

**FirstBank Gambia Limited**

**Annual Report  
And Financial Statements**

For the year ended 31<sup>st</sup> December 2024

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| <b>Financial highlights</b>               |                  |                  |                              |
|-------------------------------------------|------------------|------------------|------------------------------|
| <b>Income Statement (Dalasi '000)</b>     | <b>31-Dec-24</b> | <b>31-Dec-23</b> | <b>Increase / (decrease)</b> |
| Profit/(loss) before tax                  | 2,415            | 64,859           | -96.3%                       |
| Post tax profit/(loss)                    | 1,758            | 44,216           | -96.0%                       |
| Net Interest Income                       | 127,913          | 100,047          | 27.9%                        |
| Operating Expenses                        | (161,173)        | (104,434)        | 54.3%                        |
| Net Impairment Charge on Financial Assets | (26,561)         | (1,588)          | 1572.3%                      |
| Net Interest Margin                       | 10.71%           | 10.01%           | 7.0%                         |
| <b>Balance Sheet (Dalasi '000)</b>        | <b>31-Dec-24</b> | <b>31-Dec-23</b> | <b>Increase / (decrease)</b> |
| Total Assets                              | 2,789,643        | 2,229,220        | 24.9%                        |
| Loans and Advances                        | 738,290          | 844,813          | -12.6%                       |
| Customer Deposits                         | 2,127,355        | 1,703,783        | 24.9%                        |
| Shareholder's funds                       | 408,150          | 329,923          | 23.7%                        |
| Loan to Deposit                           | 34.7%            | 49.6%            | -30%                         |
| <b>Financial indicators</b>               | <b>31-Dec-24</b> | <b>31-Dec-23</b> | <b>Changes against 2024</b>  |
| Earnings per Share (Bututs)               | 0.12             | 3.94             | -97.9%                       |
| Return on Assets (ROA)                    | 0.06%            | 2.9%             | -97.8%                       |
| Return on Equity (ROE)                    | 0.4%             | 13.4%            | -96.8%                       |
| Cost to Income Ratio                      | 84.8%            | 61.7%            | 37.40%                       |
| Non-Performing Loans (NPLs)               | 33,801           | 4,091            | 726.23%                      |
| <b>Prudential indicators</b>              | <b>31-Dec-24</b> | <b>31-Dec-23</b> | <b>Changes against 2024</b>  |
| Non-performing loans (Gross)              | 4.37%            | 0.48%            | 811.2%                       |
| CAR                                       | 25.0%            | 20.10%           | 24.48%                       |
| Liquidity Asset Ratio (%) – Min. 30%      | 78.6%            | 69.40%           | 13.3%                        |
| Risk Weighted Capital Adequacy Ratio (%)  | 25.0%            | 20.1%            | 24.48%                       |
| Single Credit Concentration – Max. (25%)  | 54%              | 13.29%           | 306%                         |
| Gearing Ratio (times) - Max 12 times      | 4.3              | 2.5              | 72%                          |
| Statutory Reserve Requirement (%)         | 25%              | 25%              | 0.0%                         |

## General information

### Directors

Mr. Ousainou Ngum  
Mr. Gbenga O. Ajibola  
Mrs. Fatou Njie  
Mrs. Olaitan A. Martins  
Mr. Shehu S. Aliyu  
Mr. Isaac Oyeniyi

Chairman  
Managing Director  
Director  
Director (Appointed 2024)  
Director  
Director (Resigned 2024)

### Company Secretary

Mr Justice I.O. Nwabuike

### Auditors

DTA  
Tax, Audit, Advisory  
DTA Business Hub  
1 Paradise Beach Place  
Berti Harding Highway  
Kololi,  
The Gambia

### Bankers

Central Bank of The Gambia  
1-2 Ecowas Avenue  
Banjul  
The Gambia

Guaranty Trust Bank Gambia Limited  
56 Kairaba Avenue  
P.O. Box 1958, KSMD  
Banjul, The Gambia

Trust Bank Gambia Limited  
3/4 ECOWAS Avenue  
P.O. Box 1018  
Banjul, The Gambia

Ghana International Bank Plc  
67 Cheapside, 1<sup>st</sup> floor  
Regina House, London EC2V 6AZ.

FirstBank Senegal Limited (Senegal)  
Routes des Almadies, Zone 15, lot D  
Dakar, Senegal.

First Bank of Nigeria Limited (Nigeria)  
35 Marina Lagos, Nigeria



**Solicitors**

Hawa Sisay-Sabally  
Legal Practitioner of the Supreme Court  
60B Antouman Faal Street  
Banjul, The Gambia

Lamin A. Ceesay T/A  
Solie Law Chambers  
2<sup>nd</sup> Street East  
Fajara M. Section  
The Gambia

**Registered office**

FirstBank House  
38 Kairaba Avenue  
Kanifing Municipality  
P O Box 1600  
Banjul The Gambia

## Chairman's Statement

### Building a more resilient and sustainable institution

It is with great pride and a deep sense of responsibility that I present to you FirstBank Gambia's Annual Report for the year 2024. This report not only highlights the financial performance of the bank but also reflects our commitment to navigating the evolving economic landscape of The Gambia and the world at large. In ensuring the bank's mission "To remain true to our name by proving best financial services possible" and being true to our promise of building a strong, better and more valuable bank, the bank has intensified its efforts in diversifying its business model, increasing the channel and positioning itself for present and future opportunities. This will build resilience and enhance sustainability.

FirstBank is primed, adequately capitalized and highly liquid, with our customers at the centre of the business, to build solid foundations for controlled and sustainable growth for the future. The bank has sustained its footprint in the Gambia, and we will be known for the way in which we do business and the integrity with which we operate. It is worth noting that operational and technological strengths are going to be a competitive advantage for the bank in the coming years, as we adapt increasingly to changing customers' preference

We have also strengthened our core processes to provide us with innovative ways to serve our customers. It is our belief that operational and technological efficiency is critical in ensuring that we deliver world class customer experience that would drive customer loyalty and build on our strong platform for growth.

#### Economic Overview

The year 2024 has been one of both challenges and opportunities, shaped by global economic uncertainty, inflationary pressures, and evolving geopolitical dynamics. The global economy has remained under strain, impacted by the aftermath of supply chain disruptions, volatile commodity prices, and the shifting tides of international trade. In addition, the ongoing climate-related disruptions and energy transitions have added complexities for many markets, including ours.

For The Gambia, the year has witnessed a steady recovery post-pandemic, with modest GDP growth expectations. However, challenges such as rising inflation, currency depreciation, and fluctuating commodity prices have placed pressure on households and businesses alike. Despite these economic hurdles, The Gambia's resilience and strong policy interventions have continued to provide a stable platform for growth.

Our banking sector has been a critical part of this recovery, providing liquidity, facilitating trade, and supporting businesses through these challenging times. At FirstBank Gambia, we remain committed to driving economic development, supporting our customers, and delivering on our promises to our customers and shareholders.

#### FirstBank Gambia's Resilience and Response

In 2024, we have continued to implement a strategy that balances prudent risk management with growth. Through a focus on operational efficiency, innovation, and customer-centric solutions, we have been able to deliver robust results. Our financial position remains strong, with increased profitability, growth in deposits, and a stable asset base.

Despite global financial uncertainty, we have made key investments in digital banking, expanding our online services to meet the growing demand for convenient banking options. This has allowed us to better serve individuals and businesses, while also enhancing operational efficiency.

Additionally, FirstBank Gambia has placed significant emphasis on corporate social responsibility, with a focus on education, healthcare, and environmental sustainability. These initiatives are not just part of our duty as a corporate citizen but also contribute to the long-term social and economic development of our country.



## Navigating Global Challenges

The global economic environment remains a complex backdrop for our operations. The geopolitical tensions, rising interest rates in major markets, and disruptions in the financial markets present both risks and opportunities for our operations. However, at FirstBank Gambia, we are focused on enhancing our agility and adaptability. Our strategy is designed to be responsive to these global dynamics, while remaining anchored in the core values of integrity, service excellence, and sustainability.

We are also keenly aware of the impact that global climate change has on economies worldwide. As part of our commitment to sustainability, we are exploring ways to finance green and climate-resilient projects that can help mitigate these challenges. We understand that our role extends beyond banking — we are actively contributing to a future that is more secure and sustainable for the people of The Gambia.

## Banking Sector Developments

The banking industry remains stable with healthy financial soundness indicators. The industry's asset base expanded by 18.1% in June 2024, reaching D96.2 billion, up from D88.6 billion in March 2024. Customer deposits, the main source of funding for banks, increased by 6.3% to D62.6 billion as of June 2024. The risk-weighted capital adequacy ratio stood at 24.1% in June 2024, slightly lower than the 27.9% reported in the previous quarter, indicating adequate capitalization. The liquidity ratio was 77.2% in June compared to 78.3% in March 2024. Non-performing loans ratio increased to 10.2% in June 2024, up from March 2024.

In response to the rising inflation, the Central Bank of the Gambia maintained a tight monetary stance, keeping its policy rate high at 17% in August 2024. This approach has led to a moderation in credit growth to the private sector, which increased by 0.7% in June 2024, down from 19.3% in March 2024.

The Gambia's banking sector is expected to continue its positive trajectory, supported by ongoing economic recovery and strategic reforms. However, challenges such as global economic uncertainties and climate-related risks remain, necessitating vigilant policy measures to sustain growth and stability.

## Financial Performance

The financial year 2024 presented significant challenges, marked by both internal and external headwinds that impacted our financial position. The additional provision of the D25.3 million GICEC loan and the D16.8 million back-duty tax recorded in the final quarter of the year placed considerable pressure on our financial performance. Additionally, the prolonged impact of the Russia-Ukraine war and persistent foreign exchange (FX) liquidity constraints in the local market further exacerbated the economic environment.

These factors collectively contributed to the reduction in reported profit before tax of 96.3% i.e. from D64 million in 2023 to **D2.4 million** for the year. Despite these challenges, the company remains committed to strategic resilience and financial prudence, positioning itself for recovery and long-term stability.

The balance sheet also grew by 25.1% from D2.23 billion in 2023 to D2.78 billion. The growth was financed by growth in deposit liabilities which moved from D1.7 billion to D2.1 billion a 25% increase.

The bank continues to perform well above key regulatory benchmarks in other key financial indicators. The bank holds 78.6% and 25% for its liquid Asset and Capital Adequacy ratios against minimum regulatory requirements of 30% and 10% respectively. The Bank will continue to manage its resources judiciously and prudently in the coming year, while ensuring sustainability in performance.



#### **Introducing The Bank's Strategic Plan (2025-2029)**

The Bank has adjusted and revised its plan to align with Group's strategic plan and period, hence its 5-years strategic plan will run from January 1, 2025 to December 31, 2029. The strategic ambition is **"To Become one of the top 5 most profitable banks in The Gambia by 2029"**, the strategic themes have been revised to align with the Group. Nevertheless, financial security, resiliency and sustainability remain the goals by delivering accelerated growth in profitability through customer led innovation and disciplined execution.

To this end, the Bank aims to:

1. Right size the business with appropriate people and talent;
2. Enhance physical presence and digital capabilities to expand market reach;
3. Rapidly grow customer base to increase Market Share;
4. Aggressively expand deposit base, focusing on low-cost funding to enhance and diversify earning assets portfolio;
5. Leverage regional collaborations and GAM/VCM to scale business.

The achievement of these aspirations/targets will require the concerted effort from both management and board and support of all our stakeholders.

#### **Our Board**

The board is bestowed with the responsibilities to formulate policy guidelines, supervise business activities efficiently and ensure good governance in the bank management. Also, to ensure its independence is maintained and that the highest ethical standards continue to guide our interactions with the bank. In 2024, the board continued working with the banks management to perform its fiduciary responsibilities through its statutory Committees. During the review period, one of the executive directors Mr. Isaac O. Oyeniyi resigned and a new non-executive director Mrs. Olaitan A. Martins was appointed.

#### **Looking ahead:**

As we look to the future, the outlook for The Gambia remains cautiously optimistic. With ongoing efforts to improve infrastructure, diversify the economy, and enhance governance, we believe the country is on a path to stronger economic growth. At FirstBank Gambia, we will continue to support this growth by providing innovative financial solutions that empower individuals, businesses, and communities to thrive.

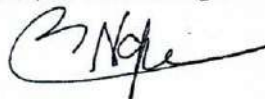
Our focus will be on expanding our reach in both urban and rural areas, deepening our digital banking offerings, and ensuring we remain at the forefront of customer service excellence. We are also committed to supporting government and private sector initiatives that foster sustainable development and job creation.

We remain confident that, despite global uncertainties, the resilience of The Gambia, coupled with FirstBank's strong leadership and unwavering commitment to excellence, will ensure that we continue to grow, prosper, and contribute to the development of our nation.

#### **Appreciation**

I would like to take this opportunity to extend my heartfelt appreciation to the Board of Directors, our management team, and all our dedicated employees. Your hard work, resilience, and commitment to excellence are the cornerstones of our success.

I also wish to thank our valued customers, shareholders, and stakeholders for your continued trust and support. Together, we are building a strong and sustainable future for FirstBank Gambia and for the people of The Gambia.



.....  
**Chairman (Mr. Ousainou Ngum)**  
**Board of Directors of FirstBank Gambia Limited**

**FirstBank Gambia Limited**

*Annual Report and Financial Statements  
for the year ended 31<sup>st</sup> December 2024*



## Chief Executive Officer's Review

### Sustaining Profitability and Growth

#### Introduction

FirstBank Gambia concluded 2024 as a strong and well-capitalized institution, equipped with the financial strength necessary to enhance our risk and control framework and continue investing in our business. 2024 proved to be a challenging year for the Bank, our employees, and our shareholders. We faced a dynamic and evolving macroeconomic environment, which required us to remain agile and proactive. As we entered the year, we anticipated a difficult landscape and, with foresight and strategic planning, took early steps to align our bank and cost structure with the expected subdued market demand, while also responding to an increasing industry capacity. These strategic measures were crucial, as 2024 presented unforeseen challenges that tested our resilience. Despite the obstacles, we demonstrated our ability to navigate these uncertainties in an ever-changing global context.

#### Economic overview

In 2024, Sub-Saharan Africa's GDP was approximately \$1.84 trillion, accounting for about 1.7% of global GDP. The World Bank growth forecast for the region declined from 3.3% in 2023 to 3% in 2024, influenced largely by Sudan's ongoing civil war. Despite this, the region's growth is projected to surpass the 2.4% achieved in 2023, driven by increased private consumption and investment. Looking ahead, growth in 2025 is expected to reach 3.9%, slightly higher than the previously predicted 3.8%.

The Gambia's economy demonstrated significant growth in 2024. According to the International Monetary Fund (IMF), real GDP growth reached 5.8%, supported by a broad-based rebound in economic activity, including a resurgence in tourism and strong remittance inflows. Despite positive GDP growth, rising food prices undermine the pace of poverty reduction.

The Central Bank of Gambia (CBG) 's Composite Index of Economic Activity (CIEA), which is a statistical measure of aggregate economic activity, revealed that pointed to an average growth in economic activity of 5.8 percent in 2024, rising to 6.1 percent in January 2025. Preliminary balance of payments estimates indicates a modest improvement in the current account balance in 2024, supported by a rebound in tourism, private remittances, and official inflows. The current account balance moderated to a deficit of US\$74.4 million (3.2 percent of GDP) in 2024, from a deficit of US\$120.1 million (5.5 percent of GDP) in 2023. the deficit in the goods account continued to widen, from US\$877.4 million (40.3 percent of GDP) in 2023, to US\$1.0 billion (44.6 percent of GDP) in 2024. The growing deficit in the trade balance continues to be driven by increasing imports of food items, electricity and fuel, on the back of a low export base

Inflation remained elevated in 2024, driven by both demand pressures and supply shocks. The latest data indicates a decline in headline inflation to 9.68 percent in July 2024, a decline compared to the previous value of 10.39 percent in December 2023, due to decline in both food and non-food inflation.

As of December 2024, The Gambia's foreign exchange market exhibited continued stability, supported by robust remittance inflows. The cumulative volume of transactions in the domestic foreign exchange market for 2024 reached approximately US\$2.0 billion, maintaining the level observed in 2023. Total remittances for the year amounted to US\$775.6 million, reflecting a rise of US\$28.8 million compared to US\$746.8 million in 2023. These inflows, representing approximately 31.5% of the country's Gross Domestic Product (GDP), play a crucial role in supporting household incomes, education, healthcare, and overall economic stability.

Yields on short-term government securities continue to be influenced by liquidity conditions in the banking system and higher government appetite for borrowing. The weighted average yield rose from 12.5 percent in December 2024, However, when compared to 2023, the weighted yield on government instruments increased from 12.7 percent to 12.5 percent in 2024.



## Industry Review

The banking industry remains strong and stable with healthy financial soundness indicators. The risk-weighted capital adequacy ratio stood at 24.1% in June 2024, slightly lower than the 27.9% reported in the previous quarter, indicating adequate capitalization. The banking sector liquidity ratio increased to 77.2 percent in December 2024, from 63.7 percent reported in December 2023. Customer deposits, the main source of funding for banks, increased by 25 percent (year-on-year) to D67.7 billion in December 2024. The industry's asset quality slightly falls, with the non-performing loans inclined from 3.3 percent of gross loans reported in December 2023 to 8.1 percent recorded in December 2024. While credit risks remain, the stress test results indicated a resilient banking industry.

The industry is undergoing swift and irreversible changes across technology, customer behaviour and regulation. The combined power of these three drivers of industry change – technology, customers, and regulation – is increased by the fact that they are often closely interwoven. For example, technological change creates new categories of customer utility, which in turn fuel further technological investment. Similarly, regulatory changes prompt both service and structural innovations, which together change the nature of the activities or entities that need regulating. And all the while, shifting attitudes and expectations are redefining the reality and perceptions of the industry's role and purpose in society.

FirstBank Gambia will therefore continue to make substantial investments in technologies to make available all the e-banking products and services. This, we believe will put us in a much stronger position in the coming years and will help push our desired objective of making our products and services accessible to our esteemed customers every minute, every day, all year round in an innovative way.

## Business Performance Review

The financial year 2024 presented significant challenges, marked by both internal and external headwinds that impacted our financial position. The additional provision of the D25.3 million GICEC loan and the D16.8 million back-duty tax recorded in the final quarter of the year placed considerable pressure on our financial performance. Additionally, the prolonged impact of the Russia-Ukraine war and persistent foreign exchange (FX) liquidity constraints in the local market further exacerbated the economic environment.

These factors collectively contributed to the reduction in reported profit before of 96.3% i.e. from D64 million in 2023 to **D2.4 million** for the year. Despite these challenges, the company remains committed to strategic resilience and financial prudence, positioning itself for recovery and long-term stability.

Despite the decline presented in our bottom line and the reduction in both ROA and ROE of 0.06% and 0.4% in 2024 compared to the prior year reported ROA and ROE of 2.9% and 13.4% in 2023, The bank's top line (interest earning on investing rose by 23.5% in 2024 compared to the prior financial year.

Despite the decline in our bottom line and the reduction in key profitability metrics - Return on Assets (ROA) and Return on Equity (ROE) - which stood at 0.06% and 0.4% in 2024, respectively, compared to 2.9% and 13.4% in 2023, the bank demonstrated resilience in revenue generation. Notably, interest earnings from investments grew by 23.5% in 2024 compared to the previous financial year, reflecting the strength of our core business operations despite the challenging economic environment. Additionally, total assets grew by 25.1%, driven primarily by a 25% increase in customer deposits, highlighting the strength of our funding and liquidity position. Furthermore, total shareholders' funds increased by 23.5%, supported by the capital augmentation to aligned to the Central Bank of the Gambia D300 million capital requirement.

## Introducing The Bank's Strategic Plan (2025-2029)

The Bank has adjusted and revised its plan to align with Group's strategic plan and period, hence its 5-years strategic plan will run from January 1, 2025 to December 31, 2029. The strategic ambition is **"To Become one of the top 5 most profitable banks in The Gambia by 2029"**, the strategic themes have been revised to align with the Group. Nevertheless, financial security, resiliency and sustainability remain the goals by delivering accelerated growth in profitability through customer led innovation and disciplined execution.

**FirstBank Gambia Limited**

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We have articulated six (8) strategic themes that will anchor the delivery of FirstBank Gambia's 2029 aspirations.

- ☐ Aggressive Customer Acquisition to Increase market
- ☐ Optimize Physical Footprint to Improve Market
- ☐ Increase Wholesale Business Contribution to Accelerate Growth
- ☐ Leverage Regional Collaborations and GAM/VCM to scale Business
- ☐ Strengthen Capital Position Towards Regulatory
- ☐ Grow FCY Deposits Through Focused On boarding of Multilateral
- ☐ Enhance Digital Capabilities & Offerings to Improve Market Appeal
- ☐ Build & Retain Talent Pipeline to Deliver on Strategic Aspirations

#### **Branch expansion and digital offerings – Outlook for 2025**

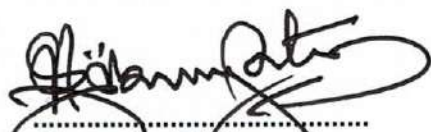
The operating environment remains challenging, uncertain, and unpredictable due to the effects of the Ukraine Russia war and high cost of living in Europe. High inflation in Sub-Saharan Africa make it difficult for brick and mortar branch expansion. Opportunity exist in digital offerings which the bank will pursue in the year 2025. These opportunities include Online banking, Agent banking, 99.99% up time for ATM transactions and availability of International Card. We will continue to refine our strategy to make our operating model fit-for-future and adapt to a dynamic world for sustainable growth. We will sustain our drive for cost management across the business and strengthen our operations and financial position to unlock efficiency and support margins.

Thus, the ability to meet our targets depends on being able to help our customers manage the present uncertainty and capture the opportunities that unquestionably exist in West Africa sub-region. We will continue to deliver meaningful growth in each of our business lines, in a way that will enhance the performance of the bank in fulfilment of our promises to our various stakeholders, particularly our customers.

Enabling our people to do their jobs to the best of their ability is a priority for the Board, and for me personally. Helping our people be at their best is the critical enabler of our business strategy and fundamental to delivering our financial targets. They are essential to our present and future success. The Board fully endorses the bank's commitment to develop and support our people and we offer the Board our wholehearted support in realizing that ambition.

We are aware of the important contribution each and every one of you (our stakeholders) made and continue to make to ensure the bank is profitable in 2025.

We very much value your contributions in our journey thus far and would like to take this opportunity, on behalf of the Board and management of the bank, to wish everyone success in 2025 and beyond.



.....  
**Gbenga O. Ajibola**  
Managing Director/CEO



## **Directors' Report**

The directors present their report and financial statements for the year ended 31 December 2024.

### **Statement of Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Bank and of the profit or loss of the Bank for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Bank 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 Bank and to enable them to ensure that the financial statements comply with the Companies Act 2013, the Banking Act 2009 and International Financial Reporting Standards (IFRS). They are also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Principal activities**

The bank's principal activity continues to be the business of banking.

### **Going Concern**

The board annually consider and continue to view the bank as a going concern based on the reports of assessments carried out by management into the banks' ability to continue in operation for the foreseeable future.

### **Results for the year and dividends**

Results for the year are as presented in the accompanying financial statements. Information on dividend is disclosed in note 32.

### **Significant changes in fixed assets**

Changes in property, plant and equipment are shown in note 22 to the financial statements.

### **Employees**

The number of employees and the cost associated with these employees is as detailed in note 12.

### **Directors and directors' interest**

The directors who held office during the year are shown on page 4.

As at 31<sup>st</sup> December 2024, none of the Directors had any beneficial interest in the ordinary shares of the company.

**Auditors**

The auditors, DTA's term ends after this financial year and will be rotated at the next AGM.

**By order of the board of directors**



**Miss Joanna Touray**  
Acting Company Secretary

Date this 15<sup>th</sup> day of August 2025



## Corporate Governance

### Commitment to Corporate Governance

In building our corporate governance objectives, the Bank's core values "EPIC" Entrepreneurship, Professionalism, Innovation, Customer Centricity 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 EPIC values 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, "EPIC", at First Bank (Gambia) Ltd, these values have been enshrined in every employee, processes and systems through our Core Values.

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.

Our commitment to this principle is for 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 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 Audit & Risk Assessment (BARAC), Board Finance & Human Capital (FHC), Board Credit Committee (BCC), and Board Governance Committee (BGC).

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.

Two (2) 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.

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.

### **Board Evaluation and Effectiveness**

We assess the effectiveness of our Board, its committees and Board members each year, as required by the Corporate Governance Code. This evaluation is performed on an annual basis by an independent external service provider – Ernst & Young (EY), who provide assurance on the performance and effectiveness of the board, its committees and members in achieving the stated objectives of the Bank.

The effectiveness of the committees is evaluated as part of the overall performance evaluation of the Board and through annual effectiveness reviews at a committee level. In addition, the committees review the papers and the effectiveness of each meeting as a standing agenda item to ensure that they continue to be effective, challenging and well-managed. In 2020, the feedback from this review process will be taken into account in informing the results of the Board's effectiveness review being undertaken by an independent external provider.

### **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 Audit & Risk Assessment (BARAC), Board Finance & Human Capital (FHC), Board Credit Committee (BCC), and Board Governance Committee (BGC). 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 | BARAC                                 | FHC         | BCC         | BGC         |
| Mr. Ousainou Ngum (Chairman) |                    | √                      |                                       |             |             |             |
| Mr. Shehu S. Aliyu           |                    | √                      | Member                                | Member      | Chairperson | Member      |
| Mrs. Olaitan A Martins       |                    | √                      | Chairperson                           | Member      | Member      | Member      |
| Mrs Fatou Njie               |                    | √                      | Member                                | Chairperson | Member      | Chairperson |
| Mr. Gbenga O. Ajibola        | √                  |                        | Member                                | Member      | Member      | Member      |
| Mr Isaac Oyeniyi             | √                  |                        | Member                                | Member      | Member      | Member      |

#### **Audit and Risk Assessment Committee**

The committee assists the Board in fulfilling its oversight responsibility in relation to:

- The integrity of the financial statements and financial reporting process;
- The Independence and performance of the external and internal audit functions; and the system of internal controls, accounting, and operating procedures;
- Establishment of policy standards and guidelines for risk assessment and management; and
- Compliance with legal and regulatory requirements, including completeness of disclosures

#### **Finance and Human Capital Committee**

The primary responsibilities of the Board Finance and Human Capital Committee are to:

- Provide the Board of Directors with assurance that the financial policies and condition of the Bank support its long-range objectives;
- Oversee the financial strategies and objectives of the Bank regarding financial risk management, capital management, financial performance, and compliance with applicable financial regulatory requirements;
- Consider and recommend to the Board for approval the Bank's annual budget and operational plan (Operational budget, capital budget, etc.)
- Consider and approve the Bank's capital expenditure plan above the approval limit of the Management Committee ("MANCO") and make recommendations for the consideration of the Board;
- Advise the Board on its oversight responsibilities in relation to human capital issues, such as recruitment, compensations/benefits, promotions and disciplinary matters affecting Senior Management staff.

#### **Board Governance Committee**

The Board Governance Committee oversees and advises the Board on its oversight responsibilities in relation to:

- Determining Board composition, designing and executing the process for the appointment of new Board members and removal of non-performing Board members;
- Developing and maintaining an appropriate Corporate Governance Framework for the Bank;
- Evaluating the Board, Board committees and individual Directors;
- Providing direction and oversight for Director induction and continuing education programs;
- Developing the appropriate policies on remuneration of Directors, both Executive and Non-Executive;
- Ensuring proper reporting and disclosure of the Bank's Corporate Governance to stakeholders;



- Evaluating the role of the other Board Committees;
- Ensuring proper succession planning for the Bank; and
- Ensuring compliance with the Group Code of Corporate Governance.

### Credit Committee

The Committee advises the Board on its oversight responsibilities in relation to the credit exposure and management lending practices of the Bank, as well as provide strategic guidance for the development and achievement of the credit and lending objectives of the Bank. In performing this oversight role, the committee works with management to:

- Review the quality of the Bank's credit portfolio and the trends affecting the portfolio;
- Oversee the effectiveness and administration of credit related policies, including compliance with legal lending limits and the Bank's in-house lending restrictions;
- Review the process for determining provision for credit losses and the adequacy of the provision; and
- Provide oversight and guidance to the Board regarding credit related aspects of implementing the BASEL Capital Accord and compliance with CBG risk-based supervision framework.

### 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, 2024.

| Name                         | Director      | Board Meetings |              | BARAC Committee Meetings |              | FHC Committee Meetings |              | BCC Committee Meetings |              | BGC Committee Meetings |              |
|------------------------------|---------------|----------------|--------------|--------------------------|--------------|------------------------|--------------|------------------------|--------------|------------------------|--------------|
|                              |               | No. Held       | No. Attended | No. Held                 | No. Attended | No. Held               | No. Attended | No. Held               | No. Attended | No. Held               | No. Attended |
| Mr. Ousainou Ngum (Chairman) | Non-Executive | 4              | 4            |                          |              |                        |              |                        |              |                        |              |
| Mr. Shehu S. Aliyu           | Non-Executive | 4              | 4            | 4                        | 4            | 4                      | 4            | 4                      | 4            | 4                      | 4            |
| Mrs. Olaitan A Martins       | Non-Executive | 1              | 1            | 1                        | 1            | 1                      | 1            | 1                      | 1            | 1                      | 1            |
| Mrs Fatou Njie               | Non-Executive | 4              | 4            | 4                        | 4            | 4                      | 4            | 4                      | 4            | 4                      | 4            |
| Mr. Gbenga O. Ajibola        | Executive     | 4              | 4            | 4                        | 4            | 4                      | 4            | 4                      | 4            | 4                      | 4            |
| Mr Isaac Oyeniji             | Executive     | 3              | 3            | 3                        | 3            | 3                      | 3            | 3                      | 3            | 3                      | 3            |

### 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.

The total remuneration paid to Non-Executive Board Members for the year 2024 is presented in table below:

| Director                |               | Amount in USD | GMD Equivalent (000) |
|-------------------------|---------------|---------------|----------------------|
| Mr. Ousainou Ngum       | Non-Executive | 15,000        | 1,031                |
| Mrs. Fatou Njie         | Non-Executive | 23,750        | 1,630                |
| Mr. Shehu S. Aliyu      | Non-Executive | 23,750        | 1,630                |
| Mrs. Olaitan A. Martins | Non-Executive | 5,750         | 409                  |

## Independent Auditors' Report

### To the shareholders of FirstBank Gambia Limited

#### Opinion

We have audited the financial statements of FirstBank Gambia Limited which comprise the statement of financial position as at 31 December 2024 and statement of comprehensive income, the statement of changes in equity and the 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 financial statements present fairly, in all material respects, the financial position of the bank as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of 2013 and the Banking Act, 2009.

#### Basis for Opinion

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

#### Key Audit matters

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

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



## Independent Auditor's Report (Continued)

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>IFRS 9 Impairment</b></p> <p>As described in note three (3) to the financial statements, the impairment losses have been determined in accordance with IFRS 9 Financial Instruments reserve.</p> <p>The interpretation of the requirements to determine impairment under application of IFRS 9, reflected in the Bank's expected credit loss model.</p> <p>The identification of exposures with a significant deterioration in credit quality</p> <p>Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows and forward-looking macroeconomic factors (e.g. unemployment rates, interest rates, gross domestic product growth, property prices).</p> <p>The need to apply additional overlays to reflect current or future external factors that are not appropriately captured by the expected credit loss model.</p> | <p>In assessing impairment reserve, we performed the following procedures</p> <p>We gained understanding of the Bank's key credit processes comprising granting, booking, monitoring, and provisioning. We read the Bank's IFRS 9 based impairment provisioning policy and compared it with the requirements of IFRS 9;</p> <p>We assessed the modelling techniques and methodology against the requirements of IFRS 9;</p> <p>We checked and understood the key data sources and assumptions for data used in the Expected Credit Loss (ECL) models used by the Bank to determine impairment provisions. We examined a sample of exposures and performed procedures to evaluate the:</p> <p>Data used to determine the impairment reserve, including transactional data captured at loan origination, ongoing internal credit quality assessments and interfaces to the expected credit loss model;</p> <p>Expected credit loss model, including the models developed and approval, ongoing monitoring/validation, model governance and mathematical accuracy;</p> <p>We checked the appropriateness of the Bank's staging</p> <p>Basis for and data used to determine overlays;</p> <p>For Probability of Default (PD) used in the ECL calculations we checked the Through the Cycle (TTC) PDs calculation and checked the appropriateness of conversion of the TTC PDs to point in time (PIT) PDs;</p> |

We checked the appropriateness of determining Exposure at Default, including the consideration of prepayments and repayments in the cash flows and the resultant arithmetical calculations;

We checked the calculation of the Loss Given Default (LGD) used by the Bank in the ECL calculations, including the appropriateness of the use of collateral and the resultant arithmetical calculations;

For forward looking assumptions used by the Bank's management in its ECL calculations, we held discussions with management and corroborated the assumptions using publicly available information;

We checked the completeness of loans and advances, off balance sheet items, investment securities, placements and other financial assets included in the ECL calculations;

Other key modelling assumptions adopted by the Bank; and we then challenged the appropriateness of the models and management assumptions included in the ECL calculations.

