



CENTRAL BANK OF THE GAMBIA

**Annual Report and Financial Statements
for the year ended 31 December 2007**

Deloitte.

Central Bank of The Gambia

*Annual Report and Financial Statements
For the year ended 31 December 2007*



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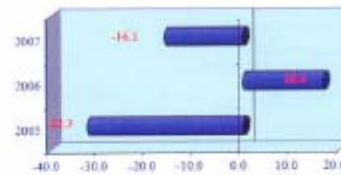
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FINANCIAL HIGHLIGHTS

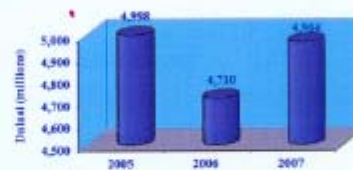
Net loss for the year (Dalasi millions)

2005	2006	2007	Change vs. 2006
-32.3	16.6	-16.1	50%



Total Assets (Dalasi Millions)

2005	2006	2007	Change vs. 2006
4,998	4,710	4,966	5%



Structure of total assets (Dalasi Million)

	2005	2006	2007	Change against 2006
Cash and bank balances (Foreign Assets)	2067	2,531	2180	-16%
Government securities	669	764	1255	39%
Foreign securities	173	558	450	-24%
Other investments	283	349	681	49%
Loans and advances	724	223	138	-62%
Other assets	124	207	177	-17%
Tangible fixed assets	41	78	85	8%
	4081	4710	4966	5%

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Other investments	283	349	681	49%
Loans and advances	724	223	138	-62%
Other assets	124	207	177	-17%
Tangible fixed assets	41	78	85	8%
	4081	4710	4966	5%

Structure of total liabilities (Dalasi Millions)

	2005	2006	2007	Change against 2006
Deposit liability	1,713	1,799	2580	30%
Other liabilities	106	67	73	8%
Long-term liabilities	749	723	382	-89%
Currency in circulation	1486	2087	1,893	-10%
Equity	27	34	38	10%
	4,081	4,710	4,966	5%

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GENERAL INFORMATION

EXECUTIVE DIRECTORS	Mr. Famara Jatta Mr. Momodou Bamba Sahn	<i>Governor & Chairman (up to June 07)</i> <i>Governor & Chairman (from July 07)</i>
NON-EXECUTIVE DIRECTORS	Mr. Benjamin Carr Permanent Secretary DOSFEA Mrs. Juka Fatou-Jibang Mr. Mustapha A. Kall Geoffrey M. Renner	<i>Director</i> <i>Director</i> <i>Director (up to June 07)</i> <i>Director</i> <i>Director (from October 07)</i>
FIRST DEPUTY GOVERNOR	Mr. Basiru AO Njai (from August 07)	
SECOND DEPUTY GOVERNOR	Mrs. Oumie Savage Samba (from August 07)	
DIRECTOR OF FINANCE OFFICER IN CHARGE	Mrs. Oumie Savage Samba (up to August 07) Mr. Ousainou Coer (from August 07)	
COMPANY SECRETARY	Mrs. Ebireneke Jannel-Jagana (up to September 07) Haddy Joof (from October 07)	
AUDITORS	Deloitte & Touche Audit, Tax, Consulting, Financial Advisory 1 Paradise Beach Place Bertil Harding Highway P O Box 268 Banjul, The Gambia	
REGISTERED OFFICE	1-2 ECOWAS Avenue Banjul The Gambia	
BANKERS	Bank of England International Monetary Fund Federal Reserve Bank of New York Banque De France Bank of International Settlements IISDC Standard Chartered Bank Plc Union Des Banques Arabes Et Francaises Credit Suisse	



DIRECTORS' REPORT

The Directors present the audited financial statements and results of The Central Bank of The Gambia for the year ended 31st December 2007.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Central Bank of The Gambia Act 2005 requires the directors to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the bank and of its net income or deficit for that period. In preparing the 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 disclosed and explained in the financial statements;

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 Central Bank of The Gambia Act 2005. They are 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 OF THE BANK

The principal activities of the bank are as follows:

- Regulate the issue, supply, availability and international exchange of money, promote monetary stability and sound financial structure, credit and exchange conditions conducive to the orderly and balanced economic development of the country;
- Act as the banker for the Commercial Banks, Government Departments and Projects;
- Issuing of currency notes and coins;
- Managing the overall monetary and financial affairs of the country by being the banker, financial adviser and fiscal agent of the Government;

RESULTS

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

EMPLOYEES

The number of employees and the costs associated with these employees is as detailed in note 5.

