access

2022
Annual Report

Building Bridges, Connecting The Future

MORE
IN AFRICA
MORE TO THE WORLD

... with presence on **3 continents** (Africa, Europe & Asia), across **17 countries** including UK, UAE, China, India and Lebanon.

We are providing services across Africa through

700+
branches & service outlets

180,000+
POS

2883+
ATMS

180,000+
Agents

We are here for the long haul

www.gambia.accessbankplc.com

access

more than banking

Contents

CERTIFICATION OF THE FINANCIAL STATEMENTS FOR SUBMISSION TO AND CONSIDERATION BY CENTRAL BANK OF THE GAMBIA

Sections 25(2A) and 26 of the Banking Act of 2009 and Directives from the Central Bank in 2019, requires that the audited Financial Statements shall be signed by the Auditors and the Directors and submitted to Central Bank of The Gambia for review, further action pursuant to the Section 26 and approval for finalisation and publication.

The attached Financial Statements are certified as being in agreement with the underlying Books and Records of the Bank and submitted by the Auditors and Board of Directors in accordance with Section 25 (2a) for approval by Central Bank of The Gambia.

Signed...................................... Auditors

Signed...................................... Managing Director

Signed...................................... Director

Date:28th April, 2023

Corporate Review

Financial Highlights

	2022 D'000	2021 D'000	% Change
Income Statement			
Profit before tax	**97,269**	35,228	176%
Profit after Tax	**68,789**	23,742	190%
Net interest income	**135,535**	111,901	21%
Operating expenses	**168,040**	123,825	-36%
Impairment gain	**18,914**	1,817	941%

Balance sheet

Total Assets	**3,639,804**	4,073,609	-11%
Loans & Advances	**165,847**	132,902	25%
Customer Deposits	**2,827,321**	2,558,930	10%
Deposits from Other Financial Institutions	**192,050**	978,140	-80%
Equity	**565,653**	496,864	14%

Ratios

Earnings Per Share (Bututs)	**0.12**	0.04	200%
Return on Asset (ROA)	**3%**	1%	200%
Return on Equity (ROE)	**15%**	5%	140%
Loan to Deposits Ratio	**8%**	5%	20%
Capital Adequacy	**89%**	61%	33%
Cost Income Ratio	**50%**	78%	-13%
Liquidity Ratio	**104%**	75%	39%
NPL Ratio	**1%**	1%	0%
NOP	**11%**	16%	-31%

General Information

Directors

Papa Yusupha Njie	Chairman
Stephen Ahwakyi Abban	Managing Director/CEO
Dominic Mendy	Non-Executive Director
Lookman Martins	Non-Executive Director
Arinze Sergie Okeke	Non-Executive Director
Haddy Ndow	Non-Executive Director
Adedapo Adepoju	Executive Director

Company Secretary

Sally Abadoo-Brew

Auditors

PKF
Accountants and business advisory
Noble House
33 Bijilo Layout Annex Bijilo,
The Gambia

Bankers

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

Standard Chartered Bank UK LTD
2nd Floor 1 Basinghall Avenue,
London

The Access Bank UK Limited
Royal Court, Gadbrook Park
Northwich, Cheshire, CW9 7UT
London

Standard Chartered Bank 4
8 Ecowas Avenue, Banjul,
The Gambia

Standard Chartered Bank, NY
1095 Avenue of the Americas # 33C New York,
NY 10036-6797

Solicitors

Lamin A. Ceesay
Solie Law Chambers
2nd Street, Fajara M Section
Kairaba Avenue, Fajara

Kebba Sanyang
Kansala Law Chambers
Royal Insurance Building,

Christopher E. Mene Christopher E.
Mene Chambers 5 Macumba Jallow Street
P.O. Box 635, Banjul

Registered Office

47 Kairaba Avenue
PO Box 3177 Serrekunda,
The Gambia

Corporate Governance

The Board meets on a quarterly basis to review the Bank's financial position and take other strategic decisions. The Bank's governance structure stems from our internal governance framework which is executed through the following organs:

A. The Board of Directors

B. Board Committees

C. Management Committees

The Board of Directors

The Board of Directors Access Bank (Gambia) Limited is the highest authoritative body of the Bank. The Board is composed of Executive and Non-Executive Directors. The Board functions as the overseer and custodian of the operations and well-being of the Bank. The Board also directs the in-country strategies, policies, budgets and staff welfare.

The Board meets quarterly at least four times a year. During quarter one (1) and two (2), it constitutes a six-man panel and during quarter three (3) and four (4) the board constitutes seven-man panel with the addition of a female Director - Haddy Ndow (Non-Executive Director) - to balance the Board composition. The Board reviews, revises and examines matters centric to each respective unit of the Bank.

The work of the Board of Directors is guided by the Central Bank of The Gambia Guidelines, Corporate Governance Code, the Banking Act 2009, and internally by the Code of Conduct of the Board of Directors.

The members of the Board as at 31st December 2022 were as follows:

Papa Yusupha Njie	- Chairman
Stephen Ahwakyi Abban	- Managing Director/CEO
Dominic Mendy	- Non-Executive Director
Lookman Martins	- Non-Executive Director
Arinze Sergie Okeke	- Non-Executive Director
Haddy Ndow	- Non-Executive Director
Adedapo Paul Adepoju	- Executive Director

Statutory Requirements of the Board:

- Approval of interim and final financial statements.
- Approval of any interim and recommendation of final dividends.
- Approval of the Annual Report & Financial Statements.
- Approval of any significant change in accounting policies or practices.
- Appointment (or removal) of the Company Secretary.
- Approval of policies
- Approval of credit facilities and write off
- Recommendation of the appointment of Directors to the Shareholders for approval
- Authorisation for Directors' conflicts or potential conflicts of interest.
- The Board recommends the appointment, reappointment or removal of external auditors to shareholders following the recommendation of the Audit Committee.
- Approval of the appointment or dismissal of the Chief Risk Officer ("CRO"), and acceptance of the resignation of the CRO. The appointment, resignation or dismissal of the CRO will be reviewed by the Board Risk Committee and a recommendation made to the Board for approval or acceptance.
- Oversee the activities and function of the sub-committees.

BOARD CREDIT AND FINANCE COMMITTEE

This committee is a sub-committee of the Board of Directors responsible for reviewing and reporting its conclusions to the main Board. It assesses the credit application, formulation of Credit Risk Policies.

This committee is tasked with review of the financial performance of the Bank against budget and formulate follow up policies that forms strategic directive to the board. The committee acts independently but reports to the Main Board for approval.