We also performed procedures to ensure the competence, objectivity, and independence of the Bank's consultant.

We involved our credit specialists in areas that required specific expertise (i.e. data reliability and the expected credit loss model).

We checked the appropriateness of the opening balance adjustments and assessed the accuracy of the disclosures in the financial statements.

We found that the assumptions used by management were comparable with historical performance and have been assessed as reasonable. We considered the disclosure of



loan impairment to be appropriate and adequate.

We further assessed also as appropriate the classifications of the Bank's loans and advances in accordance with Central Bank of The Gambia, prudential guidelines, and the transfer of any excess provision over the IFRS computed provisions to the regulatory credit risk reserve.

### **Other matters**

The directors are responsible for the other information. The other information comprises the General information, Chairman's Statement, Chief Executive Officer's review and the Directors' Report. The other information does not include the financial statements and our report thereon.

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

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

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

### **Responsibilities of the directors for the Financial Statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2013, and for such internal control as the directors determine is necessary to enable the preparation of 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 Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## Independent Auditor's Report (Continued)

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 Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank'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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

DTA

DTA

Chartered Accountants  
Registered Auditors



Date 18<sup>th</sup> August 2025



**Statement of Financial Position as at 31st December 2024**

|                                                    | Notes | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|----------------------------------------------------|-------|---------------------------------------|---------------------------------------|
| <b>Assets</b>                                      |       |                                       |                                       |
| Cash and cash equivalents                          | 16    | 924,179                               | 623,394                               |
| Loans and advances to banks                        | 18    | -                                     | 50,000                                |
| Loans and advances to customers                    | 20    | 738,290                               | 844,813                               |
| Investment securities:                             |       |                                       |                                       |
| -Amortised cost investments                        | 21    | 991,060                               | 605,122                               |
| Other assets                                       | 25    | 17,815                                | 11,728                                |
| Property and equipment                             | 22    | 106,045                               | 86,003                                |
| Intangible assets                                  | 23    | 12,254                                | 8,160                                 |
| Deferred tax assets                                |       | -                                     | -                                     |
| <b>Total assets</b>                                |       | <b>2,789,643</b>                      | <b>2,229,220</b>                      |
| <b>Liabilities</b>                                 |       |                                       |                                       |
| Deposits from banks                                | 26    | 106,419                               | 95,733                                |
| Deposits from customers                            | 27    | 2,127,355                             | 1,703,539                             |
| Current tax liabilities                            | 14    | 6,121                                 | 17,142                                |
| Other tax liabilities (Back-duty tax)              | 14b.1 | 16,757                                | -                                     |
| Deferred tax liabilities                           | 24    | -                                     | -                                     |
| Other liabilities                                  | 28    | 124,841                               | 82,883                                |
| <b>Total liabilities</b>                           |       | <b>2,381,493</b>                      | <b>1,899,297</b>                      |
| <b>Equity</b>                                      |       |                                       |                                       |
| Stated capital                                     | 29    | 300,469                               | 224,000                               |
| Income surplus/(deficit)                           |       | (6,916)                               | (4,158)                               |
| Statutory reserve                                  |       | 43,292                                | 42,852                                |
| Credit risk reserve                                | 29(a) | 71,305                                | 67,229                                |
| <b>Total equity attributable to equity holders</b> |       | <b>408,150</b>                        | <b>329,923</b>                        |
| <b>Total liabilities and equity</b>                |       | <b>2,789,643</b>                      | <b>2,229,220</b>                      |

  
 Mr. Gbenga O Ajibola MD/CEO

  
 Mr. Ousainou Ngum Chairman

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

**Statement of Comprehensive Income**  
the year ended 31st December 2024

|                                                                                | Notes | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|--------------------------------------------------------------------------------|-------|---------------------------------------|---------------------------------------|
| Interest income                                                                | 7     | 190,919                               | 154,597                               |
| Interest expense                                                               | 7     | (63,006)                              | (54,549)                              |
| <b>Net interest income</b>                                                     |       | <b>127,913</b>                        | <b>100,048</b>                        |
| Net Impairment charge for financial assets                                     | 8     | (26,561)                              | (1,588)                               |
| <b>Net interest income after impairment charge for financial assets</b>        |       | <b>101,352</b>                        | <b>98,460</b>                         |
| Fee and commission income                                                      | 9     | 36,178                                | 38,061                                |
| Fee and commission expense                                                     | 9     | (12,077)                              | (12,026)                              |
| <b>Net fee and commission income</b>                                           |       | <b>24,101</b>                         | <b>26,035</b>                         |
| Net trading income                                                             | 10    | 29,282                                | 33,462                                |
| Other operating income                                                         | 11    | 8,854                                 | 11,336                                |
| <b>Operating income after impairment charge</b>                                |       | <b>163,589</b>                        | <b>169,293</b>                        |
| Personnel expenses                                                             | 12    | (72,022)                              | (44,048)                              |
| Depreciation and amortization                                                  | 22,23 | (22,765)                              | (16,187)                              |
| Other expenses                                                                 | 13    | (66,387)                              | (44,199)                              |
| <b>Profit before income tax</b>                                                |       | <b>2,415</b>                          | <b>64,859</b>                         |
| Income tax expense                                                             | 14a   | (657)                                 | (20,643)                              |
| <b>Profit for the year</b>                                                     |       | <b>1,758</b>                          | <b>44,216</b>                         |
| <b>Other comprehensive income net of income tax</b>                            |       |                                       |                                       |
| Net gains on available-for-sale financial assets                               |       |                                       |                                       |
| -Unrealised net gains arising during the period, before tax                    |       | -                                     | -                                     |
| -Net reclassification adjustments for realised net gains or losses, before tax |       | -                                     | -                                     |
| Exchange difference on translation of foreign operations                       |       | -                                     | -                                     |
| Actuarial gains/ (losses) on defined benefit pension scheme                    |       | -                                     | -                                     |
| Share of other comprehensive income of associates                              |       | -                                     | -                                     |
| Return on plan assets                                                          |       | -                                     | -                                     |
| Income tax relating to components of other comprehensive income                |       | -                                     | -                                     |



|                                                     |    |              |               |
|-----------------------------------------------------|----|--------------|---------------|
| Other comprehensive income for the year, net of tax |    | <u>-</u>     | <u>-</u>      |
| Total comprehensive income for the year             |    | <u>1,758</u> | <u>44,216</u> |
| (Loss) / Profit attributable to:                    |    |              |               |
| Controlling Interests                               |    | 1,758        | 44,216        |
| Non-controlling interests                           |    | -            | -             |
|                                                     |    | <u>1,758</u> | <u>44,216</u> |
| Basic earnings per share                            | 15 | GMD 0.12     | GMD 3.94      |
| Diluted earnings per share                          |    | GMD 0.12     | GMD 3.56      |

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

**Statement of changes in equity**  
for the year ended 31<sup>st</sup> December 2024  
**Attributable to equity holders of the Bank**

|                                                                                                            | Stated<br>Capital<br>D'000 | Credit risk<br>Reserve<br>D'000 | Statutory<br>reserve<br>D'000 | Income surplus | Total<br>equity<br>D'000 |
|------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------|-------------------------------|----------------|--------------------------|
| Balance at 1 January 2024                                                                                  | 224,000                    | 67,229                          | 42,852                        | (4,158)        | 329,923                  |
| <b>Total comprehensive income, net of income tax</b>                                                       |                            |                                 |                               |                |                          |
| Profit for the year                                                                                        | -                          | -                               | -                             | 1,758          | 1,758                    |
| <b>Other comprehensive income, net of income tax</b>                                                       |                            |                                 |                               |                |                          |
| Foreign currency translation difference for foreign operations                                             | -                          | -                               | -                             | -              | -                        |
| Net gain/loss on hedges of net Investments in foreign operations                                           | -                          | -                               | -                             | -              | -                        |
| Revaluation of property, plant, and Equipment                                                              | -                          | -                               | -                             | -              | -                        |
| Total other comprehensive income                                                                           | -                          | -                               | -                             | -              | -                        |
| Total comprehensive income for the year                                                                    | -                          | -                               | -                             | 1,758          | 1,758                    |
| <b>Transfers from income surplus to reserves and transactions with owners, recorded directly in equity</b> |                            |                                 |                               |                |                          |
| Transfer from credit risk reserve (29a)                                                                    | -                          | 4,076                           | -                             | (4,076)        | -                        |
| Transfer to statutory reserve                                                                              | -                          | -                               | 440                           | (440)          | -                        |
| New shares issued                                                                                          | 76,469                     | -                               | -                             | -              | 76,469                   |
| Dividend paid to equity holders                                                                            | -                          | -                               | -                             | -              | -                        |
| <b>Total transfers and transactions with owners</b>                                                        | 76,469                     | 4,076                           | 440                           | (4,516)        | 76,469                   |
| <b>Balance at 31 December 2024</b>                                                                         | 300,469                    | 71,305                          | 43,292                        | (6,916)        | 408,150                  |



|                                                                                                            | Stated<br>Capital<br>D'000 | Credit risk<br>Reserve<br>D'000 | Statutory<br>reserve<br>D'000 | Income surplus<br>D'000 | Total<br>equity<br>D'000 |
|------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------|-------------------------------|-------------------------|--------------------------|
| Balance at 1 January 2023                                                                                  | 224,000                    | 63,660                          | 31,798                        | (33,751)                | 285,707                  |
| <b>Total comprehensive income, net of income tax</b>                                                       |                            |                                 |                               |                         |                          |
| Profit for the year                                                                                        | -                          | -                               | -                             | 44,216                  | 44,216                   |
| <b>Other comprehensive income, net of income tax</b>                                                       |                            |                                 |                               |                         |                          |
| Foreign currency translation difference for foreign operations                                             | -                          | -                               | -                             | -                       | -                        |
| Net gain/loss on hedges of net investments in foreign operations                                           | -                          | -                               | -                             | -                       | -                        |
| Revaluation of property, plant, and Equipment                                                              | -                          | -                               | -                             | -                       | -                        |
| Total other comprehensive income                                                                           | -                          | -                               | -                             | -                       | -                        |
| Total comprehensive income for the year                                                                    | -                          | -                               | -                             | 44,216                  | 44,216                   |
| <b>Transfers from income surplus to reserves and transactions with owners, recorded directly in equity</b> |                            |                                 |                               |                         |                          |
| Transfer to credit risk reserve                                                                            | -                          | 3,569                           | -                             | (3,569)                 | -                        |
| Transfer to statutory reserve                                                                              | -                          | -                               | 11,054                        | (11,054)                | -                        |
| New shares issued                                                                                          | -                          | -                               | -                             | -                       | -                        |
| Dividend paid to equity holders                                                                            | -                          | -                               | -                             | -                       | -                        |
| <b>Total transfers and transactions with owners</b>                                                        | -                          | 3,569                           | 11,054                        | (49,089)                | -                        |
| <b>Balance at 31 December 2023</b>                                                                         | <b>224,000</b>             | <b>67,229</b>                   | <b>42,852</b>                 | <b>(4,158)</b>          | <b>329,923</b>           |

The accompanying notes are an integral part of these financial statements

**Statement of Cash Flows**  
*for the year ended 31 December 2024*

|                                                                    | Notes | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|--------------------------------------------------------------------|-------|---------------------------------------|---------------------------------------|
| <b>Operating activities</b>                                        |       |                                       |                                       |
| Cash flow generated from operations                                | 19    | 590,526                               | 60,476                                |
| Income taxes paid                                                  | 14b.  | (11,678)                              | (11,763)                              |
| Interest received                                                  |       | 165,676                               | 139,214                               |
| Interest paid                                                      |       | (43,918)                              | (41,655)                              |
| <b>Net cash flow (used in)/generated from operating activities</b> |       | <b>700,606</b>                        | <b>146,272</b>                        |
| <b>Investing activities</b>                                        |       |                                       |                                       |
| Purchase of investment securities                                  |       | (965,148)                             | (330,503)                             |
| Proceeds from the sale of investment securities                    |       | 495,160                               | 444,287                               |
| Purchase of property, plant, and equipment                         | 22    | (41,862)                              | (11,138)                              |
| Purchase of intangible assets                                      | 23    | (14,448)                              | (8,180)                               |
| Proceeds on disposal of property, plant, and equipment             |       | -                                     | 61                                    |
| Fixed assets adjustment                                            |       | 8,835                                 | -                                     |
| <b>Net cash used in investing activities</b>                       |       | <b>(517,463)</b>                      | <b>94,527</b>                         |
| <b>Financing activities</b>                                        |       |                                       |                                       |
| Proceeds from shares issued                                        |       | -                                     | -                                     |
| Additional capital injected                                        | 29    | 76,469                                | -                                     |
| Payment for Leases                                                 |       | (10,724)                              | (1,733)                               |
| <b>Net cash (used in)/generated from financing activities</b>      |       | <b>65,745</b>                         | <b>(1,733)</b>                        |
| <b>(Decrease)/increase in cash and cash equivalents</b>            |       | <b>248,888</b>                        | <b>239,066</b>                        |
| <b>Cash and cash equivalents at start of year</b>                  |       | <b>445,071</b>                        | <b>206,005</b>                        |
| <b>Cash and cash equivalents at end of year</b>                    | 16    | <b>693,959</b>                        | <b>445,071</b>                        |

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



**Notes** (forming part of the financial statements)

**1.0 Reporting entity**

FirstBank Gambia Limited is a subsidiary of FirstBank of Nigeria Limited (FBN), incorporated in Nigeria, which is the ultimate parent company. FirstBank Gambia Limited was acquired by FirstBank of Nigeria Limited in November 2014 with a 99% shareholding. The remaining 1% share is held in trust in the name of the Group Managing Director of FirstBank of Nigeria Limited Dr. Adesola Adeduntan. FirstBank a member of FBN Holding Group.

FirstBank Gambia Limited is a limited liability company incorporated and domiciled in The Gambia under the Companies Act of The Gambia, 2013. Its registered office is in FBN House, 38 Kairaba Avenue, Serrekunda, The Gambia.

The principal activities of the Bank are mainly retail and corporate banking.

Retail banking provides banking services and products to individuals and small/medium scale enterprises, such as savings account, investment savings products, loans, and money transfers.

Corporate banking includes activities relating to multinational and local corporations as well as financial and government institutions such as fund management, credit facilities and project finance.

As at year-end, the Bank had five branches namely:

- Kairaba Avenue.
- Banjul
- Latrikunda Sabiji
- Serekunda
- Brikama

**1.1 Shareholding Structure**

|                                       | <b>2024</b>              | <b>2023</b>              |
|---------------------------------------|--------------------------|--------------------------|
|                                       | <b>No of Shares Held</b> | <b>No of Shares Held</b> |
| FirstBank of Nigeria Limited          | <b>14,873,196</b>        | 11,088,000               |
| Dr. Olusegun Alebiosu (held in Trust) | <b>150,234</b>           | 112,000                  |
| <b>Total number of shares</b>         | <b>15,023,430</b>        | 11,200,000               |

## 2.0 Significant Accounting Policies

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

### 2.1 Basis of preparation

#### (a) 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.

#### (b) 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

#### (c) 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.

#### (d) 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.

#### (e) Rounding Up

FirstBank Gambia'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 2024. The financial statements have been prepared in accordance with International Financial Reporting Standards issued by the



International Accounting Standards Board. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Management discusses with the Audit and Risk Committee the development, selection and disclosure of the Bank's critical accounting policies and estimates, and the application of these policies and estimates.

These disclosures supplement the commentary on financial risk management (see note 3).

The Directors believe that the underlying assumptions are appropriate and that the Bank's financial statements therefore present the financial position and results fairly. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 3.

### **Key sources of estimation uncertainty**

#### **Allowances for credit losses**

Assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy 3(i) and (vi).

The individual counterparty component of the total allowances for impairment applies to claims evaluated individually for impairment and is based on management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about counterparty's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the Credit Risk function.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of claims with similar credit characteristics when there is objective evidence to suggest that they contain impaired claims, but the individual impaired items cannot yet be identified. A component of collectively assessed allowances is for country risks. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on how well these estimated future cash flows for specific counterparty allowances and the model assumptions and parameters are used in determining collective allowances.

## 2.2 Changes in accounting policy and disclosures

### 2.2.1 New and amended standards adopted by the bank

#### Interest rate benchmark reform (effective 2021)

Interest Rate Benchmark reform - Phase 2 (Amendments to IAS 39, IFRS 9, IFRS 7, IFRS 4 and IFRS 16). The Phase 2 amendments provide practical relief from certain requirements in the standards. These reliefs relate to modifications of financial instruments, lease contracts or hedging relationships when a benchmark interest rate in a contract is replaced with a new alternative benchmark rate. When the basis for determining the contractual cash flows of a financial instrument is changed as a direct consequence of interest rate benchmark reform and is made on an economically equivalent basis, the Phase 2 amendments provide a practical expedient to update the effective interest rate of a financial instrument before applying the existing requirements in the standards. The amendments also provide an exception to use a revised discount rate that reflects the change in interest rate when re-measuring a lease liability because of a lease modification that is required by interest rate benchmark reform. Finally, the Phase 2 amendments provide a series of reliefs from certain hedge accounting requirements when a change required by interest rate benchmark reform occurs to a hedged item and/or hedging instrument and consequently the hedge relationship can be continued without any interruption.

The Bank is currently assessing the impact of the Interest Rate benchmark reform on its financials.

#### Definition of material - Amendment to IAS 1 and IAS 8 (effective 1 January 2020)

The International Accounting Standard Board (IASB) has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

In particular, the amendments clarify:

- That the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and;
- The meaning of primary users of general purpose financial statements to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

In June 2023, the International Sustainability Standards Board (ISSB) issued two new sustainability-related disclosure standards:

- **IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information, and**
- **IFRS S2: Climate-related Disclosures.**

These standards set out requirements for the disclosure of sustainability-related risks and opportunities that could reasonably be expected to affect an entity's cash flows, access to finance, or cost of capital over the short, medium, or long term.

The standards are designed to be applied together and are intended to enhance the consistency, comparability, and reliability of sustainability-related financial disclosures across entities and jurisdictions.



The effective date for both IFRS S1 and IFRS S2 is **annual reporting periods beginning on or after 1 January 2024**. Early application is permitted, provided both standards are applied together.

## **2.2.2 New standards and amendments to existing standards that are not yet effective**

### **Amendment to IAS 21 – Lack of Exchangeability**

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

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

This amendment is effective from annual periods beginning on or after 1 January 2025 (early adoption is permitted).

### **Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)**

#### **Derecognition of financial instruments when an electronic payment system is used**

New guidance has been added to IFRS 9 to specifically address when a financial liability should be derecognised when it is settled by electronic payment. Previously, an entity was required to wait until the settlement date of the transaction to discharge the liability, but the new guidance allows for the liability to be discharged before the settlement date if:

- the payment cannot be withdrawn, stopped or cancelled
- the entity no longer has the practical ability to access the cash, and
- settlement risk associated with the electronic payment system is insignificant

#### **Classification of financial assets - Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding**

The amendments provide some additional guidance to help an entity assess whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. Given the importance of this determination, new guidance has been provided, including examples of contractual cash flows that are solely payments of principal and interest on the principal outstanding, to ascertain whether or not the arrangements would be consistent with a basic lending arrangement. IFRS 9 also describes certain situations where financial assets may have contractual cash flows that are described as principal and interest, but the payments made do not actually represent a basic lending arrangement. This may be the case if a financial asset has non-recourse features. The amendments to IFRS 9 provide a clearer definition of a non-recourse feature, which is now outlined as a financial asset where the entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.



calculated using the effective interest method, the Bank only includes interest on those financial instruments that are set out in Note 20 and 21.

Interest income/expense on all trading financial assets/liabilities is recognised as a part of the fair value change in 'Net trading income'.

The Bank calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset.

When a financial asset becomes credit-impaired (as set out in Note 4.12.1 and is therefore regarded as 'Stage 3', the Bank calculates interest income by applying the EIR to the net amortised cost of the financial asset. If the financial asset cures (as outlined in Note 7) and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets (as set out in Note 4.12.4), the Bank calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the financial asset. The credit adjusted EIR is the interest rate that, at initial recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI financial asset.

#### **(c) Fees and commission**

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. For other fees and commission income, it is the Bank's policy to recognise revenue from a contract when it has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance, and collectability has been ascertained as probable. Revenue is recognised when control of goods or services have been transferred. Control of an asset refers to the ability to direct the use of and obtain substantially all of the remaining benefits (potential cash inflows or savings in cash outflows) associated with the asset.

**Credit related fees:** This includes advisory and commitment fees. These are fees charged for administration and advisory services to the customer up to the customer's acceptance of the offer letter. The advisory and commitment fees are earned at the point in time where the customer accepts the offer letter which is when the Bank recognises its income. These fees are not integral to the loan, therefore, they are not considered in determining the effective interest rate.

Other fees and commission income includes account servicing fees, investment management fees, placement fees and syndication fees, are recognised as the related services are performed.

Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

#### **(d) Net trading income**

Net trading income comprises gains net of losses related to foreign exchange dealings as well as foreign currency revaluation differences.

#### **(e) Net income from other financial instruments at fair value**

Net income from other financial instruments at fair value relates to non-qualifying derivatives held for risk management purposes and financial assets and liabilities designated at fair value through profit or loss, and include all realised and unrealised fair value changes, interest, dividends and foreign exchange differences.



During the period ended 31<sup>st</sup> December 2024 and 2023, the Bank did not have any financial instruments of this nature.

**(f) Income taxation**

*Current income tax*

Income tax payable is calculated on the basis of the applicable tax law in the Gambia and is recognised as an expense (income) for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity (for example, current tax on equity instruments for which the entity has elected to present gains and losses in other comprehensive income).

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

*Deferred tax*

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- The initial recognition of goodwill,
- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

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 realised.

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

**(g) Financial assets and liabilities**

In accordance with IFRS 9, all financial assets and liabilities – which include derivative financial instruments – have to be recognised in the statement of financial position and measured in accordance with their assigned category.

**(i) Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Bank becomes a party to the contractual provisions of the instrument. The Bank uses settlement date accounting for regular way contracts when recording financial asset transactions. Financial assets that are transferred to a third party but does not qualify

for de-recognition 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.

At initial recognition, the Bank measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- b) In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

## (ii) Classification and measurement

The Bank classifies its debt financial assets in the following measurement categories:

- Fair Value through Other Comprehensive Income (FVOCI)
- Fair Value through Profit or Loss (FVPL)
- Amortised Cost.

The classification depends on the Bank's business model for managing the financial assets and the contractual terms of the cash flows. The Bank does not have any financial assets classified under FVOCI and FVPL as at the reporting date.

## Business Model Assessment

Business Model assessment involves determining whether financial assets are held to collect the contractual cash flows (rather than sell the instrument prior to its contractual maturity to realise its fair value changes).

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- Investment strategy for holding or selling the assets.
- Past experience on how cash flows for these assets were collected.
- How the asset's performance is evaluated and reported to key management personnel?
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment.



The business model for each portfolio of financial assets are to be categorized into one of the following models:

- **Hold-to-collect contractual cash flows:** Financial assets held with the sole objective to collect contractual cash flows;
- **Hold-to-collect contractual cash flows and sell:** Financial assets held with the objective to both collect contractual cash flows and sell;
- **Fair value through profit or loss (FVTPL) business model:** Financial assets held with neither of the objectives mentioned in the two categories above. They are basically financial assets held with the sole objective to trade and realize fair value changes.

### **Cash flow characteristics assessment**

The assessment aims to identify whether the contractual cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding. 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. The SPPI test is based on the premise that it is only when the variability in the contractual cash flows arises to maintain the holder's return in line with a 'basic lending arrangement' that the application of the effective interest method provides useful information.

Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset due to repayments. Thus, the principal is not the legal amount due under the contractual terms of an instrument. This definition allows assets acquired at a discount or premium pass the SPPI test.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimise exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

#### **(iii) Financial assets measured at amortised cost**

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is determined using the effective interest method and reported in profit or loss as 'Interest income'.

A financial asset qualifies for amortised cost measurement only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and



- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If a financial asset does not meet both of these conditions, then it is measured at fair value.

**(iv) Financial assets measured at FVOCI**

A debt instrument shall be measured at FVOCI if both of the following conditions are met and is not designated as at FVTPL:

- The asset is held within a business model in which assets are managed to achieve a particular objective by both collecting contractual cash flows and selling financial assets;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Gains and losses are recognised in OCI within a separate component of equity, except for the following items, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- expected credit losses and reversals; and
- foreign exchange gains and losses.

When the debt instrument is disposed or derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "other gains or (losses)".

The Bank does not have any financial asset measured at FVOCI.

**(v) Financial assets measured at FVTPL**

A debt instrument that is not measured at amortised cost or at FVOCI must be measured at FVTPL. These would include debt instruments that are held for trading and those that have been designated as fair value through profit or loss at initial recognition. Gains and losses both on subsequent measurement and de-recognition are recognised in profit or loss and reported as "Net gains or (losses)" in the period in which it arose.

The Bank may irrevocably designate a debt instrument as measured at FVTPL on initial recognition only if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch'). Such mismatches would otherwise arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

The bank does not have any financial asset measured at FVTPL.

**(vi) Equity instruments**

Equity investments are measured at FVTPL. However, on initial recognition, the Bank can make an irrevocable election to measure an equity investment at FVOCI. This option only applies to instruments that are neither held for trading nor contingent consideration, recognised by an acquirer in a business combination to which IFRS 3 applies.

For equities measured at FVOCI, fair value gains and losses on the equity re-measurements are recognised in OCI. However, dividends are recognised in profit or loss unless they clearly represent a repayment of part of the cost of the investment.

The amounts recognised in OCI are never reclassified from equity to profit or loss.



The Bank has made an irrevocable election to measure its equity investments at FVOCI. However, there are no equity investments for the year under review.

**(vii) Impairment of financial assets**

The Bank recognized expected credit losses ("ECL") on forward-looking basis for its financial assets measured at amortized cost, lease receivables, debt instrument at fair value through other comprehensive income, loan commitments and financial guarantee contracts not measured at fair value through profit or loss.

No impairment is recognised on equity investments. This is because the fair value changes would incorporate impairment gains or losses if any.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

**(viii) Modification and renegotiation of financial assets**

Where the terms of a financial asset are modified, the bank assesses whether the new terms are substantially different to the original terms. If the terms are substantially different, the bank derecognizes the original financial assets and recognizes a new asset at fair value and recalculates the effective interest rate.

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 as part of impairment charge for the year.

**(ix) Derecognition other than on a modification**

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

- (i) the Bank transfers substantially all the risks and rewards of ownership, or
- (ii) the Bank neither transfers nor retains substantially all the risks and rewards of ownership and the Bank has not retained control.

The Bank enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Bank:

- (i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
- (ii) Is prohibited from selling or pledging the assets; and
- (iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Bank under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Bank retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met



**(x) Reclassifications**

The Bank does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which Bank changes its business model for managing financial assets, the Bank acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

When reclassification occurs, the Bank reclassifies all affected financial assets in accordance with the new business model. The reclassification should be applied prospectively from the 'reclassification date', which is defined as, 'the first day of the first reporting period following the change in business model that results in the Bank reclassifying financial assets'. Accordingly, any previously recognised gains, losses or interest shall not be restated.

**(xi) Derivative financial instruments**

Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. Derivative assets and liabilities arising from different transactions are only offset where there is a legal right of offset of the recognised amounts and the parties intend to settle the cash flows on a net basis, or realise the asset and settle the liability simultaneously.

The Bank does not have derivative financial instruments as at 31 December 2024.

**(xii) Embedded Derivative**

Embedded derivatives are hybrid contracts with both derivative and non-derivative components. In such cases, the derivative component is termed an embedded derivative. Where the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contract, and the host contract itself is not carried at fair value through profit or loss, the embedded derivative is bifurcated and measured at fair value with gains and losses being recognised in the income statement.

**Financial liabilities**

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

- Fair value through profit or loss (FVTPL)
- Amortised cost

**(xiii) Financial liabilities at FVTPL**

Financial liabilities are measured at FVTPL when they are designated as such on initial recognition using the fair value option or when they meet the definition of held for trading i.e.

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- On initial recognition 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;
- or it is a derivative [except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

For financial liabilities designated as at FVTPL using the fair value option, the element of gains or losses attributable to changes in the Bank's own credit risk are recognised in OCI, with the remainder recognised in profit or loss. The movement in fair value attributable to changes in the Bank's own credit quality is calculated by determining the changes in credit spread above observable market interest rates. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.



However, if presentation of the fair value change in respect of the liability's credit risk in OCI creates or enlarges an accounting mismatch in profit or loss, gains and losses must be entirely presented in profit or loss. To determine whether the treatment would create or enlarge an accounting mismatch, the Bank assesses whether it expects the effect of the change in the liability's credit risk to be offset in profit or loss by a change in fair value of another financial instrument, such as when the fair value of an asset is linked to the fair value of the liability. If such a mismatch does arise, the Bank will be required to present all fair value changes of the liability in profit or loss.

The Bank does not have any financial liabilities designated at FVTPL as at reporting date.

**(xiv) Financial liabilities at amortised cost**

Financial liabilities not held at FVTPL are subsequently measured at amortised cost using the effective interest method. Financial liabilities measured at amortised costs are deposits from banks or customers, debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

**(xv) De-recognition of Financial liabilities**

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled, or expires).

The exchange between the Bank and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

**(xvi) Determination of fair value**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges (for example, NSE, JSE, NYSE) and broker quotes from Bloomberg and Reuters.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, LIBOR



yield curve, FX rates, volatilities and counterparty spreads) existing at the dates of the statement of financial position.

When the Bank revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

The Bank uses widely recognised valuation models for determining fair values of non-standardised financial instruments of lower complexity, such as options or interest rate and currency swaps. For these financial instruments, inputs into models are generally market observable.

For more complex instruments, the Bank uses internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value derivatives transacted in the over-the-counter market, unlisted securities (including those with embedded derivatives) and other instruments for which markets were or have become illiquid. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Bank holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk.

Based on the established fair value model governance policies, and related controls and procedures applied, management believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value in the statement of financial position. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary – particularly in view of the current market developments.

The estimated fair value of loans and advances represents an estimation of the value of the loans using average benchmarked lending rates which were adjusted for specific entity risks based on history of losses.

The Bank makes transfers between levels of fair value hierarchy when reliable market information becomes available (such as an active market or observable market input) to the Bank. This transfer is done on the date in which the market information becomes available.

#### **(h) Offsetting financial instruments**

Master agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will fall due and all amounts outstanding will be settled on a net basis.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.



**(i) Impairment of non-financial assets**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Additionally, assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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

**(j) Cash and cash equivalents**

Cash and cash equivalents include:

- notes and coins in hand,
- unrestricted balances held with central banks,
- balances held with Nostro banks and,
- Highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value and are used by the Bank in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

**(k) Loans and advances**

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the bank does not intend to sell immediately or in the near term.

When the Bank purchases a financial asset under a commitment to sell the asset (or a substantially similar asset) at a fixed price on a future date ("reverse repo or stock borrowing"), the financial asset is accounted for as a loan, and the underlying asset is not recognised in the Bank's financial statements.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, except when the Bank chooses to carry the loans and advances at fair value through profit or loss as described in accounting policy.

**(l) Collateral**

The Bank obtains collateral where appropriate, from customers to manage their credit risk exposure to the customer. The collateral normally takes the form of a lien over the customer's assets and gives the Bank a claim on these assets for both existing and future customers in the event that the customer defaults.

