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Guaranty Trust Bank (Gambia) Limited's Financial Statements complies with the applicable legal requirements of the Central Bank of The Gambia, the Companies Act 2013 and The Banking Act 2009 regarding Annual Financial Statements and comprises of the Financial Statements of the Bank for the year ended 31st December 2023. The financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board



Abolaji Yusuff

CEO/Managing Director

Managing Director's Statement: A Look Back and a Look Ahead

Dear Shareholders and Partners, It is with great pleasure that I address you today as the Managing Director of Guaranty Trust Bank (Gambia) Limited.

The Annual Accounts, Balance Sheet, and Directors' Report for the year ended December 31, 2024, have been circulated and with your permission, I will take them as read.

I would like to briefly discuss the economic landscape in which our Bank has been operating.

Navigating the Global and Local Economic Seas

World Economic Outlook

The International Monetary Fund (**IMF**) reports that the global economy, after enduring a prolonged series of unprecedented shocks seems to have stabilized with steady underwhelming, growth rates. However, the IMF also points to a shifting landscape. Governments worldwide are reordering policy priorities, pushing uncertainties to new highs. Global growth forecasts have been significantly revised downwards compared to the **January 2025** World Economic Outlook (**WEO**) Update, largely due to effective tariff rates at levels not seen in a century and a highly unpredictable environment. Global headline inflation is expected to decline at a slightly slower pace than previously anticipated.

The IMF warns that divergent and rapidly changing policy positions or deteriorating sentiment could lead to even tighter global financial conditions. An escalating trade war and heightened trade policy uncertainty could further hinder both short-term and long-term growth prospects. Furthermore, any scaling back of international cooperation could jeopardize progress toward a more resilient global economy.

The Gambian Economic Outlook

Domestically, the IMF projected a positive economic outlook for The Gambia, with growth estimated at **6%** in **2024**, largely driven by the tourism and construction sectors. Inflation is expected to return to single digits in early **2025**. While we've seen a decline in poverty and public debt, the country remains at a high risk of debt distress.

For **2025**, the IMF projects The Gambia's economic growth to be around **5.9%**, with single-

digit inflation returning early in the year. The fiscal deficit is expected to narrow to **1.2%** of **GDP** over 2025-2027, and public debt is projected to decrease from **70.6%** of GDP in 2024 to below **60%** on average in 2025-27. Despite these positive trends, the country continues to face a high risk of debt distress.

Reports also highlight the dynamic changes in The Gambian economy over the past decade. Agriculture's share in GDP value added dropped from **35%** in 2010 to **23%** in 2021, while industry's share rose from **9%** to **14%**, and services' share increased from **54%** to **62%**. However, structural transformation has been slow.

Our Strong Performance in 2024

Despite the global and local economic challenges, I am very happy to inform you that the Bank has performed well under most of the parameters. The Bank once more achieved an important milestone during the year. It crossed the **D1 Billion** Dalasi mark in Profit Before Tax (**PBT**). We have solidly kept our position in the top tree league of commercial banks in The Gambia.

Total deposits increased to **D12.122 Billion** from **D9.994 Billion** in 2023 recording a growth of **21 percent**. The share of low-cost deposits i.e. current and savings deposits remained at **98.50 percent**. We have managed to maintain the proportion of high-cost deposits at **1.50 percent** of total deposits as at **31st December 2024**. Increasing the customer base is one of the focal activities of the Bank. We have been able to add **29,860** new accounts during the year. The Bank has posted a **PBT** of **D1.084 Billion** compared to **D788 Million** during the previous year. I attribute these achievements to the untiring efforts of the members of staff, the patronage of our almost **300,000** customers, shareholders and the support and guidance of the Board of Directors.

Dividend

The Board of Directors have recommended a Dividend of **D1.68 Bututs** per share.

Looking Ahead

GTBank Gambia Ltd is on course to fully comply with the Central Bank of The Gambia request for all commercial Banks to increase their Minimum Capital Requirement from D200 Million to D500 Million by end December 2026. Following, a prudential measure advised by the Board of Directors, management has been gradually increasing the Bank's Share Capital over the years in anticipation of Central Bank's policy advice.

I attribute these outstanding achievements to the tireless efforts of our dedicated staff, the unwavering patronage of our over 300,000 thousand customers, the trust of our shareholders and the invaluable support and guidance from our Board of Directors.

Looking Ahead: Innovation and Continued Growth

The Bank has put in place various strategies, plans and programs not only to consolidate our

gains and our position in the top three league within the industry but also to ensure we remain the go-to bank for electronic services delivery. We are making significant investments to enhance our robust technology platform; all geared towards making banking even easier for our growing customer base.

While 2024 had its share of challenges, we successfully navigated them thanks to the tremendous work of our staff, the wisdom and guidance of our Board, and the steadfast loyalty of our customers. It's clear that 2025 will also present its own set of challenges, and industry competition will undoubtedly intensify. However, I am optimistic and truly upbeat that we will surmount these challenges and maintain our leading position in the industry. My optimism is fueled by my trust in your strength and steadfastness which you demonstrate year in and year out.

The Bank will consciously and deliberately prioritize staff welfare. Management is committed to providing the necessary tools and a conducive workspace. We are acutely aware of the important role these elements play in service delivery and in achieving our objective of being number one in all indicators within The Gambia Banking Industry.

In line with Guaranty Trust Holding Company's commitment to offer customers unrivaled speed, convenience and security in their banking transactions across all GTBank touchpoints online and in-branch plans are well advanced for GTBank Gambia to transition our current banking application (Basis) to a new and robust core banking system (Finacle). With this new dispensation, our customers will be able to get so much more done in very little time from transfers to payments! We also hope to fully integrate with WAVE Mobile Money by the end of the second quarter of 2025. This integration will empower our customers to seamlessly move funds between their WAVE Wallet and their GTBank account and vice versa.

On a final note, I want to remind everyone that our core business strategy remains unchanged. We will continue to build on our deposit mobilization model. Our Corporate Social Responsibility programs will also be enhanced as our desire is to significantly and positively impact communities across the country.

Once again, I wish you all a rewarding 2025.



Mr Sola Mahoney

Chairman

Chairman's Statement

Dear Shareholders, On behalf of the Board of Directors of Guaranty Trust Bank (Gambia) Limited, it is my privilege to present to you our Annual Report for the year ended 31st December 2024. It gives me pleasure and great pride to reflect on a year in which, despite significant global and domestic challenges, your Bank has demonstrated remarkable resilience, strong performance, and continued leadership in The Gambia's banking sector.

Economic and Industry Context

The past year has once again underscored the uncertainties of the global economic environment. Persistent trade tensions, volatile financial conditions, and slower-than-expected growth have posed significant challenges worldwide. Yet, on the domestic front, The Gambia has continued to register positive growth. While risks remain, particularly around debt sustainability, the outlook provides banks like ours with both an opportunity — and I would add a responsibility to continue to support the growth of the banking sector and the nation's development.

Our Bank's Performance

Against this backdrop, I am pleased to report that GTBank (Gambia) Limited had another record-breaking year. For the first time in our history, we surpassed the One Billion Dalasi mark in Profit Before Tax. Our deposits grew significantly, rising by over 21 percent to D12.1 billion, reflecting the confidence of our customers and the strength of our franchise. The Bank also opened almost 30,000 new accounts, further reinforcing our position as one of the top banks in the country. These results are a testament to our prudent Board governance, sound management execution, and the unwavering dedication of our staff.

In light of this strong performance, the Board is delighted to recommend a dividend of D1.68 bututs per share. This demonstrates our commitment to rewarding our shareholders for their continuing confidence and loyalty, while at the same time strengthening the capital base of the Bank in line with the Central Bank's revised minimum capital requirements. Our proactive approach in gradually building our share capital has always ensured that we remain fully compliant ahead of regulatory deadlines.

Our proactive approach in gradually building our share capital has always ensured that we remain fully compliant ahead of regulatory deadlines

Strong Governance and Stewardship

As a Board, we remain firmly committed to the principles of strong corporate governance, transparency, accountability, and compliance with the Central Bank's Guideline 13. During the year, we continued to guide management in sustaining the deeply embedded culture of prudent risk-taking, ethical business conduct, and compliance with both domestic and international standards. In line with its responsibilities, our Board also provided oversight on strategy, capital adequacy, and long-term sustainability, ensuring that shareholder interests are consistently protected.

The Board is also mindful of our broader responsibilities to all stakeholders — beyond just the shareholders. We firmly believe that financial institutions must contribute to the country's sustainable development and inclusive growth. We therefore remain committed to funding, on an annual basis, various Corporate Social Responsibility initiatives that positively impact the development of our local communities.

Looking Ahead

As we look forward to 2025 and beyond, the Board remains confident in the strategic direction of the Bank. Significant investments in technology — including the transition to the new Finacle core banking system and the planned integration with Wave Mobile Money — will further enhance customer convenience, security, service excellence, and financial inclusion. At the same time, the Bank will continue to strengthen its digital platforms and position itself as the go-to institution for banking innovation in The Gambia.

We also reaffirm our commitment to staff development and welfare, recognizing that our people remain our most valuable asset. Their professionalism, resilience, and customer-first mindset underpin the Bank's success and will continue to drive our growth.

Closing Remarks

In closing, I wish to extend my sincere gratitude to my fellow Board Members for their foresight, commitment, and continued support in guiding the Bank; to Management and staff for their tireless efforts in growing the Bank and improving the customer experience; and to you, our shareholders, for your unwavering confidence and loyalty. Together, we have built a strong, stable, and forward-looking institution that is well-positioned to continue delivering value in 2025 and beyond.

With confidence and optimism, we look ahead to another year of resilience, strategic growth, and visionary leadership.

Yours sincerely,

Sola D. Mahoney

Chairman of the Board

Guaranty Trust Bank (Gambia) Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty-Second Annual General Meeting of Guaranty Trust Bank (Gambia) Limited will be held on Friday 11th day of July 2025 at 2:30 pm at the Bank's Presentation Room, 56, Kairaba Avenue, Fajara, KSMD, The Gambia to transact the following ordinary business:

ORDINARY BUSINESS

1. To receive and adopt the annual accounts of the bank for the year ended 31st December, 2024 together with the Report of the Auditors.
2. To ratify the augmentation of the Bank's Share Capital from D300,000,000 to D500,000,000 in accordance with the directives of Central Bank of The Gambia
3. To ratify the issuance of Bonus Shares to existing Shareholders
4. To appoint new External Auditors in accordance with CBG Guideline 13
5. To authorize the Directors to fix the remuneration of the Auditors and Directors
6. To declare the payment of Dividend
7. To consider any other business.

Dated this
2nd day of July, 2025.

Fatou Jeng
Company Secretary

GENERAL INFORMATION

Directors

Mr. Sola Mahoney Chairman
 Mr. Adebajji Adeniyi Member
 Mrs. Miriam Olusanya Member (Until September 2023)
 Mrs. Omolara Ismail Member (From October 2023)
 Mr. Benjamin Carr Member
 Mr. Daniel Attah Member
 Mr. Abolaji Yusuff CEO/Managing Director

Secretary

Ms. Fatou Jeng Company Secretary

Auditors

PKF
 Noble House
 33 Bijilo Layout Annex
 Bijilo
 P O Box 431
 Banjul,
 The Gambia.

Bankers

Central Bank of The Gambia
 1-2 ECOWAS Avenue
 Banjul, The Gambia

Guaranty Trust Bank UK Limited
 Bank of Beirut UK Limited
 Ecobank Limited, Senegal
 Guaranty Trust Bank Cote D'ivoire
 Banque de Commerce et de Placement (BCP) – GENEVA
 BGFIBank - Senegal
 Bank of Africa - Senegal

Solicitors

Christopher E. Mene
 Christopher. E. Mene chambers
 5 Macumba Jallow Street
 Banjul, The Gambia

Registered office

56 Kairaba Avenue
 P.O Box 1958, Banjul The Gambia



Financial Highlights

FINANCIAL HIGHLIGHTS

	31-Dec-24	31-Dec-23	Change
	GMD'000	GMD'000	%
Income Statement			
Profit before tax	1,084,446	788,983	37
Profit after tax	785,530	568,635	38
Net interest income	1,176,179	867,887	36
Operating expenses	465,864	436,186	7
Impairment	-6,099	-18,179	-66
Balance sheet			
Total Assets	14,657,493	12,054,581	22
Loans & Advances	1,491,331	1,504,804	-1
Customer Deposits	12,121,786	9,993,806	21
Debt instruments measured at FVOCI	4,990,065	4,534,897	10
Equity	1,850,813	1,828,565	1
Ratios			
Earnings Per Share (Bututs)	1.96	1.90	3
Return on Asset	5.88%	5.00%	18
Return on Equity	42.70%	39.09%	9
Capital Adequacy	43%	49%	-13
Cost to Income	30%	35%	-15
Liquidity Ratio	70%	71%	-1
Non-Performing Loans (NPLs)	46,528	29,448	58
NPL Ratio	3.06%	1.89%	62
Loan to Deposit Ratio	12%	15%	-18
Gearing Ratio (Times)	6.89	5.60	24
Insider Credit Ratio	4%	3%	34



DIRECTORS' REPORT

The Directors present their report and the audited International Financial Reporting Standard (IFRS) Financial Statements of Guaranty Trust Bank (Gambia) Limited for the year ended 31st December 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Companies Act 2013 requires the Directors to prepare the financial statements for the financial year which give a true and fair view of the state of affairs of the company and of its profit or loss for that year. In preparing the financial statements, the Directors are required to:

select suitable accounting policies and then apply them consistently;

make judgments and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2013 and The Banking Act 2009. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL BUSINESS ACTIVITY

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.

RESULTS AND DIVIDENDS

The results of the company are as detailed in the accompanying financial statements. The Directors have -proposed the payment of a dividend as outlined in note 17.

PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment of the company are as detailed in note 21 of the financial statements. There has not been any permanent diminution in the value of the company's property, plant and equipment.

DIRECTORS AND DIRECTOR'S INTEREST

The following director who held office during the year had a beneficial financial interest in the shares of the company.

	% Shareholding	No. of shares held	
	31-Dec-24	31-Dec-24	31-Dec-23
Mr. Sola Mahoney	0.09%	362,000	271,500
	0.09%	362,000	271,500

The increase in the number of shares is as a result of a bonus issue in October 2024

AUDITORS

The Auditors, PKF - The Gambia, completed the mandatory engagement period with the Bank and will be rotated in 2025 as required by The Central Bank of The Gambia Code of Corporate Governance and The Companies Act 2013.

By order of the Board of Directors

Company Secretary

Dated thisday of2025



COMMITMENT TO CORPORATE GOVERNANCE

In building our corporate governance objectives, the Bank's "Orange Rules" of Simplicity, Professionalism, Service, Friendliness, Excellence, Trustworthiness, Social Responsibility and Innovation signify the Bank's guiding ideologies upon which it was established and remain the foundation upon which we have built and developed our exemplary corporate governance practices. The Bank's Orange rules are fundamental to our culture and are part of the everyday conduct of the Bank's business.

A principle that guides our operations and actions is, "success is only worth celebrating when achieved through a process supported and sustained with the right values and principles", at- Guaranty Trust Bank (Gambia) Ltd, these values have been enshrined in every employee, processes and systems through our Orange Rules.

The Management of The Bank remains dedicated to its duties and pledge to safeguard and increase investor value through transparent corporate governance practices. Our Code of Corporate Governance provides a robust framework for the governance of the Board and the Bank. The Bank ensures compliance with the Code of Corporate Governance of The Central Bank of The Gambia.

The Bank's Code of Corporate Governance is continuously reviewed to align with additional legal and regulatory requirements and global best practices, in order to remain a pacesetter in the area of good corporate governance practices. In addition to the Code, the Bank aggressively promotes its core values to employees through its Code of Professional Conduct and Ethics Policies respectively.

The Bank will continue to serve customers, clients and communities; and create value for stakeholders. Entrenched in the fibre of the Bank is the culture of openness which promotes healthy discourse and encourages employees to report improper activities.

The belief that success is only worth celebrating when achieved the right way through a process supported and sustained with the right values remains one of the Bank's guiding principles.

Our commitment to this principle is for us the key to keeping public trust and confidence in the Bank and the key to our continued long-term success.



Governance Structure

The Board

THE BOARD

	NAME	EDUCATION	EXPERIENCE	MEMBER OF ANOTHER INSTITUTION	STATUS
1	Sola D. Mahoney	MBA -International Affairs	20 yrs Banking Experience	No	Independent Non-Executive Director
2	Benjamin J. Carr	MPA in Financial and Economic Policy	11 yrs Banking Experience and 28 yrs as a trained capacity consultant	No	Independent Non-Executive Director
3	Adebanji Adeniyi	FCA	24 yrs Banking Experience	No	Independent Non-Executive Director
4	Omolara Ismail	MBA-Business Administration	22 yrs Banking Experience	No	Independent Non-Executive Director
5	Abolaji Yusuff	FCA, BSc in Accounting	24 yrs Banking Experience	No	Independent Executive Director
6	Daniel Attah	MBA-Business Administration	23 yrs Banking Experience	No	Independent Executive Director
7	Mariama Sulay Njie	BA- Business Studies	23 yrs Banking Experience	No	Independent Executive Director

The Board of Directors is responsible for the governance of the Bank and is accountable to shareholders for creating and delivering sustainable value through the management of the Bank's business.

The Board is committed to the highest standards of business integrity, ethical values, and governance; it recognises the responsibility of the Bank to conduct its affairs with transparency, prudence, fairness, accountability, and social responsibility, thereby safeguarding the interests of all stakeholders.

The Board ensures that an appropriate level of checks and balances is maintained, to ensure that decisions are taken with the best interest of the Bank's stakeholders in mind. Directors of the Bank possess the right balance of expertise, skills, and experience, which translates to an effective Board and executive management team capable of steering the affairs of the Bank in an ever changing and challenging environment. The Bank's robust appointment and effective succession planning framework is one way of ensuring that we continue to have the right people to drive the business of the Bank in the desired direction.

The Board determines the overall strategy of the Bank and follows up on its implementation, supervises the performance of the Bank and ensures adequate management, thus actively contributing to developing the Bank as a focused, sustainable, and global brand.

The synergy between the Board and Management fosters interactive dialogue in setting broad policy guidelines in the management and direction of the Bank to enhance optimal performance and ensures that associated risks are properly managed.

Furthermore, the Board plays a central role in conjunction with Management in ensuring that the Bank is financially strong, well governed and risks are identified and well mitigated.

In addition to the Board's direct oversight, the Board exercises its oversight responsibilities through Four (4) Committees, namely, Board Risk Management, Board Credit, Board Human Resources, and the Board Audit.

Members of the Board of Directors are seasoned professionals, who have excelled in various sectors including banking and finance, they possess the requisite integrity, skills, and experience to bring to bear independent judgment on the deliberations of the Board and decisions of the Board (without prejudice to Directors' right to earn Directors' fees and hold interest in shares). They have a good understanding of the Bank's businesses and affairs to enable them properly evaluate information and responses provided by Management, and to provide objective challenge to management. Directors are prepared to challenge each other's assumptions, beliefs, or viewpoints as necessary for the good of the Bank and question intelligently, debate constructively and make decisions dispassionately.

Four (4) of the Non-Executive Directors are "Independent Directors", appointed based on the core values enshrined in the Bank's Code of Corporate Governance.

None of the Independent Non-Executive Directors have any significant shareholding interest or any special business relationship with the Bank.

The Board meets quarterly, and additional meetings are convened as required. Material decisions may be taken between meetings by way of written resolutions, as provided for in the Articles of Association of the Bank. The Directors are provided with comprehensive information at each of the quarterly Board meetings and are also briefed on business developments between Board meetings.

RESPONSIBILITIES OF THE BOARD

The Board has ultimate responsibility for determining the strategic objectives and policies of the Bank to deliver long-term value by providing overall strategic direction within a framework of rewards, incentives and controls.

The Board has delegated the responsibility for day-to-day operations of the Bank to Management and ensures that Management strikes an appropriate balance between promoting long term growth and delivering short-term objectives. In fulfilling its primary responsibility, the Board acknowledges the relationship between good governance and risk management practices, in relation to the achievement of the Bank's strategic objectives and good financial performance. Notwithstanding the delegation of the operation of the Bank to Management, the Board reserved certain powers which include the approval of year-end audited financial statements and any significant change in accounting policies and/or practices; approval of major changes to the Bank's corporate structure and changes relating to the Bank's capital structure or its status as a private limited company; the determination and approval of the strategic objectives and policies of the Bank to deliver long-term value; approval of the Bank's

strategy, medium and short term plan and its annual operating and capital expenditure budget; recommendation to shareholders of the appointment or removal of auditors and the remuneration of Auditors; approval of resolutions and corresponding documentation for shareholders in general meeting(s), shareholders' circulars, prospectus and principal regulatory filings with the Regulators.

ROLES OF THE CHAIRMAN AND CHIEF EXECUTIVE

The roles of the Chairman and Chief Executive are separate and no one individual combines the two positions. The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board take informed decisions and provide advice to promote the success of the Bank. The Chairman also facilitates the contribution of Directors and promotes effective relationships and open communications between Executive and Non-Executive Directors, both inside and outside the Boardroom. The Board has delegated the responsibility for the day-to-day management of the Bank to the Managing Director/Chief Executive Officer, who is supported by Executive Management.

The Managing Director executes the powers delegated to him in accordance with guidelines approved by the Board of Directors. Executive Management is accountable to the Board for the development and implementation of strategies and policies. The Board reviews the Bank's performance, matters of strategic concern and any other matter it regards as material on a quarterly basis.

TRAINING OF DIRECTORS

The Bank attaches great importance to training its Directors and for this purpose, continuously offers training and education from onshore and offshore institutions to its Directors, in order to enhance their performance on the Board and the various committees to which they belong.