In addition to the Committee's responsibilities, it also assists the Main Board in fulfilling its responsibility with respect to:

- Maintaining accounts and internal control relevant to the preparation of financial statement that is free from material misstatement.
- Oversee Access Bank Gambia policies and practices relating to Treasury matters, including capital, liquidity and financing.
- Oversee the performance of the Fundamental Credit Risk and credit review functions.

The Members are as follows:

1.	Mr. Lookman Martins	-	Chairman
2.	Mr. Dominic Mendy	-	Director
3.	Mr. Arinze Sergie Okeke	-	Director
4.	Ms. Haddy Ndow	-	Director
5.	Mr. Stephen Ahwakyi Abban	-	Managing Director/ CEO
6.	Mr. Adedapo Paul Adepoju	-	Executive Director

ATTENDANCE

Director	Number of Meeting Eligible to Attend	Attendance
Mr. Lookman Martins	4	4
Mr. Dominic Mendy	4	4
Mr. Arinze Sergie Okeke	4	4
Ms. Haddy Ndow	2	2
Mr. Stephen Ahwakyi Abban	4	4
Mr. Adedapo Paul Adepoju	4	4

BOARD AUDIT COMMITTEE

The Board Audit Committee is a subcommittee of the Board of Directors and is authorised by the main Board to look into the internal activities of the Bank. This Committee has the responsibility of reviewing and making recommendations to the Main Board on all matters relating to the Audit and financial control and reporting processes.

They provide assistance to the Board of Directors in fulfilling its financial reporting and risk

Oversight responsibilities to the shareholders of Access Bank Gambia.

The Members are:

1.	Mr. Dominic Mendy	-	Chairman
2.	Ms. Haddy Ndow	-	Director
3.	Mr. Lookman Martins	-	Director
4.	Mr. Arinze Sergie Okeke	-	Director

ATTENDANCE

Director	Number of Meeting Eligible to Attend	Attendance
Mr. Dominic Mendy	4	4
Ms. Haddy Ndow	2	2
Mr. Lookman Martins	4	4
Mr. Arinze Sergie Okeke	4	4

BOARD RISK MANAGEMENT COMMITTEE

The Committee assists the Board in fulfilling its oversight responsibility relating to the establishment of policies, standards and guidelines for risk management, and compliance with legal and regulatory requirements, in the Bank.

The Committee oversees the establishment of a formal written policy on the overall risk management system. The policy should define risks and risk limits that are acceptable and unacceptable to the Bank. It shall provide guidelines and standards to administer the acceptance and ongoing management of all risks.

The Bank's Risk Management policies on a periodic basis to accommodate major changes in internal or external environments are reviewed by the Committee.

Annually the Committee reviews the risk management framework, policies, procedures, and processes to ensure their effectiveness.

The Members are:

1.	Mr. Arinze Okeke	-	Chairman
2.	Mr. Dominic Mendy	-	Director
3.	Mr. Lookman Martins	-	Director
4.	Ms. Haddy Ndow	-	Director
5.	Mr. Stephen Ahwakyi Abban	-	Managing Director
6.	Mr. Adedapo Adepoju	-	Director

ATTENDANCE

Director	Number of Meeting Eligible to Attend	Attendance
Mr. Arinze Okeke	4	4
Mr. Dominic Mendy	4	4
Mr. Lookman Martins	4	4
Ms. Haddy Ndow	2	2
Mr. Stephen Ahwakyi Abban	4	4
Mr. Adedapo Paul Adepoju	4	4

BOARD GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

The Committee review the size and composition of the Board, including succession planning and recommend the appropriate skill mix, personal qualities, expertise, ability to exercise independent judgment and diversity required to discharge the Board's duties;

The Committee develop criteria for board membership and board positions. The criteria will however, be approved by the Board;

It also prepares job specification for the Chairman's position, including the assessment of the time commitment required of the candidate. Nominate and recommend the appointment of new directors to the Board, noting the desirable qualifications and experience for individual new appointees. The process shall involve subjecting director nominees to a fit and proper person's test and ensuring that they are qualified to hold office and their appointment will not have a negative impact on the Bank's reputation in the market place;

Ensure that all new directors receive a formal letter of appointment specifying what is expected of them and that new directors with no or limited board experience receive development and education to equip them for the discharge of their duties, responsibilities, and understand their powers and potential liabilities. To enhance the induction process, new directors should be provided with an induction pack that includes at least the Board charter and minutes of previous four meetings and the Bank's constitutional documents.

Quorum at meetings.

Two members of the Committee shall constitute a quorum.

Meetings.

The Committee shall meet at least every quarter in a year and as the need arise, upon request of the Chairman of the Committee or any three other members of the Committee.

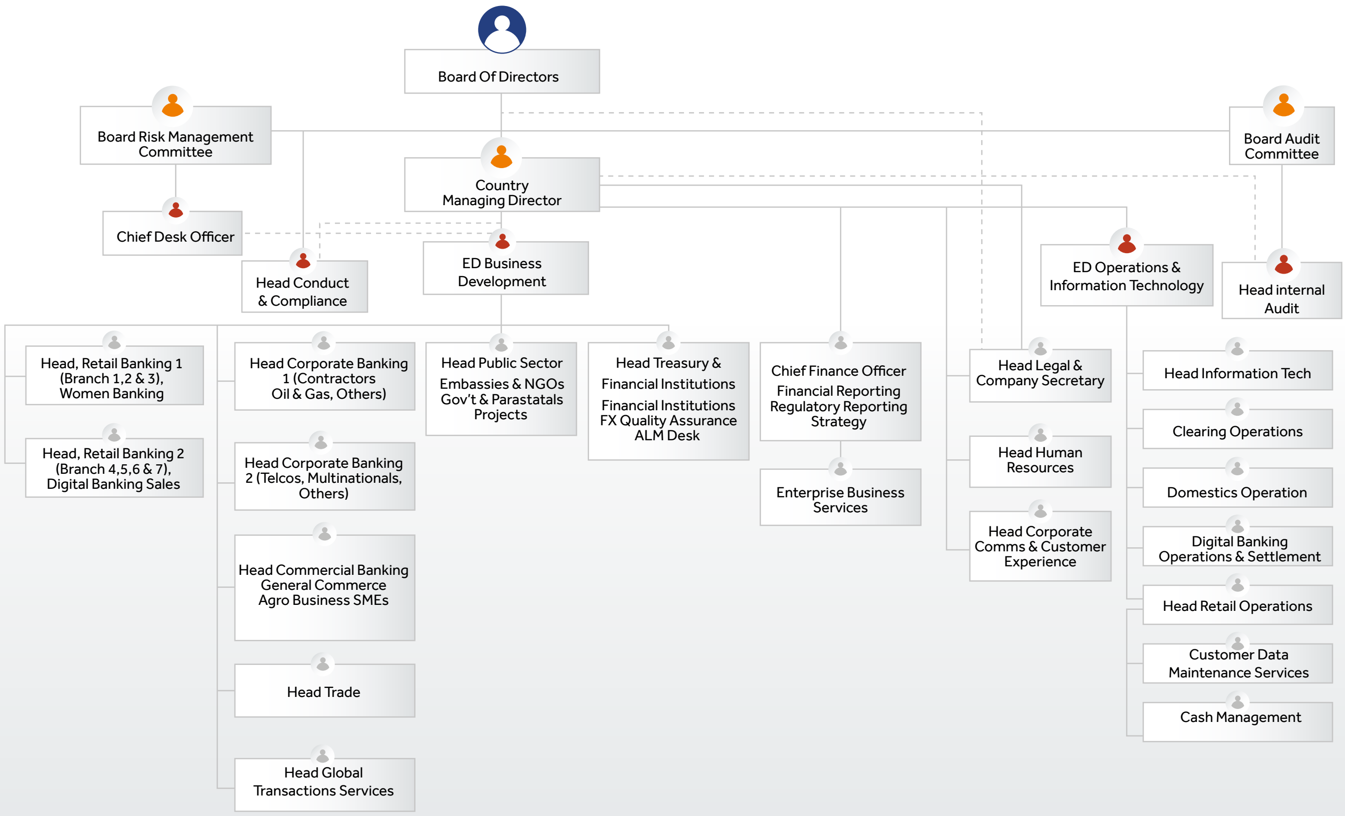
The Members are:

1.	Mr Dominic Mendy	-	Chairman
2.	Mr. Arinze Okeke	–	Director
3.	Mrs. Haddy Ndow	-	Director
4.	Mr Lookman Martins	-	Director

ATTENDANCE

Director	Number of Meeting Eligible to Attend	Attendance
Mr. Dominic Mendy	4	4
Mr. Arinze Okeke	4	4
Haddy Ndow	2	2
Mr. Lookman Martins	4	4

ACCESS BANK GAMBIA LIMITED - ORGANOGRAM



MANAGEMENT COMMITTEES

During the year, 2022, the following were the standing committees of the Bank.

I. Management Credit Committee

II. Assets & Liability Committee

III. Management Risk and Compliance Committee

IV. Executive Management Committee

V. IT Steering Committee

MANAGEMENT CREDIT COMMITTEE

The Management Credit Committee serves the Board of Directors. Its mandate is to provide an oversight and manage the Bank's credit activities on behalf of the Board.

The Committee recommend the credit risk framework for approval by BOD through BCC and oversee the implementation across the enterprise. All amendments/ enhancements to the credit risk framework or policy will be recommended to BCC for approval by BOD.

It is also responsible for the implementation of the credit risk policy and strategy approved by the Board of Directors.

Review the reports from Credit Risk Management Department, internal audit and businesslines and take decisions and reports as necessary to the BCC and/or to BOD. Composition

MD/CEO (Chairman)
ED/COO
Head FINCON
Head, Public Sector Banking
Head, Treasury
Head, Commercial
Head, Corporate
Head, Compliance & Control
Head, Internal Audit
Head, Credit Risk Management
Head, Legal & Company Secretary

Meetings: Monthly

Terms of Reference

The committee will review and recommend requests for customer credit facilities that require the approval of the Board. In addition, it will approve the Bank's credit policies and overall credit risk profile, taking into consideration relevant laws and regulations. To ensure the quality of the loan portfolio of the Bank is sound and within the approved credit risk profile, the Committee will review the Bank's key credit related management and stress testing reports.

Other functions include review and approve inputs pertaining to credit risk for the establishment of the Risk Appetite of the Bank; review and recommend credit risk limits and parameters for Board approval; review and recommend new credit policies and amendments to existing credit policies; and review applications for customer credit facilities that are within their limit and recommend credits above their limit to the Board for approval.

The committee will meet as and when required.

Control and Risk Management Division will assign a senior staff to act as the Committee Secretary who will also act as the meeting convener.

Meeting minutes are prepared by the Committee Secretary.

ASSETS AND LIABILITY COMMITTEE (ALCO)

ALCO is responsible for managing the efficiency of our Balance Sheet setting limits on borrowing in the short-term markets, while lending long-term instruments. Among the factors considered are liquidity risk, interest rate risk, operational risk and external events that may affect the bank's forecast and strategic balance-sheet allocations. The ALCO generally reports to the Board of directors and also has regulatory reporting responsibilities.

Committee Composition:

MD/CEO (Chairman)
ED/COO
Head, FINCON
Head, Public Sector Banking
Head, Corporate
Head, Commercial
Head, Internal Audit
Head, Credit Risk Management
Head, Treasury
Head, Compliance & Control

Meetings: Monthly

Terms of Reference

The scope of the ALCO to a larger extent covers the following processes:

Liquidity Risk: The current and prospective risk arising when the bank is unable to meet its obligations as they fall due without adversely affecting the bank's financial conditions. From an ALM perspective, the focus is on the funding liquidity risk of the bank, meaning its ability to meet its current and future cash-flow obligations and collateral needs, both expected and unexpected. This mission thus includes the bank liquidity's benchmark price in the market.

Interest Rate Risk: The risk of losses resulting from movements in interest rates and their impact on future cash-flows.

Currency Risk Management: The risk of losses resulting from movements in exchanges rates. To the extent that cash-flow assets and liabilities are denominated in different currencies.

EXECUTIVE COMMITTEE (EXCO)

The Executive Committee (or EXCO) is responsible for managing the Bank wide material operational issues. EXCO's role is to review and debate relevant items before consideration by the Board and escalates key issues.

Composition

MD/CEO	Chairman
ED/COO	Members
Group Heads	Members
Company Secretary	Secretary

Meetings: Monthly

Quorum

The quorum shall be 4 including the MD and the Executive Director.

Terms of reference

Recommend new policies and changes to policies to the Board for approval except policies that fall within the ambit of the Enterprise Risk Management Committee, Asset and Liability Committee, Management Credit Committee and Operational Risk Management Committee to consider emerging issues, that may be material to the business and affairs of the bank and the Recommend significant changes to the Bank's 5-year Corporate Strategic Plan to the Board for approval.