DONATIONS

During the year the bank made charitable donations amounting to D191,600 (2006: D227,300).



DIRECTORS AND THEIR INTERESTS

The directors who held office during the year are as shown on page 4. The Central Bank Act requires non executive directors to serve a maximum term of 3 years so far as possible, and that not more than one director's term of office shall expire in any one year. An appointive director shall be eligible for reappointment.

AUDITORS

The Directors will consult with the National Audit Office for the renewal of the mandate of Deloitte & Touche as the bank's external auditors.

By order of the Board of Directors

A handwritten signature in blue ink, appearing to be 'D. O. O. F.', written over the printed name 'Secretary'.

Secretary

Date: 31st March 2008



AUDITOR'S REPORT

Deloitte.

1 Paradise Beach Place
Bertel Harding Highway
P O Box 268, Banjul
The Gambia

TO THE MEMBERS OF THE CENTRAL BANK OF THE GAMBIA

We have audited the financial statements on pages 8 to 24, which have been prepared under the historical cost convention and the accounting policies, set out on pages 12 to 14.

Respective responsibilities of directors and auditors

As described on page 5 the directors of the bank are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the bank's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the possible effect of material non compliance with the Central Bank of The Gambia Act 2005.

Opinion

In our opinion, proper books of account were maintained and the financial statements give a true and fair view of the state of the bank's affairs as at 31 December 2007 and of its loss for the year then ended and have been properly prepared in accordance with generally accepted accounting principles and the requirements of the Central Bank of The Gambia Act 2005.

Deloitte & Touche

Deloitte & Touche

Chartered Accountants

Registered Auditors

Dated: 31 March 2008



INCOME STATEMENT

For the year ended 31 December 2007

	<i>Notes</i>	31-Dec-07 D'000	31-Dec-06 D'000
Interest income	2	143,759	143,989
Interest expense	3	(11,560)	(10,422)
Net interest income		132,199	133,567
Other income	4	3,458	1,941
Total operating revenue less interest expense		135,657	135,508
Personnel costs	5a	(39,777)	(30,542)
General and administration cost	5b	(104,910)	(87,577)
Depreciation and amortisation	14	(7,088)	(5,761)
		(151,775)	(118,875)
Net Income (Deficit) on ordinary activities	6	(16,118)	16,633
Provisions for credit losses		-	-
Net (Loss)/Surplus for the Financial year		(16,118)	16,633

In accordance with Section 8 (7) of the Central Bank Act 2005, a net loss incurred by the Bank during a financial year shall be charged to the General Reserve Fund and if the General Reserve Fund is inadequate to cover the entire amount of the loss the balance of loss shall be carried forward in an account for accumulated loss.

The notes on pages 12 to 24 form an integral part of these financial statements.

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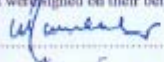
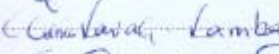



BALANCE SHEET

As at 31 December 2006

	Notes	31-Dec-07 D'000	31-Dec-06 D'000
ASSETS			
Cash and bank balances	7.	2,180,215	2,531,008
Government securities	8.	1,255,303	764,456
Foreign securities	9.	450,395	557,560
Other investments	10.	348,730	348,730
Loans and advances	11.	137,627	222,632
Other assets	12.	176,821	207,462
Long term investment	13.	331,900	-
Tangible fixed assets	14.	84,845	78,118
TOTAL ASSETS		4,965,836	4,709,966
LIABILITIES			
Deposits	15.	2,579,889	1,798,642
Other liabilities	16.	73,049	67,095
Long-term liabilities	17.	381,623	723,202
Currency in circulation	18.	1,893,502	2,087,169
		4,928,063	4,676,108
EQUITY			
Share capital	19.	41,000	21,000
Statutory reserves	19.	-	8,544
Other reserves	19.	4,314	4,314
Accumulated Loss	19.	(7,541)	-
		37,773	33,858
TOTAL EQUITY AND LIABILITIES		4,965,836	4,709,966

These financial statements were approved by the Board of Directors on 31st March 2008, and were signed on their behalf by:


 Governor

 Second Deputy Governor

 Director

The notes on pages 12 to 24 form an integral part of these financial statements.