BOARD COMMITTEES

The Board carries out its responsibilities through its Standing Committees, which have clearly defined terms of reference, setting out their roles, responsibilities, functions and scope of authority. The Board has four (4) Standing Committees namely; Board Risk Management Committee, Board Credit Committee, Board Human Resources and Board Audit Committee. Through these Committees, the Board is able to effectively carry out its oversight responsibilities and take advantage of individual expertise to formulate strategies for the Bank. The Committees make recommendations to the Board, which retains responsibility for final decision making. All Committees in the exercise of their powers so delegated conform to the regulations laid down by the Board, with well-defined terms of reference contained in the Charter of each Committee

The Committees render reports to the Board at the Board's quarterly meetings.

A summary of the roles, responsibilities and composition of each of the Committees are as stated hereunder:

Name of Director	Board Appointments		Board Committee as Chairperson/Member			
	Executive Director	Non-Executive Director	Audit Committee	Risk Committee	Credit Committee	Human Resource Committee
Mr. Sola Mahoney (Chairman)		√				
Mr. Benjamin Carr		√	Member	Chairperson	Member	Chairperson
Mr. Adebajji Adeniyi		√	Chairperson	Member	-	Member
Mrs. Omolara Ismail		√	Member	Member	Chairperson	Member
Mr. Abolaji Yusuff	√		-	-	Member	-
Mr. Daniel Attah	√		-	Member	-	-
Mr. Mariama Sulay Njie	√		-	Member	-	-

BOARD RISK MANAGEMENT COMMITTEE

This Committee is tasked with the responsibility of setting and reviewing the Bank's risk policies. The coverage of supervision includes the following: Credit Risk, Reputational Risk, Operations Risk, Technology Risk, Market Risk, Liquidity Risk, and other pervasive risks as may be posed by the events in the industry at any point in time. The Terms of Reference of the Board Risk Management Committee include to:

- ◆ Review and recommend for the approval of the Board, the Bank's Risk Management Policies including the risk profile and limits.
- ◆ Determine the adequacy and effectiveness of the Bank's risk detection and measurement systems and controls.
- ◆ Evaluate the Bank's internal control and assurance framework annually, to satisfy itself on the design and completeness of the framework relative to the activities and risk profile of the Bank.
- ◆ Oversee Management's process for the identification of significant risks across the Bank and the adequacy of risk mitigation, prevention, detection, and reporting mechanisms.
- ◆ Review and recommend to the Board for approval, the contingency plan for specific risks.
- ◆ Review the Bank's compliance level with applicable laws and regulatory requirements which may impact on the Bank's risk profile.
- ◆ Conduct periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the Bank's risk profile.
- ◆ Handle any other issue referred to the Committee from time to time by the Board.

The Chief Risk Officer of the Bank presents regular briefings to the Committee at its meetings.

The Committee meets quarterly, and additional meetings are convened as required. The Committee met four (4) times during the financial year ended December 31, 2024.

Board Credit Committee

This Committee is responsible for approval of credit facilities in the Bank. The Terms of Reference of the Board Credit Committee include to:

- ◆ Consider and approve specific loans above the Management Credit Committee's authority limit, as determined by the Board from time to time.
- ◆ Review Management Credit Committee's authority level as and when deemed necessary and recommend new levels to the Board for consideration.
- ◆ Conduct quarterly review of credits granted by the Bank to ensure compliance with the Bank's internal control systems and credit approval procedures.
- ◆ Notify all Director related loans to the Board.
- ◆ Monitor and notify the top debtors to the attention of the Board.
- ◆ Review the Bank's internal control procedures in relation to credit risk assets and ensure that they are sufficient to safeguard the quality of the Bank's risk assets.
- ◆ Review the Asset and Liability Management of the Bank.
Ensure that the Bank complies with regulatory requirements regarding the grant of credit facilities.
- ◆ Handle any other issue referred to the Committee from time to time by the Board.

In view of the volume of transactions that require Board Credit Committee approvals, there are instances where the need arises for credits to be approved by members expeditiously between Board Credit Committee Meetings. Such urgent credits are circulated amongst the members for consideration and approval in line with a defined procedure that ensures that all members of the Committee are furnished with full information on such credits. All credits considered as "Large Exposures" as defined by the Board of Directors from time to time are considered and approved by the Board Credit Committee at a special meeting convened for that purpose.

The Board Credit Committee meets at least once in each quarter. However, additional meetings are convened as required. The Committee met Four (4) times during the financial year ended December 31, 2024.

BOARD HUMAN RESOURCES COMMITTEE

This Committee is responsible for the approval of human resource matters, continuous training, approval of promotion of top management staff, corporate governance, succession planning, conflict of interest situations and compliance with legal and regulatory provisions.

The Committee is also responsible for the oversight of strategic people issues, including employee retention, equality and diversity as well as other significant employee relations matters.

The Committee is required to meet at least once a year, and additional meetings may be convened as the need arises. The Committee met four (4) times during the financial year ended December 31, 2024.

BOARD AUDIT COMMITTEE

The Board Audit Committee is responsible for oversight of audit functions, The Terms of Reference of the Board Audit Committee include to:

- ◆ Keep the effectiveness of the Bank's system of accounting, reporting and internal control under review and to ensure compliance with legal and agreed ethical requirements;
- ◆ Review the activities, findings, conclusions and recommendations of the external auditors relating to the Bank's annual audited financial statements;
- ◆ Review the Management Letter of the External Auditor and Management's response thereto;
- ◆ Review the appropriateness and completeness of the Bank's statutory accounts and its other published financial statements;
- ◆ Oversee the independence of the external auditors;
- ◆ Receive a summary of whistle blowing cases reported and the result of the investigation from the Head of Internal Audit;

The Committee is required to hold its Meetings once every quarter.

The Committee met four (4) times during the year under review.

ATTENDANCE OF BOARD AND BOARD COMMITTEE MEETINGS

The table below shows the frequency of meetings of the Board of Directors and Board Committees, as well as Members' attendance for the year ended December 31, 2023.

Name	Director	Board Meetings		Audit Committee Meetings		Risk Committee Meetings		Credit Committee Meetings	Human Resource Committee Meetings		
		No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
Mr. Sola Mahoney (Chairman)	Non-Executive	4	4								
Mr. Benjamin Carr	Non-Executive	4	4	4	4	4	4	4	4	4	4
Mr. Adebunji Adeniyi	Non-Executive	4	4	4	4	4	4	4	4	4	4
Mrs. Omolara Ismail	Non-Executive	4	4	4	4	4	4	4	4	4	4
Mrs. Mariama Sulay Njie	Executive	4	4	4	4	4	4	4	4	4	4
Mr. Daniel Attah	Executive	4	4	4	4	4	4	4	4	4	4
Mr. Abolaji Yusuff (CEO)	Executive	4	4	4	4	4	4	4	4	4	4

BOARD REMUNERATION

The Board reviews the fee put in place by the Bank for rewarding the non-executive directors to ensure that it commensurate the effort, time spent and responsibility. Having regard to the scope and extent of a director's responsibilities and obligations, the prevailing market conditions, and referencing directors' fees against comparable benchmarks, the shareholders approved for the current fee.

A total of Eleven Million, One Hundred and Ninety Six Thousand, One Hundred Dalasis (D11,196,100) was paid as Directors' fees for the 2024 Financial Year.

EXECUTIVE MANAGEMENT

	NAME	EDUCATION	EXPERIENCE	AFFILIATIONS
1	Abolaji Yusuff	BSc Accounting	24 Years	FCA, ACAMS
2	Daniel Attah	MBA-Business Administration	23 Years	BSc, MBA
3	Mariama Sulay Njie	BA-Business Studies	23 Years	BA
4	Amie Jobe Sarr	ACCA	17 Years	ACCA
5	Akintayo Beckley	BSc Mechanical Engineering	19 Years	BSc
6	Pa Omar Jobarteh	MBA-Business Administration	16 Years	MBA, ACCA
7	Alpha S. Sowe	MSc Management & Int. Relations	17 years	MSc
8	Jarra Jallow	BSc-Business Studies	23 Years	BSc

STAFF PROMOTION POLICY

The Bank is a high performance driven organization that recruit the best people to help meet its organizational goals, whilst creating the right environment where employees are encouraged and enabled to succeed in the attainment of these goals.

Performance management is focused on the measurable output or contribution of staff as well as the skills, knowledge and personal attributes needed to deliver on agreed goals and targets. It entails a life cycle that includes goal setting, performance monitoring, performance appraisal and performance improvement.

◆ Goals Setting:

Goals are set at the beginning of each performance year, and are aligned with the strategic objectives of the Bank. Each employee's goals will be determined based on the goals and objectives of his/her unit/group/division. At the beginning of each year, each employee will sign off his/her performance contract (Key Performance Indicators (KPIs) for the year. This shall form the basis of subsequent periodic and annual performance evaluation.

◆ Performance Monitoring:

Operate a unique and highly effective process for monitoring and ensuring focus on key Performance Indicators (KPIs). This involves regular meetings where progress towards targets are reviewed and discussed, including Monthly Performance Review (MPR) and Operation Performance Review (OPR) meetings. In view of the rewards currently in place for exceptional performance, it is therefore expedient to similarly award sanctions to staff that consistently failed to achieve the objective of performing optimally. Thus, any employee with a consistent "C" score or below at two consecutive annual appraisals would be cancelled out of the bank.

◆ Performance Appraisal

The quarterly and end-of-year performance appraisal exercise shall involve assessing/ appraising employees against agreed goals and targets set at the beginning of the performance year. Human Resource Unit (HRU) is responsible for notifying the Bank on the commencement of performance appraisal for each period. It is initiated by the HRU request for the portal on Success Factor to be opened by Technology, and accessible by all staff due to be appraised. This will then be reviewed by the first line supervisor and concurred to by the second line supervisor.

Complete annual performance appraisals are reviewed and finalized by the appropriate appraisal committee. All decisions reached on performance appraisal after review and finalization by the Appraisal Review Committee shall be final and binding on parties concerned.

◆ Eligibility

Performance appraisal of employees takes place:

1. Once every quarter (end March, June, September and December), for all employees, both contract and permanent.
2. Once every year and all confirmed employees with minimum of 15 months continuous service are eligible.

All confirmed employees with sanctions requiring “Loss of an Appraisal Year” by the Disciplinary Committee shall not participate in the annual performance appraisal.

Employees shall be appraised in the unit where they spent the longest period in the appraisal year.

◆ Performance Improvement:

This involves communicating results, giving feedback and identifying performance development options through interventions such as counselling, coaching, training and mentoring to assist the individual to achieve agreed goals and to ensure the continuous development of each individual.

PLANS, OBJECTIVES AND STRATEGIES OF THE BANK

The Bank currently has a 5 year Strategic Plan (2022-2026) with objectives of being the number one bank in terms of Profit Before Tax, Deposits and Balance Sheet Size.

As per the audited results for 2023, The Bank was number one in terms of Profit Before Tax and number two in terms of Deposits and Balance Sheet size.

The Board continues to support management to achieve all the set objectives before the expiration of the strategic Plan in 2026.

COMPLIANCE POLICY

Compliance refers to the system or procedures and controls required to ensure conformance with established internal, statutory and regulatory guidelines and rules.

Compliance Risk is defined as the current and prospective risk to earnings or capital arising from

violations of or non-conformance with laws, rules, regulations, prescribed practices, internal policies, and procedures or ethical standards. Compliance risk also arises in situations where the laws or rules governing the products or activities of the Bank's clients may be ambiguous or untested.

At GTBank, the principles of good corporate governance practices and compliance remain part of our core values. We ensure that our behaviour is ethical, transparent and legal at all times. We recognize that non-compliance exposes the Bank to monetary fines and penalties, payment of damages arising from litigation, poor rating by rating agencies or regulatory authorities and the voiding of relationships.

Compliance Risk can also lead to reputational damage, loss in franchise value, limited business opportunities, reduced expansion potential and law suits by customers.

The objective of the Compliance function at GTBank is to ensure that a clear-cut approach is in place to ensure that only legitimate transactions and relationships are maintained by the Bank. Its standards would be backed by relevant global and local regulatory guidelines in line with the rules of Governance, Risk Management and Compliance

The Compliance Policy of the Bank outlines the strategies for ensuring compliance and managing the compliance risk, stakeholders' roles and responsibilities and the required reporting lines and reports. It stipulates guidelines for the compliance function of the Bank, which include the following:

- ◆ Promoting a culture of zero tolerance for regulatory breaches/sanctions;
- ◆ Anti-Money Laundering /Combating Financing of terrorism (AML/CFT) transactions monitoring, reporting and training;
- ◆ Politically Exposed Persons (PEPs) (classification, monitoring and reporting);
- ◆ Regulatory and law enforcement agencies' enquiries and management;
- ◆ Implementation of "Know Your Customer" principles;
- ◆ Internal, Independent (non-regulatory) and Regulatory Audit;
- ◆ Sanctions Compliance Management;
- ◆ Timely rendition of returns and reports;
- ◆ Communicating the impact of current and newly released policies and regulatory guidelines to all staff;
- ◆ Ensuring adherence to internal and regulatory policies and guidelines, including the Code of Corporate Governance of the Bank;
- ◆ Expected guidelines for core stakeholders within the Bank (Funds Transfer, Cash and Monetary Instrument, Foreign Correspondent financial institutions and Product Policies); Setting acceptable Turnaround time for activities and ensuring escalation, where necessary.

Guaranty Trust Bank Gambia Ltd remains committed to strict adherence and conformance to internal, regulatory and statutory rules and procedures applicable to the business of banking. The Bank recognizes that compliance with regulatory requirements at all times constitutes global best practice and ensures accountability to all stakeholders of the Bank, including regulators and customers.

RISK POLICY

The Board of Directors are responsible for identifying and managing the risks the bank may be exposed to. The Bank recognizes that it is in the business of managing risks to derive optimal satisfaction for all stakeholders. It has therefore, over the years detailed its approach to risk management through various policies and procedures, which include the following:

- ◆ Enterprise Risk Management Policy
- ◆ Credit Policy Guide
- ◆ Human Resources Policy Manual
- ◆ Standard Operating Procedures
- ◆ Information Technology Policy

To ensure adherence to the policies and procedures, several exception reports on customers and activities of the Bank are generated by the various audit control units for management's decision making. These include:

- ◆ Monthly Management Profitability Reports (MPR) for the marketing teams
- ◆ Monthly Operations Performance Reports (OPR) for the support teams
- ◆ Quarterly Business Profitability Review
- ◆ Annual Bank-wide performance appraisal systems Criticized Asset Committee Report

FORESEEABLE RISK FACTORS

The Bank has an Enterprise Risk Management Unit with experienced and qualified staff that manages all aspects of risk including threats and opportunities. The risk management infrastructure therefore encompasses a comprehensive and integrated approach to identifying, managing and reporting risk: The main inherent Bank's risks are:

- ◆ Credit Risk – Risk of counterparty's failure to meet agreed lending contract terms.
- ◆ Market Risk – Risk that changes in market prices may affect the Bank's income or financial assets.
- ◆ Liquidity Risk - Risk that the Bank may fail to meet financial obligations or commitments.

Additional core risks include:

- ◆ Operational Risk – Risk of loss due to inadequate internal processes, people and systems or from external events
- ◆ Reputation Risk – Risk of negative public opinion impacting earnings and capital.
- ◆ Settlement Risks - Risk of loss due to failure of a company to honour its obligations to deliver cash, securities or other assets as contractually agreed.



REPORTING PERIOD: 31ST DECEMBER 2024.

1.FINANCIAL DATA REVIEW

On the basis of deliberations at Board Audit Committee meetings, the auditors assured the Committee that both financial and nonfinancial information were considered in the audit leading to the independent clean audit opinion.

There were no concerns about key financial indicators such as capital adequacy, earnings, and liquidity ratios all of which remain within acceptable regulatory thresholds. Finally, the auditors did not identify any material misstatements during their work and are satisfied with the integrity of the Bank's financial reporting framework.

2. PRESENT AND FUTURE RISK ASSESSMENT

The auditors evaluated the Bank's risk management framework, particularly its ability to identify, assess, and respond to significant financial, operational, and compliance risks. The following risks were identified during the period under review. There were no comments in their Performance Improvement Observations Document regarding the Bank's ability to manage its risks.

PRESENT RISKS:

The Bank continues to face risks related to credit exposure, inflation, and cybersecurity threats. While these risks remain within manageable levels, the auditors also took note of the level of vigilance that the Bank continues to express in this regard.

FUTURE RISKS:

Emerging risks include macroeconomic uncertainties, regulatory changes, digital transformation disruptions, and political developments. The Bank's forward-looking risk assessment models appear reasonably robust; but management assured the auditors about the bank's continued enhancement of scenario analysis and stress testing methodologies. The Bank is also actively considering the effects on climate and sustainability reporting requirements which though not mandatory in The Gambia but very topical internationally.

3.EFFECTIVENESS OF THE INTERNAL AUDIT FUNCTION

From presentation to the Board Audit Committee, the auditors assessed the effectiveness of the Internal Audit Function during the reporting period and placed reliance on its work where appropriate. From discussions at Board Audit Sub-Committee and explanations regarding coordination with and relying on the work of the internal audit department, they mentioned the following key points were taken into consideration in their assessment.

- ▶ *Structure and Independence;*
- ▶ *Skills and Expertise;*
- ▶ *Competence and objectivity,*
- ▶ *Quality of their work and work Plan;*
- ▶ *Management's responsiveness to audit findings;*
- ▶ *Adherence to professional standards and*

The External Auditors concluded that the Department aligns with the Bank's overall goals and addresses key risks and that could therefore rely on the work they did. In addition, they tested the Bank's control environment, and the results of those tests have been communicated to those charged with governance. Overall, the Internal Audit Function demonstrated adequate independence, scope, and quality of execution.

4. PERFORMANCE OF THE BOARD AND EXECUTIVE MANAGEMENT

The auditors observed that the Board of Directors and Executive Management demonstrated a strong commitment to sound corporate governance principles and did not take any exception to the reports of the Board about the competence of management and the Board and overall control environment of the Bank which report forms part of the annual report. The Executive Management team successfully executed key strategic initiatives while maintaining financial discipline. Their responsiveness to evolving regulatory requirements and operational challenges has been commendable.

The Board maintained effective oversight of strategic and financial matters and was actively engaged in risk governance, internal control, and regulatory compliance. Board committees operated effectively, with clearly defined mandates and regular, well-documented meetings. The Auditors also took note of the fact that the Board is well balanced, attend meetings and does have intense deliberations. The auditors also took note of steps taken by the Bank to develop its Board members.

5. CONCLUSION

The auditors are satisfied that Guaranty Trust Bank (Gambia) Limited continues to uphold robust governance structures, reliable financial reporting processes, and a proactive approach to risk

management and internal controls. Continued emphasis on strengthening systems and control capabilities, alongside investment in digital resilience, will be essential for sustaining long-term institutional stability.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GUARANTY TRUST BANK (GAMBIA) LIMITED OPINION

We have audited the financial statements of Guaranty Trust Bank (Gambia) Limited which comprise the Statement of Financial Position as at **31st December 2024**, Income Statement, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement 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 accompanying financial statements give a true and fair view of the financial position of the Company as at **31st December 2024**, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and have been properly prepared in accordance with the Companies Act 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the 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 and the IESBA Code. We believe that the audit evidence we have obtained is

sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the General Information, Directors' report, Corporate Governance Report, Statement of Directors responsibilities as required by the Companies Act of 2013 and Banking Act 2009. The other information does not include the financial statements and our auditor's 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. If, based on the work we have performed we concluded that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the Directors determine is necessary to enable the preparation of 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 Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Directors are responsible for overseeing the Company's financial reporting process.

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 ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 scepticism 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

▶ 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 Company'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 Company to cease to continue as a going concern.

▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 findings including the significant deficiencies in internal control that we identify during the audit.

We also provide those charged with governance with 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. The Engagement Partner on the audit resulting in this independent auditor's report is Donald Charles Kaye.

PKF

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PKF

Accountants and business advisers Registered Auditors

Bijilo

The Gambia

Date: 12 May 2025

STATEMENT OF FINANCIAL POSITIONAs at 31st December 2024

In thousands of Gambian Dalasi	Notes	Dec-24	Dec-23
Assets			
Cash and cash equivalents	18	3,949,843	2,696,631
Debt instruments at Fair value through OCI	20	4,990,065	4,534,897
Debt instruments at amortized cost	20	3,170,909	2,880,750
Loans and advances to customers	19	1,491,331	1,504,804
Other assets	23	493,481	54,761
Property plant and equipment	21 (a)	462,007	278,072
Right-of-use asset	21 (b)	86,641	92,814
Intangible assets	22	13,216	11,852
Total assets		14,657,493	12,054,581
Liabilities			
Deposits from customers	25	12,121,786	9,993,806
Current income tax liabilities	14	64,715	55,961
Other liabilities	27 (a)	581,597	131,144
Lease obligation	27 (b)	33,882	39,138
Deferred tax liabilities	15	4,700	5,967
Other borrowed funds		-	-
Total Liabilities		12,806,680	10,226,016
Equity			
Capital and reserves			
Share capital	28	400,000	300,000
Statutory reserves	28	549,554	531,724
Credit risk reserve	28	30,709	21,828
Fair value reserve	28	30,017	72,760
Retained earnings		840,533	902,253
Total equity		1,850,813	1,828,565
Total liabilities and equity		14,657,493	12,054,581

These financial statements were approved by the board of directors on.....
2025 and were signed on its behalf by:

Chairman:.....

Managing Director:.....

Director:.....

Company Secretary.....

