The Central Bank of the Gambia

Annual Report and Consolidated and Separate Financial Statements
31 December 2018

Table of contents

Corporate information

Board of Directors:	Mr. Bakary Jammeh Mr. Foday Ceesay	Governor and Chairman Non-Executive Director
	Mr. Sarjo Jah	Non-Executive Director
Audit Committee:	Mr. Foday Ceesay	Chairman
	Mr. Sarjo Jah	Member
	Mr. Momodou B. Mboge	Secretary
First Deputy Governor:	Dr. Seeku Jaabi	
Second Deputy Governor:	Mr.Essa Drammeh	
Director of Finance:	Mr. Abdourahman Barrow	
Secretary:	Mr. Momodou B. Mboge	
Registered office:	1-2 Ecowas Avenue Banjul The Gambia	
Auditors:	DT Associates Bertil Harding Highway Kololi – The Gambia	
	Deloitte & Touche Chartered Accountants The Deloitte Place, Plot No. 71 Off George Walker Bush Highway North Dzorwulu Accra, Ghana	

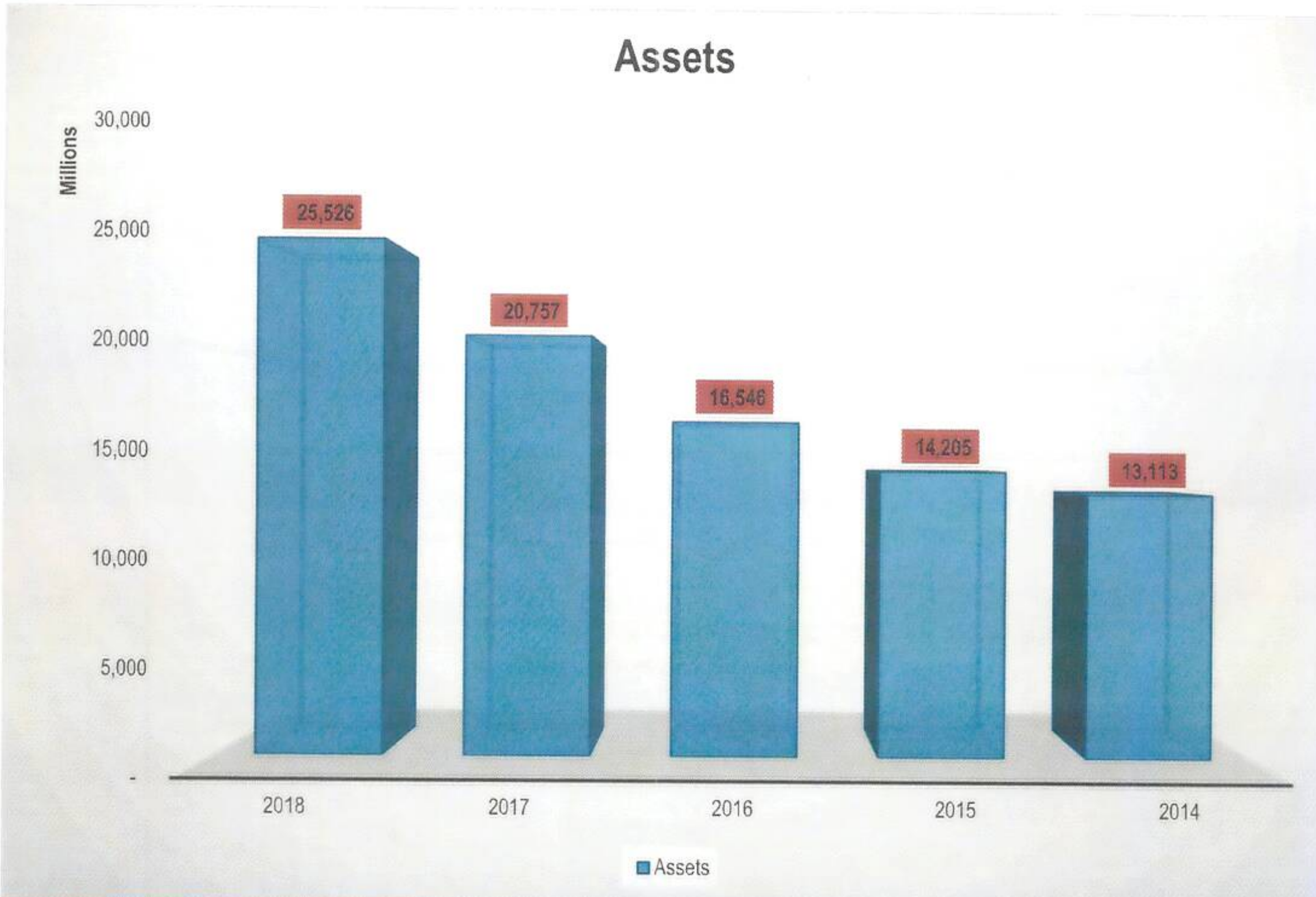
Financial highlights

Assets distribution – The Bank

Asset	2018	2017	2016	2015	2014
	D'000	D'000	D'000	D'000	D'000
FX cash balances and deposits	5,429,694	4,412,961	1,087,891	2,352,870	2,142,012
Receivable from IMF	4,261,944	806,621	559,572	110,491	93,109
Investment in securities	13,491,782	13,359,621	13,633,192	6,823,531	8,270,174
Loans and Advances	1,357,660	1,452,395	439,985	3,874,850	1,633,708
Other Assets	634,573	312,392	399,165	577,963	482,441
PPE	349,341	393,089	390,793	408,711	419,791
Intangibles	507	20,089	35,308	56,523	71,460
Assets	**25,525,501**	**20,757,168**	**16,545,906**	**14,204,939**	**13,112,695**

Financial highlights (continued)

Equity and Liabilities

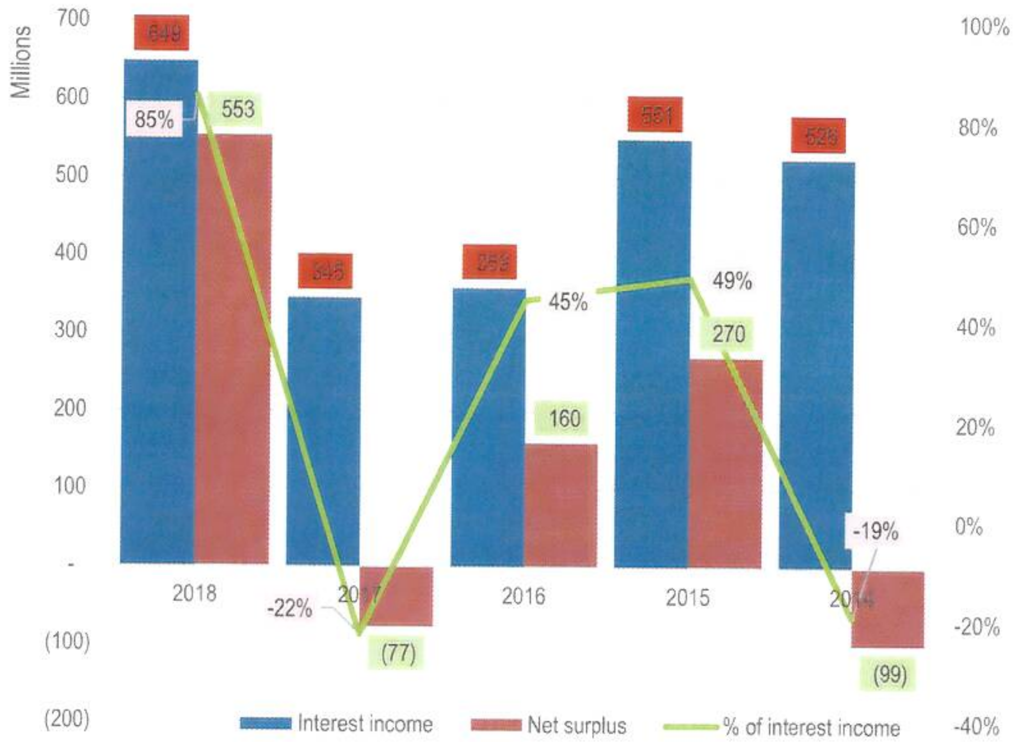


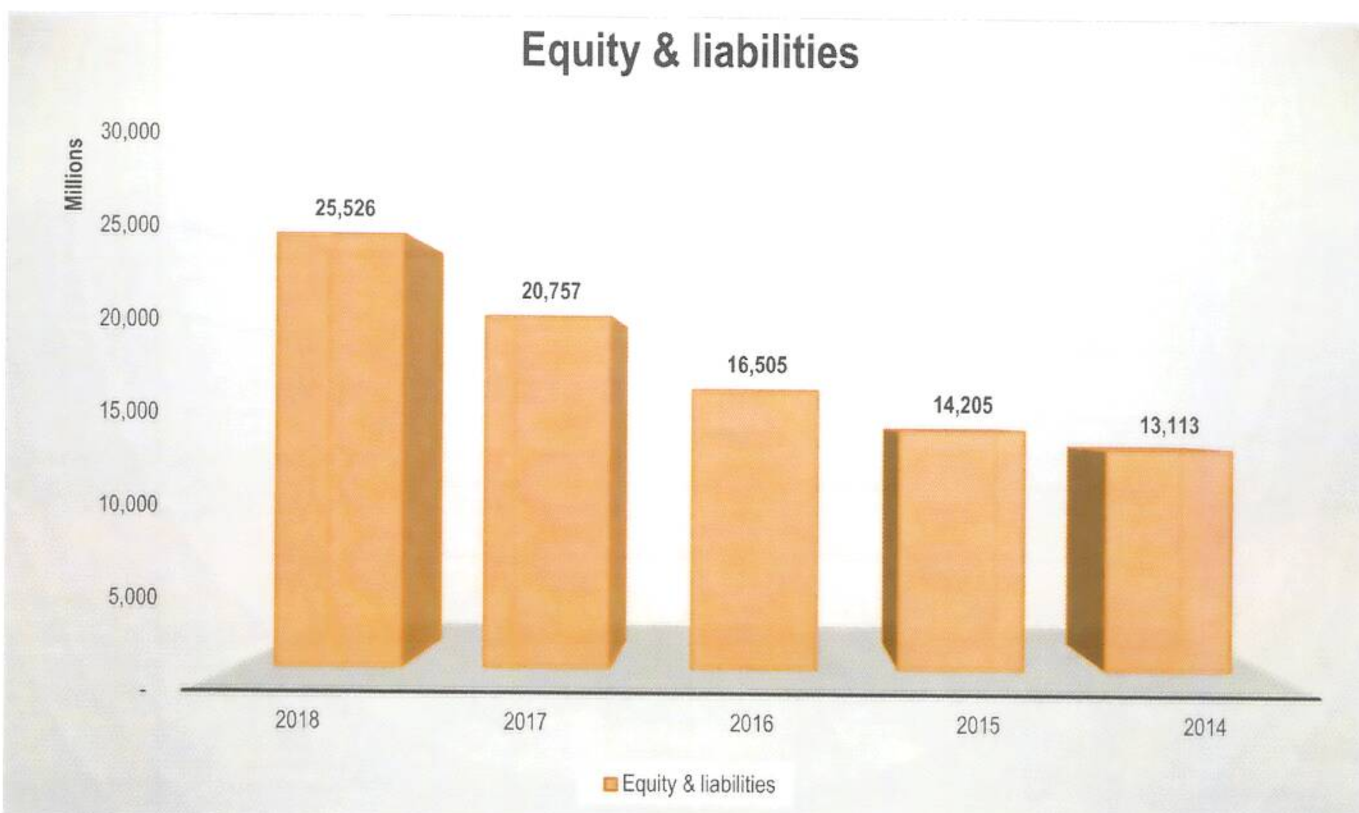
Equity & liabilities	2018	2017	2016	2015	2014
	D'000	D'000	D'000	D'000	D'000
Currency in circulation	7,303,858	6,186,488	5,089,611	4,035,587	3,908,642
Deposits	12,104,674	8,815,118	6,946,425	4,929,224	4,700,617
Long term loan from IMF	4,148,142	4,451,623	3,597,079	4,663,344	3,686,923
Other payables	298,629	163,398	157,691	158,552	127,847
Capital	100,000	100,000	100,000	100,000	100,000
Retained earnings	889,142	342,083	472,510	312,917	118,709
Reserves	681,056	698,458	141,195	5,315	469,957
Equity & liabilities	25,525,501	20,757,168	16,504,511	14,204,939	13,112,695

Financial highlights (continued)

Profitability

	2018	2017	2016	2015	2014
	D'000	D'000	D'000	D'000	D'000
Interest income	648,842.00	345,004.00	358,580.00	550,920.00	525,564.00
Net surplus	553,363.00	(77,229.00)	159,593.00	269,975.00	(99,412.00)
% of interest income	85%	(-22%)	45%	49%	(-19%)


Millions
700
600
500
400
300
200
100
-
(100)
(200)
100%
80%
60%
40%
20%
0%
-20%
-40%
85%
553
-22%
(77)
45%
160
49%
270
-19%
(99)
2018
2016
2015
Interest income
Net surplus
% of interest income


Equity & liabilities
Millions
30,000
25,000
20,000
15,000
10,000
5,000
-
25,526
20,757
16,505
14,205
13,113
2018
2017
2016
2015
2014
Equity & liabilities

Report of the directors

The directors present their report and the audited consolidated and separated financial statements for the year ended 31 December 2018.

Statement of directors' responsibilities

The Central Bank of The Gambia Act 2018 requires the directors to prepare consolidated and separate financial statements for each financial year, which give a true and fair view of the state of affairs of the bank and group of its net profit or loss for that year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 consolidated and separated 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 2018. 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

Central Bank of The Gambia was established to carry on business in accordance with the constitution and the provisions of the Central Bank of The Gambia Act 2018 with the following objectives:

- Achieve and maintain price stability;
- Promote and maintain the stability of the currency of The Gambia;
- Direct and regulate the financial, insurance, banking and currency system in the interest of the economic development of The Gambia; and
- Encourage and promote sustainable economic development and the efficient utilization of the resources of The Gambia through the effective and efficient operation of a financial system.