The Bank may also use other credit instruments, such as stock borrowing contracts, and derivative contracts in order to reduce their credit risk. These instruments are currently not in use in the Gambia given the developing financial and capital markets; however, it remains part of the group collateral policy.



Collateral received in the form of securities is not recorded on the statement of financial position. Collateral received in the form of cash is recorded on the statement of financial position with a corresponding liability. These items are assigned to deposits received from bank or other counterparties. Any interest payable or receivable arising is recorded as interest expense or interest income, respectively.

**(m) Property, plant, and equipment**

**(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

**(ii) Subsequent costs**

Subsequent expenditures are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

**(iii) Depreciation**

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant, and equipment.

The estimated useful lives for the current year and depreciation rates are as follows:

| <b>Asset Class</b>          | <b>Estimated Useful Lives</b> | <b>Depreciation Rate</b> |
|-----------------------------|-------------------------------|--------------------------|
| Office Renovation           | 5 years                       | 20%                      |
| Office Equipment            | 5 years                       | 20%                      |
| Furniture and fittings      | 5 years                       | 20%                      |
| Motor Vehicles              | 4 years                       | 25%                      |
| Computer Equipment/hardware | 3 years                       | 33.33%                   |
| Computer Software           | 3 years                       | 33.33%                   |

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property, plant and equipment are kept under review on an annual basis to take account of any change in circumstances.

When deciding on depreciation rates and methods, the principal factors the Bank takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of the assets.



When reviewing residual values, the Bank estimates the amount that it would currently obtain for the disposal of the asset after deducting the estimated cost of disposal if the asset were already of the age and condition expected at the end of its useful economic life.

Work in Progress represents costs incurred on the assets that are not available for use. On becoming available for use, the related amounts are transferred to the appropriate category of property and equipment.

An item of property and equipment is derecognised 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 profit or loss in the year the asset is derecognised.

#### **(n) Leases**

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Bank has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Bank has the right to direct the use of the asset. The Bank has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Bank has the right to direct the use of the asset if either:

- the Bank has the right to operate the asset; or
- the Bank designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

The Bank primarily leases buildings for use as office spaces for branch operations, and for quick service points (QSPs).

Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension and termination options. On renewal of a lease, the terms may be renegotiated, and the lease terms range from 1 year to 25 years. The lease agreements do not impose any covenants - however, leased assets may not be used as security for borrowing purposes.

Contracts may contain both lease and non-lease components. The Bank has elected to separate lease and non-lease components and treat them accordingly.

Until the 2018 financial year, leases of property (land, buildings) were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Bank. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

#### **Leases in which the Bank is a lessee**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Bank. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.



### **Leases in which the Bank is a lessor**

The Bank does not have any lease arrangements as a Lessor or intermediate lessor.

### **Lease liabilities**

At the commencement date of a lease, the Bank recognises lease liabilities at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Bank under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Bank exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the Bank's incremental borrowing rate, being the rate that the Bank would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, or if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option. The balance of the lease liability is included in Other Liabilities in the statement of financial position (See Note 28).

### **Right of use assets**

Right-of-use assets are initially measured at cost, comprising of the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Bank is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Bank presents right-of-use assets in "Property and Equipment" in the statement of financial position (See Note 22 (b)).

### **Short-term leases and leases of low-value assets**

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than D300,00.00 when new, e.g., small IT equipment and small items of office furniture, office rent and depends on the nature of the asset. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in profit or loss on a straight-line basis over the lease term. The Bank has applied the low value lease exemption for leases less than D300,000.00 when new, while short-term leases are applied to leases with 12 months' term or less.



## **Extension and termination options**

Extension and termination options are included in all of the Bank's lease arrangements. These are used to maximise operational flexibility in terms of managing the assets used in the Bank's operations. Most of the extension options are subject to mutual agreement by the Bank and the lessors and some of the termination options held are exercisable only by the Bank.

### *Extension and termination options - Determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Bank is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Bank is reasonably certain to extend (or not terminate).
- Otherwise, the Bank considers other factors, including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Bank becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the Bank.

## **(o) Intangible assets**

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

### **Software**

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

Expenditure on internally developed software is recognised 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. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over their useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

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

Amortisation is recognised 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. The estimated useful life of software is 3 years.

So far the bank has not developed any software internally.



**(p) Impairment of non-financial assets**

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (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 recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(q) Provisions**

A provision is recognised 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 recognised when the bank has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the bank from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised but are disclosed unless they are remote.



**(r) Employee benefits**

**(i) Defined contribution plans**

A defined contribution plan is a pension plan under which the Bank pays fixed contributions into 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 periods. The Bank pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**(ii) Termination benefits**

Termination benefits are recognised as an expense when the Bank is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Bank has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

**(iii) Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(s) Share capital and reserves**

**(i) Share issue costs**

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

**(ii) Earnings per share**

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

**(iii) Dividends**

Dividends are recognised as a liability in the period in which they are declared. No dividend was proposed or declared for 2024 financial year.

**(iv) 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 (LGAAP). A total of D4,076,000 was transferred to the Credit Risk Reserve after comparing the IFRS 9 provision to the CBG prudential provision. The closing balance in the credit risk reserve is D71,305,000.

### Credit Risk Reserve Reconciliation

|                                       | Dec - 2024 ('000) | Dec – 2023 ('000) |
|---------------------------------------|-------------------|-------------------|
| Provision as per prudential guideline | 38,421            | 10,874            |
| Provision as per IFRS 9               | 34,345            | 7,305             |
| Opening balance                       | 67,229            | 63,660            |
| CRR transfer                          | 4,076             | 3,569             |
| Closing balance                       | 71,305            | 67,229            |

#### (t) Financial guarantees and loan commitments

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 instrument. Financial guarantee liabilities are initially recognised at their fair value. The guarantee liability is subsequently measured at the higher of the loss allowance and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Bank are measured as the amount of the loss allowance. The Bank has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

Acceptances and Letters of credits are considered contingent liabilities and are disclosed unless the possibility of an outflow of resources involving economic benefits is remote.

#### (u) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method, any differences between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings. Borrowings and other forms of financial liabilities shall be de-recognised from the books only when they are extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.



## 3.0 Financial risk management

### 3.1 Introduction and overview

Effective risk management is fundamental to the business activities of the Bank. At FBN, we promote a culture where risk management is everyone's business from board level down to risk owners and supporting units in First Bank Group.

Our approach to risk is supported by a robust Enterprise Risk Management framework (ERM) and a strong risk culture to identify, measure, monitor and control risks thereby promoting accountability at all levels across the Bank. Objectives of the ERM framework are communicated through risk policies and standards which are intended to provide consistent design and execution of strategies across the organization.

The risks arising from financial instruments to which the Bank is exposed are financial risks, which includes Credit risk, Liquidity risk and Market risk. Other material risks impacting activities of the Bank include, Operational, Legal, Compliance, Strategic, Reputational, Information security, Environmental and Social risk.

#### 3.1.1 Risk Management Philosophy

The key elements of the risk management philosophy are the following:

- The Bank considers sound risk management to be the foundation of a long-lasting financial institution.
- The Bank continues to adopt a holistic and integrated approach to risk management and, therefore, brings all risks together under one or a limited number of oversight functions.
- Risk officers are empowered to perform their duties professionally and independently without undue interference. Risk management is governed by well-defined policies that are clearly communicated across the Bank.
- Risk management is a shared responsibility. Therefore, the Bank aims to build a shared perspective on risks that is grounded in consensus.
- The Bank's risk management governance structure is clearly defined.
- There is a clear segregation of duties between market-facing business units and risk management functions.
- Risk-related issues are taken into consideration in all business decisions. The Bank shall continue to strive to maintain a conservative balance between risk and revenue considerations.
- Risk officers work as allies and thought partners to other stakeholders within and outside the Bank and are guided in the exercise of their powers by a deep sense of responsibility, professionalism and respect for other parties; and
- Risk officers work as allies and thought partners to other stakeholders within and outside the Bank, and are guided in the exercise of their powers by a deep sense of responsibility, professionalism and respect for other parties.
- The Bank is guided by the principles enshrined in the risk management policies of the Group.

#### 3.1.2 Risk Appetite

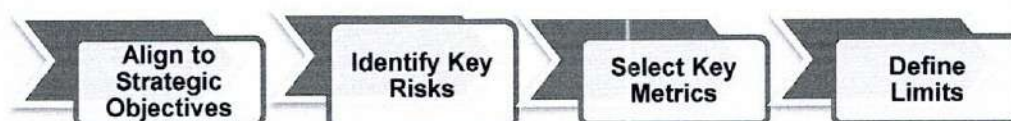
Risk appetite is the level and type of risk the Bank is willing to assume in its exposures and business activities, given its business objectives and obligations to stakeholders. Risk appetite is generally expressed through quantitative and qualitative means and considers extreme conditions, events, and outcomes. In addition, risk appetite reflects potential impact on earnings, capital, and funding / liquidity.

The Bank's risk appetite is the amount of risk its willing to accept to align with and support our financial and strategic objectives, relative to our risk capacity to assume losses.

## Risk Appetite Statement (RAS)

Our RAS is the expression of the maximum level of risk we would take across the major risks facing our business and accept in the pursuit of our strategic objectives. FirstBank would accept moderate risk in every activity it undertakes to achieve these strategic objectives by declaring its willingness to accept moderate risks related to each key value driver.

The process for defining risk appetite as illustrated in the diagram below will ensure that risk appetite is consistent with the bank's short term and long-term strategy, as set out in the strategic plan and appropriately translated into risk measures and limits for the bank:



## Risk Tolerance

This refers to the quantitative thresholds that allocate the Bank's risk appetite to specific risk types, business units, products, customer segments, and other levels. Certain risk tolerances are policy limits that shall not be exceeded except under extraordinary circumstances (hard limits), while other risk tolerances are guideposts or trigger points for risk reviews and mitigation (soft limits).

Whereas risk appetite is a strategic determination based on long-term objectives, risk tolerance is a tactical readiness to bear a specific risk within established parameters. Enterprise-wide strategic risk appetite is thus translated into specific tactical risk tolerances that constrain risk-acceptance activities at the business level. Risk tolerances are the parameters within which a Bank (or business unit or function) must operate to achieve its risk appetite.

Once established, these parameters are communicated downward throughout the Bank to give clear guidelines to every stakeholder and to provide feedback when they are exceeded.



## Aligning & Linking Risk Appetite to Objectives

The RAS is aligned to the Bank's short-term financial objectives and long-term soundness and sustainability objectives through the following process:

|                                                   |                                                                                                                                                                              |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Strategic Objectives &amp; Risk Principles</b> | <ul style="list-style-type: none"> <li>• Short-term: Volatility of earnings due to losses</li> <li>• Long-term: Sustainability &amp; protection of franchise</li> </ul>      |
| <b>Key Risks</b>                                  | <ul style="list-style-type: none"> <li>• Credit, Market, Liquidity &amp; Operational risks</li> <li>• Business risks including strategic &amp; reputational risks</li> </ul> |
| <b>High-Level Risk Appetite</b>                   | <ul style="list-style-type: none"> <li>• Quantitative &amp; qualitative statements</li> <li>• Stress resilience</li> </ul>                                                   |
| <b>Risk Appetite Measures</b>                     | <ul style="list-style-type: none"> <li>• Limits &amp; ratios that define boundary of risk appetite</li> </ul>                                                                |

## Limit Setting



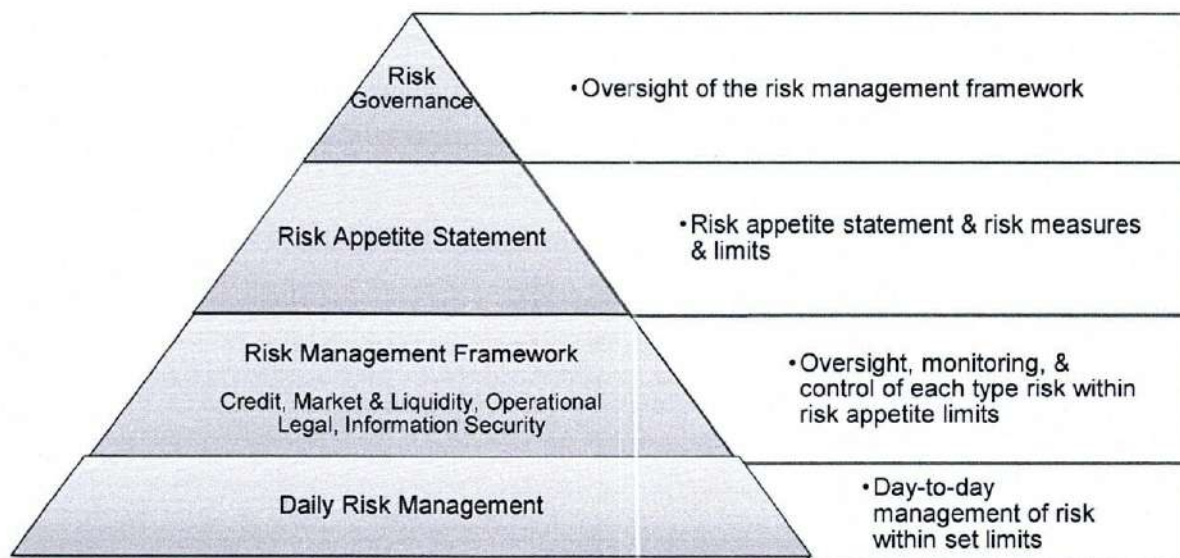
## Risk Culture

The Board and senior management consciously promote a responsible approach to risk and ensure that the sustainability and reputation of the Bank is not jeopardised while expanding its market share. The responsibility for risk management in the Bank is fully vested in the Board which in turn delegate such to senior management. The Bank pays adequate attention to both quantifiable and unquantifiable risks. The Bank's management promotes awareness of risk and risk management across board and the Bank avoids products, markets, and businesses where it cannot objectively assess and manage the associated risks.

### 3.1.3 Risk Management Framework

The risk management framework of the Bank consists of a comprehensive set of policies, standards, procedures, and processes designed to identify, measure, monitor, mitigate and report significant risk exposures in a consistent and effective manner across the Bank.

With an increasing focus on consistency and transparency, the Bank regularly assesses and enhances its risk management framework to ensure it is fit-for purpose.



The Bank's framework for management of enterprise risk specifically covers:

- Governance and oversight of the overall risk management framework.
- Risk appetite statement and risk appetite measurements.
- Policies, procedures, controls, and systems through which risk is identified and managed.
- Oversight, control, assurance, and delegation of authorities for each type of risk.
- Monitoring and reporting of the risk profile against risk appetite.
- Control and correction of the risk profile should it deviate from risk appetite.
- Reassessment of risk appetite and/or the Bank's strategy in the light of changes in the business.

The Board of Directors has overall responsibility for the establishment of the Bank's Risk Management framework and exercises its oversight function through its various committees, Board Credit Committee, and Board Audit and Risk Committee. These committees are responsible for developing and monitoring risk policies in their specific areas and report regularly to the Board of Directors. 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 include Management Committee, Management Credit Committee and Asset & Liability Committee.

### 3.1.4 Risk Governance Structure, Roles and Responsibilities

The Bank addresses the challenge of risks by applying leading practices that are supported by a robust governance structure consisting of board level and executive management committees.



The Bank adopts the 'three-pronged line of defense' model to underpin its approach to strong risk management principles. Through this model, the Bank monitors, manages and mitigates its material risks on a Bank-wide basis. Risk governance is maintained through delegation of authority from the board, down to management hierarchy, supported by committee structure both at the board level and at management level. The delegation of risk management responsibilities across the Bank is structured to ensure that decisions are enacted at the most appropriate level, in line with business objectives, subject to robust and effective review. Strategic business decisions are taken within a Board-approved risk appetite with the executive and risk committees closely monitoring risk profiles against this appetite.

| RISK GOVERNANCE FRAMEWORK                                  |                                                                                                                                                                         |                                                                                                                                                                                                                      |
|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FIRST LINE OF DEFENCE                                      | SECOND LINE OF DEFENCE                                                                                                                                                  | THIRD LINE OF DEFENCE                                                                                                                                                                                                |
| Daily risk management, monitoring and high level oversight | Risk oversight and challenges, policies and methodologies.                                                                                                              | Independent assurance of risk management                                                                                                                                                                             |
| Business units and risk-takers                             | <input type="checkbox"/> Risk Committees<br><input type="checkbox"/> Chief Risk Officer, Head of Risk in the bank.<br><input type="checkbox"/> Risk Management function | <input type="checkbox"/> Audit Committee<br><input type="checkbox"/> Internal Audit<br><input type="checkbox"/> External Audit<br><input type="checkbox"/> Regulators<br><input type="checkbox"/> External Assessors |

### First Line of Defence - Risk Management and Ownership

The primary responsibilities and objectives of the first line of defence include:

- Managing risks/implementing actions to manage and treat risks at transaction level;
- Implementing risk management processes on an ongoing basis as changes occur with business mix, systems, or regulatory and other requirements;
- Executing risk assessments and identifying emerging risks at the transaction/business case level.

### Second Line of Defence - Risk Oversight

The main objective of the second line of defence is to provide oversight of the execution of the frontline controls. The second line of defence is responsible for monitoring the internal controls that have been designed with the following main responsibilities:

- Establishing risk management policies and processes;
- Strategically linking the controls of risk enterprise-wide;
- Providing guidance and coordination among all monitoring participants (risk management, compliance and legal divisions);
- Identifying enterprise trends, synergies, and opportunities for change;
- Initiating change, integrating, and making new monitoring processes operational; and
- Oversight over key risks.

### Third Line of Defence - Risk Assurance

The third line of defence is responsible for assessing and providing independent assurance on the adequacy, appropriateness, and effectiveness of FBN's overall risk management framework, policy and risk plan implementation. It provides independent perspectives on the overall control framework and tests the adequacy of the controls design and effectiveness. The main duties of this line of defense include:

- Performing periodic reviews based on a rationalized and systematized approach that allows for risk assessment and governance reporting;

- Providing oversight on the risk management process;
- Reporting to the executive management committee, the audit committee, and the board of directors on the state of the control environment and gaps in the controls or monitoring environment.

**Board Audit & Risk Assessment Committee** evaluates the processes for identifying, assessing, monitoring, and managing key risk areas; it also evaluates the adequacy of the Bank's risk management systems and control environment.

**Board Credit Committee** is responsible for approving the Bank's credit risk management strategies, policies, standards, products, approval limits/authorities and risk appetite.

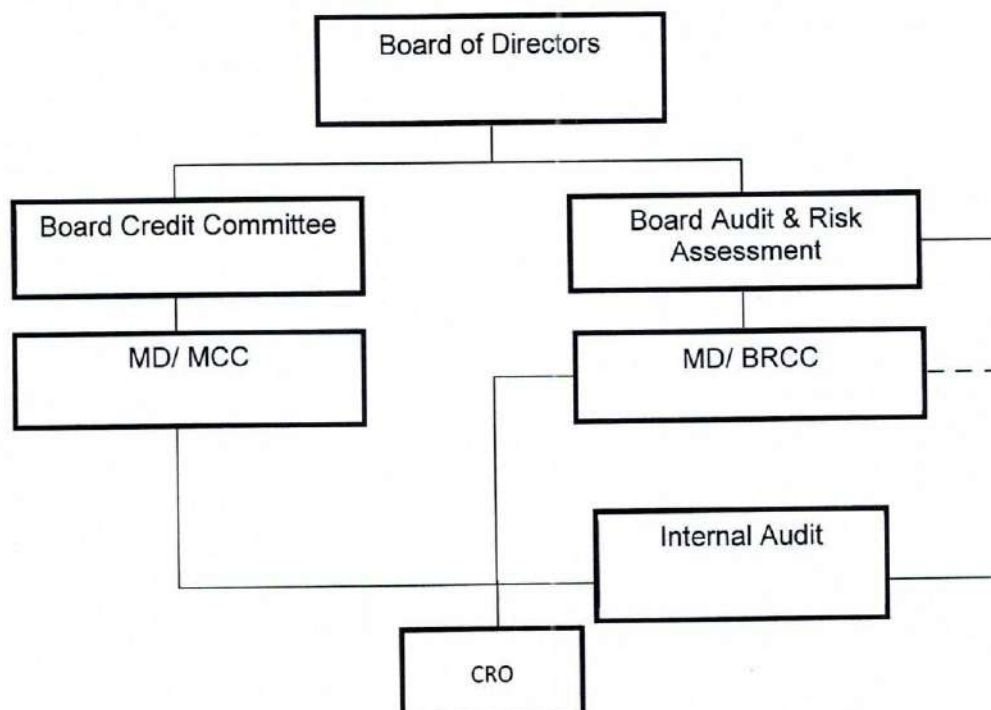
**Management Committee** is responsible for formulating policies; monitoring implementation of risk policies; reviewing risk reports for presentation to the Board/Board committees; and Implementing Board decisions across the Bank.

**Management Credit Committee** review proposals in respect of credit policies and standards and endorse them to the Board of Directors for approval; approve credit facility requests within limits defined by FBN's credit policy; recommend portfolio plan/strategy of the Bank for the approval of the Board and monitor on an ongoing basis, the Bank's risk quality and performance.

**Asset & Liability Committee** review and recommend ALM and market risk management policies to the Board of Directors for approval; provide policy oversight for liquidity, interest rate, foreign currency and equity risks; approve risk strategy in respect of the money, forex and capital markets monitor liquidity, asset and liability mismatch, pricing and interest rate.

### Risk Management Governance Framework

The FirstBank Gambia risk management governance framework is outlined below





### **3.2 Credit risk**

Credit risk is the single largest risk for the Bank's business therefore prominence is placed on effective management of credit risk.

Credit risk is defined as the potential that a borrower or counter party of FirstBank Gambia will fail to meet obligations in accordance with agreed terms. It is also defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties.

Credit risk arises mainly from commercial and consumer loans and advances and loan commitments arising from such lending activities. It can also arise from credit enhancement provided such as financial guarantees, letters of credit, endorsements and acceptances.

The Risk Management function of the Bank has specific and overall responsibility for facilitating risk asset creation and exposure management processes in the Bank.

#### **3.2.1 Management of Credit Risk**

The Credit Risk Policy Manual is the primary reference document for creating and managing credit risk exposures in the Bank. The manual outlines the general policies and procedures, framework for credit risk management in the Bank and incorporates provisions for marketing, risk analysis, approval, administration, monitoring and reporting of risk exposures.

The Credit Risk Management Policy Manual is designed to:

- ☐ Standardize credit policies for the Bank, give employees clear and consistent direction for the creation of risk exposures across all asset creating business units;
- ☐ Provide a comprehensive guide and framework in creating and managing risk assets;
- ☐ Ensure prompt identification of problem credits and prudent management of decline in credit quality;
- ☐ Outline the requirements for administration and reporting of individual exposures and the overall risk asset portfolio; and
- ☐ Provide a framework for the on-going maintenance of the Bank's risk management policies and processes.

Credit risk management policies and procedures are articulated by the Risk Management function of the Bank. The Chief Risk Officer has overall responsibility for compiling and presenting credit risk management policies to the Management Credit Committee (MCC) for review and endorsement to the Board of Directors for approval. The Board of Directors shall approve credit risk management policies and such approval shall be evidenced by the extract of the minutes of meeting of the Board of Directors.

#### **3.2.2 Risk limit control and mitigation policies**

The Bank manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries and countries.

Such risks are monitored on a regular basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product, industry sector and counterparty are set by the Board of Directors on the recommendation of the Chief Risk Officer.

**(a) Portfolio limits**

In line with the Bank's credit policy, a detailed portfolio plan is prepared annually and provides a framework for creation of credits and risk appetite development. In drawing up the plan, the Bank reviews macro-economic, regulatory and political factors, identifies sectors/industries with opportunity as well as the Bank's business targets to determine appropriate portfolio and sub-portfolio limits.

The Bank's Portfolio limit includes:

- Maintain aggregate large exposure of not more than 400% of Bank's shareholders' funds;
- Maintain minimum weighted average obligor risk rating (obligor-WARR) of 'Ba2';
- Maintain minimum weighted average facility risk rating (facility-WARR) of 'Ba2'.

The Bank adopts Industry/economic sector limits on its loan portfolio, in line with the following policies:

- The Bank would strive to limit its exposure to any single industry to not more than 20% of its loan portfolio and such industry must be rated 'Baa3' or better;
- No more than 15% of the Bank's portfolio would be in any industry rated 'Ba3' or worse;
- No more than 10% of the Bank's portfolio in any single industry rated 'B3' or worse.

**(b) Geographical limits**

Presently, the Bank's exposures outside Gambia are limited, as the Bank operate within country limits as defined by the Group Boards of Directors. In addition, the Bank has a fully developed country risk rating system that could be employed, should the need arise. In such eventuality, limits will be graduated on country risk rating.

**(c) Single obligor limits**

The Bank as a matter of policy does not lend above the regulatory lending limit. Internal guidance limits are also set to create a prudent buffer.

For all retail borrowers, limits are kept low and graduated with credit scoring, forecast cash flow and realizable value of collateral. The Bank shall apply the granularity criterion on its retail credit portfolio:

- No single retail loan should amount to more than 0.2% of total retail portfolio.

Approval limits are set by the Board of Directors and reviewed from time to time as the circumstances of the Bank demand. Exposure to credit risk is also managed through regular analysis of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

The Bank also sets internal credit approval limits for various levels in the credit process and these are shown in the table below.

| STANDARD CREDIT APPROVAL GRID FOR WHOLESALE AND RETAIL LENDING |                                   |                      |      |                            |                                                                             |
|----------------------------------------------------------------|-----------------------------------|----------------------|------|----------------------------|-----------------------------------------------------------------------------|
| Approval levels                                                |                                   | Investment grade (D) |      | Non - investment grade (D) |                                                                             |
| 1                                                              | BOD                               |                      | 0    |                            | >25,000, 000 but not more than 15% of SHF or 75% of SOL/legal lending limit |
| 3                                                              | BCC                               |                      | 0.00 |                            | 10,000,000.00                                                               |
| 4                                                              | MCC                               |                      | 0.00 |                            | 5,000,000.00                                                                |
| 5                                                              | Head Business + Head Risk+ MD/CEO |                      | 0.00 |                            | 1,000,000.00                                                                |
| 6                                                              | Head Business + Head Risk         |                      | 0.00 |                            | 200,000.00                                                                  |



### 3.2.3 Collateral held as security to mitigate credit risk

The Bank employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Bank has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

Collateral values are assessed by a professional at the time of loan origination and are thereafter monitored in accordance with the provisions of the credit policy. The principal collateral types for loans and advances are:

- Cash/Treasury bill/Government securities.
- Legal Mortgage over residential properties, business real estates in prime locations.
- Charge over business fixed and floating assets as well as inventory
- Guarantee from acceptable corporates
- Equitable Mortgage on real estates in prime locations
- Negative Pledge
- Domiciliation of receivables from acceptable corporates.

Debt securities, treasury and other eligible bills are generally unsecured, except for asset-backed securities and similar instruments, which are secured by portfolios of financial instruments. For exposures to corporate and large institutions, the Bank will often require the collateral to include a first charge over land and buildings owned and occupied by the business, a mortgage debenture over the Company's undertaking on one or more of its assets and keyman insurance.

No loan allowance is recognized for the portion of the Bank's financial assets which are fully collateralized by cash in the same currency in accordance with the Bank's expected credit loss model. The carrying amount of such financial assets is **D4.28 million** as at 31 December, 2024 (2023: D3.11 m).

The Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Bank since the prior period.

The Bank takes physical possession of properties or other assets held as collateral and uses external agents to realise the value as soon as practicable to settle indebtedness. Any surplus funds realized from such disposal are returned to the borrower or are otherwise dealt with in accordance with appropriate regulations. The assets in such cases are not carried on the Bank's balance sheet.

The Bank closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses. The repossessed assets are sold as soon as practicable, with proceeds realized from the sale used to reduce the outstanding indebtedness of the customers. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

### 3.2.3.1 Collateral held as security to mitigate credit risk

|                                     | Gross Exposure | Impairment Allowance | Carrying Amount | Fair value of Collateral held |
|-------------------------------------|----------------|----------------------|-----------------|-------------------------------|
|                                     | 'thousand      | 'thousand            | 'thousand       | 'thousand                     |
| <b>Credit-Impaired assets</b>       |                |                      |                 |                               |
| Retail portfolio                    |                |                      |                 |                               |
| - Overdrafts                        | 2,299          | 452                  | 1,847           | -                             |
| - Term loans                        | 27,834         | 26,225               | 1,609           | 5,367                         |
| - Mortgages                         | -              | -                    | -               | -                             |
| Corporate portfolio                 |                |                      |                 |                               |
| - Overdrafts                        | 2,470          | 170                  | 2,300           | 33,439                        |
| - Term loans                        | 1,198          | 120                  | 1,078           | 4,000                         |
| - Project Finance                   | -              | -                    | -               | -                             |
| <b>Total Credit Impaired Assets</b> | <b>33,801</b>  | <b>26,967</b>        | <b>6,835</b>    | <b>42,806</b>                 |

### 3.2.4 Exposure Management

To minimise the risk and occurrence of loss as a result of decline in quality and non-performance of risk assets, clear requirements, and guidelines for on-going management of the risk asset portfolio and individual risk exposures are defined. On-going exposure management entails collateral management, facility performance monitoring, exposure quality reviews, prompt, and timely identification of decline in quality and risk portfolio reporting.

### 5.2.5 Delinquency Management/Loan Workout

The Bank's delinquency management process involves effective and timely management of accounts showing signs of delinquency to reduce the crystallisation of impairment loss. In line with the Bank's delinquency management process, all activities are geared towards resuscitating delinquent loans and includes restructuring and loan work-out arrangements.

### 3.2.6 Credit Recovery

In the event of continued delinquency and failure of remediation, full credit recovery action is initiated to recover on such exposures and minimise the overall credit loss to the Bank. Recovery action may include appointment of a receiver manager, external recovery agent and/or sale of pledged assets.

### 3.2.7 Write Off

The Bank writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Bank may write-off financial assets that are still subject to enforcement activity. However, in all cases, it must have been fully provisioned and remained in arrears for over two (2) years in accordance with the guidelines of the Central Bank of the Gambia (CBG). There is no write off of financial asset during the year



ended 31 December 2024; 2023 (Nil). The Bank still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

### **3.2.8 Governance structure around the ECL model**

The governance around ECL model centers on oversight functions of primary stakeholders. Oversight function is provided over the following:

- I. Obligor ratings: The risk rating committee comprising of Senior Credit Officers at the Group office with sufficient experience and expertise reviews and approves ratings. The committee is headed by Group Head Credit Analysis and Processing while the Group Chief Risk Officer provides overall approval or decline.
- II. Loss Given Default: LGD derivation revolves around recoverable cashflows mainly from collaterals. Acceptable collateral is well outlined in the bank's credit policy covering type, location, coverage and realizability. In addition, the LGD model incorporates estimates from Moody's global emerging market which includes data from Gambia and Nigeria. Collateral data is aggregated and managed by the credit risk management teams. Periodic review is carried out by internal audit to test completeness and precision of collateral information applied in the model.
- III. Derivation of Credit Conversion Factor (CCF), Exposure at Default (EAD), scenarios and the use of forward-looking estimates. Data utilized in deriving these estimates are sourced from the core banking applications and Moody's data buffet which are highly secured and well controlled. However, a team of IT experts still carry out periodic checks for system vulnerability, performance, and deficiency.
- IV. Probability of Default: PD is not only estimated on the risk characteristics of a particular obligor but also the economic environment and the degree to which it affects the obligor. Thus, the information available to estimate PD derived from two broad categories:
  - Macroeconomic information like house price indices, unemployment, GDP growth rates, etc. - this information remains the same for multiple obligors;
  - Obligor specific information like revenue growth (wholesale), number of times delinquent in the past six months (retail), etc. - this information is specific to a single obligor and can be either static or dynamic in nature.

Overall, review of completeness and accuracy is jointly carried out by credit risk team, internal control on regular basis and by internal audit periodically.

### **3.2.9 Grouping of instruments for losses measured on collective basis**

To estimate credit losses for retail portfolio, the Bank adopts a model which groups loans with similar or homogeneous characteristics together and this is mainly based on the product types. Bank's products are segmented in to four broad categories namely Credit Cards, Mortgages, Term loans and Overdrafts in line with Group segmentation.