The accompanying notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2024

In thousands of Gambian Dalasi	Notes	Dec-24	Dec-23
Interest income	7	1,205,722	898,031
Interest expense	7	-29,543	-30,144
Net interest income		1,176,179	867,887
Fee and commission income	8	337,213	322,028
Fee and commission expense	8	-7,427	-6,421
Net fee and commission income		329,786	315,607
Net trading income	9	49,648	60,734
Other income	10	796	-880
Operating income		1,556,409	1,243,348
Credit loss expense on financial assets	26	-5,003	-17,309
Impairment of other financial assets	26	-1,096	-870
Operating income after credit loss		1,550,310	1,225,169
Personnel expenses	11	-190,248	-171,346
General and administrative expenses	12	-88,396	-86,113
Depreciation of property, equipment and right-of-use assets	21	-54,524	-48,551
Amortization of intangible assets	22	-4,781	-4,776
Other operating expenses	13	-127,915	-125,400
Operating expenses		-465,864	-436,186
Profit before tax		1,084,446	788,983
Income tax expense	14	-298,916	-220,348
Profit for the year		785,530	568,635
Profit attributable to equity holders:		785,530	568,635
– Profit for the year		785,530	568,635
Profit attributable to:			
Controlling equity holders of the Bank/Group		611,221	442,455
Non-controlling interest		174,309	126,180
		785,530	568,635

Earnings per share for the profit attributable to the equity holders of the bank during the year (expressed in dalasi per share):

– Basic	16	1.96	1.90
– Diluted	16	1.96	1.90

The accompanying notes are an integral part of these financial statements.

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2024

In thousands of Gambian Dalasi	Dec.-2024	Dec.-2023
Net profit attributable to equity holders of the Bank	785,530	568,635
Other comprehensive income to be reclassified to profit or loss in subsequent years:		
Net change in fair value of FVOCI financial assets	30,017	72,760
Other comprehensive income for the year, net of tax		
Total comprehensive income for the year, net of tax	815,547	641,395
Total comprehensive income attributable to:		
Equity holders of the entity (total)	815,547	641,395
- Total comprehensive income for the year from continuing operations	815,547	641,395
Total comprehensive income for the year	815,547	641,395

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2024

	Share capital	Credit risk reserve	Statutory reserves	Retained earnings	Fair value Reserve	Total equity
<i>In thousands of Gambian Dalasi</i>						
Balance at 1st January 2024	300,000	21,828	531,724	902,253	72,760	1,828,565
Profit for the year	-	-	-	785,530	-	785,530
Other comprehensive income, net of tax	-	-	-	-	-	0
Foreign currency translation difference	-	-	-	-	-	0
Total comprehensive income	-	-	-	785,530	-	785,530
Transactions with equity holders, recorded directly in equity:						
Bonus shares issued during the year	100,000	-	-100,000	-	-	0
Transfers for the year	-	-	-	-	-	0
Credit risk reserve	-	8,881	-	-8,881	-	0
Statutory risk reserve	-	-	117,830	-117,830	-	0
Retained earnings	-	-	-	-	-	0
Fair Value reserve	-	-	-	-	-42,743	-42,743
Acquisition/disposal of own shares	-	-	-	-	-	0
Dividend to equity holders	-	-	-	-720,539	-	-720,539
Total transactions with equity holders	100,000	8,881	17,830	-847,250	-42,743	-763,282
Balance at 31st December 2024	400,000	30,709	549,554	840,533	30,017	1,850,813

STATEMENT OF CHANGES IN EQUITY CONTINUED.

<i>In thousands of Gambian Dalasi</i>	Share capital	Credit risk reserve	Statutory reserves	Retained earnings	Fair value Reserve	Total equity
Balance at 1st January 2023	300,000	33,917	446,429	406,824	-106,028	1,081,142
Profit for the year	-	-	-	579,163	-	579,163
Other comprehensive income, net of tax	-	-	-	-	-	0
Foreign currency translation difference	-	-	-	-	-	0
Total comprehensive income	-	-	-	579,163	-	579,163
						0
Transactions with equity holders, recorded directly in equity:						0
Bonus shares issued during the year	-	-	-	-	-	0
Transfers for the year	-	-12,089	86,874	-85,313	178,788	168,260
Acquisition/disposal of own shares	-	-	-	-	-	0
Dividend to equity holders	-	-	-	-	-	0
Total transactions with equity holders	0	-12,089	86,874	-85,313	178,788	168,260
Balance at 31st December 2023	300,000	21,828	533,303	900,674	72,760	1,828,565

The accompanying notes are an integral part of these financial statements.

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STATEMENT OF CASHFLOWS

for the year ended 31st December 2024

In thousands of Gambian Dalasi	Notes	Dec.-2024	Dec.-2023
Cash flows from operating activities			
Profit for the year		1,084,446	788,983
Adjustments for:			
Depreciation of property, equipment and right of use assets	21	54,524	48,551
Amortization of intangibles	22	4,781	4,776
Right-of-Use adjustment		0	23
Net interest income		-1,176,179	-867,887
Fixed Assets adjustment		-921	-18,086
Intangible assets adjustment		9	33
		-33,340	-43,607
Changes in assets and liabilities:			
Debt instruments		-788,070	-1,347,698
Loans and advances to customers		13,473	-71,673
Other assets		-438,720	545,061
Deposits from customers		2,127,980	634,771
Other liabilities		450,453	-19,309
Lease obligation		-5,256	-7,916
Restricted balances with Central Bank of the Gambia		-431,350	85,355
Net changes in assets and liabilities		928,510	-181,409
Interest received		1,205,722	898,031
Interest paid		-29,543	-30,144
		1,176,179	867,887
Income tax paid		-291,429	-199,051
Net cash used in cash operating activities		1,779,920	443,820

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS CONTINUED.For the year ended 31st December 2024

Cash flows from investing activities			
Purchase of right-of-use assets		-1,740	-
Purchase of property and equipment		-229,625	-2,173
Proceeds from the sale of property and equipment		0	0
Purchase of intangible assets		-6,154	-6,554
Net cash used in investing activities		-237,519	-8,727
Cash flows from financing activities			
Dividends paid to owners		-720,539	-
Repayment of principal portion of lease liabilities		-	-
Net cash provided by financing activities		-720,539	0
Net decrease in cash and cash equivalents		821,862	435,093
Cash and cash equivalents at beginning of year		1,706,145	1,271,052
Effect of exchange rate fluctuations on cash held		-	-
Cash and cash equivalents at end of year		2,528,007	1,706,145

The accompanying notes on are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENT

1. Reporting entity

Guaranty Trust Bank (Gambia) Limited (“the Bank”) is a company domiciled in The Gambia. The Bank’s registered address is 56, Kairaba Avenue, Fajara, KSMD, The Gambia. These financial statements for the year ended 31st December 2024 are prepared for the Bank, which primarily provides commercial banking services to the general public.

These financial statements were authorised for issue by the Directors on.....2025.

2. BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

The financial statements of the bank have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and with the relevant provisions of the Banking Act 2009 and The Companies Act 2013.

2.2. BASIS OF MEASUREMENT

The financial statements have been prepared under the historical cost convention as modified by the measurement of certain financial assets and financial liabilities held at fair value with the exception of the following:

- ◆ Assets and liabilities measured at amortized cost;
- ◆ Non-derivative financial instruments , carried at fair value through profit or loss , or fair value through OCI are measured at fair value

2.3. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Dalasi, which is the Bank’s functional currency. Except where indicated, financial information presented in Dalasi has been rounded to the nearest thousand.

2.4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with IFRS requires the Directors to make judgments, estimates and assumptions that affect the application of the Bank’s accounting policies and the reported amounts of assets, liabilities, income, expenses and the accompanying disclosures, as well as the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future years affected. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Bank’s control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognized in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

2.4.1. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

The measurement of impairment losses both under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Bank's Expected Credit Loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- ◆ The Bank's internal credit grading model, which assigns Probability of Default (PDs) to the individual grades
- ◆ The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- ◆ Development of ECL models, including the various formulas and the choice of inputs
- ◆ Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- ◆ Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models
- ◆ It has been the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

2.4.2 GOING CONCERN

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

2.4.3 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

2.4.4. EFFECTIVE INTEREST RATE (EIR) METHOD

The Bank's EIR method, recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and deposits and

recognizes the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to the base rate and other fee income/expense that are integral parts of the instrument.

2.4.5 PROVISIONS AND OTHER CONTINGENT LIABILITIES

The Bank operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings, arising in the ordinary course of the Bank's business. When the Bank can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Bank records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. However, when the Bank is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the Bank does not include detailed, case-specific disclosures in its financial statements. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Bank takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement

is required to conclude on these estimates. For further details on provisions and other contingencies see Note 29.

2.4.6 Determination of the lease term for lease contracts with renewal and termination options (Bank as a lessee)

The Bank determines the lease term as the non-cancellable term of the lease, together with any years covered by an option to extend the lease if it is reasonably certain to be exercised, or any years covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Bank has several lease contracts that include extension and termination options. The Bank applies judgement in evaluating whether it is reasonably certain to exercise or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Bank reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization of the leased asset).

2.4.7 Estimating the incremental borrowing rate

The Bank cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest

that the Bank would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Bank 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the Bank's functional currency). The Bank estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments (such as the Bank's stand-alone credit rating, or to reflect the terms and conditions of the lease).

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

3.1 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES - NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial period.

3.2 STANDARDS ISSUED BUT NOT YET ADOPTED

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2024:

STANDARDS AND AMENDMENTS MANDATORILY EFFECTIVE FROM 1 JANUARY 2025

IAS 21 - LACK OF EXCHANGEABILITY

On 15 August 2023, the IASB issued Lack of

Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments arose as a result of a submission received by the IFRS Interpretations Committee about the determination of the exchange rate when there is a long-term lack of exchangeability. IAS 21, prior to the Amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not exchangeable into another currency, which led to diversity in practice. The Committee recommended that the IASB develop narrow-scope amendments to IAS 21 to address this issue. After further deliberations, the IASB issued an exposure draft of the proposed amendments to IAS 21 in April 2021 and the final amendments were issued in August 2023. The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

IFRS 7 AND 9 - AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

In response to matters that had been raised to the IFRS Interpretations Committee as well as matters that arose during the post-implementation review of classification and measurement requirements of IFRS 9 Financial Instruments, in May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The Amendments modify the following requirements in IFRS 9 and IFRS 7.

Derecognition of financial liabilities

- ◆ Derecognition of financial liabilities settled through electronic transfers.
- ◆ Classification of financial assets
- ◆ Elements of interest in a basic lending arrangement (the solely payments of principle and interest assessment – ‘SPPI test’)
- ◆ Contractual terms that change the timing or amount of contractual cash flows

Financial assets with non-recourse features - Investments in contractually linked instruments. Disclosures

- ◆ Investments in equity instruments designated at fair value through other comprehensive income
- ◆ Contractual terms that could change the timing or amount of contractual cash flows.

The Amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified. The Amendments permit an entity to early adopt only the amendments related to the classification of financial assets and the related disclosures and apply the remaining amendments later. This would be particularly useful to entities that wish to apply the Amendments early for financial instruments with ESG (Environmental, Social and Governance)-linked or similar features.

IFRS 18 PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

This was issued in April 2024 to replace IAS 1 Presentation of Financial Statements and

is mandatorily effective for annual reporting periods beginning on or after 1 January 2027. IFRS 18, which was published by the IASB on 9 April 2024, sets out significant new requirements for how financial statements are presented, with particular focus on:

The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory ‘operating profit or loss’ sub-total.

Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements.

Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. ‘adjusted profit or loss’). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards. The aim of the IASB in publishing IFRS 18 is to improve comparability and transparency of companies’ performance reporting. IFRS 18 has also resulted in narrow changes to the statement of cash flows.

3.3. FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the bank operates ('the functional currency').

(ii) Transactions and balances

Transactions denominated, or that requires settlement, in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Income statement, except when deferred in equity as gains or losses from qualifying cash flow hedging instruments or qualifying net investment hedging instruments.

All foreign exchange gains and losses recognized in the Income statement are presented net in the Income statement within the corresponding item. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

In the case of changes in the fair value of monetary assets denominated in foreign currency, a distinction is made between translation differences resulting from changes in amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortized cost are recognized in profit or loss, and other changes in the carrying amount, except impairment, are recognized in equity.

3.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central bank of The Gambia, balances held with other banks and Money market placements both with local and foreign banks held up to 90 days. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

3.5 FINANCIAL INSTRUMENTS CLASSIFICATION AND MEASUREMENT

IFRS 9 requires financial assets to be classified into one of three measurement categories: fair

value through profit or loss, fair value through other comprehensive income and amortised cost.

Financial assets will be measured at amortised cost if they are held within a business model with the objective of which is to hold financial assets in order to collect contractual cash flows, and their contractual cash flows represent solely payments of principal and interest.

Financial assets will be measured at fair value through other comprehensive income if they are held within a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets and their contractual cash flows represent solely payments of principal and interest.

Financial assets not meeting either of these two business models; and all equity instruments (unless designated at inception to fair value through other comprehensive income); and all derivatives are measured at fair value through profit or loss.

An entity may, at initial recognition, designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

The Bank has undertaken an assessment to determine the potential impact of changes in classification and measurement of financial assets.

IMPAIRMENT METHODOLOGY

The IFRS 9 impairment model is applicable to all financial assets at amortized cost, debt securities measured at fair value through other comprehensive income, loan commitments and financial guarantees not measured at fair value through profit or loss.

IFRS 9 replaces the 'incurred loss' impairment approach with an Expected Credit Loss ('ECL') model, resulting in earlier recognition of credit losses.

Expected credit losses are the unbiased probability weighted average credit losses determined by evaluating a range of possible outcomes and future economic conditions. The ECL model has three stages. Entities are required to recognise 12 months expected loss allowance on initial recognition (stage 1) and a lifetime expected loss allowance when there has been a significant increase in credit risk since initial recognition (stage 2). Stage 3 requires objective evidence that an asset is credit impaired. The requirement to recognise lifetime ECL for loans which have experienced a significant increase in credit risk since origination, but which are not credit impaired, is a requirement of IFRS 9. The assessment of whether an asset is in stage 1 or 2 considers the relative change in the probability of default occurring over the expected life of the instrument, not the change in the amount of expected credit losses. Reasonable and supportable forward-looking information will also be used in determining the stage allocation. In general, assets more than 30 days past due, but not

credit impaired, will be classed as stage 2.

IFRS 9 requires the use of more forward-looking information including reasonable and supportable forecasts of future economic conditions. The Bank has developed the capability to model a number of economic scenarios and capture the impact on credit losses to ensure the overall ECL represents a reasonable distribution of economic outcomes. Appropriate governance and oversight have been established around the process.

An assessment of the ECL in the Bank's balance sheet reflects an increase in the provisions for credit losses. However, this increase will not have a significant impact on regulatory capital and invariably the Capital adequacy due to the Bank's strong earnings and retention capacity over the years.

RECOGNITION

The Bank on the date of origination or purchase recognizes loans, debt and equity securities, deposits and subordinated debentures at the fair value of consideration paid. For non-revolving facilities, origination date is the date the facility is disbursed, origination date for revolving facilities is the date the line is availed. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

CLASSIFICATION AND MEASUREMENT

Initial measurement of a financial asset or liability is at fair value plus or minus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss. Financial assets include both debt and equity instruments.

Financial assets are classified into one of the following measurement categories:

- ◆ Amortised cost;
- ◆ Fair Value through Other Comprehensive Income (FVOCI);
- ◆ Fair Value through Profit or Loss (FVTPL) for trading related assets.

The Bank classifies all of its financial assets based on the business model for managing the assets and the asset's contractual cash flow characteristics.

BUSINESS MODEL ASSESSMENT

Business model assessment involves determining whether financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Bank assesses business model at a portfolio level reflective of how groups of assets are managed together to achieve a particular business objective. For the assessment of business model, the Bank takes into consideration the following factors:

- ◆ the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets
- ◆ how the performance of assets in a portfolio is evaluated and reported to Divisional and Group Heads and other key decision makers within the Bank's business lines;
- ◆ the risks that affect the performance of assets held within a business model and how those risks are managed;
- ◆ how compensation is determined for the Bank's business lines' management that manages the assets; and
- ◆ the frequency and volume of sales in prior years and expectations about future sales activity.

Management determines the classification of the financial instruments at initial recognition. The business model assessment falls under three categories:

- ◆ Business Model 1 (BM1): Financial assets held with the sole objective to collect contractual cash flows;
- ◆ Business Model 2 (BM2): Financial assets held with the objective of both collecting contractual cash flows and selling; and
- ◆ Business Model 3 (BM3): Financial assets held with neither of the objectives mentioned in BM1 or BM2 above. These are basically financial assets held with the sole objective to trade and to realize fair value changes.

The Bank may decide to sell financial instruments held under the BM1 category with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions are met:

- ◆ When the Bank sells financial assets to reduce credit risk or losses because of an increase in the assets' credit risk. The Bank considers sale of financial assets that may occur in BM1 to be infrequent if the sales is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.
- ◆ Where these sales are infrequent even if significant in value. A sale of financial assets is considered infrequent if the sale is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.
- ◆ Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.
- ◆ When these sales are made close to the maturity of the financial assets and the proceeds

from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets have a tenor to maturity of not more than one (1) year and/or the difference between the remaining contractual cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.

- ◆ Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the BM1 category that will not constitute a change in business model:
 - ◆ Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent);
 - ◆ Selling the financial asset to manage credit concentration risk (infrequent);
 - ◆ Selling the financial assets as a result of changes in tax laws (infrequent);
 - ◆ Other situations also depend upon the facts and circumstances which need to be judged by the management.

The Bank adopts the Business Model 2 (Hold to collect and sell) which allows it to hold financial assets with the objective of collecting contractual Cashflows and selling to manage everyday liquidity if the need arises.

CASH FLOW CHARACTERISTICS ASSESSMENT

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement. Contractual cash flows are consistent with a basic lending arrangement if they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- ◆ contingent events that would change the amount and timing of cash flows;
- ◆ leverage features;
- ◆ prepayment and extension terms;
- ◆ terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse

asset arrangements); and

- ◆ Features that modify consideration of the time value of money – e.g. periodical test of interest rates.

The Bank holds a portfolio of long-term fixed rate loans for which it has the option to propose a revision of the interest rate at periodical reset dates. These reset rights are limited to the market rate at the time of revision. The right to reset the rates of the loans based on the revision in market rates are part of the contractually agreed terms on inception of the loan agreement, therefore the borrowers are obligated to comply with the reset rates without any option of repayment of the loans at par at any reset date. The bank has determined that the contractual cash flows of these loans are solely payments of principal and interest because the option varies with the interest rate in a way that is considered a consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

a) **Financial assets measured at FVOCI**

Financial assets are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt securities measured at FVOCI are recorded in other comprehensive Income (OCI), unless the instrument is designated in a fair value hedge relationship. Upon derecognition, realized gains and losses are reclassified from OCI and recorded in Other Income in the Statement of Income. Foreign exchange gains and losses that relate to the amortized cost of the debt securities are recognized in the Statement of Income. Premiums, discounts and related transaction costs are amortized over the expected life of the instrument to Interest income in the Statement of Income using the effective interest rate method. Impairment on financial assets measured at FVOCI is calculated using the expected credit loss approach.

The Bank measures its Treasury Bill portfolio at Fair value through Other Comprehensive Income (OCI).

b) **Financial assets measured at FVTPL**

Debt securities measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that are solely payments of principal and interest. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments are measured at fair value in the Statement of Financial Position, with transaction costs recognized immediately in the Statement of Income as part of Other Income. Realized and unrealized gains and losses are recognized as part of Other Income in the Statement of Income.

c) **Equity Instrument**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, any contract that evidences a residual interest in the issuer's net assets.

Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase. For equity instruments measured at FVTPL, changes in fair value are recognized as part of Other Income in the Statement of Income. The Bank can elect to classify non-trading equity instruments at FVOCI. This election will be used for certain equity investments for strategic or longer term investment purposes. The FVOCI election is made upon initial recognition, on an instrument-by-instrument basis and once made is irrevocable. Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to the Income Statement. Dividends received are recorded in other income in the Income Statement. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Income Statement of on sale of the security. Transaction cost on disposal of equity instruments is recognised as an expense in the income statement.

Financial liabilities are classified into one of the following measurement categories:

- ◆ Amortised cost;
- ◆ Fair Value through Profit or Loss (FVTPL).

d) **Financial Liabilities at fair value through profit or loss**

Financial liabilities accounted for at fair value through profit or loss fall into two categories: financial liabilities held for trading and financial liabilities designated at fair value through profit or loss on inception.

Financial liabilities at fair value through profit or loss are financial liabilities held for trading. A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller.

Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the income statement and are reported as 'Net gains/(losses) on financial

instruments classified as held for trading'. Interest expenses on financial liabilities held for trading are included in 'Net interest income'.

Financial Liabilities are designated at FVTPL when either the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise or the financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required. For liabilities designated at fair value through profit or loss, all changes in fair value are recognized in Other Income in the Income Statement, except for changes in fair value arising from changes in the Bank's own credit risk which are recognized in OCI. Changes in fair value of liabilities due to changes in the Bank's own credit risk, which are recognized in OCI, are not subsequently reclassified to the Statement of Income upon derecognition/extinguishment of the liabilities.

e) **Financial Liabilities at amortised cost**

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortised cost using the effective interest rate method. Financial liabilities measured at amortised cost are deposits from banks or customers, other borrowed funds, debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

The Bank measures its Deposits at amortized cost.

MODIFICATION OF FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS

When the contractual terms of a financial asset are modified, the Bank evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognised at fair value. Any difference between the amortized cost and the present value of the estimated future cash flows of the modified asset or consideration received on derecognition is recorded as a separate line item in profit or loss as 'gains and losses arising from the derecognition of financial assets measured at amortized cost'.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Bank recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If the contractual cash flows on a financial asset have been renegotiated or modified and the financial asset was not derecognised, the Bank shall assess whether there has been a significant increase in the credit risk of the financial instrument by comparing:

- ◆ the risk of a default occurring at the reporting date (based on the modified contractual terms); and
- ◆ the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms)

In determining when a modification to terms of a financial asset is substantial or not to the existing terms, the Bank will consider the following non-exhaustive criteria:

QUANTITATIVE CRITERIA

A modification would lead to derecognition of existing financial asset and recognition of a new financial asset, i.e. substantial modification, if:

- ◆ The discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

In addition to the above, the bank shall also consider qualitative factors as detailed below.