CHAIRMAN'S STATEMENT

Chairman
Papa Yusupha Njie

Overview

I am pleased to present your Bank's performance for the Financial Year 2022 to you, our esteemed shareholders and all other stakeholders. The performance for the year 2022 gives us confidence that we are on track to achieving our strategic and financial objectives. The impact of the global occurrences continues to reverberate across the World with global inflation index doubling to over 8.8% in 2022 from 4.7% in 2021. This affected the cost of living across the World and increased the poverty level across various countries. The triggers for these worsening situations include the lingering global pandemic and the invasion of Ukraine by Russia which affected the global supply of wheat which is a major staple across many countries.

Despite these challenges and the uncertainties, the Bank leveraging on its focus of best practices and lessons learnt from the recent pandemic was able to record growth across key areas in the year under review. Risk assets grew by 25%, increasing from D133 Million to D166 Million as at FY 2022. The Bank also showed significant improvement across major metrics – the Capital Adequacy Ratio remains at 89% showing the inherent capacity of the Bank to remain in business. Also, the Cost to Income ratio dropped from 78% in 2021 to 50% in 2022 highlighting the effective deployment of the cost control strategies.

Board of Directors, shareholders, Ladies and Gentlemen, it is with great delight that I announce to you that your Bank made a Profit Before Tax of D97 Million as against D35 Million in 2021 representing a 176% growth. This is a highly commendable achievement and I once again salute the entire Staff and Management of the Bank.

These efforts were duly recognized as your Bank won two international awards showing the importance and strength of the brand in the market.

Operating Environment

The Gambian economy witnessed a resurgence in Tourism related activities as travel resumed across the World after the COVID-19 pandemic of 2020. The increased activity in Tourism has positively impacted the construction and hospitality industries with a resounding growth in terms of their contribution to the Country's GDP. Construction, the service sector, tourism, telecommunication, wholesale and retail trade were the main drivers of the economy in the year. The GDP grew by 5% in 2022 to $2.13B from $2.03B in 2021; this growth shows the resilience of the economy in the face of the daunting challenges noted during the year. This upward trajectory further emboldens your Bank to continually devote resources to the emerging sectors of the economy and deploy cutting edge technology platforms to improve the service offerings to our esteemed customers.

Key among our investments in technology was the deployment of an application solution - PrimusPlus for our Corporate clients. This robust application enables customers to carry out banking transactions from the comfort of their offices.

Dividend

Esteemed members of Access Bank Gambia, our performance has been improving on many fronts over the past few years and this is expected to continue to wind down the negative reserves to enable us deliver on dividend payments to our shareholders in line with regulations.

Human Capital Development

The Bank was able to hire key functional Heads during the year to further enhance the efficiency of the system. A substantive Chief Financial Officer and a Chief Risk Officer were hired to fill the vacant positions in line with regulatory requirements.

The strategy of the Board is to recruit competent hands and train them adequately to meet their functional requirements and also ensure competitive remuneration packages that will assure optimal retention of staff. In this vein, a Consulting firm was contacted to carry out a remuneration survey to enable us to enhance the pay packages of all categories of staff. In line with our commitment to develop the human capital capacity of staff, various trainings were done within the year under review.

I want to particularly thank the Staff and Management team for their dedication and resilience in ensuring that the Bank continues to remain profitable while contributing to the financial and economic growth of our beloved Country.

On behalf of The Board, accept my sincere and humble appreciation for all your efforts.

Future Outlook and Projection

The Bank in its strategic policy has a rolling 5- year strategy plan that is reviewed periodically. The current plan ended in 2022 and the plan for 2023 – 2027 has been developed with the objective of taking the Bank into the top 3 position at the end of the cycle. The plan is a combination of various business strategies, merger/acquisition opportunities, leveraging on digital platforms, partnerships with critical and relevant business stakeholders to achieve this target. Given the trend in the performance of the Bank and the zeal displayed by the team ably led by the Managing Director, Mr. Stephen Abban, I have no doubt that this target will be met within the next strategy cycle.

Conclusion

As the Chairman of the Board, I am optimistic that the vision and business strategies put in place will guarantee the success of the Bank in terms of the growth projections and aspirations as projected over the next few years. My strong conviction is anchored on the dedication, commitment and drive displayed by the Staff, Management, Directors, and the Shareholders.

I wish to once again on behalf of the Board express my profound gratitude to our Shareholders who have continued to support the Bank through the whole journey and patiently guided the Bank back to the current profitable status with the potential to take its rightful position in the industry. I am also grateful to my colleague Board members, Management, and Staff of Access Bank, for your selfless dedication to the cause of the Bank

My sincere prayers are that Almighty Allah will continue to bless and prosper each and every one of us.

Thank you.

Managing Director's Report

Managing Director
CEO Stephen Abban

I present to you the progress and achievements made during 2022 and to share with you a review of our operations.

2022 Operating Results

The Gambian economy remained stable during the year under review. The main contributing factors were; higher-than-anticipated recovery in tourism activity, private-sector credit growth, public-sector investment, and steady private remittance inflows, which continued to support private consumption and real estate activity. These significantly supported the economic growth momentum of the Country.

However, the uncertain geopolitical environment, volatile international commodity prices and the impact of monetary tightening in advanced economies continued to impact negatively on many emerging economies including The Gambia.

Despite the challenges, your Bank made steady progress in delivering our strategic objectives of becoming a leading Bank in The Gambia.

We continued to support the real sectors of the economy evidenced by 25% growth in loans and advances from GMD133million to GMD166million. We also witnessed growth in customer deposit from GMD2.5billion to GMD2.8 billion, representing a 10% growth.

The Bank has a capital adequacy ratio of 89% far in excess of the 10% regulatory requirement. Cost to income ratio declined by 13% closing at 50% from the previous year of 78%. This was as a result of the continuous efforts to follow through on our cost control strategies.

We delivered a significant increase in Profit before Tax to close the year at D97million, representing a 176% growth from the previous year.

Improvements in digital technology, driving synergies through digital partnerships, agile risk management strategies and commitment to duty, enabled us to achieve this success.

Customer Experience

We carried key stakeholders along in designing solutions to meet customer's banking needs. We placed more emphasis and focus on the deployment of digital solutions to improve customer experience. In response to our customers' requests, the first version of our Corporate Internet Banking; known as Primus Plus was deployed to offer Corporate customers convenient access to account information and process basic transactions. We also rolled out Statement by Email services and upgraded the SMS services to keep customers updated on their financial transactions. The ATM applications were also upgraded to improve system availability and user experience.

The above initiatives greatly improved the user experience on our digital channels and improved turnaround times at all customer touch points.

Brand Enchancement

As part of the measures to enhance the brand image of your Bank, we upgraded the brand appeal of the branches to offer the required convenience and ambience for customers. This exercise also included the relocation of the Turntable, Brusubi Branch to a more accessible, convienent and visible location along the Betil Harding Highway.