Models for Probability of default and loss given default are built in line with the segmentation and the output provide PD and LGD for each of the product category while EAD is applied at individual level.

PD for each product category is calculated as the ratio of the loans which have defaulted to the total count of the loans in the product group while LGD is estimated based on account balances, recoveries, and collateral cover.

The appropriateness of groupings is monitored and reviewed on a periodic basis by the Credit Risk team.

### 3.2.10 Credit risk measurement

In measuring credit risk of financial assets (loans and advances to customers and to banks, Investment securities and loan commitments) at a counterparty level, the Bank reflects the following components:

- The character and capacity to pay of the client or counterparty to meet its contractual obligations;
- Current exposures to the counterparty and its likely future development;
- Credit history of the counterparty; and
- The likely recovery ratio in case of default obligations – value of collateral and other ways out.

### Obligor Risk Rating

The Bank has a robust internal rating system it leverages on to determine credit worthiness of its borrowers and likelihood of default. The rating scale shown below reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes.

The obligor risk rating grids is based on a 21-master rating scale mapped in to 9 buckets to provide a pre-set objective basis for making credit decisions and estimating expected credit loss (ECL) in line with IFRS 9 requirements. The rating adopted depends on outcome of quantitative and qualitative factors considered on the customer and reflects the inherent risks associated with each customer.

The qualitative and quantitative criteria used in each of the 21 levels on the credit rating scale are detailed below:

#### Qualitative Criteria

These focus on subjective or non-financial risk drivers:

- Quality and depth of management
- Corporate governance standards
- Industry risk profile and market position
- Operational efficiency and internal controls

Each obligor is assigned a composite score based on these inputs, which maps to one of the 21 rating levels (e.g., 1 = highest quality, 21 = default).

#### Quantitative Criteria

These are data-driven financial metrics, including but not limited to:

- Leverage ratios (e.g., Debt-to-Equity, Debt-to-EBITDA)
- Liquidity ratios (e.g., Current ratio, Quick ratio)
- Profitability indicators (e.g., Return on Assets, Net Margin)
- Cash flow stability and adequacy (e.g., Debt Service Coverage Ratio)
- Repayment performance (e.g., number of days past due, arrears frequency).

The rating tools are reviewed and upgraded when necessary. The Bank regularly validates the performance of the rating tools and their predictive powers regarding default events.



Each risk bucket may be denoted alphabetically and by range of scores as follows:

| Scale Rating |      |     | Description                                                                        | Grade                |
|--------------|------|-----|------------------------------------------------------------------------------------|----------------------|
| 1            | Aaa  | Aaa | Highest quality, with minimal credit risk                                          | Investment Grade     |
| 2            | Aa1  | Aa  | High quality, subject to very low credit risk                                      |                      |
| 3            | Aa2  |     |                                                                                    |                      |
| 4            | Aa3  |     |                                                                                    |                      |
| 5            | A1   | A   | Considered upper-medium grade and are subject to low credit risk                   |                      |
| 6            | A2   |     |                                                                                    |                      |
| 7            | A3   |     |                                                                                    |                      |
| 8            | Baa1 | Baa | Considered medium-grade and may possess certain speculative characteristics        |                      |
| 9            | Baa2 |     |                                                                                    |                      |
| 10           | Baa3 |     |                                                                                    |                      |
| 11           | Ba1  | Ba  | Considered to have speculative elements and are subject to substantial credit risk |                      |
| 12           | Ba2  |     |                                                                                    |                      |
| 13           | Ba3  |     |                                                                                    |                      |
| 14           | B1   | B   | Considered speculative and are subject to high credit risk                         | Non-Investment Grade |
| 15           | B2   |     |                                                                                    |                      |
| 16           | B3   |     |                                                                                    |                      |
| 17           | Caa1 | Caa | Considered to be of poor standing and are subject to very high credit risk         |                      |
| 18           | Caa2 |     |                                                                                    |                      |
| 19           | Caa3 |     |                                                                                    |                      |
| 20           | Ca   | Ca  | In or near default, with possibility of recovery                                   |                      |
| 21           | C    | C   | In default with little chance of recovery                                          |                      |

### 3.2.11 Expected Credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has the credit risk continuously monitored by the Bank.
- If a significant increase in credit risk (SICR) since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Please refer to note 3.2.11(a) for a description of how the Bank determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Refer to note 3.2.11(b) for a description of credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Refer to note 3.2.11(c) for a description of inputs, assumptions and estimation techniques used in measuring the ECL.

- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note 3.2.11(d) includes an explanation of how the Bank has incorporated this in its ECL models.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3)

The key judgements and assumptions adopted by the Bank in addressing the requirements of the standard are discussed below:

However, the simplified approach has been adopted for trade receivables and other assets.

### **Assessment of significant increase in credit risk**

The Bank considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

### **Corporate portfolio, Investment Securities and Placements with financial institutions**

#### **Quantitative Criteria:**

Downward rating migration as at reporting date compared to initial rating at origination that exceeds specified threshold as specified per table below:

| Criteria                     | Number of notches/rating scale considered significant |
|------------------------------|-------------------------------------------------------|
| Rating Notches Downgrade     | $\geq 4$                                              |
| Poor Credit Rating Threshold | $\geq 17$                                             |
| Default                      | $\geq 20$                                             |

Rating scale 17 and above is considered stage 2 while rating scale 20 and above is considered stage 3. Please refer to **Note 3.2.10** on 21 rating scale adopted by the Bank.

#### **Qualitative Criteria:**

If the borrower is on the watch list and/or the instrument meets one or more of the following criteria:

- Significant increase in credit spread;
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates;
- Actual or expected forbearance or restructuring;
- Actual or expected significant adverse change in operating results of the borrower;
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default;
- Early signs of cashflow/liquidity problems such as delay in servicing of trade creditors/loans.

### **Retail Portfolio**

#### **Quantitative Criteria:**

This is based on the backstop policy disclosed in the next section



### Qualitative Criteria:

If the borrower meets one or more of the following criteria:

- In short-term forbearance;
- Significant modification to contractual terms;
- Previous arrears within the last 3 months;
- Negative credit bureau reports.

The assessment of SICR incorporates forward-looking information (refer to **note 3.2.11(d)** for further information) and is performed on a periodic basis at a counterparty level for all financial instruments held by the Bank.

### Backstop

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments, however specialized facilities are considered to have experienced significant increase in credit risk if the borrower is more than 90 days past due on its contractual repayment. Specialized facilities include lending for Project/ Object finance and Commercial Real Estate.

Backstop criteria for non-specialized facilities

| Stage   | Days in Delinquency |
|---------|---------------------|
| Stage 1 | < 30days            |
| Stage 2 | >= 30 and <90 days  |
| Stage 3 | >= 90 days          |

Backstop criteria for specialized facilities

| Stage   | Days in Delinquency |
|---------|---------------------|
| Stage 1 | < 90days            |
| Stage 2 | >= 90 and <180days  |
| Stage 3 | >= 180days          |

The Bank has not used the low credit risk exemption for any financial instruments in the year ended 31 December 2024.

### Definition of default and credit-impaired assets

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

### Quantitative criteria

The borrower is more than 90 days past due on its contractual payments (with the sole exception of specialized lending for project, object and commercial real estate where a borrower is required to be more than 180 days past due to be considered in default).

## Qualitative criteria

The following qualitative criteria indicates that a borrower is in significant financial difficulty:

- long-term forbearance;
- Deceased borrower;
- Insolvency or Bankruptcy;
- Breach of financial covenant(s);
- Disappearance of an active market for a financial asset due to financial difficulties;
- Concessions made by the lender in relation to the borrower's financial difficulty.

The criteria above have been applied to all financial instruments held by the Bank and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Bank's expected loss calculations.

The 180 days past due default definition used for specialized facilities has been aligned with the definition used for regulatory capital purposes. Therefore, the Bank considers 180 days past due to be a more appropriate default definition and has rebutted the 90 days past due presumption under IFRS 9 for the specialized facilities. This rebuttal is monitored and reviewed by the Credit Risk department on an annual basis to ensure it remains appropriate.

## Cure Criteria

An exposure will move from stage 2 to 1 where probationary period of 90 days is met subject to all payments being up to date with the customer demonstrating ability to maintain future repayments.

An Exposure will move from Stage 3 to 2 where probationary period of 180 days is met and there is consistency in repayment of obligations as and when due.

## Measuring ECL — Explanation of inputs, assumptions, and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.



The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12M PD associated with a given rating is calibrated to a 12M Point in Time PD (PiT PD) using regression analysis while the lifetime PD is developed by applying a cross section regression model which extends the 12-month PiT PD over a long-time horizon. The cross-sectional analysis incorporates time-variant factors, time-invariant factors and idiosyncratic factors.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by facility type.

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower.
- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Bank's recent default data.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type:

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales which has embedded cost of recovery, recovery period and haircuts;
- For unsecured products, the Bank leverages on a statistical model which estimates recovery rate based on analysis of default data. The model takes in to consideration the credit worthiness and borrowers industry in arriving at the recovery rate;
- LGD's are typically set at product level for retail portfolio and counterparty level for the corporate portfolio, investment securities and placements with financial institutions.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by portfolio/product type. Refer to note 3.2.11(d) for an explanation of forward-looking information and its inclusion in ECL calculations.

The assumptions underlying the ECL calculation such as rating migration for determination of PDs and change in collateral values etc. are monitored and reviewed on a quarterly basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

### **Forward-looking information incorporated in the ECL models**

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Bank has performed historical analysis and identified the key macro-economic variables impacting credit risk and expected credit losses for its portfolio.



These variables and their associated impact on the PD, EAD and LGD vary by portfolio type; in addition, expert judgment has also been applied in this process. Forecasts of these macro-economic variables for each of the possible scenarios (upturn, baseline and downturn) are provided by Moody's Analytics economics' team (Group's Vendor) via its platform known as Data Buffet on a quarterly basis. The platform can provide an economic forecast up to 30 years. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical cross sectional regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

Weights are assigned to the possible outcome of each scenario based on statistical regression analysis and expert judgement taking account of the range of possible outcomes each chosen scenario is representative of.

The assessment of SICR is determined using rating migration which are linked to the PDs of each scenario multiplied by the associated scenario weighting, along with qualitative and backstop indicators (see note 3.2.11(a)). This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Bank measures ECL as either a probability weighted 12-month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). This probability weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting.

Generally, in economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, hence the actual outcomes may be significantly different to those projected. Therefore, the Bank considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Bank's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

### **Simplified Approach**

In determining the ECL for other assets, the Bank applies the simplified approach to estimate ECLs, adopting a provision matrix, where the receivables are grouped based on the nature of the transactions, aging of the balances and different historical loss patterns, to determine the lifetime ECLs. The provision matrix estimates ECLs on the basis of historical default rates, adjusted for forward looking estimates e.g. inflation, exchange rates etc. **Refer to Note 25**

### **3.2.12 Modification of financial assets**

The Bank sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Bank monitors the subsequent performance of modified assets. The Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for three consecutive months or more (for non-specialised assets) and six consecutive months or more (for specialised assets).

The Bank continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific models for modified assets.



The following table includes summary information for financial assets with lifetime ECL whose cash flows were modified during the period as part of the Bank's restructuring activities and their respective effect on the Bank's financial performance:

|                                    | Loans and advance to customers |           |
|------------------------------------|--------------------------------|-----------|
|                                    | 'thousand                      | 'thousand |
|                                    | 2024                           | 2023      |
| Amortised cost before modification | -                              | -         |
| Net modification (loss)            | -                              | -         |

### 3.1.2 Credit risk exposure

#### Measurement basis of financial assets and liabilities.

|                                           | Fair Value through P/L<br>'thousand | Fair Value through OCI<br>'thousand | Amortised Cost<br>'thousand | Total<br>'thousand |
|-------------------------------------------|-------------------------------------|-------------------------------------|-----------------------------|--------------------|
| <b>31 December 2024</b>                   |                                     |                                     |                             |                    |
| <b>Financial assets</b>                   |                                     |                                     |                             |                    |
| Cash and bank balances with Central Banks | -                                   | -                                   | 924,179                     | 924,179            |
| Loans and advances to banks               | -                                   | -                                   | -                           | -                  |
| Loans and advances to customers           |                                     |                                     |                             |                    |
| <b>Retail</b>                             |                                     |                                     |                             |                    |
| - Overdrafts                              | -                                   | -                                   | 51,419                      | 51,419             |
| - Term loans                              | -                                   | -                                   | 57,910                      | 57,910             |
| - Mortgage                                | -                                   | -                                   | -                           | -                  |
| <b>Corporate</b>                          |                                     |                                     |                             |                    |
| - Overdrafts                              | -                                   | -                                   | 214,054                     | 214,054            |
| - Term loans                              | -                                   | -                                   | 414,907                     | 414,907            |
| Investment securities:                    |                                     |                                     |                             |                    |
| Amortized cost investments                | -                                   | -                                   | 991,060                     | 991,060            |
| Other assets                              | -                                   | -                                   | 3,991                       | 3,991              |
| <b>Total Financial Assets</b>             | -                                   | -                                   | <b>2,657,520</b>            | <b>2,657,520</b>   |
| <b>Financial liabilities</b>              |                                     |                                     |                             |                    |
| Customer deposits                         | -                                   | -                                   | 2,127,355                   | 2,127,355          |
| Deposits from banks                       | -                                   | -                                   | 106,419                     | 106,419            |
| Other liabilities                         | -                                   | -                                   | 48,638                      | 48,638             |
| <b>Total Financial Liabilities</b>        | -                                   | -                                   | <b>2,282,412</b>            | <b>2,282,412</b>   |

**Measurement basis of financial assets and liabilities.**

|                                      | Fair Value<br>through<br>P/L | Fair<br>Value<br>through<br>OCI | Amortised<br>Cost | Total     |
|--------------------------------------|------------------------------|---------------------------------|-------------------|-----------|
|                                      | 'thousand                    | 'thousand                       | 'thousand         | 'thousand |
| <b>31 December 2023</b>              |                              |                                 |                   |           |
| <b>Financial assets</b>              |                              |                                 |                   |           |
| Cash and balances with Central Banks | -                            | -                               | 623,394           | 623,394   |
| Loans and advances to banks          | -                            | -                               | 50,000            | 50,000    |
| Loans and advances to customers      |                              |                                 |                   |           |
| <b>Retail</b>                        |                              |                                 |                   |           |
| - Overdrafts                         | -                            | -                               | 49,404            | 49,404    |
| - Term loans                         | -                            | -                               | 91,025            | 91,025    |
| - Mortgage                           | -                            | -                               | -                 | -         |
| <b>Corporate</b>                     |                              |                                 |                   |           |
| - Overdrafts                         | -                            | -                               | 275,345           | 275,345   |
| - Term loans                         | -                            | -                               | 429,039           | 429,039   |
| Investment securities:               |                              |                                 |                   |           |
| Amortized cost investments           | -                            | -                               | 605,122           | 605,122   |
| Other assets                         | -                            | -                               | 3,218             | 3,218     |
| <b>Total Financial Assets</b>        | -                            | -                               | 2,126,547         | 2,126,547 |
| <b>Financial liabilities</b>         |                              |                                 |                   |           |
| Customer deposits                    | -                            | -                               | 1,703,539         | 1,703,539 |
| Deposits from banks                  | -                            | -                               | 95,733            | 95,733    |
| Other liabilities                    | -                            | -                               | 52,118            | 52,118    |
| <b>Total Financial Liabilities</b>   | -                            | -                               | 1,851,390         | 1,851,390 |



### 3.1.3 Maximum exposure to credit risk

#### Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Bank's maximum exposure to credit risk on these assets.

|                              | Balances with Central Banks              |                                          |                                          |                                                | 31 Dec 2023         |                     |
|------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------------|---------------------|---------------------|
|                              | 31 Dec 2024                              |                                          |                                          |                                                |                     |                     |
|                              | Stage 1<br>12-month<br>ECL<br>'thousands | Stage 2<br>Lifetime<br>ECL<br>'thousands | Stage 3<br>Lifetime<br>ECL<br>'thousands | Purchased<br>Credit-<br>Impaired<br>'thousands | Total<br>'thousands | Total<br>'thousands |
| <b>Credit Grade</b>          |                                          |                                          |                                          |                                                |                     |                     |
| Investment grade             | -                                        | -                                        | -                                        | -                                              | -                   | -                   |
| Non-Investment Grade         | 299,116                                  | -                                        | -                                        | -                                              | 299,116             | 202,900             |
| Default                      | -                                        | -                                        | -                                        | -                                              | -                   | -                   |
| <b>Gross Carrying Amount</b> | <b>299,116</b>                           | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                       | <b>299,116</b>      | <b>202,900</b>      |
| Loss allowance               | -                                        | -                                        | -                                        | -                                              | -                   | -                   |
| <b>Carrying Amount</b>       | <b>299,116</b>                           | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                       | <b>299,116</b>      | <b>202,900</b>      |

|                              | Loans and Advances to Banks              |                                          |                                          |                                                | 31 Dec 2023         |                     |
|------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------------|---------------------|---------------------|
|                              | 31 Dec 2024                              |                                          |                                          |                                                |                     |                     |
|                              | Stage 1<br>12-month<br>ECL<br>'thousands | Stage 2<br>Lifetime<br>ECL<br>'thousands | Stage 3<br>Lifetime<br>ECL<br>'thousands | Purchased<br>Credit-<br>Impaired<br>'thousands | Total<br>'thousands | Total<br>'thousands |
| <b>Credit Grade</b>          |                                          |                                          |                                          |                                                |                     |                     |
| Investment Grade             | -                                        | -                                        | -                                        | -                                              | -                   | 50,000              |
| Non-Investment Grade         | -                                        | -                                        | -                                        | -                                              | -                   | -                   |
| Default                      | -                                        | -                                        | -                                        | -                                              | -                   | -                   |
| <b>Gross Carrying Amount</b> | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                       | <b>-</b>            | <b>50,000</b>       |
| Loss allowance               | -                                        | -                                        | -                                        | -                                              | -                   | -                   |
| <b>Carrying Amount</b>       | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                       | <b>-</b>            | <b>50,000</b>       |

|                              | Loans and Advances to Customers - Retail Portfolio |                                          |                                          |                                                | 31 Dec 2023         |                     |
|------------------------------|----------------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------------|---------------------|---------------------|
|                              | 31 Dec 2024                                        |                                          |                                          |                                                |                     |                     |
|                              | Stage 1<br>12-month<br>ECL<br>'thousands           | Stage 2<br>Lifetime<br>ECL<br>'thousands | Stage 3<br>Lifetime<br>ECL<br>'thousands | Purchased<br>Credit-<br>Impaired<br>'thousands | Total<br>'thousands | Total<br>'thousands |
| <b>Credit Grade</b>          |                                                    |                                          |                                          |                                                |                     |                     |
| Investment Grade             | -                                                  | -                                        | -                                        | -                                              | -                   | -                   |
| Non-Investment Grade         | 109,533                                            | 2,692                                    | -                                        | -                                              | 112,225             | 144,478             |
| Default                      | -                                                  | -                                        | 30,129                                   | -                                              | 30,129              | 2,107               |
| <b>Gross Carrying Amount</b> | <b>109,533</b>                                     | <b>2,692</b>                             | <b>30,129</b>                            | <b>-</b>                                       | <b>142,354</b>      | <b>146,585</b>      |
| Loss allowance               | (5,891)                                            | (457)                                    | (26,677)                                 | -                                              | (33,025)            | (6,130)             |
| <b>Carrying Amount</b>       | <b>103,642</b>                                     | <b>2,235</b>                             | <b>3,452</b>                             | <b>-</b>                                       | <b>109,329</b>      | <b>140,455</b>      |

**Loans and Advances to Customers - Corporate Portfolio**

|                              | 31 Dec 2024                              |                                          |                                          |                                                | 31 Dec 2023         |                     |
|------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------------|---------------------|---------------------|
|                              | Stage 1<br>12-month<br>ECL<br>'thousands | Stage 2<br>Lifetime<br>ECL<br>'thousands | Stage 3<br>Lifetime<br>ECL<br>'thousands | Purchased<br>Credit-<br>Impaired<br>'thousands | Total<br>'thousands | Total<br>'thousands |
| <b>Credit Grade</b>          |                                          |                                          |                                          |                                                |                     |                     |
| Investment Grade             | -                                        | -                                        | -                                        | -                                              | -                   | -                   |
| Non-Investment Grade         | 626,607                                  | 7                                        | -                                        | -                                              | 626,614             | 705,559             |
| Default                      | -                                        | -                                        | 3,667                                    | -                                              | 3,667               | -                   |
| <b>Gross Carrying Amount</b> | 626,607                                  | 7                                        | 3,667                                    | -                                              | 630,281             | 705,559             |
| Loss allowance               | (1,029)                                  | (1)                                      | (290)                                    | -                                              | (1,320)             | (1,175)             |
| <b>Carrying Amount</b>       | 625,578                                  | 6                                        | 3,377                                    | -                                              | 628,961             | 704,384             |
| <b>Total</b>                 | <b>729,221</b>                           | <b>2,240</b>                             | <b>6,829</b>                             | <b>-</b>                                       | <b>738,290</b>      | <b>844,839</b>      |

**Investment Securities - at Amortised Cost**

|                              | 31 Dec 2024                              |                                          |                                          |                                                | 31 Dec 2023         |                     |
|------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------------|---------------------|---------------------|
|                              | Stage 1<br>12-month<br>ECL<br>'thousands | Stage 2<br>Lifetime<br>ECL<br>'thousands | Stage 3<br>Lifetime<br>ECL<br>'thousands | Purchased<br>Credit-<br>Impaired<br>'thousands | Total<br>'thousands | Total<br>'thousands |
| <b>Credit Grade</b>          |                                          |                                          |                                          |                                                |                     |                     |
| Investment Grade             | -                                        | -                                        | -                                        | -                                              | -                   | -                   |
| Non-Investment Grade         | 991,068                                  | -                                        | -                                        | -                                              | 991,068             | 605,208             |
| Default                      | -                                        | -                                        | -                                        | -                                              | -                   | -                   |
| <b>Gross Carrying Amount</b> | 991,068                                  | -                                        | -                                        | -                                              | 991,068             | 605,208             |
| Loss allowance               | (8)                                      | -                                        | -                                        | -                                              | (8)                 | (86)                |
| <b>Carrying Amount</b>       | <b>991,060</b>                           | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                       | <b>991,060</b>      | <b>605,122</b>      |

**Other Assets -Simplified approach**

|                              | 31 Dec 2024                              |                                          |                                          |                                                | 31 Dec 2023         |                     |
|------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------------|---------------------|---------------------|
|                              | Stage 1<br>12-month<br>ECL<br>'thousands | Stage 2<br>Lifetime<br>ECL<br>'thousands | Stage 3<br>Lifetime<br>ECL<br>'thousands | Purchased<br>Credit-<br>Impaired<br>'thousands | Total<br>'thousands | Total<br>'thousands |
| <b>Credit Grade</b>          |                                          |                                          |                                          |                                                |                     |                     |
| Investment Grade             | -                                        | -                                        | -                                        | -                                              | -                   | -                   |
| Non-Investment Grade         | -                                        | -                                        | -                                        | -                                              | -                   | -                   |
| Default                      | 4,411                                    | -                                        | -                                        | -                                              | 4,411               | 3,557               |
| <b>Gross Carrying Amount</b> | 4,411                                    | -                                        | -                                        | -                                              | 4,411               | 3,557               |
| Loss allowance               | (420)                                    | -                                        | -                                        | -                                              | (420)               | (339)               |
| <b>Carrying Amount</b>       | <b>3,991</b>                             | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                       | <b>3,991</b>        | <b>3,218</b>        |



|                    | 0-30 days | 31-60 days | 61-180 days | 181 -365 days | > 365 days | Total |
|--------------------|-----------|------------|-------------|---------------|------------|-------|
| Receivables        | 2,700     | 68         | 1,036       | 606           | 0          | 4,410 |
| Expected Loss rate | 2%        | 10%        | 20%         | 25%           | 100.0%     |       |
| ECL                | 54        | 7          | 207         | 152           | 0          | 420   |

### 3.1.4 Concentration of risks of financial assets with credit risk exposure

#### (a) Geographical sectors

The following table breaks down the Bank's credit exposure at their carrying amounts (without taking into account any collateral held or other credit support), as categorised by geographical region as of 31 December 2023. For this table, the Bank has allocated exposures to regions based on the country of domicile of its counterparties. Investment securities and financial assets held for trading analysed below excludes investments in equity instruments.

|                                                       | Gambia<br>'thousands | Africa<br>'thousands | Europe<br>'thousands | America<br>'thousands | Total<br>'thousands |
|-------------------------------------------------------|----------------------|----------------------|----------------------|-----------------------|---------------------|
| Balances with central bank                            | 299,116              | -                    | -                    | -                     | 299,116             |
| Loans and advances to banks                           | -                    | -                    | -                    | -                     | -                   |
| Loans and advances to customers - Retail portfolio    |                      |                      |                      |                       |                     |
| - Overdrafts                                          | 51,419               | -                    | -                    | -                     | 51,419              |
| - Term loans                                          | 57,910               | -                    | -                    | -                     | 57,910              |
| - Mortgage                                            | -                    | -                    | -                    | -                     | -                   |
| Loans and advances to customers - Corporate portfolio |                      |                      |                      |                       |                     |
| - Overdrafts                                          | 214,054              | -                    | -                    | -                     | 214,054             |
| - Term loans                                          | 414,907              | -                    | -                    | -                     | 414,907             |
| Financial assets at FVPL                              | -                    | -                    | -                    | -                     | -                   |
| Investment securities                                 |                      |                      |                      |                       |                     |
| - FVOCI Investments                                   | -                    | -                    | -                    | -                     | -                   |
| - Amortized cost investments                          | 991,060              | -                    | -                    | -                     | 991,060             |
| Other assets                                          | 3,991                | -                    | -                    | -                     | 3,991               |
| <b>31 December 2024</b>                               | <b>2,032,457</b>     | <b>-</b>             | <b>-</b>             | <b>-</b>              | <b>2,032,457</b>    |

Credit risk exposure relating to off balance sheet items are as follows

|                                                        |                |          |          |          |                |
|--------------------------------------------------------|----------------|----------|----------|----------|----------------|
| Loan commitments                                       | 73,235         | -        | -        | -        | 73,235         |
| Letters of credit and other credit related obligations | 243,859        | -        | -        | -        | 243,859        |
| <b>31 December 2024</b>                                | <b>317,094</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>317,094</b> |

**Concentration of risks of financial assets with credit risk exposure continued**

(b) Industry sectors

The following table breaks down the Bank's credit exposure at carrying amounts (without taking into account any collateral held or other credit support), as categorised by the industry sectors of the Bank's counterparties. Investment securities and financial assets held for trading analysed below excludes investments in equity instruments.

|                             | Balances with<br>central bank | Loans and<br>advances to<br>banks | Financial<br>assets at<br>FVPL | Investments -<br>Amortised<br>cost | Asset pledged<br>as collateral | Other assets |
|-----------------------------|-------------------------------|-----------------------------------|--------------------------------|------------------------------------|--------------------------------|--------------|
|                             | 'thousands                    | 'thousands                        | 'thousands                     | 'thousands                         | 'thousands                     | 'thousands   |
| Agriculture                 | -                             | -                                 | -                              | -                                  | -                              | -            |
| Oil and gas                 | -                             | -                                 | -                              | -                                  | -                              | -            |
| Consumer credit             | -                             | -                                 | -                              | -                                  | -                              | -            |
| Manufacturing               | -                             | -                                 | -                              | -                                  | -                              | -            |
| Real estate                 | -                             | -                                 | -                              | -                                  | -                              | -            |
| Construction                | -                             | -                                 | -                              | -                                  | -                              | -            |
| Finance and<br>insurance    | -                             | -                                 | -                              | -                                  | -                              | -            |
| Transportation              | -                             | -                                 | -                              | -                                  | -                              | -            |
| Communication               | -                             | -                                 | -                              | -                                  | -                              | -            |
| General<br>commerce         | -                             | -                                 | -                              | -                                  | -                              | 3,991        |
| Utilities                   | -                             | -                                 | -                              | -                                  | -                              | -            |
| Retail services             | -                             | -                                 | -                              | -                                  | -                              | -            |
| Public sector               | 299,116                       | -                                 | -                              | 991,060                            | -                              | -            |
| <b>31 December<br/>2024</b> | <b>299,116</b>                | <b>-</b>                          | <b>-</b>                       | <b>991,060</b>                     | <b>-</b>                       | <b>3,991</b> |

**Loans and advances to customers - Retail Portfolio**

|                         | Overdraft     | Term loans    | Credit Cards | Mortgage   | Total          |
|-------------------------|---------------|---------------|--------------|------------|----------------|
|                         | 'thousands    | 'thousands    | 'thousands   | 'thousands | 'thousands     |
| Agriculture             | 12            | -             | -            | -          | 12             |
| Oil and gas             | 22            | -             | -            | -          | 22             |
| Consumer credit         | 3,997         | 49,210        | -            | -          | 53,207         |
| Manufacturing           | -             | -             | -            | -          | -              |
| Real estate             | -             | -             | -            | -          | -              |
| Construction            | 843           | -             | -            | -          | 843            |
| Finance and insurance   | 30,916        | 8,478         | -            | -          | 39,394         |
| Transportation          | -             | -             | -            | -          | -              |
| Communication           | -             | -             | -            | -          | -              |
| General commerce        | 10,745        | -             | -            | -          | 10,745         |
| Utilities               | -             | -             | -            | -          | -              |
| Retail services         | 4,884         | 222           | -            | -          | 5,106          |
| Public sector           | -             | -             | -            | -          | -              |
| <b>31 December 2024</b> | <b>51,419</b> | <b>57,910</b> | <b>-</b>     | <b>-</b>   | <b>109,329</b> |



**Loans and advances to customers - Corporate Portfolio**

|                         | Overdraft      | Term loans     | Project finance | Advances under finance lease | Total          |
|-------------------------|----------------|----------------|-----------------|------------------------------|----------------|
|                         | 'thousands     | 'thousands     | 'thousands      | 'thousands                   | 'thousands     |
| Agriculture             | -              | 351,700        | -               | -                            | 351,700        |
| Oil and gas             | 20,509         | 29,905         | -               | -                            | 50,414         |
| Consumer credit         | -              | -              | -               | -                            | -              |
| Manufacturing           | 32,729         | -              | -               | -                            | 32,729         |
| Real estate             | -              | -              | -               | -                            | -              |
| Construction            | 9,706          | 1,073          | -               | -                            | 10,779         |
| Finance and insurance   | 271            | -              | -               | -                            | 271            |
| Transportation          | -              | -              | -               | -                            | -              |
| Communication           | -              | 27,956         | -               | -                            | 27,956         |
| General commerce        | 150,800        | 2,396          | -               | -                            | 153,196        |
| Utilities               | -              | -              | -               | -                            | -              |
| Retail services         | 39             | 1,877          | -               | -                            | 1,916          |
| Public sector           | -              | -              | -               | -                            | -              |
| <b>31 December 2023</b> | <b>214,054</b> | <b>414,907</b> | <b>-</b>        | <b>-</b>                     | <b>628,961</b> |

Credit risk exposure relating to off balance sheet items are as follows

|                       | Loan commitments<br>31 Dec 2024<br>'thousands | Letter of credit and other related obligations<br>31 Dec 2024<br>'thousands |
|-----------------------|-----------------------------------------------|-----------------------------------------------------------------------------|
| Agriculture           | -                                             | -                                                                           |
| Oil and gas           | 468                                           | -                                                                           |
| Consumer credit       | 219                                           | -                                                                           |
| Manufacturing         | 15,846                                        | -                                                                           |
| Real estate           | -                                             | -                                                                           |
| Construction          | 293                                           | -                                                                           |
| Finance and insurance | 9,167                                         | -                                                                           |
| Transportation        | -                                             | -                                                                           |
| Communication         | -                                             | -                                                                           |
| General commerce      | 47,242                                        | -                                                                           |
| Utilities             | -                                             | -                                                                           |
| Retail services       | -                                             | -                                                                           |
| Public sector         | -                                             | 243,859                                                                     |
| <b>TOTAL</b>          | <b>73,235</b>                                 | <b>243,859</b>                                                              |