QUALITATIVE CRITERIA

Scenarios where modifications will lead to derecognition of existing loan and recognition of a new loan, i.e. substantial modification, are:

- ◆ The exchange of a loan for another financial asset with substantially different contractual terms and conditions such as the restructuring of a loan to a bond; conversion of a loan to an equity instrument of the borrower
- ◆ Roll up of interest into a single bullet payment of interest and principal at the end of the loan term
- ◆ Conversion of a loan from one currency to another currency

ANOTHER FACTOR TO BE CONSIDERED:

- ◆ Extension of maturity dates

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized (see above) and ECL are measured as follows:

- ◆ If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset;
- ◆ If the expected restructuring will result in derecognition of the existing asset, then the

expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition.

Startex is now fully paid off and there is no restructured facility that was modified and included in the impairment computation.

FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

DERECOGNITION OF FINANCIAL INSTRUMENTS

The Bank derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset 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 Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and re-

wards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as 'Assets pledged as collateral', if the transferee has the right to sell or re-pledge them.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of

(i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

3.6. IMPAIRMENT OF FINANCIAL ASSETS

In line with IFRS 9, the Bank assesses the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

- ◆ Amortized cost financial assets;
- ◆ Debt securities classified as at FVOCI;
- ◆ Off-balance sheet loan commitments; and
- ◆ Financial guarantee contracts.

Equity instruments and financial assets measured at FVT-PL are not subjected to impairment under the standard.

EXPECTED CREDIT LOSS IMPAIRMENT MODEL

The Bank's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Bank adopts a three-stage approach for impairment assessment based on changes in credit quality since initial recognition.

- ◆ **Stage 1** – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.
- ◆ **Stage 2** – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- ◆ **Stage 3** – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance is based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination.

MEASUREMENT OF EXPECTED CREDIT LOSSES

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio.

Details of these statistical parameters/inputs are as follows:

- ◆ **PD** – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.
- ◆ **12-month PDs** – This is the estimated probability of default occurring within the next

12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs. The Bank obtains the constant and relevant coefficients for the various independent variables and computes the outcome by incorporating forward looking macroeconomic variables and computing the forward probability of default.

- ◆ **Lifetime PDs** – This is the estimated probability of default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for ‘stage 2’ and ‘stage 3’ exposures. PDs are limited to the maximum year of exposure required by IFRS 9. The Bank obtains 3 years forecast for the relevant macroeconomic variables and adopts exponentiation method to compute cumulative PD for future time years for each obligor.
- ◆ **EAD** – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- ◆ **LGD** – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

To estimate expected credit loss for off balance sheet exposures, credit conversion factor (CCF) is usually computed. CCF is a modelled assumption which represents the proportion of any undrawn exposure that is expected to be drawn prior to a default event occurring. It is a factor that converts an off- balance sheet exposure to its credit exposure equivalent. In modelling CCF, the Bank considers its account monitoring and payment processing policies including its ability to prevent further drawings during years of increased credit risk. CCF is applied on the off balance sheet exposures to determine the EAD and the ECL impairment model for financial assets is applied on the EAD to determine the ECL on the off-balance sheet exposures. The Bank used 20% for Letters of Credit (LC'S) and 50% for Bank Guarantees (BG's) based on the BASEL guidelines on the treatment of Trade Finance under the Basel Capital Framework.

FORWARD-LOOKING INFORMATION

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation

and application of forward-looking information requires significant judgement.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires that:

- ◆ The Bank uses internal subject matter experts from Risk, Treasury and Business Divisions to consider a range of relevant forward-looking data, including macro-economic forecasts and assumptions, for the determination of unbiased general economic adjustments in order to support the calculation of ECLs.
- ◆ Macro-economic variables taken into consideration include, but are not limited to, unemployment, interest rates, gross domestic product, inflation and exchange rate, and requires an evaluation of both the current and forecast direction of the macro-economic cycle.
- ◆ Macro-economic variables considered have strong statistical relationships with the risk parameters (LGD, EAD, CCF and PD) used in the estimation of the ECLs, and are capable of predicting future conditions that are not captured within the base ECL calculations.
- ◆ Forward looking adjustments for both general macro-economic adjustments and more targeted at portfolio / industry levels. The methodologies and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

MACROECONOMIC FACTORS

The Bank relies on a broad range of forward-looking information as economic inputs, such as: GDP growth, unemployment rates, central bank of The Gambia base rates, inflation rates and foreign exchange rates. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgement.

The macroeconomic variables and economic forecasts as well as other key inputs are reviewed and approved by management before incorporated in the ECL model. Any subsequent changes to the forward-looking information are also approved before such are inputted in the ECL model. The macroeconomic variables are obtained for 3 years in the future and are reassessed every 6 months to ensure that they reflect prevalent circumstances and are up to date.

Where there is a non-linear relationship, one forward-looking scenario is never sufficient as it may result in the estimation of a worst-case scenario or a best-case scenario. The Bank's ECL

methodology considers weighted average of multiple economic scenarios for the risk parameters (basically the forecast macroeconomic variables) in arriving at impairment figure for a particular reporting year. The model is structured in a manner that the final outcome, which is a probability, cannot be negative.

SICR is assessed once there is an objective indicator of deterioration in credit risk of customer. In addition, the Bank as part of its routine credit processes performs an assessment on a quarterly basis to identify instances of SICR.

MULTIPLE FORWARD-LOOKING SCENARIOS

The Bank determines allowance for credit losses using three probability-weighted forward-looking scenarios. The Bank considers both internal and external sources of information in order to achieve an unbiased measure of the scenarios used. The Bank prepares the scenarios using forecasts generated by credible sources such as Business Monitor International (BMI), International Monetary Fund (IMF), Gambia Bureau of Statistics (GBoS), World Bank and Central Bank of The Gambia (CBG).

The Bank estimates three scenarios for each risk parameter (LGD, EAD, CCF and PD) – Normal, Upturn and Downturn, which in turn is used in the estimation of the multiple scenario ECLs. The ‘normal case’ represents the most likely outcome and is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables, credit risk and credit losses.

ASSESSMENT OF SIGNIFICANT INCREASE IN CREDIT RISK (SICR)

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors. The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the borrower and the geographical region.

The Bank adopts a multi factor approach in assessing changes in credit risk. This approach considers: Quantitative (primary), Qualitative (secondary) and Back stop indicators which are

critical in allocating financial assets into stages.

The quantitative models considers deterioration in the credit rating of obligor/counterparty based on the Bank's internal rating system while qualitative factors considers information such as expected forbearance, restructuring, exposure classification by licensed credit bureau, etc.

A backstop is typically used to ensure that in the (unlikely) event that the primary (quantitative) indicators do not change and there is no trigger from the secondary (qualitative) indicators, an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 or stage 3 as the case may be except there is a reasonable and supportable evidence available without undue cost to rebut the presumption.

DEFINITION OF DEFAULT AND CREDIT IMPAIRED FINANCIAL ASSETS

At each reporting date, the Bank assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. 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.

Evidence that a financial asset is credit-impaired includes the following observable data:

- ◆ Significant financial difficulty of the borrower or issuer;
- ◆ A breach of contract such as a default or past due event;
- ◆ The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- ◆ It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- ◆ The disappearance of an active market for a security because of financial difficulties.
- ◆ The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.
- ◆ Others include death, insolvency, breach of covenants, etc.

A loan that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, loans that are more than 90 days past due are considered impaired.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Bank considers the following factors:

- ◆ The market's assessment of creditworthiness as reflected in the bond yields.
- ◆ The rating agencies' assessments of creditworthiness.
- ◆ The country's ability to access the capital markets for new debt issuance.
- ◆ The probability of debt being restructured, resulting in holders suffering losses through

voluntary or mandatory debt forgiveness.

- ◆ The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

PRESENTATION OF ALLOWANCE FOR ECL IN THE STATEMENT OF FINANCIAL POSITION

- ◆ Loan allowances for ECL are presented in the statement of financial position as follows:
- ◆ Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- ◆ Loan commitments and financial guarantee contracts: generally, as a provision;

Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and

- ◆ Debt securities measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

PROBATIONARY YEAR

In line with IFRS 9 guidelines specifying applicable probationary years before upgrading financial assets to a lower stage, The Bank shall observe the following probationary year in transferring financial asset back to a lower stage following a significant reduction in credit risk:

- ◆ When there is evidence of a significant reduction in credit risk for a financial instrument in stage 2, a probationary year of 90 days will be applied to confirm if the risk of default on such financial instrument has decreased sufficiently before upgrading such exposure to stage 1.
- ◆ When there is evidence that a financial asset in stage 3 (other than originated or purchased credit impaired financial asset) is no longer credit impaired and also that there is a significant reduction in credit risk for a financial instrument in stage 3, a probationary year of 90 days will be applied to confirm if the risk of default on such financial instrument has decreased sufficiently before upgrading such exposure to stage 2.

- ◆ When there is evidence that a financial asset in stage 3 (other than originated or purchased credit impaired financial asset) is no longer credit impaired and also that there is a significant reduction in credit risk for a financial instrument in stage 3, a probationary year of 180 days will be applied to confirm if the risk of default on such financial instrument has decreased sufficiently before upgrading such exposure to stage 1.

The regulator noted that the essence of the waiting year is to confirm that the risk of default has decreased sufficiently before upgrading the financial asset to a lower stage

GOVERNANCE

The Bank's Board of Directors and Senior Management are responsible for ensuring that the bank has appropriate credit risk management practices, including an effective system of internal control, to determine adequate expected credit loss (ECL) allowances in accordance with IFRS 9 as well as the Bank's stated policies and relevant supervisory guidance.

Guaranty Trust Bank has instituted an effective governance and control framework around the IFRS 9 processes to ensure: that data integrity and availability is upheld, expert judgement is adopted in the design of the ECL models and finally the IFRS 9 processes are automated to give all stakeholders confidence in the resulting financial information.

The Bank's Core Banking Application (BANKS) and the Credit Risk Management rating system are the key pillars of the IFRS 9 model. For the purpose of estimating expected credit loss as prescribed by the standard, the Bank has designed an ECL framework that generates data from the banking system which is processed by the Credit Admin, Credit Risk Management and Financial Control Unit and transformed into IFRS 9 compliant figures.

In order to maintain a strong internal control around the IFRS 9 system, the table below details the entire process regarding the IFRS 9 process and the various responsibilities.

S/N	Stakeholders	Task	Responsibilities
1.	Account Officers	Gather information on prospective borrowers	<ul style="list-style-type: none"> Obtain qualitative information on the prospective borrower through one-on-one interviews, on-site visitations, credit bureau checks, industry report etc. Obtain quantitative information (from financial statement) and loan application documentation from the prospective borrower. Review risks inherent in the customer's business/industry based on the information obtained If satisfactory, initiate customers' application on and determine customers' credit rating
2.	Relationship Manager	Review	<ul style="list-style-type: none"> Review the financial and non-financial data and other attached documentation for accuracy and completeness Ensure that the purpose of the borrowing is permissible under the Bank's lending policy and in line with the CBG credit guidelines.
3.	Credit Administration		<ul style="list-style-type: none"> Profiles customer and prepares checklist based on conditions precedent to drawdown. Reviews approval to ensure conditions precedent to drawdown are met. Ensure security and other required documentations are complete Reviews Deals slip before forwarding on line to Domestic Operations for booking. Opens file for the applicant and store in filing cabinet for reference.
4.	Credit Risk Management		<ul style="list-style-type: none"> Reviews the credit proposal for accuracy and completeness and also determine whether it satisfies the credit approval checklist Forward successful credits to the MD/ED for approval Monitor credit performance and keeps maturity profile Revise risk ratings based on credit performance
5.	Approving Authorities <ul style="list-style-type: none"> Group Head Divisional Head ED/MD Credit Risk Management Management Credit Committee Board Credit Committee 	Approve	<ul style="list-style-type: none"> Review credit proposal for accuracy and completeness Approve the facility if within limit, otherwise shall recommend to the next higher lending authority
6.	Legal Department	Review documentation	<ul style="list-style-type: none"> Ensure loan agreement documentation are properly executed by the prospective obligor Review collateral documentation for accuracy and completeness

S/N	Stakeholders	Task	Responsibilities
7.	Financial Control	<ul style="list-style-type: none"> Review Disclosure 	<ul style="list-style-type: none"> Review the Forward Looking Information (FLI) and macro-economic variables for completeness and accuracy The Finance department will ensure that all data fields required under the detailed disclosure requirement as laid down by the regulator are being captured and no manual intervention takes place outside of the ECL policy and procedures. Ensure all relevant information pertaining to the ECL methodology and the results are presented to investors and various stakeholders.
8.	Internal Audit	Validate ECL valuation	<ul style="list-style-type: none"> Conduct periodic review and validation of the approved Internal Ratings assigned to respective Obligors by Internal Audit Department Independent validation of the ECL valuation semi-annually
9.	External Auditors	Validate ECL valuation	<ul style="list-style-type: none"> Semi-annual review and validation of the Internal Ratings Semi-annual review and validation of ECL valuation

3.7. RECLASSIFICATIONS

Financial assets are not reclassified subsequent to their initial recognition, except in the year after the Bank changes its business model for managing financial assets. A change in the Bank's business model will occur only when the Bank either begins or ceases to perform an activity that is significant to its operations such as:

- ◆ Significant internal restructuring or business combinations; for example an acquisition of a private asset management company that might necessitate transfer and sale of loans to willing buyers, this action will constitute changes in business model and subsequent reclassification of the Loan held from BM1 to BM2 Category;
- ◆ Disposal of a business line i.e. disposal of a business segment;
- ◆ Any other reason that might warrant a change in the Bank's business model as determined by management based on facts and circumstances.

The following are not considered to be changes in the business model:

- ◆ A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions);
- ◆ A temporary disappearance of a particular market for financial assets.
- ◆ A transfer of financial assets between parts of the bank with different business models

.When reclassification occurs, the Bank reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting year following the change in business model. For example, if the Bank decides to shut down the retail business segment on 31st January 2018, the reclassification date will be 1 April, 2018 (i.e. the first day of the entity's next reporting year), the Bank shall not engage in activities consistent with its former business model after 31st January 2018. Gains, losses or interest previously recognised are not be restated when reclassification occurs.

3.8. PROPERTY, EQUIPMENT AND RIGHT-OF-USE ASSETS

RECOGNITION AND MEASUREMENT

The Bank recognizes items of property, plant and equipment at the time the cost is incurred. These costs include costs incurred initially to acquire or construct an item of property and equipment. Its cost also includes the costs of its dismantlement, removal or restoration, the obligation for which an entity incurs as a consequence of using the item during a particular year.

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The assets' carrying values and useful lives are reviewed, and written down if appropriate, at each date of the Statements of financial position. Assets are impaired whenever events or changes in circumstances indicate that the carrying amount is less than the recoverable amount; see note (s) on impairment of non-financial assets.

(i) Subsequent costs

The cost of replacing part of an item of property or equipment is recognized 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 carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in the income statement as incurred.

(ii) Depreciation

Depreciation is recognized in the income statement on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognized or classified as held for sale in accordance with IFRS 5. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

(iii) Right-of-use assets are depreciated on a straight-line basis over the lease term.

The estimated useful lives for the current and comparative years are as follows:

Item of Property, Plant and Equipment	Estimated Useful Life
Leasehold improvements	50 years
Machinery and Equipment	5 years
Buildings	20 years
Land	Over the remaining life of the lease
Furniture and Fittings	5 years
Computer hardware	3 years
Motor vehicles	4 years

Capital work in progress is not depreciated. Upon completion it is transferred to the relevant asset category. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(iv) **Derecognition**

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

3.9. INTANGIBLE ASSETS

SOFTWARE

Software acquired by the Bank is stated at cost less accumulated amortization and accumulated impairment losses.

Expenditure on internally developed software is recognized as an asset when the Bank is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. Development costs previously expensed cannot be capitalized. The capitalized costs of internally developed software include all costs directly attributable to developing the software and capitalized borrowing costs, and are amortized over its useful life. Internally developed software is stated at capitalized cost less accumulated amortization and impairment. There was no such expenditure during the year.

Subsequent expenditure on software assets 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.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The maximum useful life of software is five years.

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.10. IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Bank's non-financial 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. For goodwill and intangible assets that have indefinite useful lives or that are available for use, the recoverable amount is estimated each year. However, the Bank chooses the cost model measurement to reassess investment property after initial

recognition i.e. depreciated cost less any accumulated impairment losses.

An impairment loss is recognized 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 Bank that generates cash flows that largely are independent from other assets and Banks. Impairment losses are recognized in the income statement. Impairment losses recognized 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 (group of units) 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 recognized in prior years 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 amortization, if no impairment loss had been recognized.

3.11. DEPOSITS

Deposits are initially measured at fair value plus transaction costs, and subsequently measured at their amortized cost using the effective interest method, except where the Bank chooses to carry the liabilities at fair value through profit or loss.

3.12. PROVISIONS

A provision is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle 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, where appropriate, the risks specific to the liability.

A provision for restructuring is recognized when the Bank has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. The Bank recognizes no provision for future operating losses.

3.13 FINANCIAL GUARANTEES

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt security. Financial guarantee liabilities are initially recognized at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment (when a payment under the guarantee has become probable). Financial guarantees, principally consisting of letters of credit are reported under contingent liabilities and commitments in the notes to the financial statements.

3.14. EMPLOYEE BENEFITS DEFINED CONTRIBUTION PLANS

A defined contribution plan is a pension plan under which the Bank pays fixed contributions to a separate entity. The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

For defined contribution plans, the bank is registered with the Social Security and Housing Finance Corporation and contributes 10% of employees' basic salaries to the national provident fund. Employee contributions are 5% of basic salaries which is deducted before arriving at net salaries.

Under the Scheme, employees are entitled to a lump sum payment upon attaining the retirement age of 60 for both men and women.

3.15. SHARE CAPITAL AND RESERVES

(a) Dividend on the Bank's ordinary shares

Dividends on ordinary shares are recognized as a liability and deducted from equity in the year in which they are approved by the Bank's shareholders. Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

3.16 INTEREST INCOME AND EXPENSE

Interest income and expense for all interest bearing financial instruments are recognized in the income statement within "interest income" and "interest expense" using the effective interest method.

The calculation of the effective interest rate includes contractual fees and points paid or received transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the Income statement include:

- ◆ Interest on financial assets and liabilities measured at amortized cost calculated on an

effective interest rate basis.

- ◆ Interest on financial assets measured at fair value through OCI calculated on an effective interest rate basis.

3.17 FEES AND COMMISSION INCOME

Fees and Commission that are integral to the effective interest rate on a financial asset are included in the measurement of the effective interest rate. Fees, such as processing and management fees charged for assessing the financial position of the borrower, evaluating and reviewing guarantee, collateral and other security, negotiation of instruments' terms, preparing and processing documentation and finalizing the transaction are an integral part of the effective interest rate on a financial asset or liability and are included in the measurement of the effective interest rate of financial assets or liabilities.

Other fees and commissions which relates mainly to transaction and service fees, including loan account structuring, management fees and legal fees are recognized as the related services are provided / performed.

3.18 NET TRADING INCOME

Net trading income comprises of gains and losses related to trading assets and liabilities and foreign exchange differences.

3.19 Operating expenses

Expenses are decreases in economic benefits during the accounting year in the form of outflows, depletion of assets or incurrance of liabilities that result in decrease of equity, other than those relating to distribution to equity participants.

Expenses are recognized on an accruals basis regardless of the time of spending cash. Expenses are recognized in the income statement when a decrease in future economic benefit related to a decrease in an assets or an increase of a liability has arisen that can be measured reliably. Expenses are measured at historical cost

3.20. TAXES

(I) CURRENT TAX

Tax is charged on the basis of the higher of 1% of gross income and 27% of tax adjusted accounting profits in accordance with sections 79 (3a,b) and first schedule of the Income and VAT Act 2012. For the year of assessment 2024, tax has been provided on the basis of 27% of adjusted profits. Current income tax relating to items recognized directly in other comprehensive income is recognized in other comprehensive income respectively and not in the statement of profit or loss.

(II) DEFERRED TAX

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial

reporting purposes. Deferred income tax is determined using tax rates enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognised on unused tax losses, unused tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the asset or liability and is not discounted. 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

3.21. EARNINGS PER SHARE

The Bank presents basic Earnings per Share (EPS) 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 year.

3.22. LEASES

The Bank applied IFRS 16 to both the current and comparative periods.

3.22.1. BANK AS A LESSEE

Leases that do not transfer to the Bank substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term. Contingent rental payable is recognized as an expense in the year in which they it is incurred.

3.22.2. BANK AS A LESSOR

Leases where the Bank does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Rental income is recorded as earned based on the contractual terms of the lease in other operating income. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the year in which they are earned.

3.22.3. LEASES

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 year of time in exchange for consideration.

3.22.4. 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 recognizes 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 recognizes 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 re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, 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 21(b) Property, equipment and right-of-use assets and are subject to impairment in line with the Bank's policy as described in Note 3.10 Impairment of non-financial assets.

LEASE LIABILITIES

At the commencement date of the lease, the Bank recognizes 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 recognized as expenses in the year in which the event or condition that triggers the payment occurs.

3.22.5. 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 recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the year in which they are earned.

3.23. SEGMENT REPORTING

An operating segment is a component of the Bank that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Bank's other components, whose operating results are reviewed regularly by the Management Committee to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. All costs that are directly traceable to the operating segments are allocated to the segment concerned, while indirect cost are allocated based on the benefits derived from such costs. However, income taxes are managed on a group basis and are not allocated to operating segments. Interest income is reported net as management primarily relies on net interest revenue as a performance measure, along with the gross income and expense.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Bank's total revenue in 2024 or 2023.

During 2024 and 2023 respectively, the Bank has been organized into five operating segments based on products and services, as follows:

- ◆ Retail Banking – Individual customers' deposits and consumer loans, overdrafts, verve and visa card facilities and funds transfer facilities
- ◆ Corporate Banking – Loans and other credit facilities and deposit and current accounts for corporate and hospitality customers
- ◆ Commercial Division – Loans and trade finance facilities for enterprises and small businesses
- ◆ Public Sector Group – Deposit and Investment products and services to institutional investors and public institutions
- ◆ Treasury function – Treasury and finance and other central functions.