Corporate Social Responsibility

The Bank undertook various Corporate Social Responsibility projects ranging from Health, support for the less privileged, among others within the year under review. We pusrued these through strategic partnerships. We would continue to deepen our reach and interventions to improve on the livelihoods of the communities we serve.

Human resources management

The Human Resources Management Function intensified staff engagement initiatives to provide the requisite working conditions and enabling environments for staff. Key among these were:

- Townhall meetings to foster Management-Staff interaction for staff feedbacks and suggestions to improve on service delivery and staff welfare.

- Regular engagement of staff in various departments by the HR Function.
- Various training programs were rolled out to improve capacity.
- Entry level staff were sent to the Access School of Excellence in Nigeria to train as Management trainees.
- We gave Internship opportunities to young students to have practical trainings.

Corporate Banking Coverage

In 2022, the business demonstrated its strong support for the corporate businesses in The Gambia by setting up dedicated teams to focus on the key sectors such as; Oil and Gas, Telecoms, Trade, NGOs, Multi-national companies, among others.

On the Global Transactional Banking front, we ugraded the processing platforms and also trained the staff to maintain our industry leadership of efficient and prompt processing of trade transactions. We will sustain these efforts to continue to position Access Bank Gambia as a reputable global player supporting trade businesses in The Gambia. Our Corporate coverage looks forward to a brighter future, anchored on a very strong and robust cash management, transactional and trade banking offerings; leveraging our robust technology, growing network of Access Nation and an agile global market.

Retail and SME Focus

In line with our vision of being a market leader in the Retail sector, we worked to improve on our key product offerings to meet the unique value propositions for our customers. Among the unique offerings were tailored solutions designed to offer salaried workers specialized banking services through our revamped MPower Salary Account, Salary loans and Digital solutions for the working class in The Gambia.

We also rolled out our flagship Instant Business Loans designed to offer collateral free loans to Small and Medium Scale (SME) businesses in The Gambia.

We remained resolute in delivering on our brand promise of providing more than banking to many more Gambians in line with our Financial Inclusion strategies. International and local awarding bodies recognized these commitments with accolades throughout the year. These include;

1. World Economic Magazine – Best SME Bank Gambia

2. Global Finance – Best Bank

Corporate Governance

We have sound corporate governance systems to ensure on-going compliance with the regulatory requirements and the Bank's policies. We have the Compliance Manuals and other relevant Policies to ensure the maintenance of ethical standard and compliance with relevant laws in carrying out our banking business. The Bank's Chief Risk Officer, the Internal Auditor and the Head of Conduct and Compliance report directly to the Board for sound corporate practices. These adequate corporate governance procedures have helped the Bank to operate in a responsible manner and did not have any regulatory penalties or fines in 2022.

Finishing Strong on Our Strategic plan

Our 5-year strategic plan entered its final lap, with our focus to rank amongst the top tier banks in The Gambia. Our progress, reflected in the year's achievements, was all in tandem with our strategy to constantly give premium to customers, while deepening existing relationships and expanding our scale.

Digital Platforms: We continue to strengthen our digital platforms and delivered best-in-class products and services to our clients, informed by market insights.

Wholesale: We reinforced our strong credentials in the corporate and commercial business segments by building loyalty and trust through customer engagements. Our business advisory services based on market insights strongly positioned us as a trusted partner.

Retail: We continued to design products to meet the unique needs of our retail customers. Our range of excellent digital product platforms, robust risk management practices and superior data-driven analytics have helped in scaling up our Financial Inclusion initiatives.

Looking ahead

In the year ahead, we will continue to invest in the Technology infrastructure to support the deployment of innovative digital solutions to meet our customers' banking needs.

We would pursue these through stragetic partnerships with key stakeholders such as the Telecommunication companies and the emerging Fintech businesses to deploy Mobile Money and other payment and collection solutions for customers.

We will leverage the heavy investments in digital and technology capabilities to capture opportunities and stay abreast of increased competition and disruption.

Our efforts will be guided by customer satisfaction to ensure seamless experience at all our touch points. We will continue to deepen stakeholder relationships by ensuring sustainable stakeholder growth.

We wish to assure our shareholders and other stakeholders that we are creating net societal benefits while delivering sustainable and stellar financial performance.

Our focus for the next five years, will be to deepen the gains and successes chalked in the prior years and make our Bank a dorminant Bank in The Gambia.

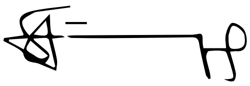
Appreciation

On behalf of the Bank's Management team, I would like to thank all our stakeholders, especially our shareholders for the capital they have entrusted to us. I want to extend my gratitude to all our customers for remaining loyal to our brand. You inspire us to go the extra mile in proffering solutions to your financial needs.

I would equally like to thank the entire Board of Directors for their insightful guidance and leadership. Also, I thank all the employees of the Bank for their commitments and dedication towards meeting the customers' needs and the Bank's success in 2022.

I strongly believe that given the current momentum and the strategies put in place in the year under review, the year 2023 will be a rewarding one for the Bank and all the stakeholders.

Thank you.



Directors' Report

The Directors present their report and the audited financial statements for the year ended 31st December 2022.

Statement of Directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Principal business activity

The company provides commercial banking services to the general public in accordance with the regulations of the Central Bank of The Gambia and the Banking Act 2009.

Results and dividends

The results of the company are as detailed in the accompanying financial statements. The directors do not recommend payment of dividend.

Property, plant and equipment

The property, plant and equipment of the company are as detailed on note 7.15 (a) of the financial statements. There has not been any permanent diminution in the value of the company's property, plant and equipment.

Employees

The cost associated with these employees is as detailed in note 7.6.

Directors and directors' interest

The members of the Board of directors are detailed on page 5 and none of the directors have any beneficial interest in the shares of the Bank.

Auditors

The auditors, PKF The Gambia, have exhausted their 5 year tenure in auding the Bank. There is the need therefore to appoint a new Auditor in accordance to section 342 (1) of the Companies Act 2013

By order of the board of director

Sally Abadoo-Brew
Company Secretary

Dated this 15th of October, 2023

PKF
Accountants & business advisers

PKF Gambia
33 Bijilo Layout Annex
Noble House
Banjul
Gambia

Independent Auditors' Report

To the Members of Access Bank (Gambia) Limited

Opinion

We have audited the financial statements of Access Bank (Gambia) Limited which comprise the statement of financial position as at 31st December 2022, Income Statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and have been properly prepared in accordance with the Companies Act 2013 and the Banking Act 2009.