### 3.1.5 Credit quality

Credit quality of Loans and advances to customers is summarised as follows:

|                                               | Loans to customers - Retail |                          |                            |                        | Total<br>'thousands |
|-----------------------------------------------|-----------------------------|--------------------------|----------------------------|------------------------|---------------------|
|                                               | Overdraft<br>'thousands     | Term loans<br>'thousands | Credit cards<br>'thousands | Mortgage<br>'thousands |                     |
| <b>December 2024</b>                          |                             |                          |                            |                        |                     |
| Stage 1 loans                                 | 51,933                      | 57,596                   | -                          | -                      | 109,529             |
| Stage 2 loans                                 | 1,191                       | 1,511                    | -                          | -                      | 2,702               |
| Stage 3 loans                                 | 2,293                       | 27,830                   | -                          | -                      | 30,123              |
| <b>Gross</b>                                  | <b>55,417</b>               | <b>86,937</b>            | <b>-</b>                   | <b>-</b>               | <b>142,354</b>      |
| Less: allowance for impairment<br>(note 18.1) | (3,998)                     | (29,027)                 | -                          | -                      | (33,025)            |
| <b>Net</b>                                    | <b>51,419</b>               | <b>57,910</b>            | <b>-</b>                   | <b>-</b>               | <b>109,329</b>      |
| Stage 1 ECL (see note 18.1)                   | 3,315                       | 2,576                    | -                          | -                      | 5,891               |
| Stage 2 ECL (see note 18.1)                   | 231                         | 226                      | -                          | -                      | 457                 |
| Stage 3 ECL (see note 18.1)                   | 452                         | 26,225                   | -                          | -                      | 26,677              |
| <b>Total</b>                                  | <b>3,998</b>                | <b>29,027</b>            | <b>-</b>                   | <b>-</b>               | <b>33,025</b>       |

|                                             | Loans to customers – Corporate |                          |                                  |                                                     | Total<br>'thousands |
|---------------------------------------------|--------------------------------|--------------------------|----------------------------------|-----------------------------------------------------|---------------------|
|                                             | Overdraft<br>'thousands        | Term loans<br>'thousands | Project<br>Finance<br>'thousands | Advances<br>under<br>finance<br>lease<br>'thousands |                     |
| <b>December 2024</b>                        |                                |                          |                                  |                                                     |                     |
| Stage 1 loans                               | 212,339                        | 414,267                  | -                                | -                                                   | 626,606             |
| Stage 2 loans                               | 1                              | -                        | -                                | -                                                   | 1                   |
| Stage 3 loans                               | 2,476                          | 1,198                    | -                                | -                                                   | 3,674               |
| <b>Gross</b>                                | <b>214,816</b>                 | <b>415,465</b>           | <b>-</b>                         | <b>-</b>                                            | <b>630,281</b>      |
| Less: allowance for impairment<br>(note 20) | (762)                          | (558)                    | -                                | -                                                   | (1,320)             |
| <b>Net</b>                                  | <b>214,054</b>                 | <b>414,907</b>           | <b>-</b>                         | <b>-</b>                                            | <b>628,961</b>      |
| Stage 1 ECL (see note 20)                   | 591                            | 438                      | -                                | -                                                   | 1,029               |
| Stage 2 ECL (see note 20)                   | 1                              | -                        | -                                | -                                                   | 1                   |
| Stage 3 ECL (see note 20)                   | 170                            | 120                      | -                                | -                                                   | 290                 |
| <b>Total</b>                                | <b>762</b>                     | <b>558</b>               | <b>-</b>                         | <b>-</b>                                            | <b>1,320</b>        |



**December 2024**  
**Retail**

**(a) Loans and advances to customers - Stage 1**

The credit quality of the portfolio of loans and advances to customers that are categorized in Stage 1 can be assessed by reference to the internal rating system adopted by the Bank (See section 3.2.2 for an explanation of the internal rating system).

|                | Overdraft     | Term loans    | Credit Cards | Mortgage   | Total          |
|----------------|---------------|---------------|--------------|------------|----------------|
|                | 'thousands    | 'thousands    | 'thousands   | 'thousands | 'thousands     |
| <b>Grades:</b> |               |               |              |            |                |
| Aaa            | -             | -             | -            | -          | -              |
| Aa             | -             | -             | -            | -          | -              |
| A              | -             | -             | -            | -          | -              |
| Baa            | -             | -             | -            | -          | -              |
| Ba             | 33,503        | 8,486         | -            | -          | 41,989         |
| B              | 18,430        | 49,110        | -            | -          | 67,540         |
| Caa            | -             | -             | -            | -          | -              |
| Ca             | -             | -             | -            | -          | -              |
|                | <b>51,933</b> | <b>57,596</b> | <b>-</b>     | <b>-</b>   | <b>109,529</b> |

**(b) Loans and advances - Stage 2**

|                          |              |              |          |          |              |
|--------------------------|--------------|--------------|----------|----------|--------------|
| Past due up to 30 days   | 1,191        | 530          | -        | -        | 1,721        |
| Past due by 30 - 60 days | -            | 500          | -        | -        | 500          |
| Past due 60-90 days      | -            | 481          | -        | -        | 481          |
| Above 90 days            | -            | -            | -        | -        | -            |
| <b>Gross amount</b>      | <b>1,191</b> | <b>1,511</b> | <b>-</b> | <b>-</b> | <b>2,702</b> |

**(c) Loans and advances - Stage 3**

|                               | Overdraft    | Term loans   | Credit Cards | Mortgage   | Total        |
|-------------------------------|--------------|--------------|--------------|------------|--------------|
|                               | 'thousands   | 'thousands   | 'thousands   | 'thousands | 'thousands   |
| Gross amount                  | 2,293        | 27,830       | -            | -          | 30,123       |
| Lifetime ECL- credit impaired | (452)        | (26,225)     | -            | -          | (26,677)     |
| <b>Net amount</b>             | <b>1,841</b> | <b>1,605</b> | <b>-</b>     | <b>-</b>   | <b>3,446</b> |

## Corporate

### (a) Loans and advances to customers - Stage 1

The credit quality of the portfolio of loans and advances to customers that are categorized in Stage 1 can be assessed by reference to the internal rating system adopted by the Group (See section 3.2.2 for an explanation of the internal rating system).

|                | Overdraft      | Term loans     | Project finance | Advances under finance lease | Total          |
|----------------|----------------|----------------|-----------------|------------------------------|----------------|
|                | 'thousands     | 'thousands     | 'thousands      | 'thousands                   | 'thousands     |
| <b>Grades:</b> |                |                |                 |                              |                |
| Aaa            | -              | -              | -               | -                            | -              |
| Aa             | -              | -              | -               | -                            | -              |
| A              | -              | -              | -               | -                            | -              |
| Baa            | -              | -              | -               | -                            | -              |
| Ba             | 212,339        | 414,267        | -               | -                            | 626,606        |
| B              | -              | -              | -               | -                            | -              |
| Caa            | -              | -              | -               | -                            | -              |
| Ca             | -              | -              | -               | -                            | -              |
|                | <b>212,339</b> | <b>414,267</b> | <b>-</b>        | <b>-</b>                     | <b>626,606</b> |

### (b) Loans and advances - Stage 2

|                          |          |          |          |          |          |
|--------------------------|----------|----------|----------|----------|----------|
| Past due up to 30 days   | -        | -        | -        | -        | -        |
| Past due by 30 - 60 days | 1        | -        | -        | -        | 1        |
| Past due 60-90 days      | -        | -        | -        | -        | -        |
| Above 90 days            | -        | -        | -        | -        | -        |
| <b>Gross amount</b>      | <b>1</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>1</b> |

### (c) Loans and advances - Stage 3

|                               | Overdraft    | Term loans   | Project finance | Advances under finance lease | Total        |
|-------------------------------|--------------|--------------|-----------------|------------------------------|--------------|
|                               | 'thousands   | 'thousands   | 'thousands      | 'thousands                   | 'thousands   |
| Gross amount                  | 2,476        | 1,198        | -               | -                            | 3,674        |
| Lifetime ECL- credit impaired | (170)        | (120)        | -               | -                            | (290)        |
| <b>Net amount</b>             | <b>2,306</b> | <b>1,078</b> | <b>-</b>        | <b>-</b>                     | <b>3,384</b> |



### 3.1.6 Collateralized Assets

The financial effect of collateral is presented by disclosing collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed carrying value of the asset ("over-collateralised assets") and (ii) those assets where collateral and other credit enhancements are less than the carrying value of the asset ("under-collateralised assets").

|                                                              | Over-collateralised assets   |                               | Under-collateralised assets  |                               |
|--------------------------------------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|
|                                                              | Carrying value of the assets | Fair value of collateral held | Carrying value of the assets | Fair value of collateral held |
|                                                              | 'thousands                   | 'thousands                    | 'thousands                   | 'thousands                    |
| <b>31 December 2024</b>                                      |                              |                               |                              |                               |
| <b>Financial assets</b>                                      |                              |                               |                              |                               |
| Loans and advances to banks                                  | -                            | -                             | -                            | -                             |
| <b>Loans and advances to customers - Retail portfolio</b>    |                              |                               |                              |                               |
| - Overdrafts                                                 | 43,423                       | 172,973                       | 7,995                        | 2,821                         |
| - Term loans                                                 | 57,423                       | 74,938                        | 487                          | 319                           |
| - Mortgage                                                   | -                            | -                             | -                            | -                             |
| <b>Loans and advances to customers - Corporate portfolio</b> |                              |                               |                              |                               |
| - Overdrafts                                                 | 214,009                      | 702,411                       | 44                           | -                             |
| - Term loans                                                 | 411,220                      | 618,254                       | 3,688                        | 2,735                         |
| <b>Total Financial Assets</b>                                | <b>726,075</b>               | <b>1,568,576</b>              | <b>12,214</b>                | <b>5,875</b>                  |
|                                                              |                              |                               |                              |                               |
|                                                              | Over-collateralised assets   |                               | Under-collateralised assets  |                               |
|                                                              | Carrying value of the assets | Fair value of collateral held | Carrying value of the assets | Fair value of collateral held |
|                                                              | 'thousands                   | 'thousands                    | 'thousands                   | 'thousands                    |
| <b>31 December 2023</b>                                      |                              |                               |                              |                               |
| <b>Financial assets</b>                                      |                              |                               |                              |                               |
| Loans and advances to banks                                  | -                            | -                             | -                            | -                             |
| <b>Loans and advances to customers - Retail portfolio</b>    |                              |                               |                              |                               |
| - Overdrafts                                                 | 42,829                       | 197,152                       | 6,575                        | -                             |
| - Term loans                                                 | 90,746                       | 107,270                       | 279                          | -                             |
| - Mortgage                                                   | -                            | -                             | -                            | -                             |
| <b>Loans and advances to customers - Corporate portfolio</b> |                              |                               |                              |                               |
| - Overdrafts                                                 | 270,526                      | 787,226                       | 4,819                        | -                             |
| - Term loans                                                 | 429,039                      | 647,623                       | -                            | -                             |
| <b>Total Financial Assets</b>                                | <b>833,140</b>               | <b>1,739,271</b>              | <b>11,673</b>                | <b>-</b>                      |

### 3.2 Liquidity risk

Liquidity risk is the risk that the Bank does not have sufficient financial resources to meet its obligation as they fall due or will have to meet the obligations at excessive costs. This risk could arise from mismatches in the timing of cash flows.

Funding risk is a form of liquidity risk that arises when the liquidity needed to fund illiquid asset positions cannot be obtained at the expected terms and when required.

The objective of the Bank's liquidity risk management is to ensure that all anticipated funding commitments can be met when due and that access to funding sources is coordinated and cost effective.

Therefore, liquidity risk can be categorized into two risk types:

- **Funding liquidity risk** appears when the Bank cannot fulfil its obligations because of inability to obtain new funding;
- **Market liquidity risk** appears when the Bank is unable to sell or realize specific assets without significant losses in price.

Liquidity risk can arise on both sides of the balance sheet, if either the liquidity generated from selling assets or the liquidity available from funding sources (secured and unsecured) is insufficient to meet obligations as they fall due.

Liquidity risk is considered a "consequential risk". It arises as a result of crystallization of other risks; market, operational, credit, reputational and systemic.

Liquidity risk is aggregated by:

- a. Liquidity mismatches between assets & liabilities (structural liquidity risk)
- b. Inability to meet unexpected obligations (contingency liquidity risk)
- c. Inability to sell its assets at or near its fair value as a result of market disruption or impaired access to the desired markets (market liquidity risk)
- d. Cross border liquidity risk

#### Management of liquidity risk

The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation.

Assets and Liabilities Management Desk (ALM) receives information from other business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. ALM then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole. The liquidity requirements of business units and branches are met through a proactive management of the bank's liquid assets and overnight interbank takings to cover any short-term fluctuations and longer-term funding to address any structural liquidity requirements.

The daily liquidity position report is prepared by the Asset and Liabilities Management Desk and submitted to the members of the ALCO comprising of the following members (MD/CEO; Head, Operations; Chief Risk Officer; Chief Finance Officer; Head, Risk Management; Head, Business and Head Treasury).



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 by ALCO.

### Exposure to liquidity risk

The key measure used by the bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, 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. Details of the reported bank (liquid ratio) ratio of net liquid assets to deposits from customers at the reporting date and during the reporting period were as follows:

### Liquidity analysis on a contractual basis

The table below shows the undiscounted cash flows on the Bank's financial liabilities and unrecognised loan commitments on the basis of their earliest possible contractual maturity. The Bank's expected cash flows on these instruments vary significantly from this analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance; and unrecognised loan commitments are not all expected to be drawn down immediately.

### Non-derivative financial liabilities and assets held for managing liquidity risk

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the date of the consolidated statement of financial position. The amounts disclosed in table A below, are the contractual undiscounted cash flow, whereas the Bank manages the liquidity risk on a behavioural basis which is shown in table B below.

#### 3.2.1 TABLE A - LIQUIDITY ANALYSIS ON A CONTRACTUAL BASIS

(a) TABLE A - LIQUIDITY ANALYSIS ON A CONTRACTUAL BASIS

|                                                | 0 - 30<br>days   | 31 - 90<br>days | 91 - 180<br>days | 181 - 365<br>days | Over 1 year<br>but less<br>than 5 yrs | Over<br>5 years | Total            |
|------------------------------------------------|------------------|-----------------|------------------|-------------------|---------------------------------------|-----------------|------------------|
| <b>31 December 2024</b>                        |                  |                 |                  |                   |                                       |                 |                  |
| <b>Financial liabilities</b>                   |                  |                 |                  |                   |                                       |                 |                  |
| Deposits from banks                            | -                | 106,419         | -                | -                 | -                                     | -               | 106,419          |
| Deposits from customers                        | 1,446,060        | 248,671         | 231,492          | 198,565           | 2,567                                 | -               | 2,127,355        |
| Other liabilities                              | 101,703          | 463             | 925              | 1,851             | 6,690                                 | 13,209          | 124,841          |
| <b>Total financial liabilities</b>             | <b>1,547,763</b> | <b>355,553</b>  | <b>232,417</b>   | <b>200,416</b>    | <b>9,257</b>                          | <b>13,209</b>   | <b>2,358,615</b> |
| <br>Loan commitments                           | <br>51,423       | <br>219         | <br>21,593       | <br>-             | <br>-                                 | <br>-           | <br>73,235       |
| <b>Total Commitments</b>                       | <b>51,423</b>    | <b>219</b>      | <b>21,593</b>    | <b>-</b>          | <b>-</b>                              | <b>-</b>        | <b>73,235</b>    |
| <br>Assets held for managing<br>liquidity risk | <br>1,237,470    | <br>383,270     | <br>524,380      | <br>126,730       | <br>337,800                           | <br>39,000      | <br>2,648,650    |

**TABLE A - LIQUIDITY ANALYSIS ON A CONTRACTUAL BASIS**

|                                                | 0 - 30<br>days | 31 - 90<br>days | 91 - 180<br>days | 181 - 365<br>days | Over 1 year<br>but less<br>than 5 yrs | Over<br>5 years | Total            |
|------------------------------------------------|----------------|-----------------|------------------|-------------------|---------------------------------------|-----------------|------------------|
| <b>31 December 2023</b>                        |                |                 |                  |                   |                                       |                 |                  |
| <b>Financial liabilities</b>                   |                |                 |                  |                   |                                       |                 |                  |
| Deposits from banks                            | -              | 95,733          | -                | -                 | -                                     | -               | 95,733           |
| Deposits from customers                        | 789,203        | 448,679         | 231,492          | 108,565           | 125,600                               | -               | 1,703,539        |
| Other liabilities                              | 25,139         | 8,866           | 945              | 5,851             | 4,691                                 | 37,391          | 82,883           |
| <b>Total financial liabilities</b>             | <b>814,342</b> | <b>553,278</b>  | <b>232,437</b>   | <b>114,416</b>    | <b>130,291</b>                        | <b>37,391</b>   | <b>1,882,155</b> |
| <br>Loan commitments                           | <br>14,301     | <br>-           | <br>-            | <br>-             | <br>-                                 | <br>-           | <br>14,301       |
| <b>Total Commitments</b>                       | <b>14,301</b>  | <b>-</b>        | <b>-</b>         | <b>-</b>          | <b>-</b>                              | <b>-</b>        | <b>14,301</b>    |
| <br>Assets held for managing<br>liquidity risk | <br>437,198    | <br>217,035     | <br>329,176      | <br>548,678       | <br>403,195                           | <br>-           | <br>1,935,281    |

Table B below presents the undiscounted cash flows payable by the Bank based on their behavioural patterns. In managing its liquidity risk, the Bank profiles its cash flows statistically using historical observations, to ensure that projections are in tune with demonstrated behavioural trends. The Bank adopts a behavioural run-off model in estimating core and volatile components of its non-maturing liabilities, complemented by qualitative factors. The objective is to determine the proportion of the non-contractual balances to be spread across the Bank's maturity bands.

**3.2.2 TABLE B - LIQUIDITY ANALYSIS ON A BEHAVIOURAL BASIS**

|                                                | 0 - 30<br>days   | 31 - 90<br>days | 91 - 180<br>days | 181 - 365<br>days | Over 1 year<br>but less<br>than 5 yrs | Over<br>5 years | Total            |
|------------------------------------------------|------------------|-----------------|------------------|-------------------|---------------------------------------|-----------------|------------------|
| <b>31 December 2024</b>                        |                  |                 |                  |                   |                                       |                 |                  |
| <b>Financial liabilities</b>                   |                  |                 |                  |                   |                                       |                 |                  |
| Deposits from banks                            | -                | 106,419         | -                | -                 | -                                     | -               | 106,419          |
| Deposits from customers                        | 1,446,060        | 248,671         | 231,492          | 198,565           | 2,567                                 | -               | 2,127,355        |
| Other liabilities                              | 101,703          | 463             | 925              | 1,851             | 6,690                                 | 13,209          | 124,841          |
| <b>Total financial liabilities</b>             | <b>1,547,763</b> | <b>355,553</b>  | <b>232,417</b>   | <b>200,416</b>    | <b>9,257</b>                          | <b>13,209</b>   | <b>2,358,615</b> |
| <br>Loan commitments                           | <br>73,235       | <br>-           | <br>-            | <br>-             | <br>-                                 | <br>-           | <br>73,235       |
| <b>Total Commitments</b>                       | <b>73,235</b>    | <b>-</b>        | <b>-</b>         | <b>-</b>          | <b>-</b>                              | <b>-</b>        | <b>73,235</b>    |
| <br>Assets held for managing<br>liquidity risk | <br>924,179      | <br>-           | <br>76,953       | <br>490,981       | <br>124,930                           | <br>293,416     | <br>2,401,412    |



**TABLE B - LIQUIDITY ANALYSIS ON A BEHAVIOURAL BASIS**

|                                            | 0 - 30<br>days | 31 - 90<br>days | 91 - 180<br>days | 181 -<br>365<br>days | Over 1<br>year<br>but less<br>than 5 yrs | Over<br>5 years | Total     |
|--------------------------------------------|----------------|-----------------|------------------|----------------------|------------------------------------------|-----------------|-----------|
| 31 December 2023                           |                |                 |                  |                      |                                          |                 |           |
| Financial liabilities                      |                |                 |                  |                      |                                          |                 |           |
| Deposits from banks                        | -              | 95,733          | -                | -                    | -                                        | -               | 95,733    |
| Deposits from customers                    | 789,203        | 448,679         | 231,492          | 108,565              | 125,600                                  | -               | 1,703,539 |
| Other liabilities                          | 25,139         | 8,866           | 945              | 5,851                | 4,691                                    | 37,391          | 82,883    |
| Total financial liabilities                | 814,342        | 553,278         | 232,437          | 114,416              | 130,291                                  | 37,391          | 1,882,196 |
| Loan commitments                           | 14,301         | -               | -                | -                    | -                                        | -               | 14,301    |
| Total Commitments                          | 14,301         | -               | -                | -                    | -                                        | -               | 14,301    |
| Assets held for managing<br>liquidity risk | 437,198        | -               | 217,035          | 329,176              | 548,678                                  | 403,195         | 1,935,281 |

## Market risk

Market risk is the potential for adverse changes in the value of a trading or an investment portfolio due to changes in market risk variables such as equity and commodity prices, interest rates, and foreign exchange rates.

Market risk arises from positions in currencies, interest rate and securities held in our trading portfolio and from our retail banking business, investment portfolio, and other non-trading activities. The movement in market risk variables may have a negative impact on the balance sheet and or income statement.

Through the financial year, the Bank was exposed to market risk in its trading, and non-trading activities mainly as a result of:

- interest rate movements in reaction to monetary policy changes by the Central Bank of The Gambia, fiscal policies changes, and market forces;
- foreign exchange fluctuations arising from demand and supply as well as government policies; and
- equity price movements in response to market forces and changing market dynamics.

## 3.3 Foreign exchange risk

The Bank is exposed to foreign exchange risks due to fluctuations in foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarises the Bank's exposure to foreign currency exchange rate risk at 31 December 2024 and 31 December 2023. Included in the table are the Bank's financial instruments at carrying amounts, categorised by currency.

|                                      | Dalasi<br>'thousands | USD<br>'thousands | GBP<br>'thousands | Euro<br>'thousands | Others<br>'thousands | Total<br>'thousands |
|--------------------------------------|----------------------|-------------------|-------------------|--------------------|----------------------|---------------------|
| <b>31 December 2024</b>              |                      |                   |                   |                    |                      |                     |
| <b>Financial assets</b>              |                      |                   |                   |                    |                      |                     |
| Cash and balances with Central Banks | 371,502              | 393,228           | 38,575            | 120,238            | 636                  | 924,179             |
| Loans and advances to banks          | -                    | -                 | -                 | -                  | -                    | -                   |
| Loans and advances to customers      | -                    | -                 | -                 | -                  | -                    | -                   |
| <b>Retail</b>                        |                      |                   |                   |                    |                      |                     |
| - Overdrafts                         | 49,559               | 1,860             | -                 | -                  | -                    | 51,419              |
| - Term loans                         | 57,910               | -                 | -                 | -                  | -                    | 57,910              |
| - Mortgage                           | -                    | -                 | -                 | -                  | -                    | -                   |
| <b>Corporate</b>                     |                      |                   |                   |                    |                      |                     |
| - Overdrafts                         | 94,324               | 113,600           | -                 | 6,130              | -                    | 214,054             |
| - Term loans                         | 61,347               | 353,560           | -                 | -                  | -                    | 414,907             |
| <b>Investment securities</b>         |                      |                   |                   |                    |                      |                     |
| Amortized cost investments           | 991,060              | -                 | -                 | -                  | -                    | 991,060             |
| Other assets                         | 3,991                | -                 | -                 | -                  | -                    | 3,991               |
|                                      | <b>1,629,693</b>     | <b>862,248</b>    | <b>38,575</b>     | <b>126,368</b>     | <b>636</b>           | <b>2,657,520</b>    |
| <b>Financial liabilities</b>         |                      |                   |                   |                    |                      |                     |
| Customer deposits                    | 1,344,033            | 680,438           | 32,823            | 70,061             | -                    | 2,127,355           |
| Deposits from banks                  | -                    | 106,045           | -                 | -                  | -                    | 106,045             |
| Other liabilities                    | 48,638               | -                 | -                 | -                  | -                    | 48,638              |
|                                      | <b>1,392,671</b>     | <b>786,483</b>    | <b>32,823</b>     | <b>70,061</b>      | <b>-</b>             | <b>2,282,038</b>    |
| <b>31 December 2023</b>              |                      |                   |                   |                    |                      |                     |
|                                      | Dalasi<br>'thousands | USD<br>'thousands | GBP<br>'thousands | Euro<br>'thousands | Others<br>'thousands | Total<br>'thousands |
| <b>Financial assets</b>              |                      |                   |                   |                    |                      |                     |
| Cash and balances with Central Banks | 324,351              | 116,310           | 28,506            | 154,227            | -                    | 623,394             |
| Loans and advances to banks          | 50,000               | -                 | -                 | -                  | -                    | 50,000              |
| Loans and advances to customers      | -                    | -                 | -                 | -                  | -                    | -                   |
| <b>Retail</b>                        |                      |                   |                   |                    |                      |                     |
| - Overdrafts                         | 49,404               | -                 | -                 | -                  | -                    | 49,404              |
| - Term loans                         | 91,025               | -                 | -                 | -                  | -                    | 91,025              |
| - Mortgage                           | -                    | -                 | -                 | -                  | -                    | -                   |
| <b>Corporate</b>                     |                      |                   |                   |                    |                      |                     |
| - Overdrafts                         | 180,268              | 66,979            | -                 | 28,098             | -                    | 275,345             |
| - Term loans                         | 71,211               | 315,760           | -                 | 42,068             | -                    | 429,039             |
| <b>Investment securities</b>         |                      |                   |                   |                    |                      |                     |
| Amortized cost investments           | 605,122              | -                 | -                 | -                  | -                    | 605,122             |
| Other assets                         | 3,218                | -                 | -                 | -                  | -                    | 3,218               |
|                                      | <b>1,374,599</b>     | <b>499,049</b>    | <b>28,506</b>     | <b>224,393</b>     | <b>-</b>             | <b>2,126,547</b>    |
| <b>Financial liabilities</b>         |                      |                   |                   |                    |                      |                     |
| Customer deposits                    | 1,369,957            | 297,773           | 24,459            | 11,350             | -                    | 1,703,539           |
| Deposits from banks                  | -                    | 95,733            | -                 | -                  | -                    | 95,733              |
| Other liabilities                    | 52,118               | -                 | -                 | -                  | -                    | 52,118              |
|                                      | <b>1,422,075</b>     | <b>393,506</b>    | <b>24,459</b>     | <b>11,350</b>      | <b>-</b>             | <b>1,851,390</b>    |



### 3.4 Interest rate risk

Interest rate risk is the risk of loss in income or portfolio value as a result of changes in market interest rates. The Bank is exposed to interest rate risk in its fixed income securities portfolio, as well as on the interest sensitive assets and liabilities in the course of banking and or trading. The Board sets limits on the level of mismatch of interest rate repricing and value at risk that may be undertaken, which is monitored daily by the Asset and Liability Committee.

(a) Interest rate gap position

|                                      | Carrying<br>amount<br>'thousands | Variable<br>interest<br>'thousands | Fixed<br>interest<br>'thousands | Non<br>interest-<br>bearing<br>'thousands |
|--------------------------------------|----------------------------------|------------------------------------|---------------------------------|-------------------------------------------|
| <b>31 December 2024</b>              |                                  |                                    |                                 |                                           |
| <b>Financial assets</b>              |                                  |                                    |                                 |                                           |
| Cash and balances with Central Banks | 924,179                          | -                                  | -                               | 924,179                                   |
| Loans and advances to banks          | -                                | -                                  | -                               | -                                         |
| Loans and advances to Customers:     |                                  |                                    |                                 |                                           |
| <b>Retail</b>                        |                                  |                                    |                                 |                                           |
| - Overdrafts                         | 51,419                           | 51,419                             | -                               | -                                         |
| - Term loans                         | 57,910                           | 57,910                             | -                               | -                                         |
| - Credit Cards                       | -                                | -                                  | -                               | -                                         |
| - Mortgage                           | -                                | -                                  | -                               | -                                         |
| <b>Corporate</b>                     |                                  |                                    |                                 |                                           |
| - Overdrafts                         | 214,054                          | 214,054                            | -                               | -                                         |
| - Term loans                         | 414,907                          | 414,907                            | -                               | -                                         |
| Investment securities:               |                                  |                                    |                                 |                                           |
| Amortized cost investments           | 991,060                          | -                                  | 991,060                         | -                                         |
| Other assets                         | 3,991                            | -                                  | -                               | 3,991                                     |
|                                      | <b>2,657,520</b>                 | <b>738,290</b>                     | <b>991,060</b>                  | <b>928,170</b>                            |
| <b>Financial liabilities</b>         |                                  |                                    |                                 |                                           |
| Customer deposits                    | 2,127,355                        | 438,893                            | 607,429                         | 1,081,033                                 |
| Deposits from banks                  | 106,419                          | -                                  | 106,208                         | 211                                       |
| Other liabilities                    | 48,638                           | -                                  | -                               | 48,638                                    |
|                                      | <b>2,282,412</b>                 | <b>438,893</b>                     | <b>713,637</b>                  | <b>1,129,882</b>                          |
| <br>Interest rate mismatch           |                                  | <b>299,397</b>                     | <b>277,423</b>                  | <b>(201,712)</b>                          |

## (b) Interest rate sensitivity gap analysis

| Figures in '000<br>December 2024                       | <=30<br>DAYS     | 31 - 90<br>DAYS  | 91 - 180<br>DAYS | 181 - 365<br>DAYS | 1 - 2<br>YEARS | 2 YEARS<br>&<br>ABOVE | Rate<br>Sensitive |
|--------------------------------------------------------|------------------|------------------|------------------|-------------------|----------------|-----------------------|-------------------|
| Treasury Bills                                         | -                | -                | 76,953           | 490,981           | -              | -                     | 567,934           |
| Government Bonds                                       | -                | -                | -                | -                 | 124,930        | 293,416               | 418,346           |
| Loans and advances to<br>banks                         | -                | -                | -                | -                 | -              | -                     | -                 |
| <b>Loans and advances to<br/>Customers - Retail</b>    |                  |                  |                  |                   |                |                       |                   |
| - Overdrafts                                           | 49,449           | 1,850            | 120              | -                 | -              | -                     | 51,419            |
| - Term loans                                           | 1,948            | 148              | 431              | 1,811             | 14,572         | 39,000                | 57,910            |
| - Mortgage                                             | -                | -                | -                | -                 | -              | -                     | -                 |
| <b>Loans and advances to<br/>Customers - Corporate</b> |                  |                  |                  |                   |                |                       |                   |
| - Overdrafts                                           | 183,089          | -                | 30,965           | -                 | -              | -                     | 214,054           |
| - Term loans                                           | 78,801           | 304,324          | 1,874            | -                 | 29,908         | -                     | 414,907           |
| <b>TOTAL ASSETS</b>                                    | <b>313,287</b>   | <b>306,322</b>   | <b>110,343</b>   | <b>492,792</b>    | <b>169,410</b> | <b>332,416</b>        | <b>1,724,570</b>  |
| Deposits from customers                                | 688,771          | 489,292          | 468,018          | 382,924           | 98,350         | -                     | 2,127,355         |
| Deposits from banks                                    | 106,419          | -                | -                | -                 | -              | -                     | 106,419           |
| <b>TOTAL LIABILITIES</b>                               | <b>795,190</b>   | <b>489,292</b>   | <b>468,018</b>   | <b>382,924</b>    | <b>98,350</b>  | <b>-</b>              | <b>2,233,774</b>  |
|                                                        | <b>(481,903)</b> | <b>(182,970)</b> | <b>(357,675)</b> | <b>109,868</b>    | <b>71,060</b>  | <b>332,416</b>        | <b>(509,204)</b>  |

| Figures in '000<br>December 2023                       | <=30<br>DAYS     | 31 - 90<br>DAYS | 91 - 180<br>DAYS | 181 - 365<br>DAYS | 1 - 2<br>YEARS | 2 YEARS<br>&<br>ABOVE | Rate<br>Sensitive |
|--------------------------------------------------------|------------------|-----------------|------------------|-------------------|----------------|-----------------------|-------------------|
| Treasury Bills                                         | 27,784           | 156,820         | 140,426          | 81,210            | -              | -                     | 406,240           |
| Government Bonds                                       | -                | 57,900          | -                | -                 | 140,982        | -                     | 198,882           |
| Loans and advances to<br>banks                         | 50,000           | -               | -                | -                 | -              | -                     | 50,000            |
| <b>Loans and advances to<br/>Customers - Retail</b>    |                  |                 |                  |                   |                |                       |                   |
| - Overdrafts                                           | 49,404           | -               | -                | -                 | -              | -                     | 49,404            |
| - Term loans                                           | 3,756            | 857             | 1,864            | 12,339            | 34,080         | 38,129                | 91,025            |
| - Mortgage                                             | -                | -               | -                | -                 | -              | -                     | -                 |
| <b>Loans and advances to<br/>Customers - Corporate</b> |                  |                 |                  |                   |                |                       |                   |
| - Overdrafts                                           | 275,345          | -               | -                | -                 | -              | -                     | 275,345           |
| - Term loans                                           | 57,492           | 317,500         | 29,700           | 24,347            | -              | -                     | 429,039           |
| <b>TOTAL ASSETS</b>                                    | <b>463,781</b>   | <b>533,077</b>  | <b>171,990</b>   | <b>117,896</b>    | <b>175,062</b> | <b>38,129</b>         | <b>1,499,935</b>  |
| Deposits from customers                                | 1,022,244        | 248,671         | 231,492          | 198,565           | 2,567          | -                     | 1,703,539         |
| Deposits from banks                                    | 95,733           | -               | -                | -                 | -              | -                     | 95,733            |
| <b>TOTAL LIABILITIES</b>                               | <b>1,117,977</b> | <b>248,671</b>  | <b>231,492</b>   | <b>198,565</b>    | <b>2,567</b>   | <b>-</b>              | <b>1,799,272</b>  |
|                                                        | <b>(654,196)</b> | <b>284,406</b>  | <b>(59,502)</b>  | <b>(80,669)</b>   | <b>172,495</b> | <b>38,129</b>         | <b>(299,337)</b>  |



## Financial instruments not measured at fair value

Table below shows the carrying value of financial assets not measured at fair value.