3.23.1. PROFIT SEGMENTS

An analysis of the Bank's income statement, total assets and liabilities are as follows:

Information about operating segments December 2024

	Corpo- rate & Hospi- tality	Retail & SME Division	Commer- cial Division	Treasury Division	Public Sector Group	Total
Revenue:						
Derived from external cus- tomers	157,942	429,854	52,176	914,800	38,608	1,593,380
Total Revenue	157,942	429,854	52,176	914,800	38,608	1,593,380
Interest expenses	-27	-277	-49	-28,611	-578	-29,543
Fee and commission expenses	-1,064	-2,891	-900	-1,949	-623	-7,427
Net operating income	156,851	426,686	51,226	884,240	37,407	1,556,410
Expense:						
Operating expenses	-93,190	-252,924	-25,549	-18,939	-15,957	-406,560
Credit loss expense on finan- cial assets	-251	-2,351	-1,789	-1,288	-420	-6,099
Depreciation of property, equipment and right-of-use assets Amortisation of intangible assets	-16,032	-14,942	-12,237	-7,727	-8,366	-59,304
Total Cost	-109,474	-270,217	-39,575	-27,954	-24,743	-471,964
Profit before taxation	47,377	156,469	11,651	856,286	12,664	1,084,446
Income tax expense	-58,207	-68,078	-21,215	-135,475	-15,942	-298,916
Profit for the year	-10,830	88,391	-9,564	720,811	-3,278	785,530
Assets and liabilities:						
Total assets	66,380	2,174,876	223,815	12,113,691	78,731	14,657,493
Total liabilities	-945,549	-9,307,751	-652,685	-996,077	-904,618	-12,806,680
Net Assets/ (Liabilities)	-879,169	-7,132,875	-428,870	11,117,614	-825,887	1,850,813
Assets:						
Loans and advances to cus- tomers	22,158	1,304,186	122,467	5,417	37,104	1,491,331
Others	44,222	870,690	101,348	12,108,275	41,626	13,166,162
Total assets	66,380	2,174,876	223,815	12,113,692	78,730	14,657,493
Liabilities:						
Deposits from customers	865,128	8,950,787	613,256	878,497	814,118	12,121,786
Others	80,421	356,964	39,429	117,580	90,500	684,894
Total liabilities	945,549	9,307,751	652,685	996,077	904,618	12,806,680

Information about operating segments December 2023

	Corporate & Hospitality	Retail & SME Division	Commercial Division	Treasury Division	Public Sector Group	Total
Revenue:						
Derived from external customers	149,789	388,287	52,345	650,656	39,716	1,280,793
Total Revenue	149,789	388,287	52,345	650,656	39,716	1,280,793
Interest expenses	-21	-2,881	-93	-26,640	-510	-30,144
Fee and commission expenses	-920	-2,499	-778	-1,685	-539	-6,421
Net operating income	148,848	382,907	51,474	622,331	38,667	1,244,228
Expense:						
Operating expenses	-90,714	-235,341	-23,985	-18,286	-15,413	-383,739
Credit loss expense on financial assets	-569	-5,730	-320	-908	-124	-7,651
Depreciation of property, equipment and right-of-use assets Amortisation of intangible assets	-14,417	-13,436	-11,003	-6,949	-7,522	-53,327
Total Cost	-105,700	-254,507	-35,308	-26,143	-23,059	-444,717
Profit before taxation	43,148	128,400	16,166	596,188	15,608	799,511
Income tax expense	-41,717	-48,792	-15,205	-103,208	-11,426	-220,348
Profit for the year	1,431	79,608	961	492,980	4,182	579,163
Assets and liabilities:						
Total assets	50,032	1,820,466	156,853	9,947,772	79,458	12,054,581
Total liabilities	-649,808	-7,777,348	-520,333	-507,693	-770,834	-10,226,016
Net Assets/ (Liabilities)	-599,776	-5,956,882	-363,480	9,440,079	-691,376	1,828,565
Assets:						
Loans and advances to customers	17,399	1,329,486	94,581	11,762	51,576	1,504,804
Others	32,633	490,980	62,272	9,936,010	27,882	10,549,777
Total assets	50,032	1,820,466	156,853	9,947,772	79,458	12,054,581
Liabilities:						
Deposits from customers	619,878	7,648,979	501,179	486,617	737,153	9,993,806
Others	29,930	128,369	19,154	21,076	33,681	232,210
Total liabilities	649,808	7,777,348	520,333	507,693	770,834	10,226,016

4. FINANCIAL RISK MANAGEMENT

A. INTRODUCTION AND OVERVIEW

Guaranty Trust Bank (Gambia) Limited has a functional Risk Management Framework that is responsible for ongoing identification, measurement and monitoring, and subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Bank is exposed to the following risks:

- ◆ Credit Risk;
- ◆ Liquidity Risk;
- ◆ Market Risk.

Other key risks faced by the bank as a result of its existence and operations include operational risks, settlement risks, reputational and strategy risks.

RISK MANAGEMENT PHILOSOPHY

The risk management philosophy of the Guaranty Trust Bank (Gambia) Limited is drawn from its mission and vision statements and seeks to achieve maximum optimization of the risk – return trade off, while ensuring strong commitment to the following key indices:

- ◆ Excellent service delivery across business segments;
- ◆ Sound performance reporting (financial and non-financial);
- ◆ Sound corporate governance;
- ◆ Consistent appreciation in shareholders' value.

Guaranty Trust Bank (Gambia) Limited will continue to adhere to the following risk principles to perform consistently on the above stated indices: The Bank will not take any action that will compromise its integrity;

- ◆ Sound performance reporting (financial and non-financial);
- ◆ The Bank will adhere to the risk management practice of identifying, measuring, controlling and reporting risks.

Risk control will not constitute an impediment to the achievement of the Bank's Strategic objectives. The Bank will always comply with all government regulations and embrace global best practices. The Bank will only assume risks that fall within its risk appetite with commensurate returns.

RISK MANAGEMENT FRAMEWORK

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, to monitor risks and adherence to limits. This policy is subject to review at least once a year. More frequent reviews may be conducted in the opinion of the Board, when changes in laws, market conditions or the Bank's activities are material enough to impact on the continued adoption of existing policies. 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 Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework via its committees – The Board Risk Committee, Board Credit Committee, and Board Audit Committee. These committees are responsible for developing and monitoring risk policies in their specified areas and report regularly to the Board of Directors on their activities. All Board committees have both executive and non-executive members. The Board Committees are assisted by the various Management Committees in identifying and assessing risks arising from day to day activities of the Bank. These committees are:

- ◆ The Management Credit Committee;
- ◆ Criticized Assets Committee;
- ◆ Asset and Liability Management Committee (ALMAC);
- ◆ Management Risk Committee;
- ◆ Other Ad-hoc Committees.

These committees meet on a regular basis while others are set up on an ad-hoc basis as dictated by the circumstances.

The Bank's Audit Committee is responsible for monitoring compliance with the risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to risks faced by the Bank. The Audit Committee is assisted by the Internal Audit department, in carrying out these functions. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

THE RISK MANAGEMENT ORGANOGRAM OF THE BANK IS AS FOLLOWS:



The Risk Committees at the board and management levels are responsible for reviewing and recommending risk management policies, procedures and profiles including risk philosophy, risk appetite and risk tolerance of the Bank. The oversight functions cut across all risk areas. The committee monitors the Bank's plans and progress towards meeting regulatory Risk-Based Supervision requirements and migration to Basel II compliance as well as the overall Regulatory and Economic Capital Adequacy.

The Bank's Board of Directors has delegated responsibility for the management of credit risk to the Board Credit Committee. The Board Credit Committee considers and approves all lending exposures, including treasury investment exposures, as well as insider-related credits in excess of limits assigned to the Management Credit Committee by the Board. Management Credit Committee formulates credit policies in consultation with business units, covering credit assessment, risk grading and reporting, collateral, regulatory and statutory requirements. The committee also assesses and approves all credit exposures in excess of the Managing Director's limit as approved by the Board.

The Asset & Liability Management Committee establishes the Bank's standards and policies covering the various components of Market Risk. These include issues on Interest Rate Risk, Liquidity Risk, Investment Risk and Trading Risk. It ensures that the authority delegated by the Board and Management Risk Committees with regard to Market Risk is exercised, and that Market Risk exposures are monitored and managed. Furthermore, the Committee limits and monitors the potential impact of specific pre-defined market movements on the comprehensive income of the Bank through stress tests and simulations.

The Credit Risk Management Bank is responsible for identifying, controlling, monitoring and reporting credit risk related issues. The Bank also serves as the secretariat for the Management Credit Committee. Credit risk is the most critical risk for the Bank as credit exposures, arising from lending activities account for the major portion of the Bank's assets and source of its revenue. Thus, the Bank ensures that credit risk related exposures are properly monitored, managed and controlled. The Credit Risk Management Bank is responsible for managing the credit exposures, which arise as a result of the lending and investment activities as well as other unfunded credit exposures that have default probabilities such as contingent liabilities.

RISK MANAGEMENT METHODOLOGY

The Bank recognizes that it is in the business of managing risks to derive optimal satisfaction for all stakeholders. It has therefore, over the years detailed its approach to risk management through various policies and procedures, which include the following:

- ◆ ERM Policy
- ◆ Credit Policy Guide
- ◆ Human Resources Policy Manual
- ◆ Standard Operating Procedures
- ◆ IT Policy

To ensure adherence to the policies and procedures, several exception reports on customers and activities of the Bank are generated by the various audit control units for management's decision making. These include:

- ◆ Monthly Management Profitability Reports (MPR) for the marketing teams
- ◆ Monthly Operations Performance Reports(OPR) for the support teams
- ◆ Quarterly Business Profitability Review
- ◆ Annual Bank-wide performance appraisal systems Criticized Asset Committee Report

RISK MANAGEMENT OVERVIEW

The Bank operates a functional Risk Management Group that manages all aspects of risk including threats and opportunities. The risk management infrastructure therefore encompasses a comprehensive and integrated approach to identifying, managing and reporting:

- ◆ the 3 main inherent Bank's risks–Credit, Market and Operational;
- ◆ additional core risks such as Reputation and Strategy risks

In addition to this, in compliance with the regulations of the Central Bank of The Gambia and also to align with Basel II Capital Accord / best global practices, we are in the process of incorporating a strategic framework for efficient measurement and management of the bank's

risks and capital. We have commenced the implementation of Basel II recommended capital measurement approaches for the estimate of the bank's economic capital required to cope with unexpected losses. We are also putting in place other qualitative and quantitative measures that will assist with enhancing risk management processes and creating a platform for more risk-adjusted decision-making.

CREDIT RISK

Lending and other financial activities form the core business of the Bank. The Bank recognizes this and has laid great emphasis on effective management of its exposure to credit risk. The Bank defines credit risk as the risk of counterparty's failure to meet the terms of any lending contracts with the Bank or otherwise to perform as agreed. Credit risk arises anytime the Bank's funds are extended, committed, invested or otherwise exposed through actual or implied contractual agreements.

The Bank's specific credit risk objectives, as contained in the Credit Risk Management Framework, are:

- ◆ Maintenance of an efficient loan portfolio
- ◆ Institutionalization of sound credit culture in the Bank
- ◆ Adoption of international best practices in credit risk management
- ◆ Development of Credit Risk Management professionals.

Each business unit is required to implement credit policies and procedures in line with the credit approval authorities granted by the Board. Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolio, including those subject to Management Credit Committee's approval

The Internal Audit and Credit Administration units respectively undertake regular audits of business units and credit quality reviews.

The Bank continues to focus attention on intrinsic and concentration risks inherent in its business in order to manage its portfolio risk. It sets portfolio concentration limits that are measured under the following parameters: concentration limits per obligor, business lines, industry, sector, rating grade and geographical area. Sector limits reflect the risk appetite of the Bank.

The Bank drives the credit risk management processes using appropriate technology to achieve global best practices.

MANAGEMENT OF CREDIT RISK

The Board of Directors has delegated responsibility for the management of credit risk to

its Board Credit Committee. A separate Management Credit Committee reporting to the Board Credit Committee is responsible for oversight of the Bank's credit risk, including:

- ◆ 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 structure for the approval and renewal of credit facilities. Authorization limits are allocated to business unit heads. Larger facilities require approval by the Management Credit Committee, Executive Director, Managing Director and the Board Credit Committee/Board of Directors as appropriate.
- ◆ Reviewing and assessing credit risk - Management Credit Committee assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- ◆ Developing and maintaining the Bank's risk grading in order to categorize exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The current risk grading framework consists of ten grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for approving the risk grades lies with the Board Credit Committee. The risk grades are subject to regular review by the Risk Management Unit.

Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports are provided to Risk Management Unit on the credit quality of local portfolios and appropriate corrective action is taken.

Providing advice, guidance and specialist skills to business units to promote best practice throughout the Bank in the management of credit risk.

There were no changes in the Bank's risk management policies. Each business unit is required to implement Bank credit policies and procedures, with credit approval authorized by the Board Credit Committee.

CREDIT RISK MEASUREMENT

In line with IFRS 9, the bank adopted the expected credit loss (ECL) approach. The (ECL) model should reflect the general pattern of deterioration in the credit quality of financial instruments over the life of the instruments. In estimating the expected credit quality of the instrument, the Bank considers reasonable and supportable information available without undue cost or effort at the reporting date, past events, current conditions and forecasts of future economic conditions.

Guaranty Trust Bank (Gambia) Limited undertakes lending activities after careful analysis of the borrowers' character, capacity to repay, cash flow, credit history, industry and other factors. The Bank acknowledges that there are diverse intrinsic risks inherent in its different business segments and, as a result, applies different parameters to adequately dimension the risks in each business segment.

The Bank's rating grades reflect the range of parameters developed to predict the default probabilities of each rating class in line with international best practices and in compliance with BASEL II requirements. The grades reflect granularities and are handled by Account Officers and Relationship Managers with further check by Credit Risk Analysis Unit in Credit Risk Management Unit.

Rating Grade	Description	Characteristics
1 (AAA)	Exceptional Credit	<ul style="list-style-type: none"> ▶ Exceptional credit quality ▶ Obligors with overwhelming capacity to meet obligation ▶ Top multinationals/corporations ▶ Good track record ▶ Strong brand name ▶ Strong equity and assets ▶ Strong cash flows ▶ Full cash coverage
2 (AA)	Superior Credit	<ul style="list-style-type: none"> ▶ Very high credit quality ▶ Exceptionally high cash flow coverage (historical and projected) ▶ Very strong balance sheets with high liquid assets ▶ Excellent asset quality ▶ Access to global capital markets ▶ Typically large national corporate in stable industries and with significant market share
3 (A)	Minimal Risk	<ul style="list-style-type: none"> ▶ High quality borrowers ▶ Good asset quality and liquidity position ▶ Strong debt repayment capacity and coverage • Very good management ▶ Though credit fundamentals are strong, it may suffer some temporary setback if any of them are adversely affected ▶ Typically in stable industries
4 (BBB)	Above Average	<ul style="list-style-type: none"> ▶ Good asset quality and liquidity ▶ Very good debt capacity but smaller margins of debts service coverage ▶ Good management in key areas ▶ Temporary difficulties can be overcome to meet debt obligations ▶ Good management but depth may be an issue ▶ Good character of owner ▶ Typically good companies in cyclical industries
5 (BB)	Average	<ul style="list-style-type: none"> ▶ Satisfactory asset quality and liquidity ▶ Good debt capacity but smaller margins of debt service coverage ▶ Reasonable management in key areas ▶ Temporary difficulties can be overcome to meet debt obligations ▶ Good management but depth may be an issue ▶ Satisfactory character of owner ▶ Typically good companies in cyclical industries
6 (B)	Acceptable Risk	<ul style="list-style-type: none"> ▶ Limited debt capacity and modest debt service coverage ▶ Could be currently performing but susceptible to poor industry conditions and operational difficulties ▶ Declining collateral quality ▶ Management and owners are good or passable ▶ Typically borrowers in declining markets or with small market share and operating in cyclical industries
7 (CCC)	Watch-list	<ul style="list-style-type: none"> ▶ Eliciting signs of deterioration as a result of well-defined weaknesses that may impair repayment ▶ Typically start-ups/declining markets/deteriorating industries with high industry risk ▶ Financial fundamentals below average ▶ Weak management ▶ Poor information disclosure
8 (CC)	Substandard Risk	<ul style="list-style-type: none"> ▶ Well-defined weaknesses though significant loss unlikely; orderly liquidation of debt under threat ▶ Continued strength is on collateral or residual repayment capacity of obligor ▶ Partial losses of principal and interest possible if weaknesses are not promptly rectified ▶ Questionable management skills
9 (C)	Doubtful Risk	<ul style="list-style-type: none"> ▶ High probability of partial loss ▶ Very weak credit fundamentals which make full debt repayment in serious doubt ▶ Factors exist that may mitigate the potential loss but awaiting appropriate time to determine final status ▶ Demonstrable management weaknesses, poor repayment weaknesses and poor repayment profile

10 (D)	Lost	<ul style="list-style-type: none"> ▶ A definite loss of principal and interest ▶ Lack of capacity to repay unsecured debt ▶ Bleak economic prospects ▶ Though it is still possible to recover sometime in the future, it is imprudent to defer write-offs
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LOANS AND ADVANCES

Models have been used to estimate the amount of credit exposures, as the value of a product varies with changes in market variables, expected cash flows and time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between parties.

Ratings and scoring models are in use for all key credit portfolios and form the basis for measuring default risks.

In measuring credit risk of loans and advances at a counterparty level, the Bank considers three components:

- (i) The 'probability of default' (PD)
- (ii) Exposures to the counterparty and its likely future development, from which the Bank derive the 'exposure at default' (EAD); and
- (iii) The likely recovery ratio on the defaulted obligations (the 'loss given default') (LGD).

The models are reviewed regularly to monitor their robustness relative to actual performance and amended as necessary to optimize their effectiveness.

RISK LIMIT CONTROL AND MITIGATION POLICIES

The Bank applies limits to control credit risk concentration and diversification of its risk assets portfolio. The Bank maintains limits for individual borrowers and group of related borrowers, business lines, rating grade and geographical area.

The Bank adopted obligor limits as set by the regulators and it is currently at 25% of the Bank's shareholders' funds. The obligor limit covers exposures to counterparties and related parties.

The Bank imposes industry/economic sector limits to guide against concentration risk as a result of exposures to sets of counterparties operating in a particular industry. The industry limits are arrived at after rigorous analysis of the risks inherent in the industry/economic sectors.

The limits are usually recommended by the Bank's Enterprise Risk Management Unit and approved by the Board. The limits set for each industry or economic sector depend on the historical performance of the sector as well as the intelligence report on the outlook of the sector. During the year, limits can be realigned (by way of outright removal, reduction or increase) to meet the exigencies of the prevailing macroeconomic events.

The Bank also sets internal credit approval limits for various levels of officers in the credit process. Approval decisions are guided by the Bank's strategic focus as well as the stated risk appetite and the other limits established by the board or regulatory authorities such as Aggregate Large Exposure Limits, Single Obligor Limits, Geographical Limits, Industry / Economic sector limits etc.

The lending authority in the Bank flows through the management hierarchy with the final authority residing with the Board of Directors as indicated below:

Designation	Limit
Board of Directors	Up to the single obligor limit as advised by the regulatory Authorities from time to time but currently put at 25% of shareholders' funds (total equity)
Management Credit Committee	Up to GMD3Million
Managing Director	Up to GMD2Million
Executive Directors	Up to GMD50,000
Other Approving Officers	As delegated by the Managing Director

The above limits are subject to the following overriding approvals. Except where a facility is cash collateralized, all new facilities below GMD3 million require the approval of the Credit Committee. The deposit required for all cash collateralized facilities (with the exception of bonds, guarantees and indemnities) must be 125% of the facility amount to provide a cushion for interest and other charges.

Totally new facilities require one-up approval i.e. approval at a level higher than that of the person that would ordinarily approve it.

OFF-BALANCE SHEET ENGAGEMENTS

These instruments are contingent in nature and carry the same credit risk as loans and advances. As a policy, the Bank ensures that all its off-balance sheet exposures are subjected to the same rigorous credit analysis, like that of the on-balance sheet exposures, before availing. The major off-balance sheet items in the Bank's books are Bonds and Guarantees, which the Bank will only issue where it has full cash collateral or a counter indemnity from a first class bank, or another acceptable security.

CONTINGENCIES

Contingent assets which include transaction related bonds and guarantees, letters of credit and short-term foreign currency related transactions, are not recognized in the annual financial statements but are disclosed when, as a result of past events, it is highly likely that economic benefits will flow to the Bank, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the Bank's control.

Contingent liabilities include transaction related bonds and guarantees, letters of credit and short term foreign currency related transactions. Contingent liabilities are not recognized in the annual financial statements but are disclosed in the notes to the annual financial statements unless they are remote.

PLACEMENTS

The Bank has placement lines for its Bank counterparties. The lines cover the settlement risks inherent

in our activities with these counterparties. The limits are arrived at after conducting fundamental analysis of the counterparties, presentation of findings to, and approval by the Bank's Management Credit Committee. The lines are monitored by Credit Risk Management Unit.