Central Bank of The Gambia

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STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2007

	Share capital D000.	General Reserve Fund D000.	Revaluation reserves D000.	Other reserves D000.	Accumulated Profit/(Loss) D000.	Total D000.
At 1 January 2006	1,000	3,000	-	4,314	(32,335)	(24,021)
Surplus for the year	-	-	116,789	-	16,633	133,422
Additional Capital	20,000	-	-	-	-	20,000
Transfers in accordance with Sec 9 (5)	-	-	(116,789)	-	-	(116,789)
Transfers in accordance with Sec 9 (5)	-	-	-	-	32,335	32,335
Transfers in accordance with Sec 8 (2)	-	5,544	-	-	(5,544)	-
Transfers in accordance with Sec 8 (3)	-	-	-	-	(2,772)	(2,772)
Transfers in accordance with Sec 8 (5)	-	-	-	-	(8,317)	(8,317)
At 1 January 2007	21,000	8,544	-	4,314	-	33,858
Loss for the year	-	-	-457,692	-	(16,118)	(473,810)
Additional Capital	20,000	-	-	-	33	20,033
Transfers in accordance with Sec 8 (7)	-	(8,544)	-	-	8,544	-
Transfers in accordance with Sec 9 (4)	-	-	457,692	-	-	457,692
At 31 December 2007	41,000	-	-	4,314	(7,541)	37,773

In accordance with Section 8(7) of the Central Bank Act 2005, a net loss incurred by the Bank during a financial year shall be charged to the General Reserve Fund, and if the General Reserve Fund is inadequate to cover the entire amount of the loss, the balance of loss shall be carried forward in an account for accumulated losses.

In accordance with Section 9(4) of the Central Bank Act 2005, the Government of The Gambia is required to issue Redeemable Negotiable Interest Bearing (RNIB) Notes in the form of Promissory notes to the Central Bank to cover for foreign exchange revaluation and operational losses. Redeemable Interest Bearing (RNIB) notes amounting to D457,692,000 were issued to cover the net aggregate revaluation gains and losses.

The notes on pages 12 to 24 form an integral part of these financial statements.



CASH FLOW STATEMENT

For the year ended 31 December 2007

	Notes	31-Dec-07 D'000	31-Dec-06 D'000
Cash inflow from operating activities			
Cash generated from operations	20.	825,818	70,541
Cash inflow from investing activities			
Acquisition of property and equipment		(13,816)	(15,522)
Proceeds from the disposal of fixed assets		-	198
Net (decrease) increase in Government securities		(490,847)	126,592
Net increase(decrease) in foreign securities		107,165	(394,568)
Net decrease in other investments		-	(68,822)
Net increase in long term investments		(331,900)	-
<i>Cash outflow (inflow) from investing activities</i>		164,420	(281,581)
Cash inflow from financing activities			
Increase in share capital		20,033	20,000
Net decrease in long term liabilities		(341,579)	(142,553)
Net (decrease)/increase in currency in circulation		(193,667)	549,621
<i>Cash (outflow)/inflow from investing activities</i>		(515,213)	427,068
(Decrease)/Increase in cash and cash equivalent		(350,793)	145,487
Cash and cash equivalents at the beginning of the year		2,531,008	2,385,521
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER 2007		2,180,215	2,531,008
REPRESENTED BY:			
Foreign Reserves		2,157,864	2,515,772
Cash holdings		22,351	15,236
	7.	2,180,215	2,531,008

The notes on pages 12 to 24 form an integral part of these financial statements.



NOTES – forming part of the financial statements

1. ACCOUNTING POLICIES

The bank adopted the following accounting policies which have been consistently applied during the year, and which are consistent in all material respects to those applied in the previous year, in accounting for items that are considered material in relation to the financial statements.