Basis for Opinion

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

Other Information

The Directors are responsible for the other information. The other information comprises the General Information, Directors report, Corporate Governance Report, Statement of Directors responsibilities as required by the Companies Act of 2013 and Banking Act 2009. The other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the Directors 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 financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

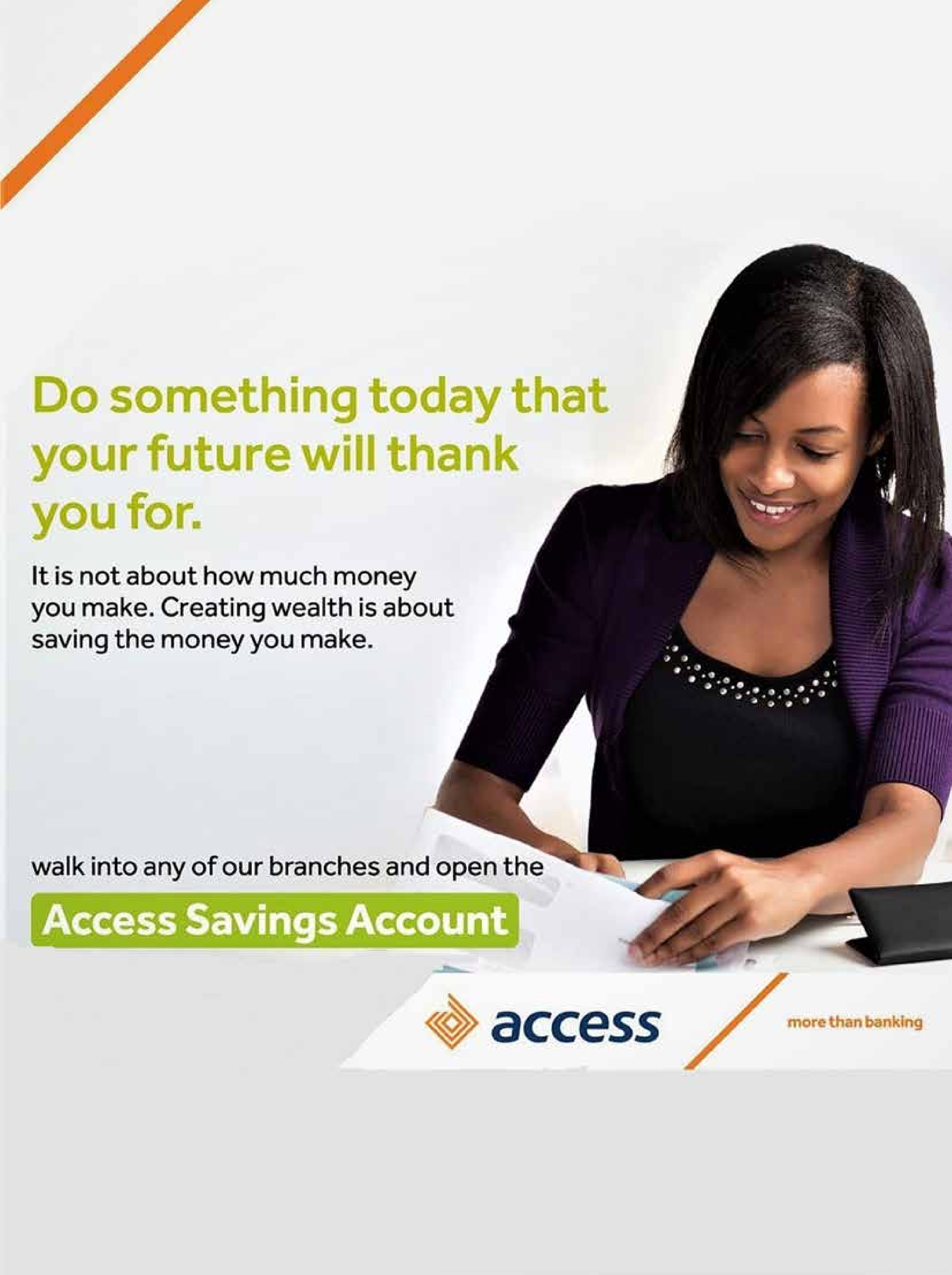
The Engagement Partner on the audit resulting in this independent auditor's report is Donald Charles Kaye.

PKF

....

PKF
Accountants and business advisers
Registered Auditors
Bijilo
The Gambia

Date:18th October, 2023



Do something today that your future will thank you for.
It is not about how much money you make. Creating wealth is about saving the money you make.
walk into any of our branches and open the
Access Savings Account
access
more than banking


Bank smarter and safer with *901#
Buy airtime, transfer money and pay bills all from your couch.
access
more than banking

Financial Statements


Affiliates Sales
65%
37%
22%
75%
32%
Last 24 Hours
Sales By Product
85%

Statement of Comprehensive Income

For the year ended 31st December 2022 (In thousands of Gambian Dalasi)

	Notes	2022	2021	% Change
Interest income	7.10	**195,850**	197,589	-1%
Interest expense	7.20	**(60,315)**	(85,688)	-30%
Net interest income		**135,535**	111,901	21%
Fee and commission income		**48,821**	31,706	54%
Fee and commission expense		**(1,460)**	(3,025)	-52%
Net fee and commission income	7.30	**47,361**	28,681	65%
Net trading income	7.40	**59,330**	14,618	306%
Other operating income	7.50	**4,169**	2,036	105%
Operating income		**246,395**	157,236	57%
Net impairment gain on financial asset	7.13(a)	**18,914**	1,817	941%
Net operating income after impairment on financial assets		**265,309**	159,053	67%
Personnel expenses	7.60	**(56,295)**	(44,725)	26%
Depreciation of property, equipment and right of use assets	7.15	**(21,408)**	(21,140)	1%
Amortisation of intangible assets	7.16	**(728)**	(2,139)	-66%
Administration and general expenses	7.80	**(89,607)**	(55,821)	61%
Total operating expenses		**(168,040)**	(123,825)	36%
Profit before income tax		**97,269**	35,228	176%
Income tax expense	7.7(a)	**(28,480)**	(11,486)	148%
Profit for the year		**68,789**	23,742	190%

The accompanying notes are an integral part of these Financial Statements

Other Comprehensive Income

For the year ended 31st December 2022 (In thousands of Gambian Dalasi)