In achieving the above objectives, the bank is allowed to perform the following functions:

- Formulate and implement monetary policy aimed at achieving the objectives of the bank;
- Promote, by monetary measures, the stabilization of the value of the currency within and outside The Gambia;
- Institute measures which are likely to have a favourable effect on the balance of payments, the state of public finances and the general development of the national economy;
- License, regulate, supervise and direct the financial system and ensure the smooth operation of the financial system;
- Promote, regulate and supervise payment and settlement system;
- Issue and redeem the currency notes and coins of The Gambia;

Report of the directors (continued)

Principal activities (continued)

- Licence, regulate and supervise non-banking financial institutions;
- Act as banker and financial advisor to the Government and guarantee Government loans;
- Promote and maintain relations with international banking and financial institutions and subject to the Constitution or any other relevant enactment, implement international monetary agreements to which The Gambia is a party;
- Own, hold and manage its official international reserves;
- Promote the safe and sound development of the financial system including safeguarding the interest of depositors;
- Collect, analyse and publish statistical data; and
- Do all other things that are incidental and conducive to the efficient performance of its functions under the Act

Results for the year

Results for the year are as presented in the accompanying consolidated and separate financial statements on page 17.

Employees

The number of employees and the cost associated with these employees is as detailed in note 21.

Donations

The bank made charitable donations amounting to D836,300 during the year. (2017: D864,000).

Directors and directors' interest

The directors who held office during the year are shown on page 1.

The Central Bank Act requires Non-Executive Directors to serve a maximum term of 2 years so far as possible and that not more than one director's term of office shall expire in any one year. A director shall be eligible for reappointment.

Two of the non-executive directors have since been appointed in line with the CBG Act and both have since assumed their responsibilities.

Report of the directors (continued)

Going concern

The directors have assessed the ability of the Bank and the group to continue as a going concern. The directors therefore have a reasonable expectation that the Bank and the group has adequate resources to continue in operational existence for the foreseeable future. Thus, we continue to adopt the going concern basis in preparing the annual consolidated and separated financial statements of the Group.

Auditors

The National Audit Office is mandated to appoint the Bank's auditors. DT Associates and Deloitte & Touche Ghana were appointed to serve as joint auditors for the 2018 audit.

By order of the board of directors

Secretary

04/12/2019

Date

Deloitte. DT Associates.

Independent Auditor's Report

To the Shareholders of the Central Bank of the Gambia

Opinion

We have audited the consolidated and separate financial statements of the Central Bank of the Gambia (the group) set out on pages 22 to 97, which comprise the statements of financial position as at 31 December 2018,which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group as at 31 December 2018, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Central Bank of the Gambia Act 2018.

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 Consolidated and Separate Financial Statements section of our report. We are independent of the group and the Bank in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) 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 consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report - (Continued)

Key audit matter	How our audit addressed the key audit matter
Loan impairment loss provisions	
The Central Bank of The Gambia carries out an impairment of its loans and advances in compliance with IFRS 9. The impaired allowances for these financial assets are based on assumptions about risk of default and expected loss rate. The Bank uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on existing market conditions at the end of each reporting period. Due to the significant judgement that is applied by management in determining whether an impairment loss has occurred, we considered this a key audit risk. (Refer to Note 8 of the consolidated financial statements)	We evaluated the design and tested the implementation and operating effectiveness of key controls over the computation of impairment loss. In evaluating the design of controls, we considered the appropriateness of the control considering the nature and significance of the risk, competence and authority of person(s) performing the control, frequency and consistency with which the control is performed. In performing operating effectiveness of the controls, we selected a sample of transactions based on the control frequency, nature of control and risk associated with the control to determine whether the control operated during the year. We engaged our internal specialists to assist with; • Critically evaluating whether the model used by the Bank to measure the amount of impairment loss for specific accounts and portfolio impairments complies with the requirements of IFRS 9. • Validating that the discount rates used in discounting the estimated future cash flows meet the effective interest rates requirement of IFRS 9. We further obtained management's accounting policy and implementation document and confirmed that the documented policies, approach and conclusions are consistent with the requirement of IFRS 9.

Key audit matter	How our audit addressed the key audit matter
	We performed an evaluation of the key assumptions over the expected credit loss model(ECL) including the probability of default(PD) and the Loss given default (LGD) We challenged management's staging of loans and advances in the ECL model and tested facilities to ensure they have been included in the right stage. We found that the assumptions used by management were comparable with historical data and performance and have been assessed as reasonable. We further tested the disclosures to ensure that the required disclosures under IFRS 9 together with the first time adoption disclosures are appropriately disclosed.
Impairment assessment of investment in securities	
The Gambia Government were in the economic difficulty of repayment of bonds earlier issued. Hence, a restructuring of numerous bond issues was advised by The Central Bank of the Gambia to enhance repayment in 2016. The Ministry of Finance & Economic Affairs(MOEFA) signed an agreement with The Central Bank of The Gambia to convert balances on eleven (11) accounts into a single 5 % 30 year bond payable at a frequency of two payments per annum(1st March and 1st September each year). On the 27th day of August 2018, the Central Bank and MOEFA agreed to increase the nominal rate of the bond from 5% to 7%. There is the risk that these investments might be impaired without any impairment provision being recognized. (Refer to Note 5.3 of the consolidated financial statements)	We determined if there are any indicators of impairment(significant increase in credit risk) by considering the following possible loss events which were external and/or internal[IFRS 9 B.5.5.17]: a an actual or expected significant adverse change in the regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations; b. significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements c. significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the group We evaluated the bond's effective interest rate used in discounting expected future cash flows by validating that the discount rates used in discounting the estimated future cash flows meet the effective interest rates requirement of IFRS 9.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td></td><td>We determined whether the cash flows from principal and interest repayments are supportable and consistent with current financial information.

We reviewed the financial statements to confirm that the appropriate disclosures have been made.

Based on our review, we noted that the discount rates used in discounting the estimated future cash flows for the 7% 30 year bond did not meet the effective interest rates requirement of IFRS 9.</td></tr>
<tr><td colspan="2">Valuation of defined benefit scheme (staff benefit scheme)</td></tr>
<tr><td>The actuarial valuation involves projecting the benefits of the scheme members expected to be paid in the future. Benefits are paid either upon retirement, death or leaving the employment of the Central Bank. The amount of the benefit payable depends on the length of service and the level of earnings when the event occurs.

In making these projections, assumptions are made about the likelihood of a benefit becoming payable at any future date, future investments return and increases in a staff member's earnings.

The retirement benefits reserve is subject to volatility as the valuation is sensitive to changes in key assumptions such as the discount rate and inflation estimates. The setting of assumptions is complex and an area of significant judgement.

(Refer to Notes 2.18(ii) and 16 of the consolidated financial statements)</td><td>Controls regarding the accurate gathering of information from approved sources (e.g. United Nations, Reuters, etc.) and subsequent input into the Bank's model were tested.

We engaged our internal actuarial valuation specialists for an independent valuation of staff scheme reserves.

We evaluated management's assessment of the assumptions made in the valuation of the scheme assets and liabilities and evaluated the information contained within the actuarial valuation reports for the scheme with the assistance of the specialists.

With the support of our actuarial specialists, we tested the membership data used in the valuation of the scheme. We evaluated and challenged the key assumptions applied in the valuation model which included: salary increases, inflation rates, discount rates and mortality rates.

The results of our internal specialist valuation were compared to the fair values of the Bank's reserves and any differences noted evaluated.

We are satisfied with the actuarial assumptions applied and the measurement of the reserves. The related disclosure is sufficient.</td></tr>
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Independent Auditor's Report - (Continued)

Emphasis of Matter – Measurement of Mega Bank

The Central Bank of the Gambia has equity investments in the Mega Bank Gambia Limited, which has been classified as held for sale (IFRS 5). As per IFRS 5.15-15A, non-current assets that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell (fair value less costs to distribute in the case of assets classified as held for distribution to owners). However, IFRS 5.5c exempts the use of this for financial assets, as they should be measured in accordance with IFRS 9. The investment in Mega Bank being an equity instrument should therefore be measured at 'fair value through profit or loss' or 'fair value through other comprehensive income'.

We noted that the Central Bank did not perform the required fair value review on the investment. The investment in Megabank was measured at cost, which is not in accordance with the requirements of IFRS 5.

Other Information

The directors are responsible for the other information. The other information comprise the financial highlights (but does not include the consolidated financial statements and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the information included in the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Central Bank of the Gambia Act, 2018 and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and / or the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report - (Continued)

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and 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 group's and 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 auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the group and/or 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

Deloitte.

DT Associates.

Independent Auditor's Report - (Continued)

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

From the matters communicated with the directors, 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 auditors' 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 public interest benefits of such communication.

Report on Other Legal Requirements

In accordance with the Bank's charter, we also report that we have obtained all the information and explanations we consider necessary for the purposes of our audit.

The Bank breached a number of regulatory requirements, which are disclosed in note 29 to the consolidated financial statements.

The engagement partners on the audit resulting in this independent auditors' report are **Daniel Kwadwo Owusu (ICAG/P/1327)** and **Aji Penda Sankareh (GRAA/18795).**

Deloitte&Touche	DT Associates
Deloitte & Touche (ICAG/F/2019/129) Chartered Accountants The Deloitte Place Plot No. 71, Off George Walker Bush Highway, North Dzorwulu, Accra - Ghana	DT Associates Chartered Accountants Registered Auditors 1 Paradise Beach Place, Bertil Harding Highway, Kololi, The Gambia
4th Dec. 2019	04th December 2019
Date	Date

CLASSIFICATION: CONFIDENTIAL

Statements of financial position

	Note	Group 2018 D'000	Group 2017 D'000	Bank 2018 D'000	Bank 2017 D'000
Assets					
Foreign currency cash balances & Deposits	3	**5,469,032**	4,458,112	**5,429,694**	4,412,961
Receivable from IMF	4	**4,261,944**	4,219,649	**4,261,944**	4,219,649
Investment in securities	5	**12,785,608**	12,667,746	**12,785,608**	12,667,745
Investment in WACB & Mega Bank	6	**632,375**	618,075	**632,375**	618,075
Investment in subsidiary	7	-	-	**73,800**	73,800
Loans and advances	8	**1,357,660**	1,452,395	**1,357,660**	1,452,395
Other assets	9	**687,476**	356,766	**634,572**	312,393
Property, plant and equipment	10	**349,477**	393,205	**349,341**	393,089
Intangible assets	11	**507**	20,089	**507**	20,089
Total assets		**25,544,079**	24,186,037	**25,525,501**	24,170,196
Liabilities					
Currency in circulation	12	**7,303,858**	6,186,488	**7,303,858**	6,186,488
Deposits	13	**12,104,674**	12,228,146	**12,104,674**	12,228,146
Long term loan from IMF	14	**4,148,142**	4,451,623	**4,148,142**	4,451,623
Other payables	15	**331,321**	215,148	**298,629**	185,616
Total liabilities		**23,887,995**	23,081,405	**23,855,303**	23,051,873
Equity and reserves					
Share capital	16	**100,000**	100,000	**100,000**	100,000
General reserve	16	**58,513**	58,513	**58,513**	58,513
Share premium	16	**15,377**	15,377	-	-
Retained earnings	16	**859,123**	305,550	**888,148**	335,357
Revaluation reserve	16	**369,610**	356,448	**369,610**	356,448
Pension valuation	16	**(15,492)**	(15,492)	**(15,492)**	(15,492)

Equity fair valuation	**16**	**241,893**	256,965	**268,425**	283,497
Non-controlling Interest	**16**	**27,060**	27,271	-	-
Total equity and reserves		**1,656,084**	1,104,632	**1,669,204**	1,118,323
Total equity and liabilities		**25,544,079**	24,186,037	**25,525,501**	24,170,196

The financial statements were approved by the Board of Directors on .... 2019 and signed on its behalf by:

Governor
04/12/19

Deputy Governor
04/12/19

Director
04/12/19

The notes on pages 25 to 97 form an integral part of these financial statements.

Statements of profit or loss

		Group		Bank	
	Note	**2018 D'000**	2017 D'000	**2018 D'000**	2017 D'000
Interest income - Amortised cost	**17**	**1,029,567**	357,674	**1,016,339**	345,004
Interest expense and other similar expense	**18**	**(13,952)**	(13,219)	**(13,012)**	(8,336)
Net interest income		**1,015,615**	344,455	**1,003,327**	336,668
Exchange gains	**19**	**13,162**	-	**13,162**	-
IFRS 9 impairment reversal	**23**	**110**	-	**110**	-
Other income	**20**	**67,247**	22,468	**64,260**	19,853
Total operating revenue less interest expense		**1,096,134**	366,923	**1,080,859**	356,521
Operating expenses					
Personnel costs	**21**	**(134,636)**	(113,897)	**(130,180)**	(110,386)
General and administrative expenses	**22**	**(323,239)**	(267,806)	**(313,028)**	(260,097)
Depreciation	**10**	**(49,167)**	(50,671)	**(49,131)**	(48,351)
Amortisation	**11**	**(21,985)**	(26,501)	**(21,985)**	(21,642)
Total operating expenses		**(529,027)**	(458,875)	**(514,324)**	(440,476)
Net surplus /(deficit) for the year		**567,107**	(91,952)	**566,535**	(83,955)

The notes on pages 25 to 97 form an integral part of these financial statements.

Statements of other comprehensive income

	Group 2018 D'000	2017 D'000	Bank 2018 D'000	2017 D'000
Net surplus /(deficit) for the year	**567,107**	(91,952)	**566,535**	(83,955)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Net Fair value movement on investments held at FVOCI	**(15,072)**	256,965	**(15,072)**	283,497
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:				
Re-measurement of defined benefit pension plans	-	(15,492)	-	(15,492)
Total comprehensive income for the year	**552,035**	149,521	**551,463**	184,050
Attributable to:				
Total	**552,035**	153,519		
Non-controlling interest	**(211)**	(3,998)		
Equity holders of the parent	**551,824**	149,521		

The notes on pages 25 to 97 form an integral part of these financial statements.