1.1) Basis of presentation

The financial statements have been prepared in accordance with generally accepted accounting principles using an accruals basis of accounting based on historical cost in compliance with accounting provisions outlined in the Central Bank Act 2005. Except where stated the financial report does not take into account changing money values or current valuations of non current assets. Cost is based on the fair value of the consideration given in exchange for assets plus the cost of bringing assets to their present condition and location.

The directors have decided to prepare the financial statements in accordance with International Financial Reporting Standards with effect from the year ended 31 December 2009.

1.2) Financial Instruments

Financial assets and financial liabilities are recognised at cost on the Bank's balance sheet when the Bank has become a party to contractual provisions of the instrument.

a) Trade receivables

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

b) Investments

Fixed asset investments are accounted for at cost less provision for impairment in value, where it is considered to be permanent in nature.

Current asset investments are translated to dalasi at the year end.

US Treasury Bills are accounted for at cost. The difference between the cost price and the anticipated face value of the bills is recognised as income over the life of the instrument.

Non interest bearing notes are accounted for at the originated cost.

c) Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

The interest expense on the liability component is calculated by applying the interest rate as agreed upon.

Deposits are shown in the books of the bank at cost being the proceeds received.

d) Trade payables

Trade and other payables are stated at their nominal value.

e) Equity instruments

Equity instruments are recorded at the proceeds received, net of direct issue costs.



Tangible fixed assets

Property, plant and equipment are stated at cost less any depreciation accumulated to the balance sheet date.

Depreciation of tangible fixed assets is calculated and charged to the profit and loss account on a straight line basis by reference to the expected useful lives of the assets at the following rates:

	Rate
Land & Buildings	1%
Furniture and equipment	10%
Office machines	20%
Computer equipment	20%
Vehicles	20%

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure is capitalised and depreciated when the asset becomes operational. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of the assets. All other expenditure of a revenue nature are charged to the profit and loss account as incurred. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Foreign currency activities

Monetary assets and liabilities in foreign currencies are converted to Dalasi at the rates ruling at the close of the financial year. Exchange profits and losses of the Bank are for the account of the Government and are transferred to the foreign exchange revaluation reserve account in accordance with section 9 of the Central Bank of The Gambia Act 2005. Losses that cannot be covered by gains are converted to redeemable negotiable interest bearing securities under section 9(2) of the Act after the issue of the statutory accounts for the year.

Transactions in foreign currencies are translated to Dalasi at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Dalasi at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account. Non-monetary assets and liabilities denominated in foreign currencies, are translated to Dalasi at the foreign exchange rate ruling at the date of the transaction.

Taxation

In terms of section 70 of the Central Bank of The Gambia Act 2005, the Bank is exempt from all forms of taxation. Accordingly, there is no provision for taxation in these financial statements.

Pension and retirement funds

The expected costs of post-retirement benefits under the defined benefit schemes are charged to income over the expected service lives of the employees entitled to these benefits according to the projected unit benefit method.

Provisions

Provisions are recognised when the bank has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.



1.8) Revenue recognition

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity.

Interest on the 5% government bonds is accrued half yearly and is charged to the Government's treasury main account.

Discount on treasury bills is recognised on the maturity of the bills. If the bills are resold before maturity, the difference between the purchase and the selling price is recognised as income at the date of sale.

1.9) Impairment of assets

The carrying amount of the bank's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment, in which case their recoverable amounts are estimated.

An impairment loss is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount. A previously expensed impairment loss will be reversed if the recoverable amount increases as a result of a change in the estimates used previously to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognised.



2. INTEREST INCOME

	31-Dec-07 D'000	31-Dec-06 D'000
Interest on securities USD	1,189	299
Interest on deposits GBP	16,659	18,856
Interest on deposits USD	40,117	59,754
Discount on treasury bills USD	28,889	11,045
Interest on deposits EURO	27,998	11,584
Interest on deposits SDR	553	485
Interest on deposits CHF	660	1,351
Interest on securities GMD	12,500	24,362
Interest on loans and Advances	2,550	4,659
Discount on treasury bills GMD	12,644	11,194
	143,759	143,989

3. INTEREST EXPENSE

	31-Dec-07 D'000	31-Dec-06 D'000
Interest payments to IMF	11,553	10,422
Interest payments on CBO bills	7	-
	11,560	10,422