(a)

Fair value hierarchy

|                                      | Level 1    | Level 2    | Level 3    | Total      |
|--------------------------------------|------------|------------|------------|------------|
|                                      | 'thousands | 'thousands | 'thousands | 'thousands |
| <b>31 December 2024</b>              |            |            |            |            |
| <b><u>Financial assets</u></b>       |            |            |            |            |
| Cash and balances with central banks | -          | 924,179    | -          | 924,179    |
| Loans and advances to banks          | -          | -          | -          | -          |
| Loans and advances to Customers:     |            |            |            |            |
| <b>Retail</b>                        |            |            |            |            |
| - Overdrafts                         | -          | -          | 51,419     | 51,419     |
| - Term loans                         | -          | -          | 57,910     | 57,910     |
| - Mortgage                           | -          | -          | -          | -          |
| <b>Corporate</b>                     |            |            |            |            |
| - Overdrafts                         | -          | -          | 214,054    | 214,054    |
| - Term loans                         | -          | -          | 414,907    | 414,907    |
| Amortised cost investments           | -          | 991,060    | -          | 991,060    |
| Other assets                         | -          | -          | 3,991      | 3,991      |
| Deposit from customers               | -          | 2,127,355  | -          | 2,127,355  |
| Deposit from bank                    | -          | 106,419    | -          | 106,419    |
| Other liabilities                    | -          | -          | 48,638     | 48,638     |

(b) The fair value of loans and advances to customers (including loan commitments), investment securities and assets held for sale are as follows:

|                                                         | At 31 December 2024 |            |
|---------------------------------------------------------|---------------------|------------|
|                                                         | Carrying value      | Fair value |
|                                                         | 'thousands          | 'thousands |
| <b>Financial assets</b>                                 |                     |            |
| Loans and advances to customers                         | -                   | -          |
| Fixed rate loans                                        | -                   | -          |
| Variable rate loans                                     | 738,290             | 738,290    |
| Investment securities (Amortised cost/held to maturity) | 991,060             | 991,060    |
| Asset pledged as collateral                             | -                   | -          |
| Loan commitments                                        | 73,235              | 73,235     |
| <b>Financial liability</b>                              |                     |            |
| Borrowings                                              | -                   | -          |

- (c) The carrying value of the following financial assets and liabilities for both the bank and group approximate their fair values:

Cash and balances with Central banks  
Loans and advances to banks  
Other assets (excluding prepayments)  
Deposits from banks  
Deposits from customers  
Other liabilities (excluding provisions and accruals)

#### **4.0 Operational risks**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the bank's operations and are faced by all business entities.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

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

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

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



## **5.0 Regulatory compliance risk**

### **5.1 Regulatory capital**

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

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

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

- Tier 1 capital, which includes ordinary share capital, share premium, perpetual bonds (which are classified as innovative Tier 1 securities), retained earnings, translation reserve and minority interests after deductions for goodwill and intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities, and the element of the fair value reserve relating to unrealised gains on equity instruments classified as available-for-sale.

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

Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the bank recognises 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 complied with all externally imposed capital requirements throughout the period.

There have been no material changes in the Bank's management of capital during the period.

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

|                                                             | Note | 2024<br>D'000  | 2023<br>D'000  |
|-------------------------------------------------------------|------|----------------|----------------|
| <b>Tier 1 capital</b>                                       |      |                |                |
| Ordinary share capital                                      | 29   | 300,469        | 224,000        |
| Retained earnings                                           |      | (6,915)        | 64,869         |
| Statutory Reserves                                          |      | 43,292         | 47,028         |
| <b>Total</b>                                                |      | <b>336,846</b> | <b>335,897</b> |
| <b>Tier 2 capital</b>                                       |      |                |                |
| Fair value reserve for available-for-sale equity securities | 33   | -              | -              |
| Qualifying subordinated liabilities                         |      | -              | -              |
| <b>Total</b>                                                |      | <b>-</b>       | <b>-</b>       |
| <b>Total regulatory capital</b>                             |      | <b>336,846</b> | <b>335,897</b> |

**Risk-weighted assets (Appendix 1, 2)**

|                                                  |                  |                  |
|--------------------------------------------------|------------------|------------------|
| Retail bank, corporate bank and central treasury | <b>1,346,096</b> | <b>1,672,099</b> |
|--------------------------------------------------|------------------|------------------|

**Capital ratios**

|                                                                                  |               |               |
|----------------------------------------------------------------------------------|---------------|---------------|
| Total regulatory capital expressed as a percentage of total risk-weighted assets | <b>25.02%</b> | <b>20.08%</b> |
|----------------------------------------------------------------------------------|---------------|---------------|

|                                                                        |               |               |
|------------------------------------------------------------------------|---------------|---------------|
| Total tier 1 capital expressed as a percentage of risk weighted assets | <b>25.02%</b> | <b>20.08%</b> |
|------------------------------------------------------------------------|---------------|---------------|

**Appendix 1**

|                                |         | %   |                  |
|--------------------------------|---------|-----|------------------|
| Cash & cash in transit         | 145,347 | 0   | -                |
| Central bank current account   | 299,116 | 0   | -                |
| Balance due from other banks   | 479,716 | 40  | 191,886          |
| Government securities          | 986,280 | 0   | -                |
| Overdrafts                     | 270,234 | 100 | 270,234          |
| Other loans & bills discounted | 468,056 | 100 | 468,056          |
| Fixed & other asstes           | 136,114 | 100 | 136,114          |
| Sub-total - Assets             |         |     | <b>1,066,290</b> |

**Appendix 2**

|                              |         |     |                |
|------------------------------|---------|-----|----------------|
| Guarantees and acceptances   | 243,819 | 100 | 243,819        |
| Other firm commitments       | 89,967  | 40  | 35,987         |
| Sub – total Off balancesheet |         |     | <b>279,806</b> |

|                                                  |                  |
|--------------------------------------------------|------------------|
| <b>Risk weighted assets (appendix 1 &amp; 2)</b> | <b>1,346,096</b> |
|--------------------------------------------------|------------------|



## **Capital allocation**

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

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

## **5.2 Legal Risk**

Legal risk is the risk of uncertainty of the outcome of real or threatened litigation against the Bank with the potential for occasioning financial and other types of loss on the Bank and arising from a myriad of possible risks embedded in, associated with, and arising from the Bank's corporate existence, business and other activities. The crystallization of legal risks can represent significant costs to the Bank, disrupt its operation and reduce the earnings and capital of the Bank.

Legal risk may arise from as simple as the Bank's mere corporate existence and from the more complex perspectives of contracts, documentation, credits, perfection of security interest in collaterals, activities/transactions (including those involving multiple jurisdictions, products, services, actions and inactions of the staff, consultants, agents and other service providers, laws and regulations, etc.

Generally, the Legal Services unit foster awareness among the Bank staff from time to time in respect of business and/or operational matters which may unduly expose the Bank to legal risks. Support the various risk management functions as well as other departments of the Bank in maintaining the integrity and enforceability of standard contractual documentation templates deployed in the Bank.

In view of the key role of the Legal Services unit in managing the Bank legal risk, ensure that the Legal Services unit is efficiently structured and that the members of the Department are sufficiently skilled in ensuring the effective discharge of their functions.

Recommend requisite trainings for its staff and take such measures that would enhance the optimal performance of the Department.

## **Legal Risk Management Policy**

The Bank's legal risk management process which sets the risk tolerance, identifies potential risks and prioritizes the tolerance for risk based on the Bank's business objectives, and manages and mitigates risks throughout the Bank.

### **5.3 Reputational Risk**

Reputational Risk is the risk that may occur to earnings or capital that results from negative public opinion. Reputational Risk arises when a situation, occurrence, business practice or event has the potential to materially influence the public and stakeholders' perceived trust and confidence in an institution.

The risk can expose the Bank to litigation, financial loss or damage to its reputation.

This policy framework is established and maintained by the Risk Management & Control.



## Segment information

Operating segments are reported in accordance with the internal reports provided to the Bank's Management Committee (the chief operating decision maker), which is responsible for allocating resources to the operating segments and assesses its performance. The Bank has identified the following reportable segments:

### Retail Banking

Retail Banking cuts across private individuals, businesses, and public sector clients, at the lower end of the market. It also covers small and medium enterprises (SMEs), local government agencies, and affluent customers.

### Corporate Banking

Corporate Banking serves the middle segment of the business banking value chain, and clients comprise predominantly unrated and non-investment grade companies with a generally higher risk profile compared to institutional clients. Its clients include private sector enterprises, government contractors, hospitality, and educational institutions with revenue over D5 million which have been in existence for 2-5 years.

### Public Sector

The public sector banking serves all tiers of government including the municipalities. It also caters for government's parastatals, Ministries and MDAs by serving their banking needs and provide structured facilities to aid in the economic development of the country.

### Treasury Services

The corporate treasury serves the needs of the Bank in the following areas among others:

- Cash Management
- Liquidity Planning and Control
- Management of interest, currency and commodity risks
- Procurement of finance and financial investments
- Contacts with banks and rating agencies
- Corporate finance.

### Others

The results of all other business units are not reportable segments, as they are not separately included in the reports provided to the Bank management committee. This segment also includes the corporate office (excluding treasury services).

The Bank's management reporting is based on a measure of operating profit. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs and legal expenses.

The information provided about each segment is based on the internal reports about segment profit or loss, assets, and other information, which are regularly reviewed by the Bank management committee.

### Segment result of operations

Total revenue in the segment represents: Interest income, fee and commission income, net gains or losses on foreign exchange income, net gains/ losses on investment securities, net gains/ losses from financial assets classified as held for trading, dividend income and other operating income.

The segment information provided to the Bank management committee for the reportable segments for the period ended 31 December 2024 is as follows:

|                                            | Commercial<br>Banking<br>'thousands | Corporate<br>Banking<br>'thousands | Retail<br>Banking<br>'thousands | Public<br>Sector<br>'thousands | Treasury<br>Services<br>'thousands | Segment<br>Total<br>'thousands | Others<br>'thousands | Total<br>'thousands |
|--------------------------------------------|-------------------------------------|------------------------------------|---------------------------------|--------------------------------|------------------------------------|--------------------------------|----------------------|---------------------|
| <b>At 31 December 2024</b>                 |                                     |                                    |                                 |                                |                                    |                                |                      |                     |
| Total segment revenue                      | 37,410                              | 77,150                             | 57,070                          | 4,450                          | 75,180                             | 251,260                        | 9,184                | 260,444             |
| Inter-segment revenue                      | 542                                 | 10,085                             | 7,521                           | -                              | (18,148)                           | -                              | -                    | -                   |
| <b>Revenue from external customers</b>     |                                     |                                    |                                 |                                |                                    |                                |                      |                     |
| Total segment Interest Expense             | 37,952<br>(3,520)                   | 87,235<br>(46,540)                 | 64,591<br>(3,510)               | 4,450<br>(90)                  | 57,032<br>(23,390)                 | 251,260<br>(77,050)            | 9,184<br>-           | 260,444<br>(77,050) |
| <b>Total Net Revenue</b>                   | <b>34,432</b>                       | <b>40,695</b>                      | <b>61,081</b>                   | <b>4,360</b>                   | <b>33,642</b>                      | <b>174,210</b>                 | <b>9,184</b>         | <b>183,394</b>      |
| Profit/(loss) before tax                   | 5,570<br>(1,504)                    | 2,180<br>(589)                     | (19,830)<br>(646)               | (5,150)<br>(45)                | 15,560<br>(4,201)                  | (1,670)<br>(6,985)             | (1,132)<br>(91)      | (2,802)<br>(7,076)  |
| Income tax expense                         |                                     |                                    |                                 |                                |                                    |                                |                      |                     |
| Profit for the period                      | 4,066<br>(928)                      | 1,591<br>(2,028)                   | (20,476)<br>(23,890)            | (5,195)<br>(147)               | 11,359<br>-                        | (8,655)<br>(26,993)            | (1,223)<br>-         | (9,878)<br>(26,993) |
| Impairment charge on credit losses         |                                     |                                    |                                 |                                |                                    |                                |                      |                     |
| Impairment charge on investment securities | -                                   | -                                  | -                               | -                              | -                                  | -                              | -                    | -                   |
| Impairment charge on Other Assets          | -                                   | -                                  | -                               | -                              | -                                  | -                              | (120)                | (120)               |
| Impairment charge on LAD to Banks          | -                                   | -                                  | -                               | -                              | -                                  | -                              | -                    | -                   |
| Impairment charge on Off B/S               | -                                   | -                                  | -                               | -                              | (432)                              | (432)                          | -                    | (432)               |
| Amortisation                               | -                                   | -                                  | -                               | -                              | -                                  | -                              | (2,406)              | (2,406)             |
| Depreciation                               | -                                   | -                                  | -                               | -                              | -                                  | -                              | (20,359)             | (20,395)            |
| <b>Total assets</b>                        | <b>106,500</b>                      | <b>323,640</b>                     | <b>307,890</b>                  | <b>260</b>                     | <b>991,060</b>                     | <b>1,729,350</b>               | <b>1,060,293</b>     | <b>2,789,643</b>    |



#### Other measures of assets:

|                                   |                |                |                  |          |                |                  |                |                  |
|-----------------------------------|----------------|----------------|------------------|----------|----------------|------------------|----------------|------------------|
| Loans and advances to customers   | 106,500        | 323,640        | 307,890          | 260      | -              | 738,290          | -              | 738,290          |
| Investment in associates          | -              | -              | -                | -        | -              | -                | -              | -                |
| Expenditure on non-current assets | -              | -              | -                | -        | -              | -                | 106,045        | 106,045          |
| Investment securities             | -              | -              | -                | -        | -              | 991,060          | -              | 991,060          |
| <b>Total liabilities</b>          | <b>364,170</b> | <b>106,419</b> | <b>1,641,795</b> | <b>-</b> | <b>121,390</b> | <b>2,233,774</b> | <b>147,718</b> | <b>2,381,492</b> |

#### At 31 December 2023

Total segment revenue  
Inter-segment revenue

#### Revenue from external customers

Total segment Interest Expense

#### Total Net Revenue

Profit/(loss) before tax

Income tax expense

Profit for the period

Impairment charge on credit losses

Impairment charge on Investment

Impairment charge on Other Assets

Impairment charge on LAD to Banks

| Commercial Banking 'thousands | Corporate Banking 'thousands | Retail Banking 'thousands | Public Sector 'thousands | Treasury Services 'thousands | Segment Total 'thousands | Others 'thousands | Total 'thousands |
|-------------------------------|------------------------------|---------------------------|--------------------------|------------------------------|--------------------------|-------------------|------------------|
| 54,587                        | 90,966                       | 39,772                    | -                        | 52,130                       | 237,455                  | -                 | 237,455          |
| 441                           | 9,999                        | 6,821                     | -                        | (17,261)                     | -                        | -                 | -                |
| 55,028                        | 100,965                      | 46,593                    | -                        | 34,869                       | 237,455                  | -                 | 237,455          |
| (1,968)                       | (2,616)                      | (2,063)                   | -                        | 6,647                        | -                        | -                 | -                |
| 53,060                        | 98,349                       | 44,530                    | -                        | 41,516                       | 237,455                  | -                 | 237,455          |
| 9,302                         | 19,352                       | 7,141                     | -                        | 29,064                       | 64,859                   | -                 | 64,859           |
| (3,053)                       | (6,202)                      | (2,402)                   | -                        | (8,985)                      | (20,643)                 | -                 | (20,643)         |
| 6,249                         | 13,150                       | 4,739                     | -                        | 20,079                       | 44,216                   | -                 | 44,216           |
| (728)                         | (55)                         | (436)                     | -                        | -                            | (1,219)                  | -                 | (3,600)          |
| -                             | -                            | -                         | -                        | -                            | -                        | -                 | -                |
| -                             | -                            | -                         | -                        | -                            | -                        | (120)             | (120)            |
| -                             | -                            | -                         | -                        | -                            | -                        | -                 | -                |

|                                   |                |                |                |          |                |                  |                  |
|-----------------------------------|----------------|----------------|----------------|----------|----------------|------------------|------------------|
| Impairment charge on Off B/S      | -              | -              | -              | (351)    | (351)          | -                | (351)            |
| Amortisation                      | -              | -              | -              | -        | -              | (566)            | (566)            |
| Depreciation                      | -              | -              | -              | -        | -              | (16,045)         | (16,045)         |
| <b>Total assets</b>               | <b>243,579</b> | <b>406,979</b> | <b>140,255</b> | <b>-</b> | <b>605,122</b> | <b>1,395,935</b> | <b>1,471,333</b> |
| <b>Other measures of assets:</b>  |                |                |                |          |                |                  |                  |
| Loans and advances to customers   | 243,579        | 406,979        | 140,255        | -        | -              | 844,813          | -                |
| Investment in associates          | -              | -              | -              | -        | -              | -                | -                |
| Expenditure on non-current assets | -              | -              | -              | -        | -              | -                | -                |
| Investment securities             | -              | -              | -              | -        | 605,122        | 605,122          | -                |
| <b>Total liabilities</b>          | <b>106,122</b> | <b>465,220</b> | <b>431,668</b> | <b>-</b> | <b>122,729</b> | <b>1,125,739</b> | <b>1,899,298</b> |



**Geographical information**

|                | 31 Dec 2024    | 31 Dec 2023    |
|----------------|----------------|----------------|
|                | 'thousands     | 'thousands     |
| Gambia         | 260,380        | 237,455        |
| Outside Gambia | -              | -              |
| <b>Total</b>   | <b>260,380</b> | <b>237,455</b> |

**Non-current asset**

|                | 31 Dec 2024    | 31 Dec 2023   |
|----------------|----------------|---------------|
|                | 'thousands     | 'thousands    |
| Gambia         | 106,045        | 86,003        |
| Outside Gambia | -              | -             |
| <b>Total</b>   | <b>106,045</b> | <b>86,003</b> |

## 7. Net interest income

|                                         | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|-----------------------------------------|---------------------------------------|---------------------------------------|
| <b>Interest income</b>                  |                                       |                                       |
| Loans and advances to banks             | 831                                   | 458                                   |
| Loans and advances to customers (7.1)   | 110,949                               | 105,541                               |
| Investment securities at Amortized cost | 79,139                                | 48,598                                |
| <b>Total interest income</b>            | <b>190,919</b>                        | <b>154,597</b>                        |

7.1 Interest income on loans and advances to customers includes interest income on impaired financial assets, recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The growth in Interest income is due to growth in investment in securities by over D238m in 2024

|                                   |    |    |
|-----------------------------------|----|----|
| Interest income on impaired loans | 68 | 40 |
|-----------------------------------|----|----|

|                               |               |               |
|-------------------------------|---------------|---------------|
| <b>Interest expense</b>       |               |               |
| Deposits from banks           | 9,531         | 18,065        |
| Deposits from customers (7.2) | 50,552        | 34,640        |
| Lease Liability               | 2,923         | 1,844         |
| <b>Total interest expense</b> | <b>63,006</b> | <b>54,549</b> |

|                            |                |                |
|----------------------------|----------------|----------------|
| <b>Net interest income</b> | <b>127,913</b> | <b>100,048</b> |
|----------------------------|----------------|----------------|

7.2 Interest expense on deposits from customers increased significantly because some customers repriced their Fixed deposits at rollover in line with MPR in 2024 which was as high as 17%.

## 8. Impairment charge for financial assets

|                                                       | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|-------------------------------------------------------|---------------------------------------|---------------------------------------|
| <b>Loans and advances to banks (refer to note 18)</b> |                                       |                                       |
| 12- month ECL                                         | -                                     | -                                     |
| Lifetime ECL                                          | -                                     | -                                     |
| <b>Investment securities (refer to note 21)</b>       |                                       |                                       |
| 12- month ECL                                         | -                                     | -                                     |
| Lifetime ECL                                          | (78)                                  | (52)                                  |
| <b>Pledged assets</b>                                 |                                       |                                       |
| 12- month ECL                                         | -                                     | -                                     |
| Lifetime ECL                                          | -                                     | -                                     |



**Loans and advances to customers (refer note 20)**

|                         |        |     |
|-------------------------|--------|-----|
| Stage 1 - 12- month ECL | 1,471  | 539 |
| Stage 2 - Lifetime ECL  | (34)   | 523 |
| Stage 3 - Lifetime ECL  | 25,559 | 157 |

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|  |        |       |
|--|--------|-------|
|  | 26,996 | 1,219 |
|--|--------|-------|

|                                                |     |      |
|------------------------------------------------|-----|------|
| Net recoveries on loans previously written off | (6) | (50) |
|------------------------------------------------|-----|------|

**Other assets (refer to note 25)**

|               |    |     |
|---------------|----|-----|
| 12- month ECL | -  | -   |
| Lifetime ECL  | 81 | 120 |

**Off balance sheet**

|                                   |       |     |
|-----------------------------------|-------|-----|
| Increase/(decrease) in impairment | (432) | 351 |
|-----------------------------------|-------|-----|

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|                              |               |              |
|------------------------------|---------------|--------------|
| <b>Net impairment charge</b> | <b>26,561</b> | <b>1,588</b> |
|------------------------------|---------------|--------------|

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**9. Net fee and commission income**

|                                      | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Credit related fees                  | 10,552                                | 9,587                                 |
| Commission on turnover               | 11,144                                | 8,257                                 |
| Funds transfer & Intermediation fees | 4,711                                 | 4,224                                 |
| Money transfer commission            | 3,811                                 | 3,054                                 |
| Account Maintenance Fee              | 1,836                                 | 3,083                                 |
| Commission on Bonds and Guarantees   | 3,085                                 | 9,198                                 |
| Commission on bills                  | 932                                   | 445                                   |
| Other                                | 107                                   | 214                                   |
| Total fee and commission income      | 36,178                                | 38,062                                |
| Less: fee and commission expenses    | (12,077)                              | (12,026)                              |
| Net fees and commission income       | 24,101                                | 26,036                                |

**9a) Breakdown of Fee and commission expense:**

|                       | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|-----------------------|---------------------------------------|---------------------------------------|
| Shipment Charges      | 7,853                                 | 7,711                                 |
| CMA Charges           | 1,449                                 | 1,360                                 |
| SWIFT fees            | 840                                   | 1,073                                 |
| Offshore Bank Charges | 1,935                                 | 1,882                                 |

**10. Net Trading Income**

|                                                      | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|------------------------------------------------------|---------------------------------------|---------------------------------------|
| Foreign Exchange Income                              | 27,130                                | 28,175                                |
| Revaluation gain on foreign currency balances (10.1) | 2,152                                 | 5,287                                 |
|                                                      | <b>29,282</b>                         | <b>33,462</b>                         |

10.1 Inclusive of net trading income was revaluation gain on foreign currency balances which reflects the foreign currencies translation differences between the opening balance sheet rate and closing rate as at balance sheet period.

**11. Other operating income**

|                                         | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|-----------------------------------------|---------------------------------------|---------------------------------------|
| Cheque Book Charges                     | 260                                   | 268                                   |
| Charges on Foreign currency withdrawals | 573                                   | 452                                   |
| Cash Handling (11.1)                    | 5,201                                 | 7,063                                 |
| Bank settlement charges                 | 1,258                                 | 1,286                                 |
| Income from E-Business                  | 352                                   | 1,268                                 |
| Service Charges                         | 0                                     | 9                                     |
| Other transaction – related charges     | 1,210                                 | 991                                   |
|                                         | <b>8,854</b>                          | <b>11,337</b>                         |

11.1. Inclusive as part of cash handling fees was the charges made on certain corporate customers, who entered into agreements with the Bank to provide instant value on shipment of their foreign currencies particularly USD and EURO. The charges vary between 0.7% and 1% of the shipment amount at a threshold not less than US\$200,000.00 or its EUR Equivalents.



## 12 Personnel expenses

|                                         | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|-----------------------------------------|---------------------------------------|---------------------------------------|
| Salaries and Wages                      | 14,874                                | 12,619                                |
| Staff Allowances                        | 40,251                                | 20,977                                |
| Back duty tax (fringe benefits)         | 3,512                                 | -                                     |
| Contributions to provident fund (SSHFC) | 1,074                                 | 859                                   |
| Staff Training                          | 872                                   | 897                                   |
| Medical Expenses                        | 1,969                                 | 1,455                                 |
| Fringe Benefit tax                      | 100                                   | 100                                   |
| Overtime payments                       | 587                                   | 336                                   |
| Refreshment for staff                   | 295                                   | 295                                   |
| Outsourced Cost                         | 2,575                                 | 2,019                                 |
| Directors' Expenses:                    |                                       |                                       |
| - Directors' Fees (12.1)                | 5,913                                 | 4,224                                 |
| - Board Expenses                        | -                                     | -                                     |
| - Board assessment & Training           | -                                     | 267                                   |
|                                         | <b>72,022</b>                         | <b>44,048</b>                         |

|                    | Number of employees          |                              |
|--------------------|------------------------------|------------------------------|
|                    | 31 <sup>st</sup> Dec<br>2024 | 31 <sup>st</sup> Dec<br>2023 |
| Executive Director | 1                            | 2                            |
| Management Staff   | 7                            | 4                            |
| General Staff      | 107                          | 72                           |
|                    | <b>115</b>                   | <b>78</b>                    |

12.1. The increase in director's fee during the year was due to the devaluation of the Gambian dalasi in 2024.

### 13. Other operating expenses

|                                                           | Notes  | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|-----------------------------------------------------------|--------|---------------------------------------|---------------------------------------|
| Software licensing and other information technology costs | (13.1) | 21,502                                | 8,707                                 |
| Maintenance, rent and insurance                           | (13.2) | 6,466                                 | 6,156                                 |
| Back duty tax (VAT & WHT)                                 |        | 13,246                                | -                                     |
| Adverts and corporate promotions                          |        | 3,800                                 | 4,650                                 |
| Stationery and printing                                   |        | 1,100                                 | 1,425                                 |
| Auditors' remuneration                                    |        | 902                                   | 789                                   |
| Electricity and Water                                     |        | 3,815                                 | 2,715                                 |
| Security Services                                         |        | 3,041                                 | 2,492                                 |
| Travelling, Transport and accommodation                   |        | 7,371                                 | 6,596                                 |
| Swift Services                                            |        | 840                                   | 880                                   |
| Fuel and Lubricants                                       |        | 2,757                                 | 2,400                                 |
| Bank and Other Charges                                    |        | 323                                   | 295                                   |
| Telecommunication and Postal Charges                      |        | 624                                   | 4,207                                 |
| Conservancy and Cleaning                                  |        | -                                     | 1,284                                 |
| Legal Fees                                                |        | 41                                    | 24                                    |
| CBG Penalty                                               |        | 41                                    | -                                     |
| Operational Losses (Note 34)                              |        | -                                     | -                                     |
| Subscriptions                                             |        | 518                                   | 1,579                                 |
|                                                           |        | <b>66,387</b>                         | <b>44,199</b>                         |

13.1 This represents various cost of network connectivity and IT related services incurred and paid in year 2024.

13.2 This represents various cost of maintenance (vehicle and building) and insurance expenses etc.

### 14. Income tax expense

#### a Recognised in the income statement

|                                 | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|---------------------------------|---------------------------------------|---------------------------------------|
| <b>Current tax expense</b>      |                                       |                                       |
| Current year                    | 657                                   | 20,643                                |
| <b>Total income tax expense</b> | <b>657</b>                            | <b>20,643</b>                         |



**Reconciliation of effective tax rate**

|                                                                       | 2024<br>% | 2024<br>D'000 | 2023<br>% | 2023<br>D'000 |
|-----------------------------------------------------------------------|-----------|---------------|-----------|---------------|
| Profit/(Loss)before tax                                               |           | <u>2,415</u>  |           | <u>64,807</u> |
| (Over)/under provided in prior year                                   |           | -             |           | 3,501         |
| Income tax using the enacted corporation<br>tax rate of 27% of Profit | 27.0%     | 657           | 27.00%    | 17,142        |
| Non-deductible expenses                                               | 0.00%     | -             | 0.00%     | -             |
| Tax exempt income                                                     | 0.00%     | -             | 0.00%     | -             |
| Deferred Tax                                                          | 0.00%     | -             | 0.00%     | -             |
| Total income tax expense in income<br>statement                       | 27.0%     | 657           | 27.00%    | 20,643        |

**b. Taxation – Balance Sheet**

|                         | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|-------------------------|---------------------------------------|---------------------------------------|
| At 1 January            | 17,142                                | 8,262                                 |
| Current year tax charge | 657                                   | 20,643                                |
| Corporation tax paid    | (11,678)                              | (11,763)                              |
|                         | <u>6,121</u>                          | <u>17,142</u>                         |

**Other Tax Liabilities (Back-duty tax) (14b.1)**

16,757

**14b.1** The GMD 16.8 million back-duty tax arose from a 3 year tax review conducted by the Gambia Revenue Authority (GRA) in 2023. The final assessment of GMD 18.5 million, which included a penalty charge of GMD 1.7 million and interest of GMD 2.2 million. Subsequently, the GRA granted a waiver for the penalty, further reducing the liability to GMD 16.757 million. It was agreed with the authorities that this amount would be settled in equal monthly instalments of GMD 1.196 million over a 14-month period.