Statement of changes in equity - continued

Bank	Share Capital 000	General Reserve 000	Revaluation Reserve 000	Retained Earnings 000	Equity Fair valuation 000	Pension valuation 000	Total 000
Balance as at 1 Jan 2017	100,000	5,315	135,880	472,510	-	-	713,705
Loss for the year	-	-	-	(83,955)	-	(15,492)	(99,447)
Exchange loss	-	-	-	-	-	-	-
Revaluation Reserve	-	-	220,568	-	-	-	220,568
PY adjustment	-	53,198	-	(53,198)	-	-	-
Fair valuation	-	-	-	-	283,497	-	283,497
Balance as at 31 Dec 2017	**100,000**	**58,513**	**356,448**	**335,357**	**283,497**	**(15,492)**	**1,118,323**
Balance as at 1 Jan 2018	100,000	58,513	356,448	335,357	283,497	(15,492)	1,118,323
IFRS 9 implementation adjustment	-	-		(582)	-	-	(582)
Profit for the year	-	-		566,535	-	-	566,535
Revaluation Reserve	-	-	13,162	(13,162)	-	-	-
Fair valuation	-	-	-	-	(15,072)	-	(15,072)
Balance as at 31 Dec 2018	**100,000**	**58,513**	**369,610**	**888,148**	**268,425**	**(15,492)**	**1,669,204**

The notes on pages 25 to 97 form an integral part of these financial statements.

Statement of changes in equity

Group	Share Capital	Share premium	General Reserve	Revaluation Reserve	Retained Earnings	Equity Fair valuation	Pension valuation	NCI	Total
	000	000	000	000	000	000	000	000	000
Balance @ 1st Jan 2017	100,000	10,562	5,315	135,880	458,779	2,463	-	31,269	744,268
Loss for the year	-	-	-	-	(91,952)	-	(15,492)	-	(107,444)
Revaluation reserve	-	-	-	220,568	-	-	-	-	220,568
PY adjustment	-	5,163	53,198	-	(65,276)	-	-	-	(6,915)
Fair valuation	-	-	-	-	-	283,497	-	-	283,497
Movement in NCI	-	-	-	-	3,998	-	-	(3,998)	-
Effect of intra group elimination	-	(348)	-	-	-	(28,995)	-	-	(29,343)
Balance @ 31st Dec 2017	100,000	15,377	58,513	356,448	305,549	256,965	(15,492)	27,271	1,104,631
Balance @ 1st Jan 2018	100,000	15,377	58,513	356,448	305,549	256,965	(15,492)	27,271	1,104,631
IFRS 9 implementation adjustment	-	-	-	-	(582)	-	-	-	(582)
Profit/(Loss) for the year	-	-	-	-	567,107	-	-	-	567,107
Revaluation reserve	-	-	-	13,162	(13,162)	-	-	-	-
Fair valuation	-	-	-	-	-	(15,072)	-	-	(15,072)
Movement in NCI	-	-	-	-	211	-	-	(211)	-

									-
Balance @ 31st Dec 2018	100,000	15,377	58,513	369,610	859,123	241,893	(15,492)	27,060	1,656,084

The notes on pages 25 to 97 form an integral part of these financial statements.

Statements of cash flows

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Operating activities				
Net income/(deficit) from operations	**567,107**	(91,952)	**566,535**	(83,955)
Gain on disposal of property, plant and equipment	-	(474)		(474)
Proceeds from disposal of property, plant and equipment	-	808	-	808
Depreciation and amortization	**71,116**	77,172	**71,116**	69,993
Tax paid	**(143)**	(283)		
Interest income	**(1,029,567)**	(345,004)	**(1,029,567)**	(345,004)
Interest expense	**13,012**	8,336	**13,012**	8,336
Revaluation losses		205,076	-	205,076
Equity fair valuation	**(15,072)**	283,497	**(15,072)**	283,497
	(393,547)	137,176	**(393,976)**	138,277
Change in receivable from IMF	**(42,295)**	(231,680)	**(42,295)**	(247,049)
Change in loans and advances	**94,735**	(1,012,410)	**94,735**	(1,012,410)
Change in other assets	**(22,832)**	86,620	**(14,300)**	86,773
Change in provisions and other liabilities	**116,870**	26,637	**113,013**	27,925
Change in deposits	**(123,472)**	1,868,693	**(123,472)**	1,868,693
Change in currency in circulation	**1,117,370**	1,096,877	**1,117,370**	1,096,877
Cash absorbed by operations	**1,140,376**	1,834,737	**1,145,051**	1,820,809
Interest paid	**(13,012)**	(8,336)	**(13,012)**	(8,336)
Interest received	**720,589**	345,080	**722,156**	345,080
Net cash outflows from operating activities	**1,847,953**	2,171,481	**1,854,195**	2,157,553
Cash flows from investing activities				
Purchase of securities	**(132,161)**	232,175	**(132,161)**	232,176
Acquisition of property, plant and equipment	**(7,844)**	(57,518)	**(7,844)**	(57,480)
Net cash used in investing activities	**(140,005)**	174,657	**(140,005)**	174,696
Cash flows from financing activities				
Long term loan from IMF	**(303,481)**	854,544	**(303,481)**	854,544
Net cash from financing activities	**(303,481)**	854,544	**(303,481)**	854,544
Change in cash and cash equivalents	**1,010,920**	3,337,858	**1,016,733**	3,325,070
Cash and cash equivalents at 1 January	**4,458,112**	1,120,254	**4,412,961**	1,087,891
Cash and cash equivalents at 31 December	**5,469,032**	4,458,112	**5,429,694**	4,412,961

The notes on pages 25 to 97 form an integral part of these financial statements.

1. General information

Central Bank of The Gambia ("the Bank") was established in 1971 by Government of The Gambia under the Central Bank of The Gambia Act 1971 (superseded by the Central Bank of The Gambia Act 1992 and the Central Bank of The Gambia Act 2018 "the Act"). The registered office is: 1 - 2 Ecowas Avenue, Banjul, The Gambia.

The principal objectives of the Bank are to regulate the issue, supply, availability and international exchange of money, promote monetary stability, and promote sound financial structure and credit exchange conditions conducive to the orderly and balanced economic development of the country. The responsibilities of the Bank also include acting as the banker for the commercial banks, government departments and for government projects and the issuing of currency notes and coins.

In accordance with the Act, the Board of Directors determines the monetary policy, the instruments for its implementation and decides on the Bank's monetary policy operations. The Bank ensures the implementation of the monetary policy mainly by using the following instruments – base interest rate, issues of treasury bills and other Gambian government bonds, direct purchase or direct sale of government securities and foreign exchange operations, overnight refinancing and overnight money withdrawing operations, minimum reserves requirements and the exchange rate regime for the country. The Bank ensures the administration of foreign exchange reserves especially by means of financial operations related to securities denominated in foreign currencies, acceptance of loans from foreign entities, purchase of foreign currency from banks and branches of foreign banks, and financial transactions with foreign currencies.

All the costs necessary for the Bank's activities are covered from its revenues or from transfers of redeemable interest- bearing notes issued by The Gambia Government. Profits generated is allocated to the reserve fund and to other profit reserves, or used to settle losses from previous years. The remaining profit is transferred to the Consolidated Revenue Fund (CRF) as stipulated in Section 8 (5) of the Act. The Bank may settle the loss for the current period from the reserve fund or from other reserves; alternatively, the Board may decide to transfer the outstanding loss to the next accounting period. The Bank is expected to submit an annual report on its financial results to the National Assembly of The Gambia, within six months of the end of the calendar year.

As a member, The Bank is also obliged to certain reporting requirements of the International Monetary Fund (IMF) under the terms of various agreements with the IMF under the current Poverty Reduction Growth Facility (PRGF) and Extended Credit Facility (ECF) program through a Technical Memorandum of understanding (TMU).

2. Summary of significant accounting policies

2.1 Statement of Compliance and basis of preparation

The consolidated and separate financial statements of have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations as issued by the International Accounting Standard Board (IASB) and the Central Bank of The Gambia Act 2018.

2.1 Statement of Compliance and basis of preparation (continued)
Going concern

The Group has reviewed its business activities, together with the factors likely to affect its future development, performance and position. Based on the above, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the reasonable future. Thus, the Group continues to adopt the going concern basis of accounting in preparing the annual financial statements.

2.2 Basis of measurement

The financial statements are presented in Gambian Dalasi which represents the functional currency of the Group, being the currency of the economic environment in which the entities operate.

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain financial instruments to fair value and the option chosen by the Group to revalue certain items of property to fair value.

2.3 Changes in accounting policies and disclosures
(i) New and amended standards and interpretations

IFRS 9 – Financial Instruments

The Group has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. The Group did not early adopt IFRS 9 in previous periods.

As permitted by the transitional provisions of IFRS 9, the Group elected not to restate comparative figures and used the modified retrospective approach. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening income surplus and other reserves of the current period. Consequently, for notes disclosures, the consequential amendments to IFRS 7 disclosures have also only been applied to the current period. The comparative period notes disclosures repeat those disclosures made in the prior year.

The adoption of IFRS 9 has resulted in changes in accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 'Financial Instruments: Disclosures'.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss (ECL) model as opposed to an incurred credit loss model under IAS 39. The ECL model requires the company to account for the expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

Set out below are disclosures relating to the impact of the adoption of IFRS 9 on the Group. Further details of the specific IFRS 9 accounting policies applied in the current period (as well as the previous IAS 39 accounting policies applied in the comparative period) are described in more detail in note 2.12.

IFRS 9 – Financial Instruments (continued)

Classification and measurement of financial instruments

IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only three classification and measurement categories. The measurement category and the carrying amount of financial assets and liabilities in accordance with IAS 39 and IFRS 9 at 1 January 2018 are compared as follows:

Group	**IAS 39**		**IFRS 9**	
Financial assets	**Measurement category**	**Carrying amount (D'000)**	**Measurement category**	**Carrying amount (D'000)**
Foreign currency cash balances and deposits	Amortised cost (Loans and receivables)	4,458,112	Amortised cost (Hold to collect)	4,458,112
Receivable from IMF	Amortised cost (Loans and receivables)	4,219,648	Amortised cost (Hold to collect)	4,219,648
Investment in securities – equity	FVOCI (Available-for-sale)	396,901	FVOCI (Hold to collect and sell)	396,901
Investment in securities – debt instruments	Amortised cost (Held to maturity)	12,270,844	Amortised cost (Hold to collect)	12,270,604
Other investments	FVOCI (Available-for-sale)	691,875	FVOCI (Hold to collect and sell)	691,875
Loans and advances	Amortised cost (Loans and receivables)	1,452,395	Amortised cost (Hold to collect)	1,452,395
Other financial assets	Amortised cost (Loans and receivables)	476,341	Amortised cost (Hold to collect)	464,731

There were no changes to the classification or measurement of financial liabilities of the Group. They remained classified as financial liabilities 'Other' and measured at amortised cost.

IFRS 9 – Financial Instruments (continued)

Classification and measurement of financial instruments (continued)

Bank	IAS 39		IFRS 9	
Financial assets	**Measurement category**	**Carrying amount (D'000)**	**Measurement category**	**Carrying amount (D'000)**
Foreign currency cash balances and deposits	Amortised cost (Loans and receivables)	4,412,961	Amortised cost (Hold to collect)	4,412,619
Receivable from IMF	Amortised cost (Loans and receivables)	4,219,648	Amortised cost (Hold to collect)	4,219,648
Investment in securities – equity	FVOCI (Available-for-sale)	396,901	FVOCI (Hold to collect and sell)	396,901
Investment in securities – debt instruments	Amortised cost (Held to maturity)	12,270,844	Amortised cost (Hold to collect)	12,270,604
Other investments	FVOCI (Available-for-sale)	691,875	FVOCI (Hold to collect and sell)	691,875
Loans and advances	Amortised cost (Loans and receivables)	1,452,395	Amortised cost (Hold to collect)	1,452,395
Other financial assets	Amortised cost (Loans and receivables)	431,968	Amortised cost (Hold to collect)	431,968

There were no changes to the classification or measurement of financial liabilities of the Bank. They remained classified as financial liabilities 'Other' and measured at amortised cost.

Reclassification from retired categories with no change in measurement

As indicated above, some financial assets have been reclassified to new categories under IFRS 9, as their previous categories under IAS 39 were "retired" with no changes to their measurement basis. They include those previously classified as held to maturity and loans and receivables and measured at amortised cost and available for sale equity investments but now classified as FVOCI and measured at fair value.

IFRS 9 – Financial Instruments (continued)

Reconciliation of statement of financial position balances from IAS 39 to IFRS 9

The Group performed a detailed analysis of its business models for managing financial assets and analysis of cash flow characteristics. The following table reconciles the prior period's closing impairment allowance measured in accordance with the IAS 39 incurred loss model to the new impairment allowance measured in accordance with the IFRS 9 expected loss model at 1 January 2018:

Group	**IAS 39 Carrying amount**	**Remeasurement**	**IFRS 9 Carrying amount**
	D'000	**D'000**	**D'000**
Foreign currency and cash balances	4,412,961	(342)	4,412,619
Receivable from IMF	4,219,648	-	4,219,648
Investments in securities	12,667,746	(240)	12,667,506
Other investments	691,875		691,875
Loans and advances	1,452,395	-	1,452,395
Other assets	476,341	-	476,341
Total	**23,920,966**	**(582)**	**23,920,384**

The total re-measurement loss of GMD 582,000 was recognised in the Group's opening reserves at 1 January 2018.

Bank	**IAS 39 Carrying amount**	**Remeasurement**	**IFRS 9 Carrying amount**
	D'000	**D'000**	**D'000**
Foreign currency and cash balances	4,412,961	(342)	4,412,619
Receivable from IMF	4,219,648	-	4,219,648
Investments in securities	12,667,746	(240)	12,667,506
Other investments	691,875		691,875
Loans and advances	1,452,395	-	1,449,359
Other assets	431,968	-	412,093
Total	**23,876,593**	**(582)**	**23,853,100**

The total re-measurement loss of GMD 582,000 was recognised in the Bank's opening reserves at 1 January 2018.