4. OTHER INCOME

	31-Dec-07 D'000	31-Dec-06 D'000
Profit on sale of investments	807	200
Miscellaneous income	2,598	1,705
Sale of commemorative coins	53	36
	3,458	1,941



5a. PERSONNEL COSTS

The average number of staff employed during the year were 228(2006: 221)

	31-Dec-07 D'000	31-Dec-06 D'000
Salaries	20,069	20,562
Transport Allowance	4,839	3,295
Leave Allowance	209	166
Cashier's Allowance	31	26
Directors fees and Allowances	166	105
Contribution to SSHFC provident fund	1,675	1,554
Medical Expenses	10,271	2,516
Other Pension Cost	2,517	2,318
	39,777	30,542

5b. GENERAL ADMINISTRATION COSTS

	31-Dec-07 D'000	31-Dec-06 D'000
Bank Transport Operating Cost	1,594	1,062
Contribution to Regional Organisations	16,696	16,202
Replacement of Currency	28,365	18,525
Electricity and Water	4,439	3,317
Training Expenses	20,216	12,741
Travel Expenses	11,065	9,765
Telephone, Telex and Fax	2,024	2,212
Miscellaneous	3,454	6,022
Software Licence Fees	2,776	1,827
Commission to Primary Dealers	3,437	1,066
Audit Fees	1,250	970
Other Operating Cost	9,594	8,863
	104,910	82,572

5c. DIRECTORS' EMOLUMENTS

	31-Dec-07	31-Dec-06
EXECUTIVE		
D5,000-D10,000	1	1
NON-EXECUTIVE		
D5,000-D45,000	4	4



6. NET INCOME/(DEFICIT) BEFORE LOAN LOSSES

	31-Dec-07	31-Dec-06
	D'000	D'000
Profit (loss) before loan losses is stated after charging:		
Auditor's remuneration: Annual Audit	750	600
Half yearly	500	370
Directors fees and sitting allowances	166	105
Gains on disposal of investments assets	(807)	(200)
Depreciation	7,088	5,761

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7. CASH AND BANK BALANCES	31-Dec-07	31-Dec-06
	D'000	D'000
Balances with foreign banks (Nostros)	2,157,864	2,515,772
Foreign currency cash holdings	22,351	15,236
	2,180,215	2,531,008

8. GOVERNMENT SECURITIES	31-Dec-07	31-Dec-06
	D'000	D'000
5% Bonds	250,000	250,000
Gambia Government treasury bills	132,236	99,080
Redeemable interest bearing notes (RNIB notes)	873,067	415,376
	1,255,303	764,456

5% Government bonds

In 1993, The Central Bank of The Gambia converted D250,000,000 worth of Non Interest Bearing Notes into 5% Interest bearing Government Bonds. The Bonds were solely issued for the purpose of the Central Bank and not traded publicly.

The conversion was done in order to relieve the liquidity stricken position of the Bank at that state. Interest on the bonds accrue at 5% on a half yearly basis, and is charged to the Government's Treasury Main Account.

GG Treasury bills

The money market in The Gambia is undeveloped and there is no secondary securities exchange market as yet. The lack of the secondary market forces the Central Bank of The Gambia to act as the secondary market and to purchase any unsubscribed or redeemed Government Treasury Bills in the market place. The resulting effect is that CBG is a holder of Government Treasury Bills until they are resold, or held until maturity. The Central Bank has given approval to financial institutions to act as primary dealers for Gambia Government Treasury Bills market.

Redeemable Interest Bearing Notes (RNIB)

Redeemable Interest Bearing Notes have been issued in terms of The Central Bank of Gambia Act 2005 Section 9(4). The Redeemable Interest Bearing Notes represents interest bearing bonds that the Government of The Gambia issue to cover any operating or foreign exchange losses that the Bank incurs.