## 15. Earnings per share

### Profit /(Loss) attributable to ordinary shareholders

|                                                                           | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|---------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| Net profit/(loss) for the year attributable to equity holders of the Bank | 1,758                                 | 44,216                                |

### Weighted average number of ordinary shares

|                                                             | Notes | 31 <sup>st</sup> Dec<br>2024 | 31 <sup>st</sup> Dec<br>2023 |
|-------------------------------------------------------------|-------|------------------------------|------------------------------|
| Issued ordinary shares at 1 January                         | 29    | 15,023,430                   | 11,200,000                   |
| <b>Weighted average number of ordinary shares at 31-Dec</b> |       | <b>15,023,430</b>            | <b>11,200,000</b>            |

## 16. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with other banks and other short-term highly liquid investments with original maturities less than three months.

|                                                                                | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|--------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| Cash (Note 17)                                                                 | 145,347                               | 121,451                               |
| Balance with other banks                                                       | 479,716                               | 299,043                               |
| Unrestricted balances with the Central Bank (Note 17)                          | 68,896                                | 24,576                                |
| Restricted balances with Central Bank (Note 17)                                | 230,220                               | 178,324                               |
| <b>As per statement of financial position</b>                                  | <b>924,179</b>                        | <b>623,394</b>                        |
| Placements with banks and discount houses (Note 18)                            | -                                     | -                                     |
| <b>As per statement of financial position</b>                                  | <b>924,179</b>                        | <b>623,394</b>                        |
| Treasury bills with maturity of less than 90 days from contract date (Note 21) | -                                     | -                                     |
| Restricted balances with Central Bank                                          | (230,220)                             | (178,324)                             |
| <b>As per statement of cash flow</b>                                           | <b>693,959</b>                        | <b>445,071</b>                        |

**FirstBank Gambia Limited**

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## 17. Cash and balances with central banks

|                                                                  | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| Cash in hand                                                     | 145,347                               | 121,451                               |
| Balances with central banks excluding mandatory reserve deposits | 68,896                                | 24,576                                |
|                                                                  | <b>214,243</b>                        | <b>146,027</b>                        |
| Mandatory reserve deposits with the Central Bank                 | 230,220                               | 178,324                               |
|                                                                  | <b>444,463</b>                        | <b>324,351</b>                        |

## 18. Loans and advances to banks

|                                             | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|---------------------------------------------|---------------------------------------|---------------------------------------|
| Long term placement/Cash collateral balance | -                                     | 50,000                                |
| Carrying amount                             | -                                     | 50,000                                |

Reconciliation of impairment account  
At start of period  
Increase in impairment  
Writeback of impairment  
At end of period

|   |       |
|---|-------|
| - | 129   |
| - | (129) |
| - | -     |
| - | -     |

## 19. Reconciliation of Profit before tax to cash generated from operations.

|                                                             |       | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|-------------------------------------------------------------|-------|---------------------------------------|---------------------------------------|
|                                                             | Notes |                                       |                                       |
| Profit/(Loss) before tax                                    |       | 2,415                                 | 64,859                                |
| Adjustments for:                                            |       |                                       |                                       |
| – Depreciation                                              | 22    | 20,359                                | 16,046                                |
| – Amortisation                                              | 23    | 2,406                                 | 142                                   |
| – Loss from disposal of property and equipment              |       | -                                     | -                                     |
| – Foreign exchange gains                                    | 10    | (29,282)                              | (33,462)                              |
| – Impairment on loans and advances to banks                 |       | -                                     | -                                     |
| – Impairment on loans and advances to customers             | 8     | 26,561                                | 1,219                                 |
| – Change in provision in other assets                       |       | -                                     | 120                                   |
| – impairment of investment securities                       |       | -                                     | (52)                                  |
| – impairment on off balance sheet & other financial assets  |       | 432                                   | -                                     |
| – Profit on disposal of PPE                                 |       | -                                     | (9)                                   |
| – Net Interest Income                                       | 7     | (127,913)                             | (100,047)                             |
| <b>Increase/(decrease) in operating assets:</b>             |       |                                       |                                       |
| – Cash and balances with the Central Bank (restricted cash) |       | 51,896                                | 65,793                                |
| – Loans and advances to banks                               |       | 50,000                                | (50,000)                              |
| – Loans and advances to customers                           |       | 106,523                               | (238,459)                             |
| – Other assets                                              |       | (6,087)                               | (3,388)                               |
| <b>Increase/(decrease) in operating liabilities:</b>        |       |                                       |                                       |
| – Deposits from banks                                       |       | 10,686                                | (276,413)                             |
| – Deposits from customers                                   |       | 423,816                               | 615,809                               |
| – Other liabilities                                         |       | 41,957                                | (1,682)                               |
| – Other liabilities (back-duty tax)                         |       | 16,757                                | -                                     |
| <b>Cash (used in) /generated from operations</b>            |       | <b>590,526</b>                        | <b>60,476</b>                         |



**20. Loans and advances to customers**  
**31 December 2024**

|                  | Gross<br>amount<br>D'000 | 12 months<br>ECL<br>D'000 | Stage 2<br>ECL<br>D'000 | Stage 3<br>ECL<br>D'000 | Total<br>impairment<br>D'000 | Carrying<br>amount<br>D'000 |
|------------------|--------------------------|---------------------------|-------------------------|-------------------------|------------------------------|-----------------------------|
| <b>Corporate</b> |                          |                           |                         |                         |                              |                             |
| Overdrafts       | 214,816                  | 591                       | 1                       | 170                     | 762                          | 214,054                     |
| Term loans       | 415,465                  | 438                       | -                       | 120                     | 558                          | 414,907                     |
| Project finance  | -                        | -                         | -                       | -                       | -                            | -                           |
|                  | <b>630,281</b>           | <b>1,029</b>              | <b>1</b>                | <b>290</b>              | <b>1,320</b>                 | <b>628,961</b>              |

|                                 | Gross<br>amount<br>D'000 | 12 months<br>ECL<br>D'000 | Stage 2<br>ECL<br>D'000 | Stage 3<br>ECL<br>D'000 | Total<br>impairment<br>D'000 | Carrying<br>amount<br>D'000 |
|---------------------------------|--------------------------|---------------------------|-------------------------|-------------------------|------------------------------|-----------------------------|
| <b>Retail</b>                   |                          |                           |                         |                         |                              |                             |
| Overdrafts                      | 55,417                   | 3,315                     | 231                     | 452                     | 3,998                        | 51,419                      |
| Term loans                      | 86,937                   | 2,576                     | 226                     | 26,225                  | 29,027                       | 57,910                      |
| Credit cards                    | -                        | -                         | -                       | -                       | -                            | -                           |
| Mortgage                        | -                        | -                         | -                       | -                       | -                            | -                           |
|                                 | <b>142,354</b>           | <b>5,891</b>              | <b>457</b>              | <b>26,677</b>           | <b>33,025</b>                | <b>109,329</b>              |
| <b>Total loans and advances</b> | <b>772,635</b>           | <b>6,920</b>              | <b>458</b>              | <b>26,967</b>           | <b>34,345</b>                | <b>738,290</b>              |

31 December 2023

**Corporate**

Overdrafts

Term loans

Project finance

| Gross<br>amount<br>D'000 | 12 months<br>ECL<br>D'000 | Stage 2<br>ECL<br>D'000 | Stage 3<br>ECL<br>D'000 | Total<br>impairment<br>D'000 | Carrying<br>amount<br>D'000 |
|--------------------------|---------------------------|-------------------------|-------------------------|------------------------------|-----------------------------|
| 275,641                  | 281                       | 15                      | -                       | 296                          | 275,345                     |
| 429,918                  | 762                       | -                       | 117                     | 879                          | 429,039                     |
| -                        | -                         | -                       | -                       | -                            | -                           |
| 705,559                  | 1,043                     | 15                      | 117                     | 1,175                        | 704,384                     |

**Retail**

Overdrafts

Term loans

Credit cards

Mortgage

| Gross<br>amount<br>D'000 | 12 months<br>ECL<br>D'000 | Stage 2<br>ECL<br>D'000 | Stage 3<br>ECL<br>D'000 | Total<br>impairment<br>D'000 | Carrying<br>amount<br>D'000 |
|--------------------------|---------------------------|-------------------------|-------------------------|------------------------------|-----------------------------|
| 50,998                   | 1,035                     | 139                     | 420                     | 1,594                        | 49,404                      |
| 95,560                   | 2,647                     | 861                     | 1,027                   | 4,535                        | 91,025                      |
| -                        | -                         | -                       | -                       | -                            | -                           |
| -                        | -                         | -                       | -                       | -                            | -                           |
| 146,558                  | 3,682                     | 1,001                   | 1,447                   | 6,129                        | 140,429                     |

Total loans and advances

|         |       |       |       |       |         |
|---------|-------|-------|-------|-------|---------|
| 852,117 | 4,725 | 1,016 | 1,564 | 7,304 | 844,813 |
|---------|-------|-------|-------|-------|---------|



b. Reconciliation of impairment allowance on loans and advances to customers

| Retail Portfolio                           | Overdrafts<br>D'000 | Term loans<br>D'000 | Credit cards<br>D'000 | Mortgage<br>D'000 | Total<br>D'000 |
|--------------------------------------------|---------------------|---------------------|-----------------------|-------------------|----------------|
| <b>At 1 January 2024</b>                   |                     |                     |                       |                   |                |
| 12 months ECL- Stage 1                     | 1,035               | 2,647               | -                     | -                 | 3,682          |
| Lifetime ECL not credit impaired - Stage 2 | 139                 | 861                 | -                     | -                 | 1,000          |
| Lifetime ECL credit impaired - Stage 3     | 420                 | 1,027               | -                     | -                 | 1,447          |
|                                            | 1,594               | 4,535               | -                     | -                 | 6,129          |
| <b>Additional allowance</b>                |                     |                     |                       |                   |                |
| 12 months ECL- Stage 1                     | 2,280               | (71)                | -                     | -                 | 2,209          |
| Lifetime ECL not credit impaired - Stage 2 | 92                  | (635)               | -                     | -                 | (543)          |
| Lifetime ECL credit impaired - Stage 3     | 32                  | 25,198              | -                     | -                 | 25,230         |
|                                            | 2,404               | 24,492              | -                     | -                 | 26,896         |
| <b>Loans written off</b>                   |                     |                     |                       |                   |                |
| 12 months ECL- Stage 1                     | -                   | -                   | -                     | -                 | -              |
| Lifetime ECL not credit impaired - Stage 2 | -                   | -                   | -                     | -                 | -              |
| Lifetime ECL credit impaired - Stage 3     | -                   | -                   | -                     | -                 | -              |
|                                            | -                   | -                   | -                     | -                 | -              |
| <b>At 31 December 2024</b>                 | 3,998               | 29,027              | -                     | -                 | 33,025         |

### Breakdown

|                                            |       |        |   |   |        |
|--------------------------------------------|-------|--------|---|---|--------|
| 12 months ECL- Stage 1                     | 3,315 | 2,576  | - | - | 5,891  |
| Lifetime ECL not credit impaired - Stage 2 | 231   | 226    | - | - | 457    |
| Lifetime ECL credit impaired - Stage 3     | 452   | 26,225 | - | - | 26,677 |
|                                            | 3,990 | 29,027 | - | - | 33,025 |

### Corporate Portfolio

#### At 1 January 2024

|                                            |     |     |   |   |       |
|--------------------------------------------|-----|-----|---|---|-------|
| 12 months ECL- Stage 1                     | 281 | 762 | - | - | 1,043 |
| Lifetime ECL not credit impaired - Stage 2 | 15  | -   | - | - | 15    |
| Lifetime ECL credit impaired - Stage 3     | -   | 117 | - | - | 117   |
|                                            | 296 | 879 | - | - | 1,175 |

### Additional allowance

|                                            |      |       |   |   |      |
|--------------------------------------------|------|-------|---|---|------|
| 12 months ECL- Stage 1                     | 310  | (324) | - | - | (14) |
| Lifetime ECL not credit impaired - Stage 2 | (14) | -     | - | - | (14) |
| Lifetime ECL credit impaired - Stage 3     | 170  | 3     | - | - | 173  |
|                                            | 466  | (321) | - | - | 145  |

### Loans written off

|                                            |   |   |   |   |   |
|--------------------------------------------|---|---|---|---|---|
| 12 months ECL- Stage 1                     | - | - | - | - | - |
| Lifetime ECL not credit impaired - Stage 2 | - | - | - | - | - |
| Lifetime ECL credit impaired - Stage 3     | - | - | - | - | - |



## At 31 December 2024

|  |     |     |   |   |       |
|--|-----|-----|---|---|-------|
|  | -   | -   | - | - | -     |
|  | 762 | 558 | - | - | 1,320 |
|  |     |     |   |   |       |
|  | 591 | 438 | - | - | 1,029 |
|  | 1   | -   | - | - | 1     |
|  | 170 | 120 | - | - | 290   |
|  | 762 | 558 | - | - | 1,320 |

## Breakdown

12 months ECL- Stage 1  
Lifetime ECL not credit impaired - Stage 2  
Lifetime ECL credit impaired - Stage 3

## Retail Portfolio

### At 1 January 2023

12 months ECL- Stage 1  
Lifetime ECL not credit impaired - Stage 2  
Lifetime ECL credit impaired - Stage 3

|  | Overdrafts<br>D'000 | Term loans |       | Credit cards |       | Mortgage<br>D'000 | Total<br>D'000 |
|--|---------------------|------------|-------|--------------|-------|-------------------|----------------|
|  |                     | D'000      | D'000 | D'000        | D'000 |                   |                |
|  | 776                 | 3,719      | -     | -            | -     | -                 | 4,495          |
|  | 26                  | 225        | -     | -            | -     | -                 | 251            |
|  | 561                 | 78         | -     | -            | -     | -                 | 639            |
|  | 1,363               | 4,022      | -     | -            | -     | -                 | 5,385          |

## Additional allowance

12 months ECL- Stage 1  
Lifetime ECL not credit impaired - Stage 2  
Lifetime ECL credit impaired - Stage 3

|  |       |         |   |   |   |       |
|--|-------|---------|---|---|---|-------|
|  | 259   | (1,072) | - | - | - | (813) |
|  | 113   | 636     | - | - | - | 749   |
|  | (141) | 949     | - | - | - | 808   |
|  | 231   | 513     | - | - | - | 744   |

## Loans written off

12 months ECL- Stage 1  
Lifetime ECL not credit impaired - Stage 2

|  |   |   |   |   |   |   |
|--|---|---|---|---|---|---|
|  | - | - | - | - | - | - |
|  | - | - | - | - | - | - |

## FirstBank Gambia Limited

Annual Report and Financial Statements  
for the year ended 31st December 2024

Lifetime ECL credit impaired - Stage 3

|       |       |   |   |       |
|-------|-------|---|---|-------|
| -     | -     | - | - | -     |
| -     | -     | - | - | -     |
| 1,594 | 4,535 | - | - | 6,129 |

**At 31 December 2023**

**Breakdown**

12 months ECL- Stage 1  
Lifetime ECL not credit impaired - Stage 2  
Lifetime ECL credit impaired - Stage 3

|       |       |   |   |       |
|-------|-------|---|---|-------|
| 1,035 | 2,647 | - | - | 3,682 |
| 139   | 861   | - | - | 1,000 |
| 420   | 1,027 | - | - | 1,447 |
| 1,594 | 4,535 | - | - | 6,129 |

**Corporate Portfolio**  
**At 1 January 2023**

12 months ECL- Stage 1  
Lifetime ECL not credit impaired - Stage 2  
Lifetime ECL credit impaired - Stage 3

| Overdrafts<br>D'000 | Term loans<br>D'000 | AFL<br>D'000 | Other<br>D'000 | Total<br>D'000 |
|---------------------|---------------------|--------------|----------------|----------------|
| 275                 | 401                 | -            | -              | 676            |
| 19                  | -                   | -            | -              | 19             |
| 0                   | -                   | -            | -              | 0              |
| 294                 | 401                 | -            | -              | 695            |

**Additional allowance**

12 months ECL- Stage 1  
Lifetime ECL not credit impaired - Stage 2  
Lifetime ECL credit impaired - Stage 3

|     |     |   |   |     |
|-----|-----|---|---|-----|
| 6   | 361 | - | - | 367 |
| (4) | -   | - | - | (4) |
| -   | 117 | - | - | 117 |
| 2   | 478 | - | - | 480 |

**Loans written off**

12 months ECL- Stage 1  
Lifetime ECL not credit impaired - Stage 2  
Lifetime ECL credit impaired - Stage 3

|     |     |   |   |       |
|-----|-----|---|---|-------|
| -   | -   | - | - | -     |
| -   | -   | - | - | -     |
| -   | -   | - | - | -     |
| -   | -   | - | - | -     |
| -   | -   | - | - | -     |
| 296 | 879 | - | - | 1,175 |



At 31 December 2023

**Breakdown**

12 months ECL- Stage 1

Lifetime ECL not credit impaired - Stage 2

Lifetime ECL credit impaired - Stage 3

|     |     |   |   |       |
|-----|-----|---|---|-------|
| 281 | 762 | - | - | 1,043 |
| 15  | -   | - | - | 15    |
| -   | 117 | - | - | 117   |
| 296 | 879 | - | - | 1,175 |
| 296 | 879 | - | - | 1,175 |

**C. Nature of security in respect of loans and advance**

|                                                                               | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|-------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| Legal Mortgage/Debenture on Business Premises, Factory Assets or Real Estates | 314,685                               | 456,570                               |
| Guarantee/Receivables of Investment Grade Banks & State Govt.                 | -                                     | -                                     |
| Domiciliation of receivables (20.c.1)                                         | 376,480                               | 318,380                               |
| Clean/Negative Pledge                                                         | 7,380                                 | 5,675                                 |
| Otherwise Secured (20.c.2)                                                    | 52,700                                | 66,880                                |
| Cash/Government Securities                                                    | 21,390                                | 4,613                                 |
|                                                                               | <b>772,635</b>                        | <b>852,118</b>                        |

**21. Investment securities**

**Investment securities at Amortized cost**

Debt securities – at amortised cost:

- Treasury bills with maturity of less than 90 days
- Treasury bills with maturity of more than 90 days
- Bonds
- Unlisted debt

12- month ECL on amortized cost investments

**Total securities at amortized cost**

|  | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|--|---------------------------------------|---------------------------------------|
|  | -                                     | -                                     |
|  | 567,935                               | 406,379                               |
|  | 423,134                               | 198,829                               |
|  | -                                     | -                                     |
|  | (8)                                   | (86)                                  |
|  | <b>991,060</b>                        | <b>605,122</b>                        |

**Investment Securities**

Government treasury Bills  
3-year Gambia Government Bonds  
Equity Investments

|  | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|--|---------------------------------------|---------------------------------------|
|  | 567,926                               | 406,293                               |
|  | 423,134                               | 198,829                               |
|  | -                                     | -                                     |
|  | <b>991,060</b>                        | <b>605,122</b>                        |

**Reconciliation of impairment account**

Balance at 1 January  
Increase in impairment  
Write back of impairment  
Balance at 31 December

|  | 86       | 138       |
|--|----------|-----------|
|  | -        | -         |
|  | (78)     | (52)      |
|  | <b>8</b> | <b>86</b> |



## 22 Property, plant and equipment

|                                    | Office<br>Machines &<br>Equipment | Office<br>Renovation | Motor<br>Vehicles | IT<br>Equipment | Fixtures<br>and<br>Fittings | Right-of-<br>use-Asset | Payment<br>on<br>Account<br>(WIP) | Total          |
|------------------------------------|-----------------------------------|----------------------|-------------------|-----------------|-----------------------------|------------------------|-----------------------------------|----------------|
|                                    | D'000                             | D'000                | D'000             | D'000           | D'000                       | D'000                  | D'000                             | D'000          |
| <b>Cost</b>                        |                                   |                      |                   |                 |                             |                        |                                   |                |
| Balance at 1 January 2023          | 27,492                            | 31,353               | 23,416            | 10,957          | 9,798                       | 49,090                 | -                                 | 152,106        |
| Acquisitions                       | 472                               | 420                  | 8,100             | 2,072           | 74                          | -                      | -                                 | 11,138         |
| Reclassifications/Transfers        | -                                 | -                    | -                 | -               | -                           | -                      | -                                 | -              |
| Disposals                          | -                                 | -                    | (590)             | (75)            | -                           | -                      | -                                 | (665)          |
| Write offs                         | -                                 | -                    | -                 | -               | -                           | 10,605                 | -                                 | 10,605         |
| <b>Balance at 31 December 2023</b> | <b>27,964</b>                     | <b>31,773</b>        | <b>30,926</b>     | <b>12,954</b>   | <b>9,872</b>                | <b>59,695</b>          | <b>-</b>                          | <b>173,184</b> |
| <b>Balance at 1 January 2024</b>   | <b>27,964</b>                     | <b>31,773</b>        | <b>30,926</b>     | <b>12,954</b>   | <b>9,872</b>                | <b>59,695</b>          | <b>-</b>                          | <b>173,184</b> |
| Acquisitions                       | 36,222                            | -                    | 4,870             | 618             | 152                         | -                      | -                                 | 41,862         |
| Reclassifications/Transfers        | -                                 | -                    | -                 | -               | -                           | -                      | -                                 | -              |
| Disposals                          | -                                 | -                    | -                 | -               | (21)                        | -                      | -                                 | (21)           |
| Accounting Adjustment              | 417                               | 175                  | (2,152)           | 239             | 147                         | -                      | -                                 | (1,174)        |
| <b>Balance at 31 December 2024</b> | <b>64,603</b>                     | <b>31,948</b>        | <b>33,644</b>     | <b>13,811</b>   | <b>10,150</b>               | <b>59,695</b>          | <b>-</b>                          | <b>213,851</b> |

|                                           | Office<br>Machines &<br>Equipment | Office<br>Renovation | Motor<br>Vehicles | IT<br>Equipment | Fixtures<br>and<br>Fittings | Right-of-<br>use Asset | Payment on<br>Account (WIP) | Total          |
|-------------------------------------------|-----------------------------------|----------------------|-------------------|-----------------|-----------------------------|------------------------|-----------------------------|----------------|
|                                           | D'000                             | D'000                | D'000             | D'000           | D'000                       | D'000                  | D'000                       | D'000          |
| <b>Depreciation and impairment losses</b> |                                   |                      |                   |                 |                             |                        |                             |                |
| Balance at 1 January 2023                 | 20,068                            | 10,157               | 11,864            | 9,796           | 8,157                       | 11,703                 | -                           | 71,745         |
| Depreciation for the period               | 2,397                             | 3,301                | 4,806             | 872             | 1,040                       | 3,629                  | -                           | 16,045         |
| Accounting Adjustment                     |                                   |                      |                   |                 |                             |                        |                             |                |
| Disposal                                  |                                   |                      |                   |                 |                             |                        |                             |                |
| Write offs                                |                                   |                      | (534)             | (75)            |                             |                        |                             | (609)          |
| <b>Balance at 31 December 2023</b>        | <b>22,465</b>                     | <b>13,458</b>        | <b>16,136</b>     | <b>10,593</b>   | <b>9,197</b>                | <b>15,332</b>          | <b>-</b>                    | <b>87,181</b>  |
| <b>Balance at 1 January 2024</b>          | <b>22,465</b>                     | <b>13,458</b>        | <b>16,136</b>     | <b>10,593</b>   | <b>9,197</b>                | <b>15,332</b>          | <b>-</b>                    | <b>87,181</b>  |
| Depreciation for the period               | 5,717                             | 3,139                | 6,124             | 1,064           | 262                         | 4,053                  | -                           | 20,359         |
| Adjustment                                | (814)                             | (287)                | 773               | 363             | 90                          | 162                    | -                           | 267            |
| Disposals                                 |                                   |                      |                   |                 | (21)                        |                        |                             | (21)           |
| Write offs                                |                                   |                      |                   |                 |                             |                        |                             |                |
| <b>Balance at 31 December 2024</b>        | <b>27,368</b>                     | <b>16,310</b>        | <b>23,033</b>     | <b>12,020</b>   | <b>9,549</b>                | <b>19,526</b>          | <b>-</b>                    | <b>107,806</b> |
| <b>Carrying amounts</b>                   |                                   |                      |                   |                 |                             |                        |                             |                |
| Balance at 1 January 2022                 | 7,424                             | 21,196               | 11,552            | 1,161           | 1,641                       | 37,387                 | -                           | 80,361         |
| Balance at 31 December 2023               | 5,499                             | 18,315               | 14,790            | 2,361           | 675                         | 44,363                 | -                           | 86,003         |
| <b>Balance at 31 December 2024</b>        | <b>37,234</b>                     | <b>15,638</b>        | <b>10,611</b>     | <b>1,791</b>    | <b>601</b>                  | <b>40,169</b>          | <b>-</b>                    | <b>106,044</b> |



## 22. Lease

This note provides information for leases where the bank is a lessee as at 31<sup>st</sup> December 2024.

i Right-of-use  
assets

|                                           | Head<br>Office<br>Building | Banjul<br>Branch | Brikama<br>Branch | Total  |
|-------------------------------------------|----------------------------|------------------|-------------------|--------|
|                                           | D'000                      | D'000            | D'000             | D'000  |
| Opening balance as at 1 January 2024      | 48,278                     | 8,402            | 3,015             | 59,695 |
| Additions during the year                 | -                          | -                | -                 | -      |
| Accounting<br>Adjustment                  | -                          | -                | -                 | -      |
| Closing balance as at 31 December<br>2024 | 48,278                     | 8,402            | 3,015             | 59,695 |
| <i>Depreciation</i>                       |                            |                  |                   |        |
| Opening balance as at 1 January 2024      | 11,586                     | 3,268            | 478               | 15,332 |
| Charge for the<br>year                    | 2,461                      | 1,379            | 354               | 4,194  |
| Write off                                 | -                          | -                | -                 | -      |
| Closing balance as at 31 December<br>2024 | 14,047                     | 4,647            | 832               | 19,526 |
| Net book value as at 31 December<br>2024  | 34,231                     | 3,755            | 2,183             | 40,169 |

ii Lease liabilities

|                                        | D'000         |
|----------------------------------------|---------------|
| Opening balance as at 1 January 2024   | 46,223        |
| Accounting Adj                         | 697           |
| Interest exp                           | 2,923         |
| Payments made during the period        | (10,724)      |
| Closing balance as at 31 December 2024 | 39,119        |
| Current lease liabilities              | 9,240         |
| Non-current lease liabilities          | 29,879        |
|                                        | <u>39,119</u> |

## iii Amounts recognised in the statement of profit or loss

|                                            | Head Office Building | Banjul Branch | Others | Total |
|--------------------------------------------|----------------------|---------------|--------|-------|
|                                            | D'000                | D'000         | D'000  | D'000 |
| Depreciation charge of right-of-use assets | 2,461                | 1,379         | 354    | 4,194 |
| Interest expense                           | 2,781                | 142           | -      | 2,923 |
| Lease expense (Low value assets)           | -                    | -             | -      | -     |
| Lease expense (short term)                 | -                    | -             | -      | -     |

## iv Amounts recognised in the statement of cash flows

|                               |   |   |   |               |
|-------------------------------|---|---|---|---------------|
| Total cash outflow for leases | - | - | - | <u>10,724</u> |
|-------------------------------|---|---|---|---------------|

This note provides information for leases where the bank is a lessee as at 31<sup>st</sup> December 2023

## i Right-of-use assets

|                                        | Head Office Building | Banjul Branch | Brikama Branch | Total         |
|----------------------------------------|----------------------|---------------|----------------|---------------|
|                                        | D'000                | D'000         | D'000          | D'000         |
| Opening balance as at 1 January 2023   | 37,932               | 6,896         | 4,262          | 49,090        |
| Additions during the year              | -                    | -             | -              | -             |
| Accounting Adjustment                  | 10,346               | 1,506         | (1,247)        | 10,605        |
| Closing balance as at 31 December 2023 | <u>48,278</u>        | <u>8,402</u>  | <u>3,015</u>   | <u>59,695</u> |
| <i>Depreciation</i>                    |                      |               |                |               |
| Opening balance as at 1 January 2023   | 8,789                | 2,578         | 336            | 11,703        |
| Charge for the year                    | 2,797                | 690           | 142            | 3,629         |
| Write off                              | -                    | -             | -              | -             |
| Closing balance as at 31 December 2023 | <u>11,586</u>        | <u>3,268</u>  | <u>478</u>     | <u>15,332</u> |
| Net book value as at 31 December 2023  | <u>36,691</u>        | <u>5,134</u>  | <u>2,537</u>   | <u>44,362</u> |



ii *Lease liabilities*

|                                        | D'000         |
|----------------------------------------|---------------|
| Opening balance as at 1 January 2023   | 36,206        |
| Accounting Adj                         | 9,906         |
| Interest exp                           | 1,844         |
| Payments made during the period        | (1,733)       |
| Closing balance as at 31 December 2023 | <u>46,223</u> |

|                               |               |
|-------------------------------|---------------|
| Current lease liabilities     | 9,240         |
| Non-current lease liabilities | 36,983        |
|                               | <u>46,223</u> |

iii *Amounts recognised in the statement of profit or loss*

|                                            | Head Office Building | Banjul Branch | Others | Total |
|--------------------------------------------|----------------------|---------------|--------|-------|
|                                            | D'000                | D'000         | D'000  | D'000 |
| Depreciation charge of right-of-use assets | 2,797                | 690           | 142    | 3,629 |
| Interest expense                           | 1,702                | 142           | -      | 1,844 |
| Lease expense (Low value assets)           | -                    | -             | 338    | 338   |
| Lease expense (short term)                 | -                    | -             | 629    | 629   |

iv *Amounts recognised in the statement of cash flows*

|                               |              |
|-------------------------------|--------------|
| Total cash outflow for leases | <u>1,733</u> |
|-------------------------------|--------------|

## 23. Intangible assets

|                                    | Purchased<br>Software<br>D'000 |
|------------------------------------|--------------------------------|
| <b>Cost</b>                        |                                |
| Balance at 1 January 2024          | 35,702                         |
| Adjustment                         | (7,948)                        |
| Acquisitions                       | 14,448                         |
| <b>Balance at 31 December 2024</b> | <b>42,202</b>                  |
| Balance at 1 January 2023          | 27,522                         |
| Acquisitions/ (Write-off)          | 8,180                          |
| Balance at 31 December 2023        | 35,702                         |
| <b>Amortisation and impairment</b> |                                |
| Balance at 1 January 2024          | 27,542                         |
| Adjustment                         | -                              |
| Amortisation for the year          | 2,406                          |
| <b>Balance at 31 December 2024</b> | <b>29,948</b>                  |
| Balance at 1 January 2023          | 27,400                         |
| Amortisation for the year          | 142                            |
| write-off                          | -                              |
| Balance at 31 December 2023        | 27,542                         |
| <b>Carrying amounts</b>            |                                |
| Balance at 1 January 2023          | 122                            |
| Balance at 31 December 2023        | 8,160                          |
| <b>Balance at 31 December 2024</b> | <b>12,254</b>                  |



## 24. Deferred tax assets and liabilities

### Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

|                                      | Assets | Liabilities | Net   | Assets | Liabilities | Net   |
|--------------------------------------|--------|-------------|-------|--------|-------------|-------|
|                                      | 2024   | 2024        |       | 2023   | 2023        |       |
|                                      | D'000  | D'000       | D'000 | D'000  | D'000       | D'000 |
| Property and equipment, and software | -      | -           | -     | -      | -           | -     |

### Movements during the year

|                                      | Opening<br>Balance | Recognised<br>in profit or<br>loss | Recognised<br>in equity | Closing<br>balance |
|--------------------------------------|--------------------|------------------------------------|-------------------------|--------------------|
|                                      | D'000              | D'000                              | D'000                   | D'000              |
| <b>2024</b>                          |                    |                                    |                         |                    |
| Property and equipment, and software | -                  | -                                  | -                       | -                  |
| <b>2023</b>                          |                    |                                    |                         |                    |
| Property and equipment, and software | -                  | -                                  | -                       | -                  |

## 25. Other assets

|                                             | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|---------------------------------------------|---------------------------------------|---------------------------------------|
| <b>Financial assets:</b>                    |                                       |                                       |
| Accounts receivable                         | 4,411                                 | 3,557                                 |
|                                             | 4,411                                 | 3,557                                 |
| Impairment                                  | (420)                                 | (339)                                 |
|                                             | 3,991                                 | 3,218                                 |
| <b>Non-Financial assets:</b>                |                                       |                                       |
| Stock of consumables                        | 3,092                                 | 2,211                                 |
| Prepayments                                 | 10,732                                | 6,299                                 |
|                                             | 13,824                                | 8,510                                 |
| <b>Net other assets balance</b>             | <b>17,815</b>                         | <b>11,728</b>                         |
| <b>Reconciliation of impairment account</b> |                                       |                                       |
| At start of period                          | 339                                   | 219                                   |
| Increase in impairment                      | 81                                    | 120                                   |
| <b>At end of period</b>                     | <b>420</b>                            | <b>339</b>                            |

## 25.1 Breakdown of Account Receivable

|                            |              |              |
|----------------------------|--------------|--------------|
| H/O Recoverable Balances   | 20           | 42           |
| Money Transfer Receivables | 3,971        | 3,176        |
| Cash Shortage              | -            | -            |
| Other Receivable           | -            | -            |
|                            | <b>3,991</b> | <b>3,218</b> |

## 25.2 Breakdown of Stock of Consumables

|              |              |              |
|--------------|--------------|--------------|
| Stationeries | 1,849        | 1,382        |
| Token        | 510          | 543          |
| ATM Cards    | 473          | 269          |
| Fuel Cards   | 260          | 17           |
|              | <b>3,092</b> | <b>2,211</b> |

## 26 Deposits from banks

|                       | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|-----------------------|---------------------------------------|---------------------------------------|
| Money market deposits | 106,419                               | 95,733                                |
|                       | <b>106,419</b>                        | <b>95,733</b>                         |

Balance in money market deposit comprises of interbank takings in the normal cause of operation.