(i) New and amended standards and interpretations (continued)

IFRS 15 – Revenue from contracts with customers

The Group has adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in changes in accounting policies. Comparatives for the 2017 financial year are not restated. In accordance with the transition provisions in IFRS 15, the Group has adopted the new rules with the cumulative effect method. However, no adjustments were passed on adoption on IFRS 15. There were no material effects on revenue recognised by the Group on the adoption of IFRS 15.

(ii) Standards issued but not yet effective

IFRS 16 – Leases

IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The statement of profit or loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, 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.

The Group will apply the standard for its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

The only lease arrangement that the Bank is engaged with is the leasehold property were we are headquartered. This is not a normal lease as the bank is not required to settle any future lease payments, rather this conferred ownership on the bank as such IFRS 16 will not have any impact on the Bank.

2.3. Changes in accounting policies and disclosures (continued)

(ii) Standards issued but not yet effective

Annual Improvements to IFRS Standards 2015 – 2017 Cycle

The following improvements were finalised in December 2017 and effective on 1 January 2018: IFRS 3 - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.

IFRS 11 - clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

IAS 12 - clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

IAS 23 - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The amendments to IAS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:

Calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling separately recognise any changes in the asset ceiling through other comprehensive income.

IFRIC 22 Interpretation Foreign Currency Transactions and Advance Consideration

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis.

Alternatively, an entity may apply the Interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

i. The beginning of the reporting period in which the entity first applies the interpretation or
ii. The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

The Interpretation is effective for annual periods beginning on or after 1 January 2018. Early application of interpretation is permitted and must be disclosed. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its financial statements.

2.3 Use of significant estimates, assumptions and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement 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 recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF model). The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Fair value of the quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forward contracts and commodity forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying commodity. Details on fair value determination and the fair value hierarchy have been disclosed in note 27.

2.4 Use of significant estimates, assumptions and judgements (continued)

Taxes

Though the Central Bank of The Gambia is not subject to tax, the subsidiary is. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates.

The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile. As the Group assesses the probability for any litigation with respect to taxes as remote, no contingent liability has been recognised. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgementis required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Details on the Group's tax position are disclosed in note 25.

Pension benefits

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Details on the Bank's pension benefit scheme including the assumptions used are disclosed in note 15.

Impairment losses on loans and advances

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

2.4 Use of significant estimates, assumptions and judgements (continued)

Impairment losses on loans and advances (continued)

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, using the general approach, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios and the associated ECL.

Details on the Group's impairments are disclosed in notes 29.

2.5 Basis of consolidation

(i) Subsidiaries

The financial statements of the Group comprise the financial statements of the Bank and its subsidiary as at 31 December 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

2.5 Basis of consolidation (continued)

(i) Subsidiaries (continued)

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the proportion of the equity held by non-controlling interests changes, the group adjust the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. The Group recognises directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the owners of the parent.

Subsidiaries in the stand alone financial statements of the Bank are accounted for at cost less impairment.

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expense arising from intra-group transactions, are eliminated in preparing these consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iv) Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.6 Revenue recognition

2.6.1 Fair value gains and losses

Gains and losses arising from changes in the fair value of financial assets and liabilities held at fair value through profit or loss, as well as any interest receivable or payable, is included in the statement of comprehensive income in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets, other than foreign exchange gains and losses from monetary items, are recognised directly in equity, until the financial assets is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity is recognised in the income statement.

2.6.2 Dividend received

Dividends are recognised in the income statement when the Bank's right to receive payment is established, which is generally when shareholders approve the dividend.

2.6.3 Interest income and expense

Interest income and expense on available-for-sale assets and financial assets or liabilities held at amortised cost are recognised in the statement of comprehensive income using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future receipts or payments through the expected life of the financial instruments or, when appropriate, a shorter period, to the carrying amount of the financial asset or financial liability. The effective interest rate is established on initial recognition of the financial asset or liability and is not revised subsequently. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

The calculation includes all fees received or paid between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of financial asset or liability. Interest income and expense on financial assets and liabilities held at fair value through profit or loss is recognised in the income statement in the period they arise.

2.7 Fees and commission

Fees and commission income and expenses that are an integral part to the effective interest rate on financial instruments are included in the measurement of the effective interest rate. Other fees and commission income, including account servicing fees, investment management fees, sales commission, placement and arrangement 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.

2.8 Other operating income

Other operating income includes gains or losses arising on fair value changes in assets and liabilities and penalty charges to commercial banks and other financial institutions for non-compliance with laws and regulations.

2.9 Foreign currency

Transactions in currencies other than Dalasi are recorded at the rates prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated to Dalasi at the rates prevailing on the date. Non- monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are recognised directly in the revaluation reserve account.

2.10 Taxation

Under section 70 of the Central Bank of The Gambia Act 2018, the Bank is exempt from payment of income taxes. However the Income and Value Added Tax Act 2012 which became effective in January 2013 supersedes section 70 of the Central Bank of The Gambia Act as a result of which the Bank is now liable to Value Added Tax (VAT). Pending the outcome of negotiations with Ministry of Finance & Economic Affairs on exemptions to be granted to the Bank, a total amount of D8.9 million (2016: D5.3 million) of VAT paid is classified under miscellaneous assets.

2.11 Special drawing rights and International Monetary Fund Related Activities

The Bank, on behalf of the Government of The Gambia, manages assets and liabilities in respect of Special Drawing Rights (SDRs) with the International Monetary Fund (IMF). Receivables from and liabilities to the International Monetary Fund ('IMF'), excluding any long-term interest-bearing borrowings, are stated at their nominal amounts using the net method, i.e. receivables and liabilities are offset. Interest-bearing borrowings from the IMF are recorded as a financial liability under the amortised costs method. Exchange gains and losses arising from translation of SDRs are treated in accordance with note 2.6 above.

2.12 Financial assets and liabilties

(i) Financial assets

Measurement methods

Amortised cost and effective interest rate

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.

Measurement methods (continued)

Amortised cost and effective interest rate (continued)

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets – assets that are credit-impaired at initial recognition – the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Group 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.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group 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 and investments in debt instruments measured at FVOCI, 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 differences are 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.

Measurement methods (continued)

Classification and subsequent measurement

From 1 January 2018, the Group has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and investment securities.

Classification and subsequent measurement of debt instruments depend on:

- the Group 's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represents solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'other operating income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Debt instruments (continued)

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Net trading income' in the period in which it arises. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Business model: The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the `SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Impairment

The Group assesses on a forward-looking basis the expected credit loss ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating 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.

Note 29 provides more detail of how the expected credit loss allowance is measured.

Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Derecognition other than on a modification

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

Accounting policies applied until 31 December 2017

The Group has applied IFRS 9 prospectively and has not restated the comparative information. The comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy. A financial asset or financial liability was measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that were directly attributable to its acquisition or issue.

Initial recognition of financial instruments – IAS 39

The Group classified its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale financial assets. The directors determined the classification of financial assets at initial recognition. The Group used trade date accounting for regular way contracts when recording financial asset transactions.

The classification of financial instruments at initial recognition depended on the purpose for which the financial instruments were acquired and their characteristics. All financial instruments were measured initially at their fair value plus, in the case of financial assets and financial liabilities not at fair value through profit or loss, any directly attributable incremental costs of acquisition or issue.

Measurement methods (continued)

Financial assets and liabilities held for trading

Financial assets or financial liabilities held for trading other than derivatives were recorded in the consolidated statement of financial position at fair value. Changes in fair value are recognised in 'Exchange difference' according to the terms of the contract or when the right to the payment has been established.

Included in this classification were debt securities, equities and short position in debt securities which had been acquired principally for the purpose of selling or repurchasing in the future.

Held to maturity financial instruments

Held to maturity financial instruments were those which carried fixed determinable payments and had fixed maturities and which the Group had the intention and ability to hold to maturity. After initial measurement, held-to-maturity financial investments were subsequently measured at amortised cost using the effective interest rate method, less allowances for impairment. Amortised cost was calculated by taking into account any discount or premium on acquisition and fees that were an integral part of the effective interest rate.

The amortisation was included in 'interest income' in the statement of comprehensive income. The losses arising from impairment of such investments were recognised in the statement of comprehensive income line 'Impairment losses'.

Loans and advances

Loans and advances were financial assets with fixed or determinable payments and fixed maturities that were not quoted in an active market. These were not entered into with the intention of immediate or short-term resale and were not classified as 'Financial assets held for trading', designated as 'Financial investments – available-for-sale' or 'Financial assets designated at fair value through profit or loss'. After initial measurement, loans and advances were subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment. The amortised cost was calculated by taking into account any discount on acquisition and fees and costs that were integral part of the effective interest rate. The amortisation was included in 'Interest income' in the statement of comprehensive income. The losses arising from impairment were recognised in the statement of comprehensive income in 'Impairment charge on loans and advances'.

Available for sale financial investments

Available-for-sale financial investments were those which are designated as such or did not qualify to be classified as designated at fair value through profit or loss, held-to-maturity or loans and advances. It included equity investments, investments in mutual funds and money market and other debt instruments. After initial measurement, available-for-sale financial instruments were subsequently measured at fair value. Unrealised gains and losses were recognised directly in equity in the 'Available-for-sale reserve'. When the security was disposed of, the cumulative gain or loss previously recognised in equity was recognised in the statement of comprehensive income in 'Other operating income' or 'Other operating expenses'.

Measurement methods (continued)

Where the Group held more than one investment in the same security, it was deemed to be disposed off on a first-in first-out basis. Interest earned, whilst holding available-for-sale financial investments, was recognised in the statement of comprehensive income as 'Interest income' when the right of the payment had been established. The losses arising from impairment of such investments were recognised in the statement of comprehensive income in 'Impairment losses on financial investments' and removed from the available-for-sale reserve.

Reclassification of financial assets

The Group chose to reclassify a non-derivative financial asset held for trading out of the held-for-trading category if the financial asset was no longer held for the purpose of selling it in the near-term. Financial assets other than loans and receivables were permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that was unusual and highly unlikely to recur in the near-term.

In addition, the Group chose to reclassify financial assets that met the definition of loans and receivables out of the fair value through profit or loss (FVPL)/held-for-trading or fair value through other comprehensive income (FVOCI)/available-for-sale categories if the Group had the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications were made at fair value as of the reclassification date. Fair value became the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date were subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories were determined at the reclassification date. Further increases in estimates of cash flows adjusted effective interest rates prospectively.

On reclassification of a financial asset out of the 'at fair value through profit or loss' category, all embedded derivatives were re-assessed, and if necessary separately accounted for.

Identification and measurement of impairment

The Group assessed at each reporting date whether there was objective evidence that a financial asset or group of financial assets not carried at fair value through profit or loss was impaired. A financial asset or a group of financial assets was impaired and impairment losses are incurred if, and only if, there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that financial assets were impaired included default or delinquency by a borrower, restructuring of a loan and other observable data that suggested adverse changes in the payment status of the borrowers. The Group first assessed whether objective evidence of impairment existed individually for financial assets that were individually significant, and individually or collectively for financial assets that were not individually significant. If the Group determined that no objective evidence of impairment existed for an individually assessed financial asset, whether significant or not, it included the asset in a group of financial assets with similar credit risk characteristics and collectively assessed them for impairment. Assets that were individually assessed for impairment and for which an impairment loss was or continued to be recognised, were not included in a collective assessment of impairment.

Measurement methods (continued)

Available for sale financial assets

For available-for-sale financial investments, the Group assessed at each reporting date whether there was objective evidence that an investment or a group of investments was impaired.

In the case of equity investments classified as available-for-sale, objective evidence included a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' was evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value had been below its original cost. Where there was evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss – was removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity investments were not reversed through profit or loss; increases in their fair value after impairment were recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment was assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment was the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss.

Future interest income continued to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income was recorded as part of finance income.

If, in a subsequent year, the amount of the estimated impairment loss increased or decreased because of an event occurring after the impairment was recognised, the previously recognised impairment loss was increased or reduced by adjusting the allowance account. If a future write-off was later recovered, the recovery was credited to the impairment recognised.

Financial assets carried at amortised cost

For financial assets carried at amortised cost (such as amounts due from Groups, loans and advances to customers as well as held to maturity investments), the Group first assessed individually whether objective evidence of impairment exists for financial assets that were individually significant, or collectively for financial assets that were not individually significant. If the Group determined that no objective evidence of impairment existed for an individually assessed financial asset, it included the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that were individually assessed for impairment and for which an impairment loss was, or continued to be, recognised were not included in a collective assessment of impairment.

If there was objective evidence that an impairment loss had been incurred, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset was reduced through the use of an allowance account and the amount of the loss was recognised in the income statement.

Financial assets carried at amortised cost (continued)

Interest income continued to be accrued on the reduced carrying amount and was accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income was recorded as part of Interest and similar income. Loans together with the associated allowance were written off when there was no realistic prospect of future recovery and all collateral had been realised or had been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increased or decreased because of an event occurring after the impairment was recognised, the previously recognised impairment loss was increased or reduced by adjusting the allowance account. If a future write–off was later recovered, the recovery was credited to the 'Credit loss expense'. If, in a subsequent year, the amount of the estimated impairment loss increased or decreased because of an event occurring after the impairment was recognised, the previously recognised impairment loss was increased or reduced by adjusting the allowance account. If a future write–off was later recovered, the recovery was credited to the 'Impairment recognised'.

For the purposes of a collective evaluation of impairment, financial assets were grouped on the basis of similar credit risk characteristics that considered asset type, industry, geographical location, collateral type, past-due status and other relevant factors. Those characteristics were relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

(ii) Financial liabilities

Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the considereation received for the transfer. In subsequent periods, the Group recognises any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments.

Derecognition

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 Group 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.

Derecognition (continued)

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.

(iii) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the Effective Interest Rate (EIR).

(iv) Loan commitments

Loan commitments provided by the Group are measured as the amount of the loss allowance. The Group 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 Group 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.

(v) Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial instruments is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges.