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FOREIGN SECURITIES		
	31-Dec-07	31-Dec-06
	D'000	D'000
US Treasury bills	450,395	557,560
	450,395	557,560
0. OTHER INVESTMENTS		
	31-Dec-07	31-Dec-06
	D'000	D'000
FIXED		
Africa Export Import Bank	12,388	12,388
Africa Re-insurance	13,627	13,627
Africa Bank for Development Commerce	36,030	36,030
West African Central Bank	175,203	175,203
	237,248	237,248
CURRENT		
WAMI Stabilization Co-op fund	101,232	101,232
ECOWAS credit guarantee scheme	10,250	10,250
	111,482	111,482
Total Other Investments	348,730	348,730

FIXED ASSET INVESTMENTS*Central Bank of The Gambia Subscription to Africa Export Import Bank*

This represents settlement of 40 per cent of 100 shares of US\$10,000 each allocated to the Bank. This investment is denominated in foreign currency and is retranslated at historical cost in accordance with the accounting policy set out in note 1.2b.

Africa Re insurance

The investment of shares in Africa Re- Insurance is the holding that the Central Bank of The Gambia has in the Africa -Re, a reinsurance Company incorporated in Nigeria. This amount represents 4,400 shares of US\$100 each. The investment is retranslated and carried at historical cost in accordance with the accounting policy set out in note 1.2b.

African Bank for Investment and Commerce (BSIC)

The ABDC was formed in order to promote Economic and Commercial Development in the surrounding geographical area. The Republic of The Gambia was asked to join the Bank with a 5% shareholding in 2001. The total value of the 5% stake holding amounts to €5,000,000. During 2001, the Central Bank paid an amount of €1,000,000 to the organisation. The amount already paid is retranslated and carried at historical cost.



West African Central Bank Building

This represents 4 instalments of \$2,336,000 as part contribution from Central Bank of The Gambia to the construction of The West African Central Bank Building. This amount has been retranslated using the rate of exchange ruling when the payments were effected and subsequently carried at cost.

CURRENT ASSET INVESTMENTS

Ecowas Community of West African States (ECOWAS)

The Ecowas credit guarantee fund was set up in August 1997 by the Committee of Governors of Ecowas Central Banks to provide short term credit facilities to member central banks to enable them to settle their debt positions within the clearing system. The above amount represents the Central Bank of The Gambia's contribution to the initial paid up capital of the fund and is retranslated using the rate of exchange ruling at the transaction dates.

WAMI Stabilisation Co-op fund

This represents full payment of \$3.5 million made on behalf of the Gambia Government for the stabilisation and co operation fund. This amount has been retranslated using the rate of exchange ruling at the transaction dates.

1. LOANS AND ADVANCES

	<i>Notes</i>	31-Dec-07	31-Dec-06
		D'000	D'000
Loans to Government	<i>11a</i>	136,913	211,653
Loans to Forex bureaus	<i>11b</i>	183,290	183,290
Fixed loans to banks		33,625	33,625
Overdrawn Government deposit accounts		715	10,979
Overdrawn sundry deposit accounts		3,443	3,443
		357,986	442,990
<i>Less:</i>			
Provision for sundry deposit and Government accounts		(3,443)	(3,443)
Provision for credit losses (Forex Bureaus)		(183,291)	(183,290)
Provision for credit losses (fixed loans to Banks)		(33,625)	(33,625)
		137,627	222,632

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11a. Related Party Transactions

All loans to government were settled in full with the exception of D136,913 which relates to Gambia National Petroleum Company.

11b. The loans to forex bureaus represent advances to various foreign bureaus in respect of spot foreign exchange deals for Swiss franc. The remaining balance of CHF 7.8 million has been fully provided for as these advances were unsecured.

12. OTHER ASSETS

	31-Dec-07	31-Dec-06
	D'000	D'000
Accrued interest receivable	11,044	6,082
Treasury Bills accrued interest	525	-
Miscellaneous treasury bills	-	-
West African Monetary Agency	14,598	16,903
International Monetary Fund	62,036	100,982
Staff loans	36,778	30,779
Stock of currencies	48,120	52,455
Others	10,722	7,263
	<u>183,823</u>	<u>214,464</u>
<i>Less:</i>		
Provision for doubtful debts	(7,002)	(7,002)
<i>At end of year</i>	<u>176,821</u>	<u>207,462</u>

West African Monetary Agency

The West African Monetary Agency was set up as an autonomous specialized agency of the ECOWAS to serve as a multi-lateral facility to improve sub regional trade in West Africa. The balance of WAUA 648,547.92 (\$1,003,823) is the Central Bank of The Gambia's inter settlement account balance within the region which has been retranslated using the rates of exchange ruling at the balance sheet date.