	Notes	2022	2021	% Change
Profit for the year		**68,789**	23,742	190%
Other comprehensive income:				
Net change in fair value of financial assets		**-**	-	
Income tax relating to Net change in fair value of financial assets		**-**	-	
Other comprehensive income for the year, net of tax		**-**	-	
Total comprehensive income for the year		**68,789**	23,742	190%
Profit attributable to:				
Controlling: Equity holders of the bank		**66,831**	22,721	190%
Non-controlling interest		**2,958**	1,021	190%
Total comprehensive income for the year		**68,789**	23,742	158%
Dividend per share	(7.9)	**0.00**	0.00	
Basic earnings per share	(7.10)	**0.12**	0.04	

The accompanying notes are an integral part of these Financial Statements

Statement of Financial Position

As at 31st December 2022

(In thousands of Gambian Dalasi)	Notes	2022	2021	% Change
Cash and cash equivalents	7.11	**929,473**	1,821,985	-49%
Investment securities at amortized cost	7.14	**2,312,201**	1,854,162	25%
Loans and advances	7.12	**165,847**	132,902	25%
Property and Equipment	7.15 (a)	**132,668**	124,893	6%
Right of Use Asset	7.15 (b)	**48,863**	37,932	29%
Intangible assets	7.16	**25,628**	18,851	36%
Other assets	7.18	**24,753**	78,692	-69%
Current tax asset	7.7(b)	**371**	4192	-91%
Total assets		**3,639,804**	4,073,609	-11%
Deposits from financial institutions		**192,050**	978,140	-80%
Deposits from customers	7.19	**2,827,321**	2,558,930	10%
Current tax liabilities	7.7(b)		-	0%
Deferred tax liabilities	7.17	**6,794**	5,874	-16%
Other liabilities	7.20 (a)	**24,233**	19,723	23%
Lease liability	7.20 (b)	**23,753**	14,078	69%
Total liabilities		**3,074,151**	3,576,745	-14%
Equity				
Share capital	7.21(a)	**586,812**	586,812	0%
Share premium	7.21 (b)	**628,943**	628,943	0%
Accumulated deficit		**(732,750)**	(784,177)	-7%
Statutory Reserves	7.21(c)	**80,867**	63,670	27%
Credit Risk Reserves	7.21(d)	**1,781**	1,616	10%
Total Equity		**565,653**	496,864	14%
Total liabilities and equity		**3,639,804**	4,073,609	-11%

These financial statements were approved by the board of directors on 28th April 2023 and were signed on its behalf by:

....Director ....Director ....Director

The accompanying notes are an integral part of these Financial Statements

Statement of Changes in Equity

For the year ended 31st December 2022 (In Thousands of Gambian Dalasi)

	Share Capital	Share Premium Reserves	Credit risk	Statutory Reserves	Other Reserves	Accumulated Deficit	Total equity
Balance as at 1st January 2022	**586,812**	**628,943**	**1,616**	**63,670**		**(784,177)**	**496,864**
Prior year Adjustment							
Total Comprehensive income for the period:							
Profit for the period						**68,789**	**68,789**
Movement to CRR			**165**			**(165)**	
Movement to Statutory Reserves				**17,197**		**(17,197)**	
Total comprehensive income	**586,812**	**628,943**	**1,781**	**80,867**	**-**	**(732,750)**	**565,653**
Transaction with equity holders, recorded directly in equity:							
Total contributions by and distributions to equity holders	**-**	**-**	**-**	**-**	**-**		**-**
Balance at 31 December 2022	**586,812**	**628,943**	**1,781**	**80,897**		**(732,750)**	**565,653**

	Share Capital	Share Premium Reserves	Credit risk	Statutory Reserves	Other Reserves	Accumulated Deficit	Total equity
Balance as at 1st January 2021	586,812	628,943	1,853	57,735	-	(802,221)	473,12
Total Comprehensive income for the period:							
Profit for the period						23,742	23,742
Movement to CRR			(237)			237	-
Movement to (5,935) Statutory Reserves	-			5,935			
Total comprehensive income	-	-	(237)	5,935		18,044	23,742
Transaction with equity holders, recorded directly in equity:							
Total contributions by and distributions to equity holders	-	-	-		-	-	-
Balance at 31 December 2021	586,812	628,943	1,616	63,670		(784,177)	496,864

The accompanying notes are an integral part of these Financial Statements

Statement of Cash flows

For the year ended 31 December 2022

(in thousands of Gambian Dalasi)	Note	2022	2021
Cash flows from operating activities:			
Profit before tax		**97,269**	35,228
Adjustments for:			
Depreciation of property, plant & equipment	7.15	**15,759**	16,040
Amortization of intangible assets	7.16	**728**	2,139
Depreciation of right-of-use assets	7.15(b)	**5649**	5,103
Gain on disposal of property, plant and equipment			
Property Plant and Equipment Adjustment		**7906**	(8,375)
Intangible Adjustment		**7,896**	-
Net interest income		**(135,535)**	(111,901)
		(328)	(61,766)
Changes in operating assets			
Change in restricted balances with central bank of The Gambia		**129,480**	(21,669)
Changes in Loans and Advances		**(32,945)**	6,846
Change in other assets		**53,939**	253,405
Lease liability		**9,675**	1,584
Changes in Operating Liabilities			
Change in deposits from bank		**(786,090)**	461,640
Change in deposits from customers		**268,391**	497,004
Change in other liabilities		**4,510**	(142,406)
Income tax paid		**(23,739)**	(16,061)
Interest received		**195,850**	197,589
Interest paid		**(60,315)**	(85,688)
Net cash generated from operating activities		**(241,572)**	1,090,478
Cash flows from investing activities			
Acquisition of investment securities		**(458,039)**	(406,618)
Acquisition of property and equipment		**(31,440)**	(27,032)
Acquisition of intangibles		**(15,400)**	(9,737)
Acquisition of right of use Assets		**(16,580)**	(19,256)
Net cash used in investing activities		**(521,459)**	(462,642)

Cash flows financing activities		
Interest paid on interest bearing borrowings		
Dividends paid to owners	**-**	-
Debt securities issued	**-**	-
Net cash provided by/ (used in) financing activities	**-**	-
Net (decrease) / increase in cash and cash equivalents		
	(763,031)	627,835
Cash and cash equivalents at beginning of period 1st Jan	**1,489,325**	861,490
Effect of exchange rate fluctuations on cash held	-	-
Cash and cash equivalents at end of period 31st Dec	**726,294**	1,489,325

The accompanying notes are an integral part of these Financial Statements

Notes (forming part of the Financial Statements)

1. Reporting Entity

Access Bank (Gambia) Limited received an approval-in-principle license from the Central Bank of The Gambia to operate as Commercial Bank in The Gambia on 9th June 2006. The Bank was incorporated on 12th April 2006 under the Companies Act 2013 and Banking Act 2009. The Bank obtained its final banking licence on the 19th of October 2006 and commenced banking operations on 30th October 2006. The principal registered office of the Bank is 47 Kairaba Avenue, Fajara, KSMD, Banjul, The Gambia. The Bank was licensed to operate as a Commercial Banking business including acceptance of deposits and granting of loans to all categories of customers irrespective of nature or class of business. The bank currently has seven branches in various strategic locations in the country that provides banking services to Retail, Corporate and Government Institutions.