(vii) Determination of fair value (continued)

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. Indicators 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 reporting dates.

The Group 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 Group uses internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models such as present value techniques are used primarily to value derivatives transacted in the over-the-counter market, unlisted debt securities (including those with embedded derivatives) and other debt 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 Group uses its own credit risk spreads in determining the current value for its derivative liabilities and all other liabilities for which it has elected the fair value option. When the Group's credit spreads widen, the Group recognises a gain on these liabilities because the value of the liabilities has decreased. When the Group's credit spreads narrow, the Group recognises a loss on these liabilities because the value of the liabilities has increased.

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 Group 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, related controls and procedures applied, the directors believe that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value. 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.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment.

(viii) Repurchase and reverse repurchase agreements

Securities may be lent subject to a commitment to repurchase it at a specified date ('a repo'). Such securities are not derecognised but retained on the statement of financial position when substantially all the risks and rewards of ownership remain with the Group. Any cash received, including accrued interest, is recognised on the statement of financial position reflecting its economic substance as a loan to the Group.

Conversely, securities borrowed or purchased securities subject to a commitment to resell at a specified date (a 'reverse repo') is not recognised on the statement of financial position as the transactions are treated as collateralised loans. However, where the securities borrowed is sold to third parties, the obligation to repurchase the securities is recorded as a trading liability at fair value and any subsequent gain or loss included in net trading income.

(ix) Offsetting financial instruments

Netting, where financial assets and liabilities are offset and the net amount reported in the statement of financial position, occurs if, and only if, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously. In many cases, even though master netting agreements are in place, the lack of an intention to settle on a net basis results in the related assets and liabilities being presented gross in the statement of financial position.

2.12 Securities

(i) Domestic securities

Domestic securities consist of Government of The Gambia redeemable and negotiable interest bearing securities. These securities are classified as held to maturity and are stated in the statement of financial position at cost.

(ii) Foreign securities

This represents interest bearing short-term instruments with fixed maturities held with correspondent banks. These securities are stated at amortised cost.

(iii) Long Term Government securities

This represents interest bearing securities issued by the Government of The Gambia to cover the Bank in respect of net exchange losses arising on holdings of Foreign Securities recognised in the Revaluation Account in accordance with Section 9 (1) of the Central Bank of The Gambia Act, 2005. The interest bearing securities are stated at cost to fairly present the substance of these securities.

2.13 Equity Shares and participation Interest

Equity investments are classified as available-for-sale financial assets and measured at fair value after initial recognition. Where the fair value of these investments cannot be reliably measured, they are stated at cost less provision for impairments.

2.14 Property, plant and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.
The cost of self-constructed assets includes the cost of materials and labour and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment ("PPE") have different useful lives, they are accounted for as separate items (major components) of PPE).

Properties in the course of construction for rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss.

Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Leasehold land is recognised as PPE and transferred from intangible assets carried at cost less accumulated depreciation. Leasehold land is depreciated over 99 years.

The regional initiative through the establishment of a modern payment system infrastructure for the West African Monetary Zone through a grant from the AfDB, the Bank is recognising the whole of the grant over the depreciable useful life and the depreciation expenses is recognised corresponding to the useful lives of the assets.

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

Recognition and measurement (continued)

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

Subsequent costs

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

Depreciation

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

Category	Number of years
Buildings	100
Furniture and equipment	10
Office machines	5
Computer equipment	5
Vehicles	5
Computer software	7
Right to use land	99

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

2.15 Intangible assets

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

2.16 Intangible assets

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortization is recognized in the statement of comprehensive income 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 four years. During the year the Group reviews its software amortization and now adopt seven years that is 14.3% as useful economic life for software. The objective being to harness the impact of technological changes and the payment of significant licensee's fees and maintenance cost of these software's indicate that the period of economic benefits could be elongated.

In recognition of the grant from AfDB on the modernization of the payment system infrastructure, the development cost related to the project is correspondingly linked to the useful lives of the depreciable assets provided by the grant.

2.17 Deposits

This is mainly made up of government, commercial banks and other financial institutions' deposit accounts. They are categorised as other financial liabilities carried in the statement of financial position at cost.

2.18 Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due.

A defined contribution plan is a retirement benefit plan under which the Group pays fixed contributions into a separate entity. The Group 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.

(ii) Defined benefit plans

The Group operates a defined benefit pension plan which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to Retained Earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring-related costs

2.18 Employee benefits

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under other operating expenses in consolidated statement of profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

(iii) Termination Benefits

The group recognises a liability and expense for termination benefits at the earlier of the following dates:

- When the entity can no longer withdraw the offer of those benefits; and
- When the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

For termination benefits payable as a result of an entity's decision to terminate an employee's employment, the group can no longer withdraw the offer when the entity has communicated to the affected employees a plan of termination meeting all of the following criteria:

- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made.
- The plan identifies the number of employees whose employment is to be terminated, their job classifications or functions and their locations (but the plan need not identify each individual employee) and the expected completion date.
- The plan establishes the termination benefits that employees will receive in sufficient detail that employees can determine the type and amount of benefits they will receive when their employment is terminated.

Termination benefits are recognised as an expense when the Group 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 Group 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.

(iv) Short-term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. An accrual is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group 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.

2.18 Employee benefits (continued)

When an employee has rendered service to the group during an accounting period, the group recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the group recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

2.19 Currency in circulation

The Bank administers the issue of bank notes and coins and their withdrawal from circulation. Currency in circulation represents the Bank's liability arising from issued bank notes and coins. The liability is decreased by the Bank notes and coins in the Bank's cash desk. The liability due to currency in circulation is stated at face value.

The stock of currency notes and coins are amortised when issued into circulation and the proportionate cost is recognised as an expense through the statement of comprehensive income. The stock is issued on a first in first out basis and cost is determined based on the value of the order including cost of insurance and freight. The receipt of new notes and coins are recorded in the vault register as an off balance sheet item to account for the movement of stock through receipts and issues of notes and coins. The Bank creates an asset when payment is made to the printing and minting firms, which forms part of the stock of currency notes and coins.

2.20 Provisions

A provision is recognised if, as a result of a past event, the Group 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 flow at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.21 Cash and cash equivalents

Cash and cash equivalents include foreign currency notes and foreign currency deposits, unrestricted balances held with foreign 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 in the management of short-term commitments.

2.22 Share capital

Share capital represents contributions by the sole shareholder (The Government of The Gambia) and may not be distributed under current legislation.

2.23 General Reserve Fund

The General Reserve Fund, the use of funds which is subject to the Central Bank Act rules. Under this Act, any net loss incurred by the Bank under the accounting standards of the Act shall be charged to the General Reserve Fund. In cases where the General Reserve Fund is inadequate to cover the entire amount of the loss, the balance of the loss shall be carried forward under retained earnings or accumulated losses.

2.24 Revaluation Reserve

The Revaluation Reserve includes profits or losses arising from the revaluation of the Bank's assets and liabilities held in other currencies as a result of a change in the par value of the Dalasi or any change in the par value of the currency unit of any country. The use of the account is in line with Section 9 of the CBG Act 2005.

2.25 Retained Earnings

Retained earnings include amounts resulting from the revaluation of certain items of property, plant and equipment and intangible assets under the adoption of IFRS for the first time. These amounts do not represent statutory reserves and are therefore not subject to the requirements of the Act and are therefore not distributable.

3. Foreign currency cash balances and deposits

		Group		Bank
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
USD deposits	**4,481,774**	3,060,199	**4,481,774**	3,060,199
EUR deposits	**615,338**	560,105	**615,338**	560,105
GBP deposits	**82,827**	649,890	**82,827**	649,890
SDR deposits	**177,609**	102,155	**177,609**	102,155
Other deposits	**83,802**	55,760	**44,464**	10,609
Foreign currency cash held	**28,022**	30,003	**28,022**	30,003
	5,469,372	4,458,112	**5,430,034**	4,412,961
Allowance for impairment	**(340)**	-	**(340)**	-
	5,469,032	4,458,112	**5,429,694**	4,412,961

The movement on impairment allowance is as follows:

		Group		Bank
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
At 1 January	-	-	-	-
IFRS 9 first time impact	**(342)**	-	**(342)**	-
Change in impairment	**2**	-	**2**	-
At 31 December	**(340)**	-	**(340)**	-

4. Receivable from IMF

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
IMF quotas (GMD deposits at IMF)	**4,261,944**	4,219,649	**4,261,944**	4,219,649
	4,261,944	4,219,649	**4,261,944**	4,219,649

Membership in the Fund is quota based and is determined upon admission and periodically increased under general quota reviews. The IMF quota account reflects initial and subsequent quota payments.

5. Investments in securities

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Equity investments -FVOCI	**391,371**	396,901	**391,371**	396,901
Fixed term investments – Amotised cost	**1,700,944**	1,850,027	**1,700,944**	1,850,026
Government instruments – Amotised cost	**10,693,293**	10,420,818	**10,693,293**	10,420,818
	12,785,608	12,667,746	**12,785,608**	12,667,745

5.1 Equity investments -FVOCI

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
African Export-Import Bank	**113,073**	95,906	**113,073**	95,906
African Reinsurance Corporation	**278,298**	300,995	**278,298**	300,995
	391,371	396,901	**391,371**	396,901

The Bank holds 113 shares in African Export-Import Bank representing a shareholding of 0.10% (2017: 111 shares, 0.10% shareholding) and 18,600 shares in African Reinsurance Corporation representing a shareholding of 0.65% (2017: 18,600 shares, 0.65% shareholding).

The directors have assessed the status of these investments and concluded that there was no objective evidence of impairment as at 31 December 2018 (2017: Nil).

5.2 Fixed term investments –Amortised cost

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Fixed term investment Euro	**455,272**	566,202	**455,272**	566,202
Fixed term investment USD	**802,814**	964,882	**802,814**	964,882
Fixed term investment GBP	**442,990**	318,943	**442,990**	318,942
	1,701,076	1,850,027	**1,701,076**	1,850,026
Allowance for impairment	**(132)**	-	**(132)**	-
	1,700,944	1,850,027	**1,700,944**	1,850,026

The movement on impairment allowance is as follows:

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
At 1 January	-	-	-	-
IFRS 9 first time impact	**240**	-	**240**	-
Change in impairment	**(108)**	-	**(108)**	-
At 31 December	**132**	-	**132**	-

5.3 Government instruments

	Group 2018 D'000	2017 D'000	Bank 2018 D'000	2017 D'000
Government bonds	**10,693,293**	10,419,861	**10,693,293**	10,419,861
Government Sukuk	**-**	957	**-**	957
	10,693,293	10,420,818	**10,693,293**	10,420,818

Government bonds

The Gambia Government through the Ministry of Finance & Economic Affairs signed an agreement with the Central Bank of The Gambia to convert the balances on the under listed accounts at 31st December 2016 into a single 5% 30 year bond payable in thirty years at a frequency of two payment per annum (i.e. 1st March and 1st September each year). In the last quarter of 2018 the interest rate was revised to 7%.

As per IFRS 9 (5.2.1), an entity shall measure a financial asset at amortized cost using the effective interest rate method. The effective interest rate method uses the rate that exactly discounts estimated future cash payments of receipts through the expected life of a financial asset to its gross carrying amount.
The discount rates used in discounting the estimated future cash flows for the 7% 30 year bond did not meet the effective interest rates requirement of IFRS 9.

The consolidated amounts under the agreement as at 31 December 2016 are as follows:

	D'000
6.5% - 30 Year Government Bond	1,459,960
6% - 10 Year Government Bond	83,383
5% - Government perpetual Bond	250,000
5% - 20 Year Government Bond	2,188,761
Advance to Government (NAWEC Loan $18.14 million)	910,497
Advance to Government (Special Deposit T/Bills end Dec. 2015)	2,459,142
Overdrawn position Special Deposit T/Bills end Dec. 2016	721,023
Old Treasury Main Account overdrawn position	49,731
Overdrawn Net Government Treasury position	2,205,000
IFTC - GNPC Loan ($ 10.93 million)	598,691
CBG holdings of Treasury Bills maturing in 2017	827,736
	11,753,924

6. Investment in WACB & Mega Bank

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
MegaBank Gambia Limited	**300,000**	300,000	**300,000**	300,000
West African Central Bank	**332,375**	318,075	**332,375**	318,075
	632,375	618,075	**632,375**	618,075

MegaBank Gambia Limited – Non-current asset held for sale

Mega Bank is one of twelve commercial banks operating in the Gambia. In May 5, 2014, Central Bank of the Gambia (CBG) took over Keystone Bank (Gambia) Limited (KSB) and subsequently recapitalized in the amount of D 300 million, partly to enhance its risk bearing capacity and ensure continuity of operations as a going concern.

CBG then re-organized it, with the objective of creating a stronger, more efficient and competitive bank, which will contribute to economic growth and financial stability. The re-organization plan was approved by the Board of Directors and consequently KSB was divided into a good and bad bank. KSB, the good bank was renamed Megabank Gambia Limited (MBGL) and is continuing banking business as usual. Megabank transferred its non-performing loans amounting D 694.3 million to the newly created entity named Keystone Asset Management Company (KAMCO) Gambia Limited (the bad bank) on interest free credit on 31st December 2014. An impairment review on the investment was carried out at the year-end 2014 using the unaudited financial statements of Megabank and the results of the review indicated that there was objective evidence of a change in value of assets. Therefore 100% provisioning was made on the investment.

The Bank had a 100% shareholding in Megabank Gambia Limited as at 31 December 2018 (2017: 100%). The Central Bank, as a regulator, took over mega bank to avert a potential bank failure, its fortunes have since been turned around.

So many potential buyers have approached us with the intent and ability to buy the mega bank, however, we only want to sale it to an entity with the skills and competence to effectively run a commercial bank. A good number of commercial banks in Africa and beyond have express interest and are carrying out necessary due diligence. Based on current engagements, we are convinced that we will be able to conclude the sale of Mega bank within 2020.

