in the Accountancy and Finance field occupying the ranks from Accounts clerk to Director of Finance and Investments between 1989 to date. Between 1989 and 1995 she worked for the Accountant General's Department and for SSHFC from 1995 to date

Haddy is currently a board member of West African Leisure Group (WALG), Gambia Food and Feed Industries (GFFI) and the Current Interim Board Chair of Gam-Petroleum Storage Company LTD. Her area of specialization is Budgeting and Budgetary controls and the preparation and presentation of Financial and Management information to management. Responsible for driving the financial and investment goals of the SSHFC to ensure financial health

ABDOULIE JALLOW – INDEPENDENT NON EXECUTIVE DIRECTOR
AGE: 58 years

Abdoulie Jallow is the founder and Chief Executive Officer (CEO) Prudential Consulting and Asset Management (PCAM) and PCAM Brokers Company Limited. He holds a Bachelor of Arts Degree in Managerial Economics from Bethany College, West Virginia, USA (1993), an MBA (with Merit) from Birmingham University Business School, Edgbaston, Birmingham UK (2005) and an Executive Masters in Sport Organisations Management from the Université Catholique de Louvain, Belgium (2019). He has conducted extensive research on Corporate Governance in Developing Economies with case study on the Gambia and also on How to improve Governance in our National Sports Structures.

Upon completion of his BA Degree, Mr. Jallow worked for Kemwell Group Inc.; Harrison, New York, USA as Assistant Manager- Tours Systems before joining the Central Bank of The Gambia (CBG) in March 1994 as a Banking officer. He rose through the ranks to the level of Deputy Director, Financial Supervision Department before voluntary retiring in 2010 from the services of the CBG.

As a senior staff of the CBG, He chaired the task forced on drafting a corporate governance guideline for commercial banks in the Gambia. He also conducted a study on the feasibility of establishing a Credit Reference Bureau in the Gambia and was subsequently tasked to set-up the first Credit Reference Bureau (CRB) in The Gambia which became fully operational since August 2009. Mr. Jallow was also involved in the designing, coordinating and facilitation of training for staff of the Financial Supervision Department of the Central Bank of The Gambia and the commercial banks.

Since his retirement from the CBG, Mr. Jallow has served in several boards and is currently the Chairman of the Financial Reporting Oversight Board. He was a Director at the International Commercial Bank (2011-2014) and FBN Bank Gambia Limited a subsidiary of First Bank of Nigeria (2014-2020) chairing the Board Audit & Risk Management Committee

KATAKYIE OFORI-ATTA - DIRECTOR
Age: 30 years

Katakyie has served as Head of Strategy for Family Ventures and Offices (FVO) since 2022 – a family office based in Accra, Ghana. In this role, Katakyie oversees value creation efforts in FVO's portfolio companies - primarily financial services institutions across the West African region (including Insurance Companies, Retail Banks, an Investment Bank, and a Credit Reference Bureau). Katakyie has also launched an internal fund that invests into FinTech startups that have clear synergies with FVO's existing portfolio, allowing for mutually beneficial partnership opportunities between targets and existing portfolio companies.

Prior to joining FVO, Katakyie worked at Goldman Sachs for 6 years in New York and Hong Kong on the Equity Management and Strategy team where he was responsible for creating and executing market and client penetration strategies to help the firm's equity trading division win market share in equity derivatives and synthetics products. At Goldman, Katakyie also served on the Analyst and Associate Council and was a steering committee member of the Black and Hispanic Network

Katakyie is an African Leadership Initiative – Youth Leaders Fellow and is deeply passionate about the emergence of the African continent as a global powerhouse – particularly in the financial services industry. Katakyie graduated from Williams College with a BA in Economics and Psychology. At Williams, he was a member of the Track and Field team, eventually captaining the team and receiving All-American Honors in the 60m and 100m events.

NJILAN SENGHORE– EXECUTIVE DIRECTOR

Age: 47 years

Njilan started her education at St Joseph's School (Mrs. Ndow) where following a double promotion from primary 3 to 5, she finished primary school a year ahead of her peers and gained admission to Gambia High School. In 1993, she graduated from Gambia High School and proceeded to the West Midlands School of Accountancy in Birmingham, UK. At the age of 21, she attained qualifications with two world recognized Accountancy Bodies; Association of Accounting Technicians (AAT) and the Association of Chartered Certified Accounts (ACCA). Today she is a Fellow Member of the Association of Accounting Technicians (FMAAT), a Fellow Member of the Association of Chartered and Certified Accountants (FCCA) and also holds a Masters Degree in Business Administration (MBA) from Oxford Brookes University in the UK.

Njilan began her career as an Auditor with Deloitte and Touché in 1999. Her work as an Auditor within a Big 4 firm helped set the foundation for the rest of her career. She climbed the ranks from an Audit trainee to a Senior Audit Manager within a short period. During her tenure at Deloitte, Njilan gained extensive experience in audits for all Industry sectors in The Gambia and became well respected for her knowledge in critical audit and accounting issues affecting the majority of entities not just in the Gambia but also in the West African region having also conducted audits in countries like Mauritania, Ghana and Mali. Njilan also received extensive training in Deloitte audit systems and methodologies and became the first Gambian to be admitted to the team of "facilitators" responsible for training employees in the Deloitte Africa group. Njilan travelled extensively to South Africa, Ghana, Nigeria, Kenya and France to train employees across the Africa region.