## 27 Deposits from customers

|                             | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|-----------------------------|---------------------------------------|---------------------------------------|
| <i>Retail customers:</i>    |                                       |                                       |
| Term deposits               | 33,938                                | 155,414                               |
| Current deposits            | 153,639                               | 162,672                               |
| Savings deposits            | 413,728                               | 312,566                               |
| <i>Corporate customers:</i> |                                       |                                       |
| Term deposits               | 137,086                               | 127,911                               |
| Current deposits            | 927,392                               | 724,343                               |
| Savings Deposits            | 461,572                               | 220,633                               |
|                             | <b>2,127,355</b>                      | <b>1,703,539</b>                      |



## 28 Other liabilities

|                                       | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| <b>Financial Liabilities:</b>         |                                       |                                       |
| Accounts payable                      | 2,479                                 | 2,594                                 |
| Creditors                             | 930                                   | 142                                   |
| Lease liabilities (See note 22b)      | 39,119                                | 46,223                                |
| Bills of Exchange & Cheques payable   | 406                                   | 398                                   |
| Legal and Search fee payable          | 1,268                                 | 1,004                                 |
| Collection on behalf of third parties | 4,434                                 | 1,757                                 |
|                                       | <b>48,636</b>                         | <b>52,118</b>                         |
| <b>Non-Financial Liabilities:</b>     |                                       |                                       |
| Provisions and accruals               | 1,776                                 | 5,739                                 |
| Deferred income                       | 346                                   | 276                                   |
| Deposit for shares                    | 74,083                                | 24,750                                |
|                                       | <b>124,841</b>                        | <b>82,883</b>                         |

### 28.1 Deposit for shares

The value of deposits for shares represent the amount not yet capitalized by the bank, from the capital injected by the parent company – FirstBank Nigeria Limited in December 2024. This will be applied in future whenever there is event that trigger capital violation.

## 29. Share capital and reserves

|                                                           | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|-----------------------------------------------------------|---------------------------------------|---------------------------------------|
| On issue as at 1 <sup>st</sup> January                    | 224,000                               | 224,000                               |
| New shares issued                                         | 76,469                                | -                                     |
| Issued share capital as at 31 <sup>st</sup> December 2024 | <b>300,469</b>                        | <b>224,000</b>                        |

On January 15, 2019, the parent company - First Bank of Nigeria injected an additional capital of US\$1.00 million to augment the capital position due to deterioration of capital position of the bank below the regulatory requirement of D200.00 million as at 31 December 2018. Of the US\$1.00 million, US\$500,000.00 was immediately capitalized into common equity, while the other US\$500,000.00 was held as deposit for shares. Consequently, an additional 1.20 million were issued at D20, resulting in additional paid up capital of D224.00 million.

Furthermore, on December 30, 2024 additional US\$1.8 million was injected by the parent company to meet the first phase of the Central Bank of the Gambia revised capital requirement of D300 million due December 31, 2024. Of the US\$1.8 million injected, US\$740,000 was immediately capitalized into common equity plus the D24.75 million previously held as deposit for shares (dollar equivalent of US\$500,000), while the remaining US\$1.06 million was held as deposit for shares.

Consequently, an additional 3.82 million shares were issued at D20, with total paid up capital of D300.47 million.

## 29a. Credit risk reserve

|                                                       | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|-------------------------------------------------------|---------------------------------------|---------------------------------------|
| Provision determined as per CBG prudential guidelines | 38,421                                | 10,874                                |
| Provision determined as per IFRS 9                    | 34,345                                | 7,305                                 |
| Transfer to credit risk reserve                       | <u>4,076</u>                          | <u>3,569</u>                          |
|                                                       | =====                                 | =====                                 |

## 30. Contingencies and commitments

|                                        | 31 <sup>st</sup> Dec<br>2024<br>D'000 | 31 <sup>st</sup> Dec<br>2023<br>D'000 |
|----------------------------------------|---------------------------------------|---------------------------------------|
| Performance bonds and warranties       | 243,819                               | 352,314                               |
| Treasury Intermediation                | 16,732                                | 23,600                                |
| Undrawn irrecoverable loan commitments | 73,235                                | 14,301                                |
|                                        | <u>333,786</u>                        | <u>390,215</u>                        |
|                                        | =====                                 | =====                                 |

### Nature of contingent liabilities

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

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

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

**Forward foreign exchange contracts** are commitments to either purchase or sell a designated financial instrument at a specified future date for a specified price and may be settled in cash or another financial asset. The fair values of the respective currency forwards are carried under other assets and other liabilities as appropriate.

### Customers' treasury bills

The Bank was granted approval by the Central Bank of the Gambia to act as Primary Dealer in Gambia Government Treasury Bills on behalf of its customers.

As at 31<sup>st</sup> December 2024, the face value of bills held by the Bank as an intermediary between the Central Bank of the Gambia and the general public was **D16.71 million**. (2023: D23.1 million).

### Bills sent for collection

During the course of the year, the bank sends export bills on behalf of its customers engaged in the export of mainly cashew and sesame seeds. Documents were sent to the buying customers through their banks with the instruction to release the documents to the buyers as per the agreed terms and conditions.

For this service, the Bank charges an amount of USD 250.00 per bill sent as handling fee.

The total value of unsettled bills as at 31<sup>st</sup> December 2024 was **USD4.9 million** (2023: USD 2.1m).



### 31 Related party transactions

The bank is controlled 100% by FirstBank Nigeria Limited (incorporated in Nigeria), who is a member of FBN Holding group, the ultimate parent.

| a.                                | Entities controlled by Parent and Associates of the Parent | Directors and other key management personnel (and close family members) | Associates | Subsidiaries |
|-----------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------|------------|--------------|
|                                   | D'000                                                      | D'000                                                                   | D'000      | D'000        |
| Transactions with related parties |                                                            |                                                                         |            |              |
| 31 December 2024                  |                                                            |                                                                         |            |              |
|                                   |                                                            |                                                                         |            |              |
| Receivable                        | -                                                          | -                                                                       | -          | -            |
| Account payable                   | 680                                                        | -                                                                       | -          | -            |
| Borrowings                        | -                                                          | -                                                                       | -          | -            |
| Interest income                   | -                                                          | -                                                                       | -          | -            |
| Interest expense                  | 7,995                                                      | -                                                                       | -          | -            |
| Fee and commission income         | -                                                          | -                                                                       | -          | -            |
| Other operating income            | -                                                          | -                                                                       | -          | -            |
| Other operating expense           | -                                                          | -                                                                       | -          | -            |
| Loans to banks                    | -                                                          | -                                                                       | -          | -            |
| Deposit from banks                | 103,335                                                    | -                                                                       | -          | -            |

### 31 December 2023

|                           |        |   |   |
|---------------------------|--------|---|---|
| Receivable                | -      | - | - |
| Account payable           | 618    | - | - |
| Borrowings                | -      | - | - |
| Interest income           | -      | - | - |
| Interest expense          | 7,765  | - | - |
| Fee and commission income | -      | - | - |
| Other operating income    | -      | - | - |
| Other operating expense   | -      | - | - |
| Loans to banks            | -      | - | - |
| Deposit from banks        | 95,115 | - | - |

Both receivables and payables arise mainly from transactions with the parent and are due at the maturity date of the transactions. Both are unsecured and bear no interest.

### b. Key management compensation

|                                                 | 31 December<br>2024<br>D'000 | 31 December<br>2023<br>D'000 |
|-------------------------------------------------|------------------------------|------------------------------|
| Salaries and other short-term employee benefits | 8,574                        | 4,266                        |
| Post-employment benefits                        | -                            | -                            |
| Other long-term benefits                        | -                            | -                            |
| Termination benefits                            | -                            | -                            |
| Share-based payments                            | -                            | -                            |
|                                                 | <b>8,574</b>                 | <b>4,266</b>                 |



| Loans and advances to related parties   | c.     |                                                            |                                                                         |                                               |       |
|-----------------------------------------|--------|------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------|-------|
|                                         | Parent | Entities controlled by Parent and Associates of the Parent | Directors and other key management personnel (and close family members) | Other entities controlled by FBN Holdings Plc |       |
|                                         | D'000  | D'000                                                      | D'000                                                                   | D'000                                         | D'000 |
| <b>31 December 2024</b>                 |        |                                                            |                                                                         |                                               |       |
| Loans and advances to customers         | -      | -                                                          | -                                                                       | -                                             | -     |
| Loans outstanding at 1 January          | -      | -                                                          | -                                                                       | -                                             | -     |
| Loans issued during the year            | -      | -                                                          | -                                                                       | -                                             | -     |
| Loan repayments during the year         | -      | -                                                          | -                                                                       | -                                             | -     |
| Loans outstanding at 31 December        | -      | -                                                          | -                                                                       | -                                             | -     |
|                                         |        |                                                            |                                                                         |                                               |       |
| <b>d. Deposits from related parties</b> |        |                                                            |                                                                         |                                               |       |
| <b>31 December 2024</b>                 |        |                                                            |                                                                         |                                               |       |
| Due to customers                        | -      | -                                                          | -                                                                       | -                                             | -     |
| Deposits at 1 January                   | -      | -                                                          | -                                                                       | -                                             | -     |
| Deposits received during the year       | -      | -                                                          | -                                                                       | -                                             | -     |
| Deposits repaid during the year         | -      | -                                                          | -                                                                       | -                                             | -     |
| Deposits at 31 December                 | -      | -                                                          | -                                                                       | -                                             | -     |

**e Transactions with key management personnel**

Key management personnel have transacted with the Bank during the period as follows:

|                                          | Financed Amount | Closing balance | Financed Amount | Closing balance |
|------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                          | 2024            | 2024            | 2023            | 2023            |
|                                          | D'000           | D'000           | D'000           | D'000           |
| Mortgage lending and other secured loans | -               | -               | -               | -               |
| Other Loans                              | -               | -               | 1,516           | 852             |
|                                          | -               | -               | 1,516           | 852             |

**f Loans and advances to employees**

|                                |            |              |
|--------------------------------|------------|--------------|
| Balance at 1 January           | 2024       | 2023         |
| Loans advanced during the year | D'000      | D'000        |
| Loans repayments received      | 1,256      | 1,901        |
|                                | -          | -            |
|                                | (741)      | (645)        |
| <b>Balance at 31 December</b>  | <b>515</b> | <b>1,256</b> |



**g Entities controlled by Parent**

|                               |       |       |
|-------------------------------|-------|-------|
| FirstBank Senegal Limited     | 2024  | 2023  |
| FirstBank Ghana Limited       | D'000 | D'000 |
| First Bank of Nigeria Limited | 15    | 11    |
|                               | 62    | 57    |
|                               | 622   | 3,203 |
|                               | 699   | 3,271 |

All related party transactions are done at arm's length.

## 32 Dividend per share

No dividend was proposed or paid in respect of the year ended 31<sup>st</sup> December 2024 (2023: Nil).

## 33 Litigation

The Bank operates in a legal and regulatory environment that exposes it to significant litigation risks. The Bank has no litigation that will materially affect its position as at the end of December 2024 (2022: Nil). Litigations are part of recovery process for delinquent accounts, which the Bank has high probability of recovery. However, the cases stated below were instituted against the Bank as a fallout of the recovery of delinquent accounts of the customers involved.

### **Ousman Njie v. Saihou Ndong & FirstBank (G) Ltd**

SAIHOU NDONG was at all material time a customer of the Bank who has enjoyed series of facilities amongst which was a Term Loan of GMD2,590,000.00 and an Overdraft of GMD2,500,000.00 which were secured by a Legal Mortgage. The facilities were later restructure upon request of the customer on the basis that he had executed an agreement of sale with OUSMAN NJIE, who bought one of the properties pledged as security and was to liquidate the exposure. The facility was liquidated by OUSMAN NJIE, and for reasons not known to the bank, the bank's customer decided to go against the agreement, requesting the bank to release the property documents to him, before which OUSMAN NJIE filed a suit with a motion seeking the court to have custody over the title documents pending the outcome of the suit.

We have no objection to the plaintiff's prayer as we intend to act in good faith. The case is still pending in court, and no final orders have been made yet.

### **Jainaba Samba (By her Attorney Ebrima Samateh) v. FirstBank (G) Ltd**

This suit emanated from a recovery suit we instituted against the Applicant for the recovery of GMD6,433,819.42. We obtained judgment on the said sum, executed and sold the collateral and we were paid the sum of GMD6,175,000.00 by the Sheriff. Prior to the sale of the collateral, the customer had made a total payment of GMD2,802,500.00. Sometime in 2015, she filed a suit claiming a refund of GMD2,561,278.43 as an overpayment. An internal reconciliation was conducted by our internal auditor and the sum of GMD1,374,854.64 was refunded to the Sheriff. The customer still maintains that she is still owed some amounts, thus filed a writ of summons in 2019 for a declaration that she is still entitled to GMD1,186,423.79 being her balance. A further reconciliation was done and we realized that the plaintiff was still entitled to GMD527,488.86 as residual balance.

The matter is currently in trial and Judgement is only pending in this suit.

The Bank has made appropriate provision in the account as at 31 December 2023.

### **Modou Lamin Sanyang & Anor v. FirstBank (G) Ltd. & 2 Ors**

Following a default in repayment of loan facility availed to Lamin Gassam and Sulay Njai, both Trading as D & K Trading, FBNBank Gambia Limited, formerly International Commercial Bank, filed a recovery suit in court and on 24<sup>th</sup> June, 2013 received judgement in its favour against the judgement debtors. Thereafter, following the sheriff's advertisement of sale of one of the attached properties belonging to Kawsu Sanyang, the Claimants in this suit filed three unsuccessful interpleader Summons, claiming to be administrators of the estate of Kawsu Sanyang who died interstate, and all three summons were dismissed. The claimants filed a fresh interpleader summons, also praying for general damages of GMD1,000,000.00 amongst other prayers.

The matter is currently in trial and Judgement is only pending in this suit.



**34. Fraud Case**

There was no incident of fraud recorded during the financial year ended 31<sup>st</sup> December 2024.

**35. Compliance with banking regulation**

In 2024, the Bank has largely upheld compliance with banking regulations. However, there were specific instance of required reserves breach in Q1 of 2024 and penalty charges of D40,819 (2023: GMD0.0).

**36. Events after statement of financial position date**

There are no other events after balance sheet that materially affects the financial position as at 31 December 2024.

**Value Added Statement for the year ended 31<sup>st</sup> December 2024**

|                                            | <b>31<sup>st</sup> Dec<br/>2024<br/>D'000</b> | <b>31<sup>st</sup> Dec<br/>2023<br/>D'000</b> |
|--------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Interest earned and other operating income | <b>199,773</b>                                | <b>165,932</b>                                |
| Direct cost of services                    | <b>(141,470)</b>                              | <b>(110,774)</b>                              |
| <b>Value Added banking services</b>        | <b>58,303</b>                                 | <b>55,158</b>                                 |
| Non-banking Income                         | <b>65,465</b>                                 | <b>71,625</b>                                 |
| Impairments                                | <b>(26,561)</b>                               | <b>(1,690)</b>                                |
| <b>Value Added</b>                         | <b>97,207</b>                                 | <b>125,093</b>                                |
| Distributed as follows                     |                                               |                                               |
| <b>To Employees: -</b>                     |                                               |                                               |
| Directors (non-executives)                 | <b>(5,913)</b>                                | <b>(4,224)</b>                                |
| Executive directors                        | -                                             | -                                             |
| Other employees                            | <b>(66,115)</b>                               | <b>(39,823)</b>                               |
| <b>To Government:</b>                      |                                               |                                               |
| Income tax                                 | <b>(657)</b>                                  | <b>(20,643)</b>                               |
| <b>To providers of capital</b>             |                                               |                                               |
| Dividends to shareholders                  | -                                             | -                                             |
| <b>To expansion and growth</b>             |                                               |                                               |
| Depreciation                               | <b>(20,359)</b>                               | <b>(16,045)</b>                               |
| Amortisation                               | <b>(2,405)</b>                                | <b>(142)</b>                                  |
| Retained earnings                          | <b>1,758</b>                                  | <b>44,216</b>                                 |



## **Appendices:**

### **Appendix 1:**

#### **PROFILE OF DIRECTORS**

##### **OUSAINOU NGUM FMAAT, FCCA, MBA – BOARD CHAIRMAN**

Ousainou is an International Development and Finance Specialist with a Master of Business Administration (MBA) degree from Middlesex University, United Kingdom. He is bilingual, multi-disciplinary with broad knowledge of the development sector underpinned by more than 15 years' experience working at a very senior strategic global level on matters of global Development policy.

He is a Consultant, as well as Board Chairman for FirstBank Gambia Limited, a subsidiary of First Bank of Nigeria Limited. He has worked as financial professional in numerous institutions including Oxfam Great Britain; Gambia Airways Limited; and Agency for Cooperation in Research and Development (ACORD).

His appointment to the Board of FirstBank Gambia Limited became effective on 10th November, 2021.

In September, 2023, He was appointed as Chairman of The Gambia State Owned Enterprises Regulatory Commission.

##### **FATOU NJIE – INDEPENDENT NON-EXECUTIVE DIRECTOR**

Fatou is a chartered certified Accountant with over 20 years of professional experience. Ten years' experience as Head of Finance in a subsidiary of a major multinational Oil & Gas company.

She is highly experienced in Treasury Management, Taxation, and handling of foreign exchange transactions, with good track record as internal and external auditor including in the Banking sector.

She has strong leadership and communication skills and ability to multitask, work under pressure and meet tight deadlines.

She is currently the Director of Finance at Oryx Energies Gambia Limited (formerly Atlas Energy Limited), and a Board Director at FirstBank Gambia Limited, a subsidiary of First Bank of Nigeria Limited.

Her appointment into the Board of FirstBank Gambia Limited became effective on 10th November, 2021.

##### **SHEHU S. ALIYU – NON-EXECUTIVE DIRECTOR**

Shehu is a motivated and result-oriented professional with over 23 years cognate experience in banking. His experience cuts through Public Sector, Commercial and Retail Banking.

He has very strong drive for success, with the ability to remain optimistic and persistent towards achieving set goals.

He was the Group Executive, Retail Banking North at First Bank of Nigeria Limited where he oversaw the Bank's Retail Banking business in the North, and managed business development and service delivery from 180 branches and provided leadership to a sales force of over 1,050 staff.

He is also a Board Director at FirstBank Gambia Limited, a subsidiary of First Bank of Nigeria Limited. His appointment into the Board of FirstBank Gambia Limited became effective on 24th August, 2022.

In March, 2024, he was appointed as the Executive Director, Public Sector of First Bank of Nigeria Limited.



## **GBENGA O. AJIBOLA – MD/CEO**

Gbenga has more than 26 years working experience in the Banking Industry with rich background in Commercial Banking business, Emerging Corporates, Retail Banking, Public Sector and Multilateral Institutions, Internal Control, Human Capital Management & Development, Internal Audit & Investigation, Investment Banking & Treasury; Banking Operations, Currency and Interbank Dealing, Liquidity and Arbitrage, Treasury Marketing (Management of Trustees Investments, Institutional Investors, High Networth Individuals (HNI) and other Financial Institutions).

He joined FirstBank in June 2012 and Set up Emerging Corporates Businesses and was the pioneer Group Head Abuja, FCT covering Abuja, Plateau and Kaduna States. He has worked as Head, Regional Treasury for the South West & Benin Region and FCT Region for Intercontinental Bank Plc Now Access Bank Plc. Branch Internal Control/ Inspection; Head, Central Clearing Control Office in Intercontinental Bank (Now Access Bank).

He was also Business Manager of Commercial Banking Group Abuja and Ag. Group Head for Commercial Banking Group, North for FirstBank. He also worked briefly as a Business Manager in Sterling Bank Plc, Abuja, Branch Manager/ Head of Commercial Banking in Intercontinental/Access Bank. He worked briefly as Regional Control Officer for NNB Bank Plc Now Unity Bank in Warri Zone and Banking Operations Staff in United Bank for Africa Plc (UBA Plc).

He Spearheaded the Regulatory Agencies Management for Intercontinental Bank to sort out all Treasury and funding matters with CBN, SEC, NDIC as part of my Liaison Activities in Abuja in year 2008-2009 etc.

He is currently the Managing Director and Chief Executive Officer of FirstBank Gambia Limited, a subsidiary of First Bank of Nigeria Limited.

His appointment into the Board of FirstBank Gambia Limited became effective on 1st April, 2022.

## **OLAITAN ADEOLA MARTINS – Non Executive Director**

Olaitan Martins is the Group Executive in charge of Transaction Banking Division for the FirstBank Group. She has over 25 years' work experience in various Financial Institutions, including Investment Banking & Trust Limited, Intercontinental Bank Limited, IBTC Asset Management Limited and Stanbic IBTC Bank Plc, where she held various Leadership positions.

Since joining FirstBank in 2014, Olaitan has recorded remarkable achievements instrumental to the re-positioning of FirstBank's Corporate Banking business as a credible Industry player. She brings her deep Market and Customer-facing experience to bear in the Corporate Banking Business. She also led the digitization and automation of the Client interface processes for the Wholesale business. She has a Wealth of experience across Cash Management, Trade Services, Product Development, Relationship Management, Business Development, Risk Management, Wealth and Portfolio Management, Investment Banking, Treasury and Foreign Exchange Management amongst others. Olaitan is the Chairperson of the First Bank Women Network, where she lends her voice to encourage Women's workplace inclusion representation. She is a Pioneer of change, who uses her Leadership skill to act as Mentor, Sponsor and Advocate, for Women advancement in their Career. She is the Chairman Board of Directors FBN Insurance Brokers Limited and a Fellow of the Institute of Chartered Accountants of Nigeria and currently finalizing her Doctorate degree in Business Administration (DBA) at the University of Durham, United Kingdom. She holds a Master of Business Administration (MBA) from Manchester Business School, United Kingdom and a bachelor's degree in accounting from the University of Lagos, Nigeria. She is also a Board Director at FirstBank Gambia Limited, a subsidiary of First Bank of Nigeria Limited.



**Appendix 2:****PROFILE OF SENIOR MANAGEMENT****GBENGA O. AJIBOLA – MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER**

Mr. Gbenga Ajibola has more than 26 years working experience in the Banking Industry with a rich background in Commercial Banking, Emerging Corporates, Retail Banking, Public Sector and Multilateral Institutions. He has worked in Internal Control, Human Capital Management & Development, Internal Audit & Investigation, Investment Banking & Treasury Services, Currency and Interbank Dealing, Liquidity and Arbitrage, Treasury Marketing (Management of Trustees Investments, Institutional Investors, High Net worth Individuals (HNI) and other Financial Institutions) including Banking Operations and Services.

He joined FirstBank Nigeria in June 2012 as the pioneer Group Head for Emerging Corporates in Abuja, FCT Hub covering Abuja, Plateau and Kaduna States. Gbenga has also worked as the Relief and Acting Group Head for Commercial Banking North for FirstBank and Business Manager in Commercial Banking, Abuja and South-West Ibadan Groups. He was subsequently appointed in February 2019 as the pioneer Group Head, for the newly created Commercial Banking Group, Lagos Mainland 2, Ikeja, until December 2021 when he was appointed as MD/CEO of FirstBank Gambia Limited.

Prior to joining FirstBank, Gbenga worked briefly as a Business Manager in Sterling Bank Plc, Abuja. He was also Branch Manager/ Head of Commercial Banking in Intercontinental/Access Bank in 2011. He Spearheaded the Regulatory Agencies Management for Intercontinental Bank Plc to sort out all regulatory matters with CBN, SEC, NDIC as part of liaison Activities in Abuja, FCT in the year 2008 to 2009.

He worked as Branch Manager Retail Banking and Head, Regional Treasury for the FCT and North Central Region and same position in South-West & Benin Region for Intercontinental Bank Plc (Now Access Bank Plc). Mr. Gbenga Ajibola worked as Branch Internal Control/Internal Audit/Inspection staff; Head, Central Clearing's Internal Control Officer in Intercontinental Bank, and Head of Compensation, Benefits & Staff welfare etc. He worked briefly as Regional Control Officer for NNB Bank Plc (Now Unity Bank) in Warri/Effurun, Delta State and as a Banking Operations Staff in United Bank for Africa Plc (UBA Plc) Warri where he started his Banking Career in June 1997 as a Youth Corper.

Mr. Gbenga Ajibola is currently the Managing Director and Chief Executive Officer of FirstBank Gambia Limited, a Subsidiary of First Bank of Nigeria Limited.

**OLUBUKOLA R. KARIM – CHIEF FINANCIAL OFFICER**

Olubukola Rukayat Karim is an accomplished finance professional with over 20 years of experience in various finance sectors, including management accounting and internal controls.

She holds a Bachelor of Science degree in Agricultural Economics (Second Class Upper) from Obafemi Awolowo University, Ile Ife, Nigeria. Olubukola is also a Chartered Accountant and a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). Additionally, she holds an Executive Certificate in Business Administration (ECBA) from the University of Notre Dame Mendoza College of Business USA.

Her career began in Coopers & Lybrand, PricewaterhouseCoopers and Metropolitan Bank Limited before joining First Bank Nigeria Limited. Her expertise spans Audit, Internal Control, Subsidiaries Finance, Capital management, Branch Operations, Operational Risk Management, Performance monitoring with increasing responsibilities. As a graduate of First Bank Nigeria Limited's maiden Leadership Accelerated Programme



(LAP), Olubukola is recognized for her leadership, commitment to continuous learning and ability to foster effective relationships within the organization.

Her collaborative approach and strong interpersonal skills have fostered effective relationships with subsidiaries, enabling seamless information management and decision support. Her commitment to excellence and teamwork is evident in her ability to deliver high-quality results and organizational success.

She is currently the Chief Financial Officer of FirstBank Gambia Limited, a subsidiary of First Bank of Nigeria Limited.

### **ROTIMI SAMUEL OGUNLEYE – CHIEF RISK OFFICER (CRO)**

Rotimi Samuel Ogunleye, a seasoned Chartered Accountant and Risk Manager with over 22 years of diverse experience in finance, specializing in Audit, Internal Control, Compliance, Risk Management, and Credit Analysis and Administration. Rotimi's journey in the financial sector has been marked by a commitment to excellence and a passion for ensuring the protection of business interests through meticulous risk assessment.

His educational background includes an M.Sc. Degree in Accounting from Lead City University and a B.Sc. Degree in Accounting with Second Class Upper division from the University of Ado-Ekiti in 2001. Rotimi Samuel Ogunleye qualified as a Chartered Accountant from the Institute of Chartered Accountants of Nigeria (ICAN) in 2008. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), also an Associate Member of both the Chartered Institute of Bankers of Nigeria (CIBN), and the Institute of Chartered Economists of Nigeria (ACE).

Prior to his current role, Rotimi served as an Internal Controller in Intercontinental Bank till July 2009 when he joined FirstBank of Nigeria as a Senior Control Officer. After eight years in the Internal Control and Enhancement group of the bank, Rotimi transitioned to Credit functions in January 2018 as a Senior Credit Analyst in the Risk and Compliance Directorate of FirstBank. The experience extends to senior positions at First Bank of Nigeria Limited, where he played key roles as a Senior Credit Analyst and Senior Control Officer. These roles exposed him to complex credit scenarios, credit portfolios management, and leadership in Internal Control and Credit functions.

In 2023, he assumed his current role as the Chief Risk Officer at First Bank Gambia, a subsidiary of First Bank of Nigeria, where he is coordinating and supervising the Risk Management Directorate, ensuring the effective management of overall risk functions. His leadership has been instrumental in implementing risk policies, driving compliance with ISO27001 and PCIDSS requirements, and fostering a robust Risk Management culture.

He is passionate about leveraging his expertise to contribute to the success of dynamic financial environments.

### **OLUBOKULA V. SANNI – COUNTRY HEAD, TECHNOLOGY AND SERVICES**

Olubukola is a graduate of Olabisi Onabanjo University, Nigeria with a Bachelor's degree in Mass Communications after bagging a Higher National Diploma from The Polytechnic of Ibadan. Her banking career started at Oceanic Bank Gambia Limited in 2009 in the Operations Department from where she moved to Bank PHB Gambia and eventually joined Guaranty Trust Bank Gambia Limited in 2013 as a Branch Service Manager.



She joined FirstBank Gambia Limited in 2015 as a Branch Service Manager where she managed the bank's overall Operations from 2018 to 2021, after which she was appointed as the Country Head Technology and Services in April 2021. Olubukola is married with two kids.

#### **NDEY BINTOU SECKA – HEAD, CORPORATE BANKING**

Ndey Bintou Secka obtained an Advanced Diploma in Business Studies from Management Development Institute and B.Sc. in Economics from the University of The Gambia in 2014.

Ndey Bintou has over ten years of banking experience and is skilled with excellent communication and interpersonal skills. She joined FirstBank Gambia in 2014 as a Relationship Manager from 2014 to 2016 and she was promoted to the role of Business Manager from 2016 to 2020.

Ndey Bintou was appointed as the Head of Corporate Banking Group from 2020 to date, however served as Acting Business Development Manager for the bank between January, 2024 and April, 2025.

#### **FEBISOLA A. OLANIYAN Ag. HEAD HUMAN RESOURCES & M& CC**

A CIPD Affiliate Member and accomplished HR and finance professional, I bring over twelve years of progressive experience spanning human capital management, financial operations, and institutional administration across the banking and development sectors in The Gambia and Nigeria. My career reflects a track record of delivering results through strategic leadership, innovation, and a strong work ethic.

Currently serving as Acting Head of Human Capital Management & Development and Marketing & Corporate Communications at FirstBank Gambia Limited, I lead comprehensive HR initiatives— from talent acquisition and onboarding to performance management and employee engagement. My role is central to shaping organizational culture, enhancing employee well-being, and ensuring compliance with labour laws.

In prior roles, I have successfully managed domestic banking operations, treasury settlements, and loan disbursement and recovery, demonstrating financial acumen, attention to detail, and risk management capabilities. My early career in microfinance and education further grounded my interpersonal, training, and client service skills.

Febisola holds a Bachelor's degree in Animal Science from Obafemi Awolowo University and a Postgraduate Diploma in Education. I also possess professional certifications in Accounting, Financial Statement Analysis, Corporate Finance, and HR disciplines such as Organizational Development, Performance Management, and Change Management.

#### **JUSTICE I.O. NWABUIKE – HEAD LEGAL & COMPANY SECRETARY**

Justice Ikenna Odaraneze Nwabuike is a Barrister & Solicitor of the Supreme Court of the Federal Republic of Nigeria. He obtained his Bachelor of Laws (LL. B) degree from the University of The Gambia, after which he proceeded to the Nigerian Law School for his Bar Vocational Training. In November 2018, he was called to the Nigerian Bar thereby obtaining the Barrister at Law (BL) qualification.

In December, 2018, immediately after his Call to the Nigerian Bar, he followed passion with action and swiftly moved back to The Gambia where he temporarily worked for the International Republican Institute (IRI) – Gambia as a Programme Support

In July, 2019, Justice gained employment as Legal Officer at FirstBank Gambia Limited, a subsidiary of First Bank of Nigeria Limited, where he handled a variety of issues that have Corporate/Commerce, Dispute resolution and international law overtones. In July, 2021, he received the CEO's Award at the FirstBank Annual Merit Award 2021.

In April, 2022, he was duly appointed as the Company Secretary of the bank, a portfolio he continues to hold alongside heading the Legal Services Department of the bank.

He also serves as the secretary to the Management Committee In May 2025, and completed his LLM (International Corporate Governance) degree program from the Liverpool John Moores University, United Kingdom



# FIRSTBANK GAMBIA



## Annexure: FirstBank Organogram