As per IFRS 5.15-15A, non-current assets that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell (fair value less costs to distribute in the case of assets classified as held for distribution to owners). However, IFRS 5.5c exempts the use of this for financial assets and they should be measured in accordance with IFRS 9. The investment in Mega Bank being an equity instrument should therefore be measured at 'fair value through profit or loss' or 'fair value through other comprehensive income'.

The investment in Megabank was measured at cost.

West African Central Bank

The Bank's investment is in respect of capital contributions made towards establishment of the West African Central Bank. The Bank's contribution as at 31 December 2018 was 6.6% of capital contributed (2017: 6.6%).

7. Investment in subsidiary

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Gamswitch Limited	-	-	**73,800**	73,800
	-	-	**73,800**	73,800

Gamswitch Limited

The Bank had a 50% shareholding in Gamswitch Limited as at 31 December 2018 (2017: 50%).

8. Loans and advances

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
IMF on-lending to Government	**1,187,623**	1,118,163	**1,187,623**	1,118,163
Government agencies and parastatals	**63,291**	230,351	**63,291**	230,351
Financial institutions	-	-	-	-
Staff loans	**106,746**	103,881	**106,746**	103,881
	1,357,660	1,452,395	**1,357,660**	1,452,395
Allowance for impairment	-	-	-	-
	1,357,660	1,452,395	**1,357,660**	1,452,395

8.1 IMF on-lending to Government

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Rcf Onward Lending Account 2017	**799,115**	733,510	**799,115**	733,510
Special Credit Facility	**388,508**	384,653	**388,508**	384,653
	1,187,623	1,118,163	**1,187,623**	1,118,163

RCF Onward Lending Account 2017

On June 26, 2017 the International Monetary Fund (the Fund) approved a Rapid Credit Facility (RCF) loan of 18.75 percent of quota, or SDR 11.66 million (GMD 733.51 million) to Gambia. The IMF financial assistance is intended to address urgent balance of payments and fiscal needs as well as a precariously low level of usable international reserves due to shocks to agriculture and tourism, and adverse impact of higher fuel and commodity prices. The shocks came at a time following the historical transition to democratically elected government which uncovered massive theft and embezzlement of funds by the previous regime which depleted state coffers. The IMF support under the RCF will help to cope with the acute impact of external shocks while the authorities implement economic and structural policies aimed at restoring macroeconomic stability, and reducing poverty. This facility is meant for onward lending to the Gambia Government.

The CBG as the fiscal agent for the Fund has since signed an MOU with MOFEA regarding the terms and condition under which the funds will be lend to them, subsequent to the signing the funds have since been made available to the Gambia Government. The IMF facility has a grace period of five (5) years, the first repayment is due in June 2022 and the last repayment in December 2031.

Special Credit Facility

The amount of GMD384,652,800: SDR 5.67 million (2016: GMD341,561,000 : SDR5.67 million) is an on-lent from the Bank in response to the impact of the Ebola outbreak in the sub region on tourism. Although, The Gambia is Ebola free, the proceeds from the tourism industry were expected to be less than half during the 2014//2015 season which is among the main sources of foreign exchange earnings. Consequently, The Gambia Government requested from the IMF, an amount of SDR7.775 million for Balance of Payment support representing 25% of Gambia's quota with the fund to mitigate the impact. Since the revenue of Government was directly affected, an amount of SDR 5.67 million was on lend with the first principal repayment is due 13th October 2020 and full repayment by 2025. In accordance with the current policy to waive interest charges on concessional loans by the Fund due to the global financial meltdown, the Bank has also extended same to Gambia Government.

8.2 Government agencies and parastatals

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Gambia International Airlines	**63,291**	86,711	**63,291**	86,711
Gambia National Petroleum Company	**-**	143,640	**-**	143,640
	63,291	230,351	**63,291**	230,351

Loans to government agencies and parastatals are guaranteed by the Government of the Gambia.

8.3 Financial institutions

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Gamstar Financial Services Limited	**9,145**	9,145	**9,145**	9,145
Gambia Women Finance Association (GAWFA)	**4,910**	4,910	**4,910**	4,910
	14,055	14,055	**14,055**	14,055
Allowance for impairment	**(14,055)**	(14,055)	**(14,055)**	(14,055)
	-	-	**-**	-

Loans to financial institutions are in respect of liquidity support provided to institutions to help meet their obligations to their depositors. Impairment of D 14.055 million is made in respect of Gamstar and GAWFA as a result of non-performance of their facilities. Furthermore, the Bank is currently at the courts with Gamstar who refuse to acknowledge the existence of this facility.

8.4 Staff loans

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Personal loans	**6,465**	6,306	**6,465**	6,306
Transport loans	**30,548**	31,898	**30,548**	31,898
Housing loan	**91,612**	85,603	**91,612**	85,603
Staff loans amortisation adjustment	**(20,051)**	(18,098)	**(20,051)**	(18,098)
	108,574	105,709	**108,574**	103,881
Allowance for impairment	(1,828)	(1,828)	(1,828)	(1,828)
	106,746	103,881	**106,746**	103,881

9. Other assets

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Pension fund asset	**211,051**	-	**211,051**	-
WAMI Stabilisation & Cooperation Funds	**166,187**	159,037	**166,187**	159,037
VAT receivable	**-**	8,933	**-**	8,933
Sundry receivables	**105,494**	(9,436)	**52,590**	(53,581)
Prepayments	**6,349**	7,814	**6,349**	7,814
Stock of commemorative coins	**1,230**	1,230	**1,230**	1,230
Stock of currency yet to be issued	**197,165**	189,188	**197,165**	188,960
	687,476	356,766	**634,572**	312,393
Allowance for impairment		-		-
	687,476	356,766	**634,572**	312,393

The WAMI Stabilization & Cooperation Fund relates to contribution made by the Bank towards the eventual realisation of the proposed West African Central Bank (WACB) under the Second Monetary Zone (WAMZ) under the ECOWAS Single currency program. The Bank contributed USD 3,321,571.00.

10.Property, plant and equipment

	Leasehold Land	Building	Furniture & Fittings	Motor Vehicle	Computer Equipment	WIP	**Total**
Cost	D'000	D'000	D'000	D'000	D'000	D'000	**D'000**
As at 1 Jan 2018	25,000	337,553	129,632	65,862	82,422	2,224	**642,693**
Additions in period	-	-	2,775	2,248	**418**	-	**5,441**
Disposals in period	-	-	(189)	-	-	-	**(189)**
As at 31 Dec 2018	**25,000**	**337,553**	**132,218**	**68,110**	**82,840**	**2,224**	**647,945**
Depreciation							
As at 1 Jan 2018	(2,500)	(43,639)	(75,494)	(55,678)	(72,293)	-	**(249,604)**
Charge in period	(250)	(3,376)	(25,363)	(9,595)	(10,547)	-	**(49,131)**
Disposals in period	-	-	131	-	-	-	**131**
As at 31 Dec 2018	**(2,750)**	**(47,015)**	**(100,726)**	**(65,273)**	**(82,840)**	**-**	**(298,604)**
NBV							
At 31 Dec 2018	**22,250**	**290,538**	**31,492**	**2,837**	-	**2,224**	**349,341**
At 31 Dec 2017	**22,500**	**293,914**	**54,138**	**10,184**	**10,129**	**2,224**	**393,089**

MAJ CONSULTS, an independent appraiser, re-valued the administrative building as of September 2008. Their revaluation was based on the observed asset conditions and asset replacement cost by reference to market evidence of recent transactions for similar properties and replacement cost estimation methodologies.

Replacement cost estimates are based on estimated cost of Equivalent Assets (EA) and estimating the residual asset value from the EA cost, useful life and age of existing assets (Depreciated Replacement Cost Methodology).

Rights of use of land were acquired as leasehold land for a period of 99 years and have been re-valued as at date of transition to IFRS. The fair value of these rights now represent the deemed costs for the rights of use of land. The valuation was performed by an independent appraiser together with the valuation of the administrative building.

IFRS 16 impact assessment

The lease lead to the acquisition of the property by the Bank from the Gambia Government. It is not a lease is the classical sense of the word as the bank has no obligation to settle any future lease payments.

11.Intangibles

	Software	West Africa Monetary Zone payment system	**Total**
	D'000	D'000	**D'000**
Cost			
As at 1 Jan 2018	80,537	50,626	**131,163**
Additions in period	2,403	-	**2,403**
Disposals in period	-	-	-
As at 31st Dec 2018	**82,940**	**50,626**	**133,566**
Amortisation			
As at 1 Jan 2018	(70,571)	(40,503)	**(111,074)**
Charge in period	(11,862)	(10,123)	**(21,985)**
Disposals in period			**-**
As at 31 Dec 2018	**(82,433)**	**(50,626)**	**(133,059)**
NBV			
At 31 Dec 2018	**507**	-	**507**
At 31 Dec 2017	**9,966**	**10,123**	**20,089**

The West African Monetary Zone (WAMZ) payment system represents the bank's counterpart funding under the modernisation of the payment system in the WAMZ implemented by WAMI at a cost of USD 23 million which is funded from the African Development Bank (AfDB) through a grant.
This amount has now been transferred to development cost under intangibles to correspond with the depreciable assets provision

12. Currency in circulation

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Treasurers account	**(13,296)**	(16,299)	**(13,296)**	(16,299)
Notes printed	**9,460,359**	8,230,359	**9,460,359**	8,230,359
Coins minted	**72,139**	72,139	**72,139**	72,139
Gold and silver minted	**139**	139	**139**	139
Notes destroyed	**(1,049,342)**	(315,742)	**(1,049,342)**	(315,742)
Defective coins	**(374)**	(374)	**(374)**	(374)
Mutilated notes	**(532,484)**	(319,176)	**(532,484)**	(319,176)
New notes (mint)	**(610,415)**	(990,125)	**(610,415)**	(990,125)
New coins (mint)	**(4,771)**	(9,465)	**(4,771)**	(9,465)
Reissued coins	**(2)**	(31)	**(2)**	(31)
Reissue notes	**(17,728)**	(464,570)	**(17,728)**	(464,570)
Cic vms takeon difference	**(367)**	(367)	**(367)**	(367)
	7,303,858	6,186,488	**7,303,858**	6,186,488

The liability for currency in circulation represents that part of the Bank's activity which relates to the issuing of notes and coins to the general public amounting to D7,303,858 (2017: D6,186,488). Changes in the level of the liability are mainly influenced both by the Government's fiscal policies and monetary policies of the Bank.

13. Deposits

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Commercial bank deposits	**4,545,066**	3,980,760	**4,545,066**	3,980,760
The Gambia Government deposits	**3,522,312**	4,557,060	**3,522,312**	4,557,060
IMF account 1 & 2	**3,608,829**	3,413,028	**3,608,829**	3,413,028
Other deposits	**428,467**	277,298	**428,467**	277,298
	12,104,674	12,228,146	**12,104,674**	12,228,146

As stipulated under the provisions of the Central Bank of The Gambia Act 2018, one of the principal objectives of the Bank is acting as banker and adviser to the Government. Relying on this provision, the Bank receives deposits which represent all receipts accruing to the Government through the consolidated revenue fund (CRF) account. The Bank also facilitates the operation of the Government's cash management system through the Treasury main account (TMA) as the expenditure account with maintenance holding accounts which fund the TMA.

Commercial banks' deposit also includes their minimum required reserves. Currently, commercial banks are required to maintain 15% (2017: 15%) of their total demand deposits as a minimum reserve requirement.

Deposits accounts (The Gambia Government and Commercial Banks) do not bear interest and are repayable on demand, except for the minimum reserve requirement of the commercial banks.

14. Long term loan from IMF

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Within 1 year	**313,513**	388,809	**313,513**	388,809
After 2 years	**248,087**	323,996	**248,087**	323,996
After 3 years	**271,699**	259,215	**271,699**	259,215
After 4 years	**191,787**	282,591	**191,787**	282,591
5 years and after	**1,083,349**	1,177,547	**1,083,349**	1,177,547
	2,108,435	**2,432,158**	**2,108,435**	2,432,158
SDR allocations	**2,039,707**	2,019,465	**2,039,707**	2,019,465
	4,148,142	4,451,623	**4,148,142**	4,451,623

The liabilities to the IMF includes the poverty reduction growth facility (PRGF), extended credit facility (ECF) and the rapid credit facility (RCF). The sum total of these facilities is SDR 36.2 million (2017: SDR 29.8 million). During the period under review:

(a) Central bank repaid SDR 5.531 million to the IMF in terms of principal repayment.

(b) An RCF facility of SDR 11.66m was disbursed to the CBG in 2017 for onward lending to the Gambia Government. The facility is intended to address urgent balance of payment and fiscal needs. The first repayment towards this facility is due in June 2022 and the facility will be fully liquidated by December 2031.

The Bank, on behalf of the Government of The Gambia, manages assets and liabilities in respect of special drawing rights (SDR) with the International Monetary Fund (IMF). The allocations of SDR represents Gambia's share of SDR distributed by decision of the IMF based on the country's IMF quota, allocations of SDR are non-current. The SDR allocation stands at SDR 29.8 million (2017: SDR 29.8 million).

15. Other payables

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Accounts payable	**145,722**	65,212	**113,030**	35,692
Provisions and other liabilities	**185,599**	137,917	**185,599**	137,905
AfDB Grant	-	12,019	-	12,019
	331,321	215,148	**298,629**	185,616

AfDB Grant represents income received from African Development Bank (AfDB) in respect of projects completed as at year-end 2013. These amounts which are deferred to the following period, relate to the modernization of the payment system implement by West African Monetary Institute (WAMI) for The Gambia, Sierra Leone, Guinea and Liberia.