In May 2007, Njilan left Deloitte and moved to Trust Bank Limited as the General Manager in charge of Finance, Administration and Human Resources. A promotion to Deputy Managing Director followed in July 2016 and in December 2021 she became the first female Managing Director and first female Executive Director on the Bank's Board.

In addition to her duties as a Bank Executive, Njilan sits on the boards of Royal Insurance Company Ltd, GamSwitch Company Ltd, Bayba Financial Services Ltd and International Bank of Liberia. Njilan also participates in mentoring young ladies approaching the end of high school and those venturing into Business.

OMAR MBOOB (FCCA) – EXECUTIVE DIRECTOR

AGE: 47 years

Mr. Omar Mboob was the Head of the Corporate Banking Department of Trust Bank Limited since June 2017 until recently in January 2022 when he was appointed the Deputy Managing Director of the Bank. He joined Trust Bank in January 1999 at the age of 22 as a Cashier and rose through the ranks to Head of Finance in July 2016 before being re-assigned to the Business arm of the Bank at Corporate Banking Department in June 2017. He has over 23 years of Banking experience.

Whilst at the Finance Department, Omar was also managing the Treasury (Local Currency component) until June 2016 when the Bank merged the Treasury Management under the Finance Department with the Foreign Operations Department to a redesigned and more effective central Treasury Department. Omar served as the Vice President (2011-2013) and later President (2013-2015) of The Gambia Interbank Dealers Association (GIDA) during which time the Bankers Hour Radio Program was launched in 2011.

Omar anchored the Saturday afternoon Bankers' Hour radio program and the Sunday evening Finance Economic and Business (FEB) hour on West Coast Radio 92.1 FM which were effectively used as a platform to sensitize the rolling out of the West African Monetary Zone (WAMZ) payment systems (ACP/ACH, RTGS, SSS, and GamSwitch) and was recognized at the 2019 Annual Bankers' Dinner.

Mr. Mboob represented the Gambia Bankers Association at several regional meetings such as exploring the possibilities of quoting a sub-regional cross currency rate of the WAMZ countries in Freetown, Sierra Leone in April 2010 and at the first Ecowas Regional Payments Systems meeting (ECOREPS) to discuss possibilities of integrating the payment systems in ECOWAS at the Ecowas commission in Abuja, Nigeria in October 2014.

Omar Presented a paper on Banks' challenges to Financing Agriculture on behalf of the Banker's Association organized by FAO (the Gambia) in January 2019.He also Presented a paper on Housing Development Finance in The Gambia-Making the Real Estate Sector work for all, at the 4th TAF AFRICA GLOBAL Annual Conference (TAFCON) in December 2018. He is also a regular on the TAF HUB TV show discussing all matters relating to Banking.

Omar was the most outstanding delegate on the Regional Course on International Financial Reporting Standards organized by WAIFEM in Abuja Nigeria from 28th May to 1st June 2012 and was the Class Governor of the same prestigious course held in Accra, Ghana in February 2016.

Omar is a person of great initiatives and a man of great thoughts. His professional work is consistently of high standard and value backed by his exceptional leadership qualities. He is always willing to share his experience with others. He relates to almost everyone, colleagues and customers alike and admired by his colleagues and always yearns for the best.

Omar is a Fellow of the Association of Chartered Certified Accountants of UK (FCCA) and holds a certificate of Professional Development specializing in Financial Management from Illinois State University (USA).

In January 2022, he was promoted to Deputy Managing Director and an Executive Director on the Bank's Board.

Omar currently serves as a Director at Bayba Financial Services and Enterprise Life Assurance (Gambia) Limited.

TOP TWENTY SHAREHOLDERS

Name	Address	# SHARES	% Holding
Social Security & Housing Finance Corp.	61, Ecowas Ave. Banjul	73,969,253	36.985%
Databank	Trust Bank Building, 2nd flr, Serrekunda, Banjul	44,240,000	22.120%
Trust Bank Employee	3-4 Ecowas Avenue, Banjul	15,576,486	7.788%
VENTURES & ACQUISITIONS LTD.	C/o Databank Securities Ltd	11,790,073	5.895%
Gambia Ports Authority	C/o Deloitte & Touché, Kanifing	11,156,507	5.578%
Gambia Electrical Company	P.O Box 187.Satelite house Banjul	4,600,000	2.300%
AFEDO MOSES KWASI MR	P.O.BOX AF 999	3,013,800	1.507%
DSL Trading Portfolio	P.o Box 3189, Serekunda	2,238,867	1.119%
Hobeika Charbel	P.O Box 217	1,420,000	0.710%
Njie Pa M.M.	Trust Bank Ltd, Banjul	1,250,000	0.625%
Bendavia Travel Agency Ltd	Garba Jahumpa Road, Bakau, KSMD	1,000,000	0.500%
Sarge Ardy	BB Hotel, P.O. Box 2637, Serrekunda	849,000	0.424%
Aziz Micheal A	P.O Box 122, Banjul	833,333	0.417%
Banna Antione	P. O Box 143, Banjul	833,333	0.417%
Rajwani Nandkishore	Ecowas Avenue, Banjul, The Gambia	833,333	0.417%
Sillah Njundu	Trust Bank Limited	806,667	0.403%
West African Examination Council	P.M.B 158, Banjul	700,000	0.350%
Saho Dodou K	29 Momodou Sohna St. Latrikunda	696,667	0.348%
Quantum Net Ltd	Kairaba Avenue, S/K, P.O. BOX 3469	666,667	0.333%
TAF Holding Co Ltd	P.O Box 121, Banjul	666,667	0.333%
Others		22,859,347	11.430%
		200,000,000	