CREDIT RISK EXPOSURES RELATING TO ON-BALANCE SHEET ASSETS ARE AS FOLLOWS:

Classification	Dec.-2024 GMD'000	Dec.-2023 GMD'000
Cash and cash equivalents		
- Unrestricted balances with central banks	-	-
- Balances held with other banks	-69,476	53,247
- Money market placements	1,879,890	1,366,932
Loans and advances to customers:		
- Loans to individuals	1,279,942	1,239,482
- Loans to non-individuals	211,389	265,322
Others	-	-
Financial assets designated at fair value	-	-
Treasury Bills	4,990,065	4,534,897
Debt instruments at amortized cost		
Parastatal Bond	0	20,509
Eurobond	0	124,137
Sovereign Bond	3,170,909	2,736,104
Assets pledged as collateral	-	-
Other assets	493,481	54,761
Total	11,956,200	10,395,391

CREDIT RISK EXPOSURES RELATING TO OFF-BALANCE SHEET ASSETS ARE AS FOLLOWS:

	Dec.-2024 GMD'000	Dec.-2023 GMD'000
Financial Guarantees	856,649	529,648
Irrevocable LC's	0	70,781
Customer Tbills and Other Contingents	388,359	397,319
Total	1,245,008	997,748

CREDIT RISK EXPOSURES BY SECTOR:

2024							
Credit Risk Exposure to on-balance sheet items		Financial institution			Mining, oil & gas		
Classification	Education		Government	Manufacturing		Others	Total
Cash and cash equivalents							
- Unrestricted balances with central banks	-	-	1,422,539	-	-	-	1,422,539
- Balances held with other banks	-	-69,476	-	-	-	-	-69,476
- Money market placements	-	1,880,592	-	-	-	-	1,880,592
Loans and advances to customers:	-	-	-	-	-	-	-
Loans to individuals:							
Overdraft	-	-	-	-	-	127,861	127,861
Loans	-	-	-	-	-	1,152,081	1,152,081
Others	-	-	-	-	-	-	-
Loans to corporate entities:							
Large corporate customers	10,212	5,235	35,910	4,958	43	155,031	211,389
SMEs	-	-	-	-	-	-	-
Debt instruments:							
Treasury Bills and Bonds	-	-	8,160,974	-	-	-	8,160,974
Assets pledged as collateral	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	493,481	493,481
	10,212	1,816,351	9,619,423	4,958	43	1,928,454	13,379,441
Credit Risk Exposure to off-balance sheet items							
		Financial institution			Mining, oil & gas		
Classification	Education		Government	Manufacturing		Others	Total
Financial Guarantees	-	-	-	-	17	856,632	856,649
Other Loan Commitments	-	-	0	-	-	388,359	388,359
Total	-	-	-	0	17	1,244,991	1,245,008

2023 CREDIT RISK EXPOSURE TO ON-BALANCE SHEET ITEMS CLASSIFICATION CASH AND CASH EQUIV- ALENTS	Education	Financial institution	Government	Manufac- turing	Mining, oil & gas	Others	Total
- Unrestricted balances with central banks	-	-	990,486	-	-	-	990,486
- Balances held with other banks	-	53,247	-	-	-	-	53,247
- Money market place- ments	-	1,366,932	-	-	-	-	1,366,932
Loans and advances to customers:	-	-	-	-	-	-	-
Loans to individuals:							-
Overdraft	-	-	-	-	-	106,759	106,759
Loans	-	-	-	-	-	1,132,725	1,132,725
Others	-	-	-	-	-	-	-
Loans to corporate entities:							-
Large corporate cus- tomers	11,346	11,669	51,211	5,046	31	186,017	265,321
SMEs	-	-	-	-	-	-	-
							-
Debt instruments:							-
Treasury Bills and Bonds	-	-	7,415,647	-	-	-	7,415,647
							-
Assets pledged as col- lateral	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	54,759	54,759
	11,346	1,431,848	8,457,344	5,046	31	1,480,260	11,385,876
Credit Risk Exposure to off-balance sheet items							
Classification	Education	Financial institution	Government	Manufac- turing	Mining, oil & gas	Others	Total
Financial Guarantees	-	-	-	-	488	599,941	600,429
Other Loan Commit- ments	-	-	465	-	-	396,854	397,319
Total	-	-	-	0	488	996,795	997,748

CATEGORIZATION OF LOANS AND ADVANCES

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system, 12 month PD range and year-end stage classification. The amounts presented are gross of allowance for ECL. Details of the Bank's internal grading system are explained in Note 4 and the Bank's impairment assessment and measurement approach is set out in Note 2.4.1.

Dec-2024

In thousands of Gambian Dalasi	12 month PD range	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total impairment
Internal rating grade					
Performing					
Collectively impaired					
High grade					
Standard grade		1,666			1,666
Sub-standard grade			476		476
Low grade				420	420
Non-performing					
Individually impaired		20,398	2,793	2,372	25,563
TOTAL		22,064	3,269	2,792	28,125

DEC-2023

In thousands of Gambian Dalasi	12 month PD range	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total impairment
Internal rating grade					
Performing					
Collectively impaired					
High grade					
Standard grade		1,717			1,717
Sub-standard grade			12,615		12,615
Low grade				6,721	6,721
Non-performing					
Individually impaired		8,396	8,372	17,792	34,560
Total		10,113	20,987	24,513	55,613

CREDIT QUALITY OF STAGE 1 LOANS

Rating	Loans and advances to customers						Aggregate Total
	Individuals			Non-individuals			
	Overdraft	Loans	Others	Overdraft	Loans	Others	
Exceptional capacity	0	0	-	0	0	-	0
Very strong capacity	65,748	1,074,863	-	6,214	162,376	-	1,309,201
Strong repayment capacity	15,320	31,727	-	12,838	6,304	-	66,189
Acceptable risk	-	0	-	0	0	-	0
	81,068	1,106,590		19,052	168,680		1,375,390
Impairment	-4,345	-16,053		-678	-988		-22,064
Total	76,723	1,090,537		18,374	167,692		1,353,326

CREDIT QUALITY OF STAGE 2 LOANS

	Loans to Individual	Loans to Non-individual	Loans to Banks	Total
Gross loans:				
Loans	8,533	3,346	-	11,879
Overdraft	53,916	17,632	-	71,548
Others	0	-	-	0
	62,449	20,978		83,427
Impairment:				
Loans	15	2	-	17
Overdraft	2,778	474	-	3,252
Others	-	-	-	0
	2,793	476		3,269
Net Amount:				
Loans	8,518	3,344	-	11,862
Overdraft	51,138	17,158	-	68,296
Others	-	-	-	0
	59,656	20,502		80,158
FV of collateral:				
Loans	7,287	3,177	-	10,464
Overdraft	2,361	6,274	-	8,635
Others	-	-	-	0
FV of collateral	9,649	9,450		19,099
Amount of under-collateralization:				
Loans	-	-	-	-
Overdraft	-	-	-	-
Others	-	-	-	-
	52,800	11,528		64,328
Net Loans	59,656	20,502		80,158
Amount of under-collateralization on net loans	50,007	11,052		61,059

The fair value of the collaterals securing loans and advances in this stage are as follows:-

Loans to Individuals:- **GMD9,649,000**

Loans to Non Individuals **GMD9,450,000**

Total **GMD19,099,000**

CREDIT QUALITY OF STAGE 3 LOANS

	Loans to Individuals	Loans to Non- individuals	Loans to Banks	Total
Gross loans:				
Loans	55,398	5,241	0	60,639
Overdraft	0	0	0	0
Others	0	0	0	0
	55,398	5,241	-	60,639
Impairment:				
Loans	2,372	420	0	2,792
Overdraft	0	0	0	0
Others	0	0	0	0
	2,372	420	-	2,792
Net Amount:				
Loans	53,026	4,821	-	57,847
Overdraft	-	-	-	0
Others	-	-	-	0
	53,026	4,821	-	57,847
FV of collateral1:				
Loans	-	-	-	-
Overdraft	-	-	-	-
Others	-	-	-	-
FV of collateral	-	-	-	-
Amount of undercollateralisation:				
Loans	-	-	-	0
Overdraft	-	-	-	-
Others	-	-	-	-
	-	-	-	-
Net Loans	53,026	4,821	-	57,847
Amount of under collateralisation on net loans	53,026	4,821	-	57,847

CREDIT RISK COLLATERAL

An estimate of the fair value of any collateral and other security enhancements held against loans and advances to customers is shown below:

Dec-2024	Loans and advances to customers	
	Gross Loans	Collateral
In thousands of Gambian Dalasi		
Against Stage 1 Loans and Advances	1,375,390	2,388,330
Against Stage 2 Loans and Advances	83,427	19,099
Against Stage 3 Loans and Advances	60,639	0
Total	1,519,456	2,407,429

ANALYSIS OF CREDIT COLLATERAL IS FURTHER SHOWN BELOW:

Gambian Dalasi	Loans and advances to customers			Total
	Term Loans	Overdrafts	Others	
Against Stage 1				
Loans and Advances:				
Property	2,374,324	-	-	2,374,324
Equities	-	-	-	-
Cash	14,006			14,006
Guarantees	-	-	-	-
Negative Pledge	-	-	-	-
Treasury Bills	-	-	-	-
Total	2,388,330	0	0	2,388,330
Against Stages 2 & 3				
Loans and Advances:				
Property	19,099	-	-	19,099
Equities	-	-	-	-
Treasury bills	-	-		-
Cash	-		-	-
Guarantees	-	-	-	-
Negative pledge	-	-	-	-
Others	-	-	-	-
Total	19,099	0	0	19,099
Grand total	2,407,429	0	0	2,407,429

REPOSSESSED COLLATERALS:

During the period, the Bank did repossess a property held as collateral against a loan compared to none in 2023.

Details of repossessed collaterals during the period are shown below:

Type	Dec.-2024 GMD'000	Dec.-2023 GMD'000
Property 1	665	0
Total	665	0

Liquidity risk**a) Liquidity Risk Governance**

The Board of Directors retains ultimate responsibility for the effective management of liquidity risk. Through the Enterprise Risk Management Group (ERM), the board has delegated its responsibility for the management of liquidity risk to the Asset and Liability Management Committee (ALMAC).

b) Liquidity Risk Management

A brief overview of the Bank's liquidity management processes during the year includes the following:

- Maintenance of minimum levels of liquid and marketable assets above the regulatory requirement of 30%. The Bank has also set for itself more stringent in-house limits above this regulatory requirement to which it adheres.
- Monitoring of its cash flow and balance sheet trends. The Bank also makes forecasts of

anticipated deposits and withdrawals to determine their potential effect on the Bank.

5. Regular measurement & monitoring of its liquidity position/ratios in line with regulatory requirements and in-house limits
6. Regular monitoring of non-earning assets
7. Monitoring of deposit concentration
8. Ensure diversification of funding sources
9. Monitoring of level of undrawn commitments
10. Maintaining a contingency funding plan.

c) **Liquidity Risk Measurement**

There are two measures used for managing liquidity risk namely: liquidity ratio mechanism which is a statutory requirement from most Central Bank in order to protect third party deposits, and funding gap analysis of assets and liabilities.

i) **Liquidity ratios**

The key measure used for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, net liquid assets are considered as including cash and cash equivalents and investment grade debt securities for which there is an active and liquid market less any deposits from banks, debt securities issued, other borrowings and commitment maturing within one month.

The liquidity position of the Bank remained strong in the course of the period and materially above the minimum liquidity ratio requirement of 30% prescribed by the Central Bank of The Gambia. Details of the Bank's ratio of net liquid assets to deposits and customers at the reporting date and during the reporting period were as follows:

	Dec.-2024	Dec.-2023
At end of year	70%	71%
Average for the year	71%	69%
Maximum for the year	74%	74%
Minimum for the year	68%	67%

ii) **Funding Approach**

The Bank's overall approach to funding is as follows:

1. Generation of large pool of low cost deposits.
2. Maintenance of efficiently diversified sources of funds along product lines, business segments and also regions to avoid concentration risk.

The Bank was able to meet all its financial commitments and obligations without any liquidity risk exposure in the course of the year.

The Bank's Asset and Liability Management Committee (**ALMAC**) is charged with the responsibility of managing the Bank's daily liquidity position. A daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more

severe market conditions. All liquidity policies and procedures are subject to review and approval policies and procedures are subject to review and approval by **ALMAC**. The Risk Management Bank sets limits which are in conformity with the regulatory limits. The limits are monitored regularly and exceptions are reported to **ALMAC** as appropriate. In addition gap reports are prepared monthly to measure the maturity mismatches between assets and liabilities. The cumulative gap over total assets is not expected to exceed **20%**.

GROSS NOMINAL (UNDISCOUNTED) MATURITIES OF FINANCIAL ASSETS AND LIABILITIES

Dec-24								
In thousands of Gambian Dalasi	Carrying amount	Gross nominal inflow/outflow	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	
Financial assets								
Cash and cash equivalents	3,880,367	3,880,367	3,880,367	-	-	-	-	-
Financial assets held for trading	-	-	-	-	-	-	-	-
Derivative financial assets	-	-	-	-	-	-	-	-
Debt instruments:	0							
– FVOCI	4,990,065	4,990,065	1,394,171	1,124,827	2,471,068	-	-	-
– Amortized cost	3,170,909	3,170,909	-	-	621,774	2,549,135	-	-
Assets pledged as collateral	-	-	-	-	-	-	-	-
Loans and advances to banks	-	-	-	-	-	-	-	-
Loans and advances to customers	1,491,331	1,491,331	232,586	72,374	38,932	1,034,796	112,643	
Restricted deposits and other assets	493,481	493,481	493,481	-	-	-	-	-
	14,026,153	14,026,153	6,000,605	1,197,201	3,131,774	3,583,931	112,643	
Financial liabilities								
Deposits from banks	-	-	-	-	-	-	-	-
Deposits from customers	12,121,786	12,121,786	4,193,022	221,335	7,707,429	-	-	-
Financial liabilities held for trading	-	-	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-	-
Other liabilities*	615,479	615,479	-	-	615,479	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-
Other borrowed funds	-	-	-	-	-	-	-	-
	12,737,265	12,737,265	4,193,022	221,335	8,322,908	0	0	
Gap (asset - liabilities)			1,807,583	975,866	-5,191,134	3,583,931	112,643	
Cumulative liquidity gap			1,807,583	2,783,448	-2,407,686	1,176,245	1,288,888	

* Includes Lease Liability

Dec-23							
In thousands of Gambian Dalasi	Carrying amount	Gross nominal inflow/outflow	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
<i>Financial assets</i>							
Cash and cash equivalents	2,696,631	2,696,631	2,696,631	-	-	-	-
Financial assets held for trading	-	-	-	-	-	-	-
Derivative financial assets	-	-	-	-	-	-	-
Debt instruments:	0						
– FVOCI	4,534,897	4,534,897	1,341,104	1,040,735	2,153,058	-	-
– Amortized cost	2,880,750	2,880,750	-	-	765,204	2,115,546	-
Assets pledged as collateral	-	-	-	-	-	-	-
Loans and advances to banks	-	-	-	-	-	-	-
Loans and advances to customers	1,504,804	1,504,804	234,687	73,028	39,284	1,044,145	113,660
Restricted deposits and other assets	54,761	54,761	54,761	-	-	-	-
	11,671,843	11,671,843	4,327,183	1,113,763	2,957,546	3,159,691	113,660
<i>Financial liabilities</i>							
Deposits from banks	-	-	-	-	-	-	-
Deposits from customers	9,993,806	9,993,806	3,456,937	182,480	6,354,389	-	-
Financial liabilities held for trading	-	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
Other liabilities*	170,282	170,282	-	-	170,282	-	-
Debt securities issued	-	-	-	-	-	-	-
Other borrowed funds	-	-	-	-	-	-	-
	10,164,088	10,164,088	3,456,937	182,480	6,524,671	0	0
Gap (asset - liabilities)			870,246	931,283	-3,567,125	3,159,691	113,660
Cumulative liquidity gap			870,246	1,801,529	-1,765,596	1,394,096	1,507,756

*Includes Lease Liabilities

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 customer. For this purpose, net liquid assets are considered as including cash and cash equivalents and investment grade debt 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. A similar calculation is used to measure the Bank's compliance with liquidity limit established by the Bank's lead regulator (The Central Bank of Gambia).

SETTLEMENT RISK

The Bank's activities may give rise to risk at the time of settlement of transactions and trade. Settlement risk is the risk of loss due to the failure of a company to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions the Bank mitigates this risk by conducting settlements through a settlement clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval/limit monitoring process described earlier. Acceptance of settlement risk on free settlement trade requires transaction specific or counterparty specific approvals from Bank Risk Management Unit.

MARKET RISK

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameter, while optimizing the return on risk.

MANAGEMENT OF MARKET RISK

The Bank separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios are mainly held by the Treasury Division, and include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis. All foreign exchange risks within the Bank are monitored by the Treasury Division. Accordingly, the foreign exchange position is treated as part of the Bank's trading portfolios for risk management purposes.

Overall authority for market risk is vested in Market Risk Management Unit. However, the Market Risk Management Unit within the Enterprise-wide Risk Management Division is responsible for the development of detailed risk management policies (subject to review and approval by the Committee) and for the day-to-day review of their implementation.

EXPOSURE TO MARKET RISK-TRADING PORTFOLIOS

The principal tool used to measure and control market risk exposure within the Bank's trading portfolios is the open position limits using the Earning-at Risk approach. Specific limits (regulatory and in-house) have been set across the various trading portfolios to prevent undue exposure and the market risk management Bank ensures that these limits and triggers are adhered to by the bank. The Bank traded in the following financial instruments in the course of the year:

1. Debt securities at fair value through other comprehensive income
2. Debt securities at amortised cost
3. Foreign currencies (Spot and Swaps)
4. Money market products

The Bank has adopted the use of the Standardized Approach for calculating its required market risk capital.

Dec-24						
In thousands of Gambian Dalasi	Carrying amount	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years
Financial assets						
Cash and cash equivalents	3,880,367	3,880,367	-	-	-	-
Financial assets held for trading	-	-	-	-	-	-
Derivative financial assets	-	-	-	-	-	-
Debt instruments:	-	-	-	-	-	-
– FVOCI	4,990,065	1,394,171	1,124,827	2,471,068	0	0
– Amortized cost	3,170,909	-	-	621,774	2,549,135	-
Assets pledged as collateral	-	-	-	-	-	-
Loans and advances to banks	-	-	-	-	-	-
Loans and advances to customers	1,491,331	232,586	72,374	38,932	1,034,796	112,642
Restricted deposits and other assets	493,481	493,481	-	-	-	-
	14,026,154	6,000,605	1,197,201	3,131,774	3,583,931	112,642
Financial liabilities						
Deposits from banks	0	-	-	-	-	-
Deposits from customers	12,121,786	4,193,022	221,335	7,707,429	-	-
Financial liabilities held for trading	0	-	-	-	-	-
Derivative financial liabilities	0	-	-	-	-	-
Other liabilities	615,479	-	-	615,479	-	-
Debt securities issued	0	-	-	-	-	-
Other borrowed funds	0	-	-	-	-	-
	12,737,889	4,193,022	221,335	8,322,908	0	0
	1,288,889	1,807,582	975,866	-5,191,134	3,583,931	112,642

Dec-23						
In thousands of Gambian Dalasi	Carrying amount	Less than 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Financial assets						
Cash and cash equivalents	2,696,631	2,696,631	-	-	-	-
Financial assets held for trading	-	-	-	-	-	-
Derivative financial assets	-	-	-	-	-	-
Debt instruments Debt instruments:	-					
– FVOCI	4,534,897	1,341,104	1,040,735	2,153,058	-	-
– Amortized cost	2,880,750	-	-	765,204	2,115,546	-
Assets pledged as collateral	-	-	-	-	-	-
Loans and advances to banks	-	-	-	-	-	-
Loans and advances to customers	1,504,804	234,687	73,028	39,284	1,044,145	113,660
Restricted deposits and other assets	54,761	54,761	-	-	-	-
	11,671,843	4,327,183	1,113,763	2,957,546	3,159,691	113,660
Financial liabilities						
Deposits from banks	-	-	-	-	-	-
Deposits from customers	9,993,806	3,456,937	182,480	6,354,389	-	-
Financial liabilities held for trading	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-
Other liabilities	170,282	-	-	170,282	-	-
Debt securities issued	-	-	-	-	-	-
	23,395,495	3,456,937	182,480	6,524,671	0	0
Gap (asset - liabilities)		870,246	931,283	-3,567,125	3,159,691	113,660
Cumulative liquidity gap		870,246	1,801,529	-1,765,596	1,394,096	1,507,756

REPRICING YEAR OF FINANCIAL ASSETS AND LIABILITIES

Dec-24						
in thousands of Gambian Dalasi	Carrying amount	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years
Financial assets						
Cash and cash equivalents	3,880,367	3,880,367	-	-	-	-
Financial assets held for trading	-	-	-	-	-	-
Derivative financial assets	-	-	-	-	-	-
Debt instruments:	-	-	-	-	-	-
– FVOCI	4,990,065	1,394,171	1,124,827	2,471,068	0	0
– Amortized cost	3,170,909	-	-	621,774	2,549,135	-
Assets pledged as collateral	-	-	-	-	-	-
Loans and advances to banks	-	-	-	-	-	-
Loans and advances to customers	1,491,331	232,586	72,374	38,932	1,034,796	112,642
Restricted deposits and other assets	493,481	493,481	-	-	-	-
	14,026,154	6,000,605	1,197,201	3,131,774	3,583,931	112,642
Financial liabilities						
Deposits from banks	0	-	-	-	-	-
Deposits from customers	12,121,786	4,193,022	221,335	7,707,429	-	-
Financial liabilities held for trading	0	-	-	-	-	-
Derivative financial liabilities	0	-	-	-	-	-
Other liabilities	615,479	-	-	615,479	-	-
Debt securities issued	0	-	-	-	-	-
Other borrowed funds	0	-	-	-	-	-
	12,737,265	4,193,022	221,335	8,322,908	0	0
	1,288,889	1,807,582	975,866	-5,191,134	3,583,931	112,642

Dec-23						
In thousands of Gambian Dalasi	Carrying amount	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years
Financial assets						
Cash and cash equivalents	2,696,631	2,696,631	-	-	-	-
Financial assets held for trading	-	-	-	-	-	-
Derivative financial assets	-	-	-	-	-	-
Debt instruments:	-	-	-	-	-	-
– FVOCI	4,534,897	1,341,104	1,040,735	2,153,058	0	0
– Amortized cost	2,880,750	-	-	765,204	2,115,546	-
Assets pledged as collateral	-	-	-	-	-	-
Loans and advances to banks	-	-	-	-	-	-
Loans and advances to customers	1,504,804	234,688	73,028	39,284	1,044,145	113,660
Restricted deposits and other assets	54,761	54,761	-	-	-	-
	11,671,843	4,327,183	1,113,763	2,957,546	3,159,691	113,660
Financial liabilities						
Deposits from banks	0	-	-	-	-	-
Deposits from customers	9,993,806	3,456,937	182,480	6,354,389	-	-
Financial liabilities held for trading	0	-	-	-	-	-
Derivative financial liabilities	0	-	-	-	-	-
Other liabilities	170,282	-	-	170,282	-	-
Debt securities issued	0	-	-	-	-	-
Other borrowed funds	0	-	-	-	-	-
	10,164,088	3,456,937	182,480	6,524,671	0	0
	1,507,755	870,246	931,283	-3,567,125	3,159,691	113,660

EXPOSURE TO INTEREST RATE RISK – TRADING AND NON-TRADING PORTFOLIOS

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for re-pricing bands. The ALMAC 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 trading and non-trading portfolios is as follows:

The Bank makes use of limit monitoring, earnings-at risk gap analyses and scenario analyses to measure and control the market risks exposures within its trading and banking books.