The Bank operates a funded defined benefit plan for its employees. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee is entitled to receive on retirement, dependent on one or more factors such as age, years of service and salary. It is Management Policy that a full external actuarial valuation by a qualified independent actuary is carried out on every two years to determine the benefit obligation. Meanwhile, in between the periods, Management will perform an internal assessment of the Defined Benefit Obligation. The plan liability is measured on an actuarial basis using the projected unit credit method, adjusted for unrealised actuarial gains and losses. The defined benefit plan liability is discounted using rates equivalent to the long-term government bond rates. The value of defined benefit assets and obligations at the year-end are as follows:

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Defined benefit obligation	**194,467**	181,251	**194,467**	181,251
Plan assets	**(188,833)**	(170,839)	**(188,833)**	(170,839)
Total benefit (liability) / asset	**5,634**	10,412	**5,634**	10,412

Where the defined benefit obligation exceeds the plan assets, the excess liability is recognised as part of other liabilities. For the year 2018, the plan assets exceed the defined benefit obligation and the excess assets have not been recognised since no future economic benefits is available to the Bank in the form of a reduction in future contributions or a cash refund. There are no legal or contractual requirement for the employer to make any additional minimum funding to the plan other than those actuarially determined.

Changes in Benefit obligation

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Benefit obligation @ 1st January	**181,251**	165,709	**181,251**	165,709
Interest cost	**21,582**	25,955	**21,582**	25,955
Current service cost	**7,007**	6,485	**7,007**	6,485
Members contribution	**-**	-	**-**	-
Benefit payments	**(9,803)**	(13,468)	**(9,803)**	(13,468)
Actuarial (gain)/loss on obligation	**(5,570)**	4,687	**(5,570)**	4,686
Actuarial (gain)/loss - Experience adjustment	**-**	(8,116)	**-**	(8,116)
Benefit obligation @ 31st December	**172,885**	155,296	**172,885**	155,296

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out on behalf of the Bank in January 2019.

16.Reserves

Bank	**Share Capital**	**General Reserve**	**Revaluation Reserve**	**Retained Earnings**	**Equity Fair valuation**	**Pension valuation**	**Total**
	000	000	000	000	000	000	000
Balance as at 1 Jan 2017	100,000	5,315	135,880	472,510	-	-	713,705
Loss for the year	-	-	-	(83,955)	-	(15,492)	(99,447)
Exchange loss	-	-	-	-	-	-	-
Revaluation Reserve (note 19)	-	-	220,568	-	-	-	220,568
PY adjustment (S 9)	-	53,198	-	(53,198)	-	-	-
Fair valuation	-	-	-	-	283,497	-	283,497
Balance as at 31 Dec 2017	**100,000**	**58,513**	**356,448**	**335,357**	**283,497**	**(15,492)**	**1,118,323**
Balance as at 1 Jan 2018	100,000	58,513	356,448	335,357	283,497	(15,492)	1,118,323
IFRS 9 implementation adjustment	-	-	-	(582)	-	-	(582)
Loss for the year	-	-	-	**566,535**	-	-	566,535
Revaluation Reserve (note 19)	-	-	13,162	(13,162)	-	-	-
Fair valuation	-	-	-	-	(15,072)	-	(15,072)
Balance as at 31 Dec 2018	**100,000**	**58,513**	**369,610**	**888,148**	**268,425**	**(15,492)**	**1,669,204**

Group	Share Capital	Share premium	General Reserve
	000	000	000
Balance @ 1st Jan 2017	100,000	10,562	5,315
Loss for the year	-	-	-
Revaluation reserve (note 19)	-	-	-
PY adjustment	-	5,163	53,198
Fair valuation	-	-	-
Movement in NCI	-	-	-
Effect of intra group elimination	-	(348)	-
Balance @ 31st Dec 2017	100,000	15,377	58,513
Balance @ 1st Jan 2018	**100,000**	**15,377**	**58,513**
IFRS 9 implementation adjustment			
Profit/(Loss) for the year			
Revaluation reserve (note 19)			
Fair valuation			
Movement in NCI			
Balance @ 31st Dec 2017	100,000	15,377	58,513

17. Interest income

	Group 2018 D'000	Group 2017 D'000	Bank 2018 D'000	Bank 2017 D'000
Government Bonds	**536,375**	313,852	**536,375**	313,852
USD deposits	**92,951**	27,775	**92,951**	27,775
EUR deposits	**258**	275	**258**	275
GBP deposits	**734**	215	**734**	215
Other foreign currency deposits	**18,524**	15,557	**5,296**	2,887
Bond amortisation	**380,725**	-	**380,725**	-
	1,029,567	357,674	**1,016,339**	345,004

18. Interest expense

	Group 2018 D'000	Group 2017 D'000	Bank 2018 D'000	Bank 2017 D'000
Interest on IMF Loan	**12,728**	13,219	**12,728**	8,336
Other interest expenses	**1,224**	-	**284**	-
	13,952	**13,219**	**13,012**	**8,336**

19. Exchange gain & losses

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Net exchange rate difference on FX deposits	**132,233**	390,710	**132,233**	390,710
Net exchange rate difference on XDR	**(119,071)**	(172,757)	**(119,071)**	(170,142)
	13,162	217,953	**13,162**	220,568

20. Other income

	Group 2018 D'000	2017 D'000	Bank 2018 D'000	2017 D'000
Gain on sale of investment	-	2,645	-	30
Miscellaneous income	**67,208**	7,771	**64,221**	7,771
Rental income	**39**	33	**39**	33
AfDB Grant amortised	-	12,019	-	12,019
	67,247	**22,468**	**64,260**	**19,853**

21. Personnel cost

	Group 2018 D'000	2017 D'000	Bank 2018 D'000	2017 D'000
Salaries	**87,538**	67,225	**83,082**	63,764
Transport allowances	**26,348**	20,543	**26,348**	20,508
Contribution to provident fund	**3,762**	3,734	**3,762**	3,734
Professional allowances	**3,013**	2,760	**3,013**	2,760
Other pension costs	**2,203**	12,026	**2,203**	12,026
Other	**11,772**	7,609	**11,772**	7,594
	134,636	113,897	**130,180**	110,386
Staff numbers				
Senior Management	**20**	22	**19**	21
Other staff	**266**	277	**262**	274
	286	299	**281**	295

22. General and administrative expenses

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Contributions to regional organisations	**63,312**	58,363	**63,312**	58,363
Currency printing cost amortisation	**88,758**	51,233	**88,758**	51,233
Training expenses	**43,237**	34,056	**43,237**	34,056
Travel and transport	**31,807**	25,265	**31,807**	25,265
Software license fees	**24,734**	30,773	**24,734**	30,773
Telecommunication	**3,854**	5,157	**3,854**	5,157
Other costs and expenses	**67,537**	62,959	**57,326**	55,250
	323,239	267,806	**313,028**	260,097

23. IFRS 9 impairment adjustment

	31-Dec-18	**01-Jan-18**	**Movements**
	D'000	**D'000**	**D'000**
IFRS 9 first time impact 1 Jan 2018:			
FX Deposit	340	342	2
Fixed term investment	132	240	108
Balance @ 31st Dec 2018	**472**	**582**	**110**

24. Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The inputs used include published rates and discounted cash flow techniques. Also included in this level are items of property, plant and equipment carried at market values. The main input into the valuation is recent market transactions.
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. As at 31 December 2018 and 31 December 2017, the Group did not hold any level 3 financial assets and/or liabilities.

This hierarchy requires the use of observable market data when available. The group considers relevant observable market prices in its valuation where possible. There has been no movement of financial instruments between different levels in the current year. Financial instruments measured at fair value at 31 December 2018 and 31 December 2017 was classified as follows:

The fair value is determined by obtaining the latest valuation from the investee and calculating the difference between the nominal value and the latest fair valuation.

2018

Details	FV hierarchy	no. of shares	Currency	Nominal value per share	Share price	Rate to GMD	Valuation GMD
Afrexim Bank	Level 1	111	USD	10,000.00	20,223.17	47.88	54,332,877
Africa Re	Level 1	18,600.00	USD	100	302.39	47.88	180,242,058
Gamswitch	Level 2	45,000,000.00	GMD	1	1.64	1	28,800,000
Details		**2017 USD**	**2018 USD**	**Movement USD**	**Rate**		**Valuation GMD**
WACB		6,643,175.00	6,717,368.00	74,193.00	49.48		3,214,070
Stabilisati		3,321,571.00	3,358,668.00	37,097.00	49.48		1,835,560
							268,424,564

2017

Details	FV hierachy	no. of shares	Currency	Nominal value per share	Share price	Rate to GMD	Total fair value (GMD)
Afrexim Bank	Level 1	111	USD	10,000.00	18,045.55	47.88	42,759,523.67
Africa Re	Level 1	18,600.00	USD	100	337.98	47.88	211,937,372.64
Gamswitch	Level 2	45,000,000.00	GMD	1	1.64	1	28,800,000.00
							283,496,896.31

25. Related party transactions

The Bank's related parties include The Gambia Government as the sole shareholder of the Bank, the Board of Directors and directors of functions (senior management) of the Bank.

Transactions with related parties in 2018 are as follows:

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Amounts receivable from:				
Ministry of Finance	**10,693,293**	10,419,861	**10,693,293**	10,419,861
Sukuk-Al-Salam	-	1,005	-	1,005
Senior Management of the Bank	**15,715**	15,271	**15,117**	14,271
	10,709,008	10,436,137	**10,708,410**	**10,435,137**

Remuneration of board of Directors

Remuneration paid to directors and senior management of the Bank for the period are as follows:

	Bank	
	2018	2017
	D'000	D'000
Director fees and sitting allowances	**2,432**	593
Senior management salaries	**7,021**	6,458
Other benefits to senior management	**11,900**	11,572
	21,353	18,623

26.Risk management

The Bank is involved in policy-oriented activities. Therefore, elements of the Bank's risk management framework might differ from the risk management frameworks for most other financial institutions. The main financial risks to which the Bank is exposed include credit risk, liquidity risk, market risk, interest rate risk, currency risk on both foreign and local currency assets. In the management of foreign reserves, minimizing liquidity risk is a major consideration in order to maintain an effective foreign exchange intervention capability. The nature of the Bank's operations creates exposure to a broad range of enterprise risks, including operational and reputational risks.

The Bank seeks to ensure that strong and effective risk management and control systems are in place for identifying, assessing, monitoring, and managing risk exposures thus the overall risk management framework is designed to promote the sound and prudent management of the Bank's risks.

The Bank is subject to an annual external audit. Auditing arrangements are overseen by the Audit Committee of the Board of Directors, which monitors the financial reporting, risk and audit functions within the Bank. The committee reviews the internal audit function and has direct access to the external auditor. The Audit Committee reports to the Board of Directors on its activities. The Board of Directors monitors the Bank's management of risk through internal risk reports which analyse exposures by degree and magnitude of risks as part of its role of keeping the Bank's performance and use of resources under constant review.

The Bank does not engage in any derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Bank's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non- derivative financial instruments. Compliance with policies and exposure limits is reviewed by the internal auditors on continuous basis. The bank does not trade financial instruments, including derivatives financial instruments, for any purpose.

Capital risk management

The bank manages its capital to ensure that it fulfils its role as the Central Bank of The Gambia by applying appropriate structures, systems and procedures. These structures, systems and procedures evolve continuously in response to changes in the financial and economic environment in which the bank operates. An integral part of the Bank's strategy is to maintain its equity under the requirements of the Act which ensures that the Government makes grants of Redeemable Interest Bearing Notes to cover losses from revaluation of monetary assets and liabilities denominated in foreign currencies.

The capital structure of the Bank consist of deposits of the Government and minimum reserves of the commercial banks and the long- term loan obtained from the IMF, deposits of the Bank in foreign banks, foreign cash held at the bank and equity, comprising share capital, reserves and retained earnings as disclosed in the statement of changes in equity.

Gearing ratio

The Bank's board of directors reviews the capital structure on an annual basis, as ensured by the requirement of the government to grant Interest- Bearing notes to cover losses relating to foreign currency denominated monetary assets and liabilities.

The gearing ratio was as follows:

	Bank	
	2018	2017
	D'000	D'000
Debt	**16,551,445**	13,430,139
Equity	**1,670,198**	1,140,541
Debt to equity ratio	**9.91**	11.78

(a) Debt comprises all liabilities excluding currency in circulation.

(b) Equity comprises all capital, retained earnings and reserves of the Bank.

The improvement of the debt to equity ratio is mainly due to the increase in the equity which in turn was mainly due to the revaluation and fair valuation of the equity investments.

	Group		Bank	
	2018	2017	**2018**	2017
	D'000	D'000	**D'000**	D'000
Financial assets				
Hold to collect	**12,394,237**	12,270,845	**12,394,237**	12,270,845
Hold to collect	**6,787,354**	6,984,369	**6,787,354**	6,984,369
Hold to collect and sale	**391,371**	1,088,776	**391,371**	1,088,776
	19,572,962	20,343,990	**19,572,962**	20,343,990
Financial liabilities				
Liabilities at amortised cost	**4,148,142**	2,432,158	**4,148,142**	2,432,158
Other liabilities	**12,403,303**	17,184,469	**12,403,303**	17,184,469
	16,551,445	19,616,627	**16,551,445**	19,616,627

Operational risk

This is the risk of loss due to factors such as inadequate systems, management failure, ineffective controls, misappropriation, human errors or other external events. The Bank is strengthening its risk management capabilities through the formation of an enterprise Risk Management framework currently being developed and deployed during the current year.

Credit risk

Both the Bank and the Group are subject to credit risk through lending and investing activities and in cases where they act as intermediaries on behalf of customers or other third parties. Given the nature of the Bank's role and responsibility, transactions are made with the Gambia Government, other Central Banks and with reputable foreign commercial banks. Credit risk associated with trading and investing activities is managed through the group's credit risk management process.

Concentrations of credit risk that arise from financial instruments exist for counter parties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

The risk that counter parties to financial exposures might default on their obligations is monitored on an ongoing basis. The nature of the Group's main operation as a Central Bank makes its loan portfolio not lend itself to normal aging analysis.

Foreign currency deposits

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

Exposure to credit risks

The Financial assets in which the credit risk assessment has been performed as at reporting date are classified at stage one (1).