International Monetary Fund

The International Monetary Fund is an organisation working to foster global monetary cooperation, secure financial stability, facilitate international trade amongst other things. The balance of D62 Million is the net effect of the IMF quotas account and other IMF liabilities.

13. LONG TERM INVESTMENT

	31-Dec-07	31-Dec-06
Bank of France fixed deposit	331,900	-
	<u>331,900</u>	<u>-</u>

This is a long term investment with the Bank of France of Euro 10m for a two year period maturing 12 January 2009 at a coupon rate of 3.5%.



4. TANGIBLE FIXED ASSETS

	Land & Building	Furniture & Equipment	Computer equipment & software	Motor vehicles	Total
	D'000	D'000	D'000	D'000	D'000
<i>Cost</i>					
At 01-Jan-07	57,209	18,693	12,944	10,826	99,672
Additions	29	2,865	2,499	8,422	13,815
Transfers					
At 31-Dec-07	57,238	21,558	15,443	19,248	113,487
<i>Accumulated depreciation</i>					
At 01-Jan-07	5,312	6,851	4,885	4,506	21,554
Charge for the year	526	2,216	2,511	1,835	7,088
At 31-Dec-07	5,838	9,067	7,396	6,341	28,642
<i>Net book value</i>					
At 31-Dec-07	51,400	12,491	8,047	12,907	84,845
At 31-Dec-06	28,285	7,282	7,678	6,320	78,118

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15. DEPOSITS	31-Dec-07	31-Dec-06
	D'000	D'000
Government deposits	1,662,067	981,418
World Bank deposits	340	340
Local commercial banks	852,488	779,298
Sundry deposits	64,130	37,196
Credit institutions deposits	864	390
	2,579,889	1,798,642

The Central Bank of The Gambia receives deposits from the Government of The Gambia, local commercial banks, the International Monetary Fund and the World Bank. Interest is not paid on these deposits nor are bank charges levied on these accounts. The Central Bank is not allowed to receive deposits from persons other than those mentioned above.

16. OTHER LIABILITIES	31-Dec-07	31-Dec-06
	D'000	D'000
Accrued interest and Accounts payable	4,305	7,543
Staff pension fund	7,135	7,017
Staff welfare fund	348	348
Payment orders	15,283	43,194
Miscellaneous others	44,941	555
Payments on account	-	7,211
Miscellaneous treasury bills	1,037	1,227
	73,049	67,095

17. LONG-TERM LIABILITIES	31-Dec-07	31-Dec-06
	D'000	D'000
Special drawing rights allocations	214,263	220,451
International Monetary Fund [Poverty Reduction Growth Facility]	-	302,751
International Monetary Fund ESAF	167,360	-
	381,623	723,202



18. CURRENCY IN CIRCULATION

The liability represents that part of the banks' activity which relates to the issuing of notes and coins to the general public. Changes in the level of the liability is dictated by Government's monetary policy which is managed by the Central Bank.

19. STATEMENT OF RESERVE MOVEMENT

	<i>Share Capital</i> reserve D.000	<i>Statutory</i> reserve D.000	<i>Other</i> reserves D.000	<i>Accumulated</i> loss D.000	Total D'000
Balance at beginning of year	21,000	8,544	4,314		33,858
Loss	-	-		(7,541)	(7,541)
Transfers	20,000	(8,544)	-		11,456
Balance as at end of year	41,000	-	4,314	(7,541)	37,773

20. CASH GENERATED FROM OPERATIONS

	31-Dec-07 D'000	31-Dec-06 D'000
Net (deficit)/Surplus for the year	(16,118)	16,633
<i>Adjusted for the following:</i>		
Depreciation	7,088	5,761
Profit on disposal of assets	-	(198)
Revaluation reserves		
Net increase (decrease) in reserves	-	21,246
Changes in working capital		
Net increase (decrease) in loans and advances	85,005	842,205
Net decrease in accounts receivable	30,641	(62,264)
Net increase (decrease) in deposits	781,247	(707,373)
Net increase (decrease) in accounts payable	5,955	(45,469)
Cash inflow from operating activities	893,818	70,541