The bank also performs regular stress tests on its banking trading books. In performing this, the bank ensures there are quantitative criteria in building the scenarios. The bank determines the effect of changes in funding sources and uses on the bank's liquidity. The key potential risks the bank was exposed to from these instruments were foreign exchange risk and interest rate risk (price risk, basis risk). However, all potential risk exposures in the course of the year were successfully mitigated as mentioned above.

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 scenarios. Credit spread risk (not relating to changes in the obligor/issuer's credit standing) on debt securities held by the Bank and equity price risk is subject to regular monitoring by Bank Management Risk committee, but is not currently significant in relation to the overall results and financial position of the Bank.

Interest rate movements affect reported equity in the following ways:

- ◆ Retained earnings arising from increase or decrease in net interest income and the fair value changes reported in profit or loss.
- ◆ Fair value reserves arising from increase or decrease in fair value of FVOCI financial instruments reported directly in other comprehensive income.

Overall non-trading interest rate risk positions are managed by Treasury, which uses Debt securities, advances to banks and deposits from banks to manage the overall position arising from the Bank's non-trading activities.

OPERATIONAL RISK

Guaranty Trust Bank defines Operational Risk management (OpRisk) as "the direct/indirect risk of loss resulting from inadequate and/or failed internal process, people and systems or from external events". This definition requires the review and monitoring of all strategies and initiatives deployed in its people management, process engineering and re-engineering, technology investment and deployment, management of all regulatory responsibilities and response to external threats. To ensure a holistic framework is implemented, Operational Risk Management also monitors Strategic and reputational risk from a broad perspective.

The following practices, tools and methodologies have been implemented for this purpose:

- ◆ Risk and Control Self Assessments (RCSAs)

This is a qualitative risk identification tool deployed bank-wide. All branches and Head-office departments are required to complete at least once a year. A risk-based approach has been adopted for the frequency of RCSAs to be conducted by branches, departments, groups and divisions of the bank. These assessments enable risk profiling and risk mapping of the prevalent operational risks.

Risk assessment of the Bank's new and existing products / services are also carried out. This process also tests the quality of controls the bank has in place to mitigate likely risks: a detailed risk register cataloguing key risks identified and controls for implementation is also developed and maintained from this process. Other Risk Assessments conducted include Process Risk Assessments, Vendor Risk Assessments and Fraud Risk Assessments.

◆ Key Risk Indicators (KRI)

These are quantitative parameters defined for the purpose of monitoring operational risk trends across the bank. A comprehensive KRI dashboard is in place supported by specific KRIs for key departments in the bank. Medium to High risk trends are reported in the Monthly Operational Risk Status reports circulated to management.

Business Continuity Management (BCM) in Line With BS 25999 Standards

To ensure reliance of our business to any disruptive eventuality, the Bank has in place a robust Business Continuity Plan (BCP) which assures timely resumption of its business with minimal financial losses or reputational damage and continuity of service to its customers, vendors and regulators

◆ Compliance and Legal Risk Management

Compliance Risk Management involves close monitoring of KYC compliance by the bank, escalation of audit non-conformances, Complaints Management and observance of the Bank's zero tolerance culture for regulatory breaches. It also entails an oversight role for monitoring adherence to regulatory guidelines and global best practices on an on-going basis.

◆ Legal Risk Management involves the monitoring of litigations against the bank to ascertain likely financial or non-financial loss exposures.

◆ Occupational Health and Safety Procedures and Initiatives

Global best practices for ensuring the health and safety of all staff, customers and visitors to the bank are advised, reported to the relevant stakeholders and monitored for implementation. As a result, the following are conducted and monitored: Fire Risk Assessments, Quarterly Fire Drills, burglaries and injuries that occur within the Bank's premises.

REPUTATIONAL RISK MANAGEMENT

Guaranty Trust Bank considers reputational risk to be the current and prospective adverse impact on earnings and capital arising from negative public opinion. It measures the change in perception of the bank by its stakeholders. It is linked with customers' expectations regarding the bank's ability to conduct business securely and responsibly.

A detailed template with internal and external factors that might impact the bank adversely is used to monitor the bank's exposure to reputational risk. All adverse trends identified are reported to relevant stakeholders for timely redress.

◆ Taxation risk

Taxation risk refers to the risk that new taxation laws will adversely affect the Bank and/or the loss as a result of noncompliance with tax laws. The taxation risk is managed by monitoring applicable tax laws, maintaining operational policies that enable the Bank to comply with taxation

laws and, where required, seeking the advice of tax specialists.

5. CAPITAL MANAGEMENT REGULATORY CAPITAL

The Bank's regulator, the Central Bank of The Gambia sets and monitors capital requirements for the Bank. The regulatory capital is analyzed into two tiers:

Tier 1 capital includes ordinary share capital, share premium, retained earnings and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.

Tier 2 capital includes qualifying subordinated liabilities, collective impairment allowances and the element of fair value reserve relating to unrealized gains on equity instruments classified as FVOCI.

Risk-weighted assets are determined according to specific requirements that seek to reflect the varying levels of risk attached to the assets and off-financial position exposures as outlined by the Central Bank of The Gambia guidelines.

The Bank's policy is to maintain a strong capital base so as to maintain investor, credit and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognized 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 and its individually regulated operations has complied with all externally imposed capital requirements throughout the year. There have been no material changes in the Bank's management of capital during the year.

CAPITAL ADEQUACY RATIO

The capital adequacy ratio is quotient of the bank's capital base and its risk-weighted asset base. In accordance with the Central Bank of The Gambia regulations, a minimum ratio of 10% is to be maintained by commercial banks.

In thousands of Gambian Dalasi	Dec.-2024	Dec.-2023
Tier 1 capital		
Ordinary share capital	400,000	300,000
Retained earnings	840,533	902,253
Other reserves	549,554	531,724
Shareholders' funds	1,790,087	1,733,977
Tier 2 capital	15,009	36,380
Total Regulatory Capital	1,805,096	1,770,357
Risk-weighted assets	4,183,735	3,599,363
Capital ratios		
Total regulatory capital expressed as a percentage of total risk-weighted assets	43%	49%

6. FINANCIAL ASSETS AND LIABILITIES

ACCOUNTING CLASSIFICATION MEASUREMENT BASIS AND FAIR VALUES

Dec-24			Other financial assets / liabilities at amortized cost					
In thousands of Gambian Dalasi	Carrying amount Held at Amortized cost	FVOCI	Other financial assets / liabilities at amortized cost	Total carrying amount	Level 1	Level 2	Value Fair Level 3	Total Fair value
Loans and advances to banks			-	-	-	-	-	-
Loans and advances to customers	1,491,331		-	1,491,331		-	-	-
								-
Debt instruments:								-
– FVOCI	-	4,990,065	-	4,990,065	-	4,990,065	-	4,990,065
– Amortized cost	3,170,909			3,170,909	-	-	-	-
Other assets			493,481	493,481	-	-	-	-
	4,662,240	4,990,065	493,481	10,145,786	0	4,990,065	0	4,990,065
								-
Deposits from banks	-			-	-	-	-	-
Deposits from customers	12,121,786			12,121,786	-	-	-	-
Other borrowed funds	-		-	-	-	-	-	-
Other liabilities	-		615,479	615,479	-	-	-	-
	12,121,786	0	615,479	12,737,265	-	-	-	-

7. NET INTEREST INCOME

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
<i>Interest income calculated using the effective interest method</i>		
Loans and advances to Customers	256,083	234,802
Due from banks	74,888	48,439
Debt instruments at FVOCI	-	-
Treasury bills	440,720	355,153
Debt instruments at amortized cost:		
Sovereign bond	430,866	245,489
Parastatal bond	3,165	14,148
	1,205,722	898,031
Geographical location		
Interest income earned in The Gambia	1,128,574	840,948
Interest income earned outside The Gambia	77,148	57,083
	1,205,722	898,031
Interest expense		
Due to banks*	8,567	8,613
Due to customers	18,025	17,150
Interest expense on lease liabilities	2,951	4,381
Total interest expense	29,543	30,144
Geographical location		
Interest expense paid in The Gambia	29,543	30,144
Interest expense paid outside The Gambia	-	-
	29,543	30,144

*This represents interest paid on Interbank takings from local banks during the year.

8. NET FEE AND COMMISSION INCOME

FEE AND COMMISSION INCOME

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Letters of Credit	85	63
Commission on Accepted Guarantees	577	732
Commission on Turnover	69,814	60,367
Commission Received - Money Transfers	313	252
Commission on Collection Activities	46,002	38,168
Cheque Book Commission	3,549	3,396
Commission on FX Transfers	22,035	24,713
Commission on Domiciliary Withdrawals	14,671	14,806
Arrangement Fees	16,612	24,398
MasterCard Transaction Fees	46	353
Legal Fees*	1,645	1,876
Visa Card Fees	16,465	17,399
E-Channel Income	73,280	62,633
Telephone and Telex Recovery**	72,119	72,870
	337,213	322,028

*Legal fee income from facilities

**This represent telex and cable charges for foreign transfers

FEE AND COMMISSION EXPENSE

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Bank charges	-7,427	-6,421
	-7,427	-6,421

Bank charges constitute correspondent bank charges and overseas LC charges

9 NET TRADING INCOME

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Foreign exchange	49,648	60,734
Net trading income	49,648	60,734

This is income from foreign currency trading activities

10. OTHER INCOME

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Other (expense)/Income	796	-880
	796	-880

This represents gain on disposal of fully depreciated generators and motor vehicles

11. PERSONNEL EXPENSES

<i>Personnel</i>	Dec.-2024	Dec.-2023
Wages and Salaries	165,752	148,598
Pension costs - defined contribution plan	4,209	3,051
Staff Medical expenses	7,528	5,842
Saturday Allowances	2,311	1,867
Vehicle Maintenance	5,524	4,974
Accommodation Expenses	1,652	1,804
Other staff cost	3,272	5,210
	190,248	171,346

<i>Personnel</i>	Dec.-2024	Dec.-2023
	Number	Number
Executive Directors	3	2
Management	30	29
Non-management	304	164
Contract Staff	76	194
Total	413	389

Staff loans

Staff received loans at below market interest rate. These loans are measured at fair value at initial recognition. The difference between the present value (PV) of cash flows discounted at the contractual rate and PV of cash flows discounted at market rate was recognised as prepaid employee benefit which is then amortised to personnel expense (other staff cost) over the life of the loan.

12. GENERAL AND ADMINISTRATIVE EXPENSES

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Stationery and postage	6,654	7,584
Business travel expenses	9,973	5,935
Local Transport	54	40
Advert, promotion and corporate gifts	9,966	9,472
Repairs and maintenance	40,095	47,647
Occupancy costs	5,572	3,188
Directors' emoluments	11,196	7,220
Contract Services	4,886	5,027
	88,396	86,113

13. OTHER EXPENSES

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Other insurance Premium	3,179	2,475
Auditors' remuneration	1,258	1,138
Professional fees and other consulting costs	0	1,423
Claims and benefits incurred on insurance contracts	-	-
CBG Penalties*	200	82
Others	123,278	120,282
	127,915	125,400

*This represents penalty paid to The Central Bank of The Gambia due to non-attendance of certain Board Members to a Risk-Based Supervision Training.

***BREAKDOWN OF OTHERS**

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
General Supplies	543	621
AGM Expenses	886	884
Fuel	4,189	3,937
Diesel Oil Expenses	2,354	2,589
Communication Expenses	7,802	7,484
Computer Consumables	3,234	2,678
Cash Shipment - Swift Charges	11,904	18,238
Entertainment	1,870	1,754
Y/E Party/Staff Gifts	2,950	4,937
Telephone Expenses	577	779
Visa Card - Fees/Licenses	28,889	18,178
MasterCard - Fees and Licenses	3,041	8,783
ATM Expenses	5,752	5,634
Subscriptions	929	684
Fixed Assets Expensed	558	357
Legal and Secretarial Expenses	540	509
Fraud Loss Expenses*	229	2,398
Human Capital Expenses	7,499	5,468
Donations	1,958	2,383
Corporate Branding Expenses	2,537	2,240
Ground Rates	5,770	5,755
Electricity	16,241	13,849
Police Escort Charges	5,759	3,509
Other Operating Expenses A/C	7,267	6,634
	123,278	120,282

*This represents a fraud committed by a contract staff during the year and has been relieved of his duties.

14 INCOME TAX EXPENSE

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Current tax expense:		
Company Income Tax	300,183	215,060
Deferred tax	-1,267	5,288
	298,916	220,348

**RECOGNISED IN THE INCOME STATEMENT
INCOME TAX EXPENSE CONT'D**

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Balance, beginning of the year	55,961	39,952
Charge for the year	300,183	215,060
Payments during the year*	-291,429	-199,051
Prior year under-provision	-	-
	64,715	55,961

*Includes GMD36,298,668.40 paid during the year to fully settle the Gambia Revenue Authority Tax Audit liability.

14.1. RECONCILIATION OF THE EFFECTIVE TAX RATE

The tax charge shown in the income statement differs from the tax charge that would apply if all profits had been charged at the Bank's corporate rate. A reconciliation between the tax expense and the accounting profit multiplied by the Bank's domestic tax rate for the years ended 31st December 2024 and 2023 is as follows:

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2024	Dec.-2023	Dec.-2023
Accounting profit before tax	1,084,446		788,983	
Income tax using the domestic corporation tax rate	300,183	27.7%	215,060	27%
Non-deductible expenses	0	0%	0	0%
Deductible expenses	0	0%	0	0%
Difference in tax base	-1,267	0%	5,288	0%
Total income tax expense in comprehensive income	298,916	27.6%	220,348	27%

15. DEFERRED TAX

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Opening deferred tax	5,967	679
increase/(Decrease) during the year	-1,267	5,288
Closing deferred tax liability	4,700	5,967

16. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the bank by the weighted average number of ordinary shares in issue during the year.

The calculation of basic earnings per share for the reporting year was based on the profit attributable to ordinary shareholders of **777,003,000** and number of ordinary shares outstanding of **400,000,000** and it is calculated as follows:

PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Net profit attributable to equity holders of the Bank	785,530	568,635
Interest expense on convertible debt (net of tax)		
<i>Net profit used to determine dilute earnings per share</i>	785,530	568,635
Number of ordinary shares	-	-
Weighted average number of ordinary shares in issue	400,000	300,000
Basic earnings per share (expressed in Dalasi per share)	1.96	1.90
Weighted average number of ordinary shares in issue	400,000	300,000
Weighted average number of ordinary shares for diluted earnings per share	400,000	300,000
Diluted earnings per share (expressed in Dalasi per share)	1.96	1.90
	-	-
Profit attributable to equity holders:		
	-	-
In thousands of shares		
	-	-
Profit attributable to equity holders:	785,530	568,635
-- Profit for the year	785,530	568,635

17. DIVIDEND PER SHARE

THE FOLLOWING DIVIDENDS WERE DECLARED AND PAID DURING THE YEAR ENDED:

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Balance, beginning of year	-	-
Dividend declared	-	-
Payment during the year*	-720,539	-
Balance, end of year	-	-

* This relates to the final dividend declared for the 2023 financial year and paid in 2024.

Subsequent to the balance sheet date, the Board of Directors proposed a final dividend of **D672,426,400.00** (D1.68 bututs per share), (31st December 2023: D2.40 bututs per share).

18. CASH AND CASH EQUIVALENT

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Cash in hand	647,414	285,966
Balances held with other banks	0	53,247
Unrestricted balances with Central Bank	0	0
Money market placements	1,880,593	1,366,932
Balance as per statement of cash flow	2,528,007	1,706,145
Restricted balances with Central Bank of The Gambia	1,421,836	990,486
Cash and cash equivalent	3,949,843	2,696,631

Cash reserve deposit are mandatory reserve deposits with the Central Bank of The Gambia which are not available for use in the Bank's day to day operations.

19. LOANS AND ADVANCES TO CUSTOMERS

DEC-2024

<i>In thousands of Gambian Dalasi</i>	Gross carrying amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total impairment	Carrying amount
Loans and Advances to individuals	1,305,505.00	- 20,398.00	- 2,793.00	-2,372.00	-25,563	1,279,942
Loans and Advances to Non-Individuals	213,951.00	- 1,666.00	- 476.00	- 420.00	-2,562	211,389
	1,519,456	-22,064	-3,269	-2,792	-28,125	1,491,331

Gross carrying amount for contingents and undrawn commitments assessed for impairment totalled **D20,945,316.49** and **D8,515,000.00** respectively. The total reported impairment figure includes **D47,058.21** for contingents and **D1,310,418.24** for impaired undrawn commitments.

DEC-2023

<i>In thousands of Gambian Dalasi</i>	Gross carrying amount	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total impairment	Carrying amount
Loans and Advances to individuals	1,267,214	-8,396	-12,615	-6,721	-27,732	1,239,482
Loans and Advances to Non-Individuals	293,203	-1,717	-8,372	-17,792	-27,881	265,322
	1,560,417	-10,113	-20,987	-24,513	-55,613	1,504,804

Gross carrying amount for contingents and undrawn commitments assessed for impairment totalled **D26,096,554.39** and **D7,779,000.00** respectively. The total reported impairment figure includes D53,673.71 for contingents and **D1,182,825.23** for impaired undrawn commitments.

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Current	153,143	298,382
Non-Current	1,366,313	1,262,035
Total	1,519,456	1,560,417

LOANS AND ADVANCES TO CUSTOMERS IS ANALYZED BELOW:

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Loans to individuals		
Overdraft	134,984	122,367
Loans	1,170,521	1,144,847
Others	-	-
	1,305,505	1,267,214
Loans to non-individuals		
Overdraft	36,684	53,288
Loans	177,267	239,915
Others	-	-
	213,951	293,203
Total	1,519,456	1,560,417

LOANS AND ADVANCES TO CUSTOMERS IS ANALYZED BELOW:

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Corporate lending	58,669	79,933
Small business lending	198,997	168,806
Consumer lending	1,261,790	1,311,678
	1,519,456	1,560,417
Less: Allowance for ECL		
Overdraft	8,275	28,266
Loans	19,850	27,347
Others	-	-
	28,125	55,613
Total	1,491,331	1,504,804

LOANS AND ADVANCES TO CUSTOMERS IS ANALYSED BELOW: DEC-2024

<i>In thousands of Gambian Dalasi</i>	Gambia	Rest of Africa	Outside of Africa	Total
Loans to individuals				
Overdraft	134,984	-	-	134,984
Loans	1,170,521	-	-	1,170,521
Others	-	-	-	0
	1,305,505	-	-	1,305,505
Loans to non-individuals				
Overdraft	36,684	-	-	36,684
Loans	177,267	-	-	177,267
Others	-	-	-	0
	213,951	-	-	213,951
Total	1,519,456			1,519,456

20. DEBT SECURITIES

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Debt instruments measured at FVOCI		
Treasury bills	4,960,049	4,462,137
Fair value adjustment	30,017	72,760
	4,990,065	4,534,897
Debt instruments measured at amortized cost:		
Parastatal bond	0	20,514
Sovereign bond	3,170,909	2,736,104
	3,170,909	2,756,619
Eurobond	0	124,131
Total Debt instruments	8,160,974	7,415,647
Current	8,160,974	7,415,647
Non-Current	-	-

21(A). PROPERTY PLANT AND EQUIPMENT

<i>In thousands of Gambian Dalasi</i>	Leasehold improvement and buildings	Furniture & Fittings	Motor vehicle	Machinery & Equipment	Capital work-in - progress	Total
Cost						
Balance at 1 January 2024	293,328	41,488	106,943	281,012	2,425	725,196
Additions	6,673	0	14,694	28,395	179,863	229,625
Disposal	-2,387	1,151	-5,754	-	-	-6,990
Adjustment	-	-	-	0	-	0
Balance at 31 December 2024	297,614	42,639	115,883	309,407	182,288	947,831
Balance at 1 January 2023	289,765	40,637	96,550	249,300	45,883	722,135
Additions	3,563	-	10,394	31,674	-43,458	2,173
Disposal	-	-	-	-	-	0
Adjustment	-	851	-1	38	-	888
Balance at 31 December 2023	293,328	41,488	106,943	281,012	2,425	725,196

PROPERTY PLANT AND EQUIPMENT CONT'D

<i>In thousands of Gambian Dalasi</i>	Leasehold Improvement and Buildings	Furniture & Fittings	Motor vehicle	Machinery & Equipment	Capital work-in - progress	Total
Depreciation						
Balance at 1 January 2024	109,116	42,233	64,002	231,773	0	447,124
Charge for the year	9,500	1,219	17,958	17,934	0	46,611
Adjustment	0	0	7,911	0		-7,911
Balance at 31 December 2024	118,616	43,452	74,049	249,708	0	485,824
Balance at 1 January 2023	101,365	40,898	63,020	218,503	0	423,786
Charge for the year	9,522	1,335	15,804	13,874	0	40,535
Adjustment	-1,771		-14,822	-604		-17,197
Balance at 31 December 2023	109,116	42,233	64,002	231,773	0	447,124
Carrying amounts:						
Balance at 31 December 2024	178,999	-341	41,362	59,700	182,288	462,007
Balance at 31 December 2023	184,214	-744	42,941	49,238	2,425	278,072

Capital work in progress refers to capital expenditure incurred on items of Property and Equipment which are however not ready for use and as such are not being depreciated.