	Stage 1 D'000	Stage 2 D'000	Stage 3 D'000	2018 D'000	2017 D'000
Foreign currency cash balances & Deposits	5,429,694	-	-	5,429,694	4,412,961
Receivable from IMF	4,261,944	-	-	4,261,944	4,219,649
Investment in securities	12,785,608	-	-	12,785,608	12,667,745
Investment in WACB & Mega Bank	632,375	-	-	632,375	618,075
Investment in subsidiary	73,800	-	-	73,800	73,800
Loans and advances	1,357,660	-	-	1,357,660	1,452,395
Other assets	634,572	-	-	634,572	312,393
	25,175,653	-	-	25,175,653	23,757,018

The maximum exposure to credit risks at the reporting date

2018

USD Deposits

Bank	Carrying Amount D'000	Maximum exposure D'000	Denomination	Collateral Type	Credit Rating
Stanchart London	1,018,538	1,018,538	USD	None	A+
Frb Ny	3,445,259	3,445,259	USD	None	AAA
Union Des Banque Arabes Franc.	17,977	17,977	USD	None	AAA
	4,481,774	4,481,774			

Euro Deposits

Bank	Carrying Amount D'000	Maximum exposure D'000	Denomination	Collateral Type	Credit Rating
Banque De France	328,494	328,494	Euro	None	AAA
Bis	6,126	6,126	Euro	None	AAA
Union Des Banque Arabes Franc.	105,500	105,500	Euro	None	A-
Deutsche Bundesbank	175,218	175,218	Euro	None	AAA
	615,338	615,338			

GBP Deposits

Bank	Carrying Amount D'000	Maximum exposure D'000	Denomination	Collateral Type	Credit Rating
Stanchart London	81,123	81,123	GBP	None	A+
Bank Of England	1,704	1,704	GBP	None	AAA
	82,827	82,827			

SDR Deposits

Bank	Carrying Amount D'000	Maximum exposure D'000	Denomination	Collateral Type	Credit Rating
International Monetary Fund	177,609	177,609	SDR	None	N/A
	177,609	177,609			

Other Deposits

Bank	Carrying Amount D'000	Maximum exposure D'000	Denomination	Collateral Type	Credit Rating
Stanchart London	34155	34,155	CHF	None	A+
Bis	10,309	10,309	CHF	None	AAA
	44,464	44,464			

FX cash holding

Currency	Carrying Amount D'000	Maximum exposure D'000	Denomination	Collateral Type	Credit Rating
Euro	21,738	21,738	Euro	None	N/A
USD	6,283	6,283	USD	None	N/A
GBP	-	-	GBP	None	N/A
	28,021	28,021			

2017

USD Deposits

Bank	Carrying Amount D'000	Maximum exposure D'000	Denomination	Collateral Type	Credit Rating
Stanchart London	520,765	520,765	USD	None	A+
Frb Ny	2,531,134	2,531,134	USD	None	AA+
Union Des Banque Arabes Franc.	8,300	8,300	USD	None	A-
	3,060,199	3,060,199			

Euro Deposits

Bank	Carrying Amount D'000	Maximum exposure D'000	Denomination	Collateral Type	Credit Rating
Banque De France	522,262	522,262	Euro	None	AA
Bis	6,139	6,139	Euro	None	N/A
Union Des Banque Arabes Franc.	17,485	17,485	Euro	None	A-
Deutsche Bundesbank	14,219	14,219	Euro	None	A-
	560,105	560,105			

GBP Deposits

Bank	Carrying Amount D'000	Maximum exposure D'000	Denomination	Collateral Type	Credit Rating
Stanchart London	620,333	620,333	GBP	None	A+
Bank Of England	29,557	29,557	GBP	None	AA
	649,890	649,890			

SDR Deposits

Bank	Carrying Amount D'000	Maximum exposure D'000	Denomination	Collateral Type	Credit Rating
International Monetary Fund	102,155	102,155	SDR	None	N/A
	102,155	102,155			

Other Deposits

Bank	Carrying Amount D'000	Maximum exposure D'000	Denomination	Collateral Type	Credit Rating
Stanchart London	344	344	CHF	None	A+
Bis	10,265	10,265	CHF	None	N/A
	10,609	10,609			

FX cash holding

Currency	Carrying Amount D'000	Maximum exposure D'000	Denomination	Collateral Type	Credit Rating
Euro	22,174	22,174	Euro	None	N/A
USD	4,835	4,835	USD	None	N/A
GBP	2,995	2,995	GBP	None	N/A
	30,004	30,004			

Loans and advances

In measuring credit risk related to loans and advances to Government of The Gambia, other governmental institutions and financial institutions at a counterparty level, the Central Bank considers the 'probability of default' by the Government of The Gambia or counterparty on its contractual obligations. Exposure at default is based on the amount the Central Bank expects to be owed at the time of default.

Investments in securities

Investments in debt securities are held with the Government of The Gambia. The Risk Department manages the credit risk exposure by assessing the counterparties' performance.

Risk limit control and mitigation policy

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

Impairment and provisioning policy

Loans are designated as impaired and considered non-performing where recognised weakness indicates that full payment of either interest or principal becomes questionable or as soon as payment of interest or principal is 90 days or more overdue. Where any amount is considered uncollectible, an individual impairment provision is raised, being the difference between the loan carrying amount and the present value of estimated future cash flows. In any decision relating to the raising of provisions, the bank attempts to balance economic conditions, local knowledge and experience, and the results of independent asset reviews. Where it is considered that there is no realistic prospect of recovering an element of an account against which an impairment provision has been raised, then that amount will be written off.

A portfolio impairment provision is also held to cover the inherent risk of losses, which, although not identified, are known through experience to be present in the loan portfolio. The provision is estimated by using the historical loss rate, the migration or incident rate and the balance of the performing loan portfolio. The portfolio impairment provision is set with reference to past experience using loss rates, and judgmental factors such as the economic environment and the trends in key portfolio indicators.

Write off policy

The Group writes off a loan balance (and any related allowances for impairment losses) when the Group determines that the loans are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

Modification of financial assets

The Group sometimes modifies the terms of loans provided to customers due to renegotiations or for distressed loans with a view to maximizing recovery. Such restructuring activities include extended payment term arrangements. 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.

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 Group monitors the subsequent performance of modified assets. The Group 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. There were no such assets held as at 31 December 2018.

The Group 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.

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 its credit risk continuously monitored by the Group.
- 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.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- 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.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.

Significant increase in credit risk (SICR)

The Group 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:

Qualitative criteria

For Loan portfolios, if the borrower meets one or more of the following criteria:

- In short-term forbearance
- Direct debit cancellation
- Extension to the terms granted
- Previous arrears within the last 12 months
- 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 The assessment of SICR incorporates forward-looking information and is performed on a quarterly basis at a portfolio level. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness.

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.

Low credit risk exception

The Group has not used the low credit risk exemption for any financial instruments in the period ended 31 December 18.

Definition of default and credit-impaired assets

The Group 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.

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group 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 Group's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months.

Measuring ECL — Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) 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, 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 Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- Loss Given Default (LGD) represents the Group'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 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, 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 Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

Measuring ECL — Explanation of inputs, assumptions and estimation techniques (continued)

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type. The assumptions underlying the ECL calculation — such as how the maturity profile of the PDs and how collateral values change 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 Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

Economic variable assumptions

The most significant period end *economic variable assumptions* assumptions considered for the ECL estimate as at 31 December 2018 were GDP growth, USD foreign exchange rate and inflation.

Sensitivity analysis

The most significant variables affecting the ECL model are as follows:

1. GDP Growth – GDP growth is used to assess the relative health of the economy. Forward looking information is incorporated by using the projected GDP growth rate for the current year as a base.
2. USD/D - The Central Bank of The Gambia average USD rate on the date of assessment and for the last three quarters is used in the tool. This is because of the sensitivity of the economy to exchange rate fluctuations.
3. Inflation – Inflation is used due to its influence on monetary policy and on interest rates. Interest rates have an impact on borrowers' likelihood of default. Forward looking information is incorporated by using the expected change in inflation rates for the next three quarters.

A sensitivity analysis of the impact of a 10% change in the economic variable assumptions did not result in a significant change in ECL.

Credit quality per class of financial instrument

The credit quality of financial asset is managed by the Group based on ongoing assessments performed.

At 31 December 2018, the Group's credit exposures were categorised under IFRS 9 as follows:

- Stage 1 – At initial recognition and no significant increase in credit risk after initial recognition
- Stage 2 – Significant increase in credit risk since initial recognition
- Stage 3 – Credit impaired

The Group's credit exposures were categorised under IAS 39 as follows:

- Exposures that are neither past due nor impaired;
- Exposures that are past due but not impaired; and
- Individually impaired facilities.

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 represent the Group's maximum exposure to credit risk on these assets.

Market risk

Market risk is the risk that changes in market prices such as interest rates, foreign exchange rates and credit spreads will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Market risk arises from open positions in interest rates and currency, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates and foreign exchange rates.

The Central Bank's primary exposure to market risk lies with its deposits held overseas which are exposed to changes in interest and exchange rates.

Exposure to market risk is formally managed in accordance with risk limits set by the Board.

Foreign currency risk management

Exchange rate exposures are covered through the government grant or redemption of redeemable Interest-bearing notes to cover losses or to offset gains relating to exchange rate differences on monetary assets and liabilities.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date will have an increase/decrease on profit or loss, and equity by amounts shown below. Each analysis assumes all other variables; in particular foreign currency rates remain constant. The analysis is performed on the same basis for 2017.

Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets (including investments) and interest bearing liabilities mature or re-price at different times or in differing amounts.

In the case of floating rate assets and liabilities the Group is also exposed to basis risk, which is the difference between re-pricing characteristics of the various floating rate indices, such as the savings rate and six months LIBOR and different types of interest. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Group's strategies.

Asset-liability risk management activities are conducted in the context of the Group's sensitivity to interest rate changes. The actual effect will depend on a number of factors, including the extent to which repayments are made earlier or later than the contracted dates and variations in interest rate sensitivity within re-pricing periods and amongst currencies.

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

The following show the extent to which the Bank's interest rate exposures on assets and liabilities are matched. These are allocated to time bands by reference to the earlier of the next contractual interest rate re-pricing date and maturity.

Foreign currency risk

Foreign exchange risk arises from:

- maintenance of a portion of foreign currency reserves for liquidity management purposes;
- currency intervention to meet monetary policy objectives; and
- active management undertaken in trading portfolios.

The US dollar is the base currency for the entire foreign reserves portfolio. However, investments of the foreign reserves in other approved currencies is permissible.

Foreign exchange risk is managed as follows:

- Positions in securities not denominated in the base currency (i.e. USD) should be hedged to the extent reasonably practicable into the base currency. Foreign currency exposures other than the United States dollar are all managed from the United States dollar perspective.
- A portfolio may also hold foreign exchange forward contracts in non-permissible currencies whose bonds are in a portfolio's benchmark only to the extent that it can be fully hedged to the base currency.
- The internally-managed portfolio has determined currency limits that take into consideration the Bank's expected foreign exchange liquidity needs. Since the majority of foreign exchange liabilities are in U.S. dollars it carries the most weight in this currency distribution.

The Bank also prepares and presents its financial statements in Dalasi. As a result movement in the exchange rates of the various foreign currencies in which the Bank maintains selected assets and liabilities impacts these financial statements.

Other price risks

The bank is not exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes in regional bodies for the purpose of facilitating the harmonisation and integration of Central Banks in the Africa sub-region and promotion of intra-regional trade. The Bank does not actively trade in these investments.

Capital management

The Bank does not have a regulator that sets and monitors its capital requirements. The Bank considers its stated capital and other reserves as its capital. The Central Bank's objective in managing capital and reserves is to ensure the Central Bank's ability to continue to perform its function as set by the Central Bank of The Gambia Act 2018.

27.Events after reporting date

The Directors, having reviewed the transactions since the end of 2018, have concluded that no events have occurred since the year end that requires either a disclosure or an adjustment.

28. Comparative information

The comparative information have been reclassified, where applicable, to conform to the current year's presentation.

29. Contingent liabilities

a) Access Bank (Gambia) Ltd V Hatib G. Janneh – Ganishee proceedings against the Central Bank of the Gambia:

The High Court ruled in favour of the Plaintiff and valued his claim at US$19,411.00. with interest at the rate of 25% per annum. The High Court decided that the Central Bank should pay 90% of the claim. The High Court also ordered the Bank to pay D32,000.00 cost to the Plaintiff.
The Bank, being dissatisfied with the judgment of the High Court appealed to the Court of Appeal. The Court of Appeal passed judgment in favour of the Bank and set aside the judgment of the High Court. It is against the judgment of the Court of Appeal that the Appellant is now appealing to the Supreme Court.

b) Mrs Mbosseh N'diaye v the Central Bank of the Gambia

The plaintiff, the former MD/CEO of Megabank for wrongful dismissal, sued the Bank. The case was ruled in favour of the Bank but the plaintiff is appealing against that ruling.

In this case, the Bank was sued by the Plaintiff (Great Alliance Insurance Co. Limited), the former MD/CEO of Megabank asking the Court to restrain the Bank from cancelling the registration of the Plaintiff to carry on the business of an Insurance Company in The Gambia.

c) Civil suit no: s.ga p7/2014 between Loxly Epie (appellant) and Central Bank of the Gambia (respondent)

The High Court ruled in favour of the Plaintiff and valued his claim at US$19,411.00. with interest at the rate of 25% per annum. The High Court decided that the Central Bank should pay 90% of the claim. The High Court also ordered the Bank to pay D32,000.00 cost to the Plaintiff.
The Bank, being dissatisfied with the judgment of the High Court appealed to the Court of Appeal. The Court of Appeal passed judgment in favour of the Bank and set aside the judgment of the High Court.It is against the judgment of the Court of Appeal that the Appellant is now appealing to the Supreme Court.

30. Regulatory breaches

a) Limit on loans and advances to the Government

The total loans, advances and securities owed to the bank by the Gambia Government stood at about D10.12 billion whereas the estimated 10% of the previous fiscal year tax revenue of D9.13 billion is D913 million. Consequently, the total outstanding balance exceeds the legal limit by about 1109%. This breaches section 41(3),(4),(5a) and (6).

b) Delayed publication of audited financial statements

Section 36 of the Central Bank of Gambia Act, 2018 requires the Bank to within three months after the end of each financial year, submit it to the Minister a copy of its annual accounts, which the Minister shall, not later than one month after receipt, cause to be published in the Gazette.