There were no capitalised borrowing costs related to the acquisition of plant and equipment during the year.

21(B) RIGHT-OF-USE ASSET

<i>In thousands of Gambian Dalasi</i>	Right-of-Use Assets
Cost	
Balance at 1st January 2024	127,095
Additions/Derecognition	-842
Balance at 31st December 2024	126,253
Balance at 1 st January 2023	127,263
Additions/Derecognition	-168
Balance at 31 st December 2023	127,095

<i>In thousands of Gambian Dalasi</i>	Right-of-Use Assets
Depreciation	
Balance at 1st January 2024	34,281
Charge for the year	7,913
Derecognition	-2,582
IFRS 16 adjustment	-
Balance at 31st December 2024	39,612
Balance at 1 st January 2023	26,410
Charge for the year	8,016
Derecognition	-145
IFRS 16 adjustment	-
Balance at 31 st December 2023	34,281
Carrying amounts:	
Balance at 31st December 2024	86,641
Balance at 31 st December 2023	92,814

Assets	Carrying Amount D'000	Additions D'000	Depreciation D'000	Impairment D'000
Building	9,997	-	6,246	-
Land	82,817	-	28,035	-

The table below describes the nature of the Bank's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-Use Assets	No of right-of-use assets	Range of Remaining Term	Average Remaining lease term	No of lease with extension options	No of lease with options to purchase	No of lease with variable payments linked to an index	No of leases with termination options
Building	3	5 - 10 Yrs	8 Years	NIL	NIL	NIL	NIL
Land	11	3 - 34 Yrs	14 Years	NIL	NIL	NIL	NIL

22. INTANGIBLE ASSETS PURCHASED SOFTWARE

<i>In thousands of Gambian Dalasi</i>	
Cost	
Balance at 1 January 2024	60,693
Additions	6,154
Balance at 31 December 2024	66,847
Balance at 31 December 2023	
Balance at 1 January 2023	54,139
Additions	6,554
Balance at 31 December 2023	60,693
Amortization and impairment losses	
Balance at 1 January 2024	48,841
Amortization for the year	4,781
Disposals	
Adjustment	9
Balance at 31 December 2024	53,631
Balance at 31 December 2023	
Balance at 1 January 2023	44,032
Amortization for the year	4,776
Disposals	
Adjustment	33
Balance at 31 December 2023	48,841
Carrying amounts	
Balance at 31 December 2024	13,216
Balance at 31 December 2023	11,852

23. OTHER ASSETS

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Prepaid rent	16,773	10,999
Prepaid insurance	1,782	1,623
Prepaid software	1,014	1,959
Prepaid stationery	10,738	9,287
Prepaid expenditure*	22,493	10,589
Cash in Transit (Cash Shipment)	396,621	11,329
Foreign bank cash collateral	6,950	6,062
Restricted deposits with central banks	-	-
Others**	37,110	2,935
Total	493,481	54,783
Impairment on other assets	0	-22
Current	493,481	54,761
Non-Current	-	-

*This represents prepaid new Banking Application Licenses for the Bank's migration from BANKS to FINACLE.

****BREAKDOWN OF OTHERS**

<i>In thousands of Gambian Dalasi</i>	Dec.-2024
Prepaid Expenses-Fixed Assets	36,143
Qcell Qodoo Mobile Money	21
Afri-Mobile Money	295
Cash Advance	651
	37,110

24. DEPOSITS FROM BANKS

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Money market deposit	-	-
Other deposits from banks	-	-
	-	-
Current	-	-
Non-Current	-	-

25. DEPOSITS FROM CUSTOMERS

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Retail customers:		
Term deposits	21,225	22,149
Current deposits	1,717,565	1,325,196
Savings	7,163,275	6,352,993
Corporate customers:		
Term deposits	158,783	121,224
Current deposits	3,060,938	2,172,244
	12,121,786	9,993,806
Current	12,121,786	9,993,806
Non-Current	-	-

26. LOAN IMPAIRMENT CHARGES

Loans and advances to customers	Dec-2024	Dec-2023
Loans to individuals:		
Loans	1,170,521	1,141,811
Overdrafts	134,984	122,367
Others	-	-
Gross loans	1,305,505	1,264,177
Loans	-16,053	-147
Overdrafts	-4,345	-8,084
Others	-	-
Impairment on Stage 1 Loans and Advances	-20,398	-8,232
Loans	-15	-5331.83
Overdrafts	-2,778	-7339.74
Others	-	-
Impairment on Stage 2 Loans and Advances	-2,793	-12,672
Loans	-2,372	-5,060
Overdrafts	0	-184.12
Others	-	-
Impairment on Stage 3 Loans and Advances	-2,372	-5,244
Loans	-18,440	-10,539
Overdrafts	-7,123	-15,608
Others	-	-
Total impairment	-25,563	-26,147
Loans	1,152,081	1,131,272
Overdrafts	127,861	106,759
Others	-	-
Carrying amount	1,279,942	1,238,030

Loans to Non-individuals:		
Loans	177,267	229,388
Overdrafts	36,684	53,288
Others	-	-
Gross loans	213,951	282,676
Loans	-988	-844
Overdrafts	-678	-1569.89
Others	-	-
Impairment on Stage 1 Loans and Advances	-1,666	-2,414
Loans	-2	-6647.08
Overdrafts	-474	-549
Others	-	-
Impairment on Stage 2 Loans and Advances	-476	-7,196
Loans	-420	-5,295
Overdrafts	0	-996.17
Others	-	-
Impairment on Stage 3 Loans and Advances	-420	-6,291
Loans	-2,562	-15,901
Overdrafts	-	-
Others1	-	-
Total impairment	-2,562	-15,901
Loans	175,857	216,602
Overdrafts	35,532	50,173
Others	-	-
Carrying amount	211,389	266,775
Total carrying amount (individual and non-individual)	1,491,331	1,504,804

LOAN IMPAIRMENT (CHARGE) /EXPENSE

	31-Dec-24 D'000	31-Dec-23 D'000
Balance at the beginning of the year	17,309	-9,697
IFRS 9 impact	-	-
Impairment loss for the year		
Charge for the year	17,530	50,377
Impairment of Contingents	47	54
Recoveries	-9,887	-5,235
Write offs	-19,996	-18,190
Balance at the end of the year	5,003	17,309

OTHER FINANCIAL ASSETS IMPAIRMENT

ASSET	VOLUME GMD'000	IMPAIRMENT GMD'000
Treasury Bills	5,160,858	232
CBG Bonds	3,060,000	138
Placements	1,868,770	702
Other Receivables	5,425	24
		1,096

27 (A). OTHER LIABILITIES

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Liability for defined contribution obligations	-	-
Deferred income on financial guarantee contracts	-	-
Creditors and accruals	0	0
Other Deposits – LC's / BC's	6,786	7,732
Other Deposits – Cash Shipment	77,587	77,028
Balances held with other banks	69,475	-
FX outflow suspense	-	-
Sundry Expenses	408,872	32,304
MoneyGram money transfer	-	-
Deposit for new accounts	247	113
Output VAT	2,181	2,176
Other current liabilities	16,449	11,791
	581,597	131,144
Current	581,597	131,144
Non-current	-	-

OTHER CURRENT LIABILITIES

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
NPF Deductions	301	219
Other Deposits-Certified Cheques	22	22
Other Deposits-Inward Transfers	10,112	6,764
Current Due to Branches-Bankers Draft	56	56
GTWorld Airtime	1,926	1,091
GAMQR Liability Account	270	439
Tax Withheld on Contracts	368	215
PAYE Deductions	2,526	2,413
Unsettled Legal Cases	734	524
Money Gram Money Transfer	0	0
GTMT Central	13	1
Prov. Seconded Fees	120	47
Total	16,448	11,791

27(B). LEASE OBLIGATION

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
As at 1st January 2024	39,138	47,054
Additions/Reduction	-2,149	-
Accretion of interest	2,951	4,381
Payments	-6,058	-12,297
As at 31st December 2024	33,882	39,138

THE MATURITY ANALYSIS OF LEASE LIABILITIES ARE DISCLOSED BELOW.

	Within 1 Year D'000	1-2 Years D'000	2-3 Years D'000	3-4 Years D'000	4-5 Years D'000	5-10 Years D'000	10-25 Years D'000	Total D'000
31st December 2024								
Lease Payments	152	9,081	17,632	2,521	6,425	-	5,082	40,893
Net Present Value	133	8,551	16,603	2,216	6,050	-	328	33,882
31st December 2023								
Lease Payments	6,960	4,088	24,275	2,521	303	6,273	8,894	53,315
Net Present Value	6,119	4,103	22,856	1,622	56	3,845	537	39,138

	31-Dec-24	31-Dec-23
Current	133	6,119
Non-Current	33,749	33,019
Total	33,882	39,138

28. OTHER COMPONENTS OF EQUITY STATUTORY RESERVE

Gambian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated in **Section.19** of the Banking Act of 2009, the Central Bank of Gambia prescribes the minimum amount to be transferred to the reserve account where the reserve account is less than/ excess of the paid-up capital. Accordingly, the Bank appropriated **D117,830,000** representing transfer for the year. **(2023: D85, 295,000)**.

Fair value reserve

The fair value reserve includes the net cumulative change in the fair value of **FV** through **OCI** investments until the investments are derecognized or impaired. A total fair value loss of **D42,743,000** was recognized on treasury bills in 2024 and the closing balance as at 31st December **2024 is D30, 017,000**.

Credit risk reserve

The credit risk reserve represents the difference between the allowance for impairment according to **IFRS** and The Central Bank of Gambia guidelines. A total of **D8, 881,000** was transferred from the Credit Risk Reserve after comparing the **IFRS 9** provision to the **CBG** prudential provision. The closing balance in the credit risk reserve is **D30, 709,000**.

CREDIT RISK RESERVE RECONCILIATION

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Provision per prudential guideline	37,006	43,523
Loan impairment per IFRS	28,125	55,612
Opening balance	21,828	33,917
CRR adjustment	8,881	-12,089
Closing Balance	30,709	21,828

RETAINED EARNINGS

Retained earnings are the carried forward recognised income net of expenses plus current year profit attributable to shareholders.

29. CONTINGENTS CLAIMS AND LITIGATION

The Bank, in its ordinary course of business, is presently involved in 4 cases as a plaintiff, 11 cases as defendant and 1 appeal case. The total amount claimed in the 4 cases instituted by the Bank is **D71, 800,000.00** whilst a refund of **GMD8, 171,252.00** is sought by the Bank in the matter subject of an appeal. The amount claimed for in the 11 cases against the Bank is **D6, 830,000.00**.

Based on the advice of the solicitors, the Directors are of the opinion that none of the aforementioned cases is likely to be won by the claimant and therefore will not have any adverse effect on the Bank. We are not aware of any other pending and or threatened claims or litigation which may be material to the financial statements.

CONTINGENT LIABILITIES AND COMMITMENTS

In common with other banks, the Bank conducts business involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise acceptances, endorsements, guarantees and letters of credit.

NATURE OF INSTRUMENTS

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, but reimbursement by the customer is normally immediate. Endorsements are residual liabilities of the Bank in respect of bills of exchange, which have been paid and subsequently rediscounted. Guarantees and letters of credit are given as security to support the performance of a customer to third parties. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

Other contingent liabilities include transaction related customs and performances bond and are, generally, commitments to third parties which are not directly dependent on the customer's creditworthiness. Documentary credits commit the Bank to make payments to third parties, are on production of documents, which usually reimbursed immediately by customers. The following tables summarise the nominal principal amount of contingent liabilities and commitments.

ACCEPTANCES, BONDS, GUARANTEES AND OTHER OBLIGATIONS FOR THE ACCOUNT OF CUSTOMERS:

<i>In thousands of Dalasi</i>	Dec.-2024	Dec.-2023
Contingent liabilities:		
Acceptances and guaranteed commercial papers	-	-
Transaction related bonds and guarantees	856,649	529,648
Customer Bonds	-	-
	856,649	529,648
Commitments		
short term foreign currency related transactions		
Clean line facilities and letters of credit	0	70,781
Other commitments	388,359	397,319
	1,245,008	997,747

30. RELATED PARTIES**RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes parent company, affiliates, subsidiaries, associates, and joint ventures as well as key management personnel. Below are the transactions between the Bank and other subsidiaries in the Group during 2024. All transactions were carried out at arm's length.

	Balances held with other Banks	Balances held with other Banks	Balances held with other Banks	Balances held with other Banks	Balances held with other Banks	Balances held with other Banks	Balances held with other Banks	Balances held with other Banks	Balances held with other Banks	Time Deposit	Place-ment	Placement	Place-ment
Currencies	USD	GBP	EUR	CHF	SEK	DKK	CAD	CFA	USD	EUR	USD	GBP	
2024	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
Subsidiary													
GTB UK Limited	833	89	79	0.3	152	2	16.86	0	0	875	25,685	0	
2023	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
Subsidiary													
GTB UK Limited	580	197	158	2	6686	2	20			4,200	16,600	1700	

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The Bank's key management personnel, and persons connected with them, are also considered to be related parties. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and Non-Executive Directors of the Bank. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Guaranty Trust Bank (Gambia) Limited.

Management Exposures

	Dec.-2024	Dec.-2023
Management Housing Loans	19,194	13,486

Staff Exposures

	Dec.-2024	Dec.-2023
Staff car loans	1,923	2,391
Staff personal loans	27,012	17,248

RISK ASSETS OUTSTANDING 31ST DECEMBER 2024

During the year, the Bank granted various credit facilities to companies whose Directors are also Directors of Guaranty Trust Bank (Gambia) Limited at rates and terms comparable to other facilities in the Bank's portfolio. All transactions were carried out at arm's length. There was no outstanding on these facilities at the end of the year. The status of performance of each facility is as shown below:

Name	Relationship	Facility type	Status	Nature of Security	Dec.-2024	Dec.-2023
Sola David Mahoney	Director	-	-	-	-	-

DIRECTOR RELATED DEPOSIT LIABILITIES

Name	Relationship	Deposit type	Dec.-2024	Dec.-2023
Sola David Mahoney	Director Related	Demand Deposits	410	102
Benjamin Carr	Director Related	Demand Deposits	577	493

31. EVENTS AFTER REPORTING DATE

There are no events after the reporting date that require disclosure in these financial statements (2023; Nil).

32. COMPLIANCE WITH BANKING REGULATIONS

The Bank largely complied with most banking regulations and provisions during the year except for the non-attendance of certain board members to the Risk-Based Supervision Workshop held on the 23rd and 24th September 2024 which The Central Bank of The Gambia penalized the Bank D200,000.

SUPPLEMENTARY INFORMATION

APPENDIX I: VALUE ADDED STATEMENT

For the year ended 31st December 2024

	Dec.-2024 GMD'000	%	Dec.-2023 GMD'000	%
Gross earnings	1,593,380		1,279,912	
Interest expense				
Local	-29,543		-30,144	
Foreign				
	1,563,837		1,249,768	
Loan impairment charges / Net				
impairment loss on financial assets	-6,099		-18,178	
	1,557,737		1,231,590	
Bought in materials and services				
Local	-223,739		-217,933	
Foreign				
Value added	1,333,998	100	1,013,657	100
Distribution				
Employees				
Directors (without executives)	11,196	1	7,220	1
Executive Directors	7,882	1	11,971	1
Other Employees	171,170	13	152,155	25
Government				
Taxation	298,916	22	220,348	17
To providers of Capital				
Dividends to Shareholders	-	-	-	
Retained in the Bank				
For replacement of property and equipment/ intangible assets (depreciation and Amortization)	59,304	4	53,328	11
Profit for the year (including non-controlling interest, statutory and regulatory risk reserves)	785,530	59	568,635	45
	1,333,998	100	1,013,657	100

APPENDIX II: OTHER BORROWED FUNDS

<i>In thousands of Gambian Dalasi</i>	Dec.-2024	Dec.-2023
Other borrowed funds	-	-
	-	-

APPENDIX III: SHAREHOLDER INFORMATION

	Dec-24	Dec-23
Guaranty Trust Bank PLC	77.81%	77.81%
Amadou Samba	11.91%	11.91%
Saffiatou Yassin Semega Janneh	0.20%	0.20%
Dr. Adhiambo Odaga	0.91%	0.91%
Great Alliance Insurance Company	0.15%	0.15%
Quantum Associates	0.21%	0.21%
Dr. Uriel Able Thomas	1.28%	1.28%
Staff Investment Trust	2.59%	2.59%
Receiver Trustee (Government of The Gambia)	1.59%	1.59%
Mr. Edward Graham	0.35%	0.35%
Mr. Walid Bourgi	1.44%	1.44%
Sola Mahoney	0.09%	0.09%
Baboucarr M. Sarr	0.07%	0.07%
Kadijatou Graham	0.40%	0.40%
Oluwatoyin Priscilla Adebambo	1.00%	1.00%
	100.00%	100.00%

The Bank augmented its Ordinary Share Capital from **GMD300 Million** to **GMD400 Million** in **2024** in line with The Central Bank of The Gambia Capital Augmentation Requirement. The Board of Directors approved a Bonus Issue of **GMD100 Million** as a result which was issued at par. All the existing shareholders benefited from the bonus issue. Percentage shareholding remains unchanged as shown above.

APPENDIX IV: MANAGEMENT TEAM

Abolaji Yusuff	CEO/Managing Director
Daniel Attah	Executive Director - Chief Operating Officer
Mariama Sulay Njie	Executive Director - Head Corporate Banking, Digital Banking, Hotel & Services and Product Development.
Amie Jobe Sarr	Deputy General Manager -Head, Compliance
Akintayo Beckley	Deputy General Manager - Head, Technology
Alasana Jabby	Deputy General Manager - Divisional Head Retail Division II.
Alpha S. Sowe	Assistant General Manager - Divisional Head Retail Division I
Jarra Jallow	Assistant General Manager- Head, SME Banking I
Pa Omar Jobarteh	Assistant General Manager - Head, Financial Control
Ms. Fatou Jeng	Senior Manager - Head, Legal
Yusupha Ketter	Senior Manager- Group Head, Retail Division II
Lamin Camara	Senior Manager- Head, Enterprise Risk Management
Christopher K. Falana	Senior Manager- Head, Systems and Control
Samba Joof	Senior Manager - Group Head, Retail Division II Provinces
Absa Barrow	Senior Manager - Head, Human Resources
Alhagie Ceesay	Senior Manager - Divisional Head, Retail Division III
Philip J. Mendy	Manager - Group Head, Hotel and Services
Sohna Bayo	Manager - Group Head Retail Division I
Randolph Lloyd King	Manager - Group Head, Treasury
George R. Abangwu	Manager - Group Head, Commercial Banking
Dodou Bojang	Manager - Head, Corporate Affairs
Elizabeth L. S. Mendy	Deputy Manager - Group Head, SME Banking II
Bai Ebou Gaye	Deputy Manager - Back-up, Financial Control.
Abdoulie Jobarteh	Assistant Manager - Back-up Enterprise Risk Management
Momodou A. Bah	Assistant Manager - Group Head, High-Net-Worth Individuals
Samba Sanyang	Assistant Manager - Back up, Credit Administration
Awa Bittaye	Assistant Manager - Back-up, Compliance
Mariama D Conateh	Assistant Manager - Relationship Manager, Retail Division II
Inola Green Harris	Assistant Manager - Group Head, Digital Banking
Gladys S. Bojang	Assistant Manager - Relationship Manager, Commercial Banking
Hassan O Sikiru	Assistant Manager - Acting Head, Administration
Ousman Sise	Assistant Manager - Relationship Manager, Manufacturing & Trading



Mr. Abolaji Yusuff
CEO/Managing Director



Mr. Daniel Attah
Executive Director



Mariama Sulay Njie
Deputy General Manager,
Head of Corporate Banking



Amie Jobe Sarr
Deputy General Manager, Head
of Settlement Groups and
Operations



Akintayo Beckley
Deputy General Manager,
Head of Technology



Alasana Jabby
Assistant General Manager
Divisional Head
Retail Division 2



Alpha S. Sowe
Assistant General Manager
Divisional Head Retail
Division



Jarra Jallow
Senior Manager,
Head SME 1



Pa Omar Jobarteh
Senior Manager, Head
Financial Control



Ms. Fatou Jeng
Senior Manager - Head, Legal



Yusupha Ketter
Senior Manager,
Group Head Retail Serekunda



Iamin Camara
Senior Manager, Back-up Group
Head, Enterprise Risk Management
Group



Christopher Kolade Falana
Manager,
Head System Control



Samba Joof
Manager, Group
Head Corporate Banking



Absa Barrow
Manager, Head of
Human Resources Unit



Alhagie Ceesay
MGR- Divisional Head,
Retail Division 3



Philip J. Mendy
Manager,
Group Head Hospitality



Sohna Bayo
Manager, Group Head,
Retail West Coast Region



Randolph Lloyd King
Manager, Group Head,
Treasury & Financial Institutions



George Agbangwu
Manager, Group Head
Commercial Banking



Dodou Bojang
Deputy General Manager,
Head of Compliance



Elizabeth L.S. Mendy
Deputy Manager,
Head SME II



Bai Ebou Gaye
Assistant Manager,
Back-up Head
Financial Control



Abdoulie Jobarteh
Assistant Manager, Back-up Group
Head, Enterprise
Risk Management Group



Mamadou A. Bah
Assistant Manager,
unit Head Retail Division



Samba Sanyang
Assistant Manager,
unit Head Credit
Administration



Awa Bittaye
Assistant Manager,
Back-up Head System Control



Mariama D. Conateh
AM - Relationship Manager,
Retail Division 2



Inola Green Harris
Assistant Manager,
Commercial



Gladys Bojang
Assistant Manager,
Retail Serekunda.



Hassan O Sikiru
Assistant Manager - Acting
Head, Administration



Mariama D. Conateh
AM - Relationship Manager,
Retail Division 2