The financial statements were approved by the Board of Directors on the 28th April 2023.

2. Basis of Preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Additional information required by national regulations is included where appropriate.

2.2 Basis of measurement

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

- derivative financial instruments are measured at fair value;
- non-derivative financial instruments at fair value through profit or loss are measured at fair value;
- financial instruments at fair value through OCI are measured at fair value;
- the liability for defined benefit obligations is recognized as the present value of the defined benefit obligation and related current service cost;
- non-current assets held for sale measured at lower of cost and fair value less costs to sell;
- share based payment at fair value or an approximation of fair value allowed by the relevant standard.

2.3 Functional and presentation currency

These financial statements are presented in The Gambian dalasi (D), which is the Bank's functional and presentation currency.

2.4 Use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires management to make judgments, 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 various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the 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.

Existing circumstances and assumptions about future developments may change due to circumstances beyond the Bank's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognized in the consolidated financial statements with substantial management judgement and/or estimates are collated below with respect to judgments/estimates involved.

2.4.1. Impairment losses on financial assets

The measurement of impairment losses both under IFRS 9 across all categories of financial assets in scope requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include:

- The Bank's internal credit grading model, which assigns PDs to the individual grades
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis

- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

3. Significant Accounting Policies

There were no changes in accounting policy during the year.

The accounting policies set out below have been applied in preparing the Financial Statements of the Bank.

3.1 (a) Standards issued but not yet Adopted

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2022:

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments were issued on 23rd January 2020. This affects only the presentation of liabilities in the statement of financial position not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;

clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are effective for annual reporting periods being on or after 1st January 2023.

Definition of Accounting Estimates (Amendments to IAS 8)

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. Amendments was made on 12th February 2021.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Board clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The amendments are effective for annual reporting periods being on or after 1st January 2023.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

On 7th May 2021, amendments were issued for IAS 12. The main change in Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) is an exemption from the initial recognition exemption provided in IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. This is also explained in the newly inserted paragraph IAS 12.22A.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Early adoption is permitted.

3.2 Property 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 direct 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 and equipment have different useful lives, they are accounted for as separate items (major components)".

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 future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in the income statement as incurred.

Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets were depreciated over their useful lives. Land is not depreciated

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

Buildings	60 years
Leasehold improvements	Useful life with a maximum of the lease term
Fixed equipment	10 years
Fixtures and fittings	6 years
Motor Vehicles	5 years
Computer hardware	4.5 years
Computer Software	4.5 years
Computer consumables	Written off in year of purchase

Gains and losses on disposal of property and equipment are determined by comparing proceeds from disposal with the carrying amounts of property and equipment and are recognised in the income statement as other income.

3.3. Intangible assets Computer software

Intangible assets comprise computer software licences. Intangible assets are recognised at cost. Intangible assets with a definite useful life are amortised using the straight-line method over their estimated useful economic life, Intangible assets with indefinite useful lives are not amortised. At the end of each reporting period, intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exist, the intangible assets are analysed to assess whether their carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount. The useful life for all Software is estimated at 3 years.

3.4. Post balance sheet events

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

3.5. Deposits from customers and Banks

This is mainly made up of customer deposit accounts, overnight placements by Banks and other financial institutions and medium term borrowings. They are categorised as other financial liabilities and carried in the balance sheet at amortised cost.

3.6 Provisions

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expenses.

(a) Restructuring

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

3.7 Financial Guarantees Contracts

Financial guarantees are initially recognised at the fair value and amortised over the life of financial guarantee. The financial guarantee is subsequently carried at the higher of the amortised amount and the present value of any expected payments, when payment becomes probable.

The carrying amounts of the Bank's non-financial assets other than goodwill and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of goodwill is estimated at each reporting date. An impairment loss is recognized if the carrying amount of an asset or its cash- generating unit exceeds its recoverable amount. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the "cash-generating unit" or CGU). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to the groups of CGUs that are expected to benefit from the synergies of the combination.

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

the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

3.8 Employee Benefits

Defined contribution plans

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

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans, if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits

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

3.9 Impairment of Non-Financial Assets

The carrying amounts of the Bank's non-financial assets other than goodwill and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of goodwill is estimated at each reporting date. An impairment loss is recognized if the carrying amount of an asset or its cash- generating unit exceeds its recoverable amount. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the "cash-generating unit" or CGU). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to the groups of CGUs that are expected to benefit from the synergies of the combination.

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

Share Capital

Ordinary share capital

Ordinary shares are classified as equity. Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Bank's option, and any dividends are discretionary. Preference share capital is classified as a liability if it does not meet the definition of equity.

3.10 Earnings per Share

The bank presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees. As at reporting date the Bank has no convertible notes and share options.

3.11 Dividends

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

3.12 Acceptances and letters of credit

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

3.14. Recognition of interest income

3.14.1. The effective interest rate method

Under IFRS 9, interest income is recorded using the EIR method for all financial assets measured at amortized cost. Interest income on interest bearing financial assets measured at FVOCI under IFRS 9 is also recorded using the EIR method. Interest expense is also calculated using the EIR method for all financial liabilities held at amortized cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortized cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Bank recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, the EIR calculation also takes into account the effect of potentially different interest rates that may be charged at various stages of the financial asset's expected life, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

3.14.2. Interest and similar income/expense

Net interest income comprises of, interest income and interest expense calculated using both the effective interest method and other methods. These are disclosed separately on the face of the income statement for both interest income and interest expense to provide symmetrical and comparable information.

If its Interest income/expense is calculated using the effective interest method, the Bank only includes interest on those financial instruments that are set out in Note 3.14.1 above.

Interest income/expense on all trading financial assets/ liabilities is recognized as a part of the fair value change in 'Net trading income'. The Bank calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset. When a financial asset becomes credit-impaired (as set out in Note 4.1(b)) and is therefore regarded as 'Stage 3', the Bank calculates interest income by applying the EIR to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

3.15 Fee and commission income

The Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. When the Bank provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time. The Bank has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

3.16. Net trading income

Net trading income includes all gains and losses from changes in fair value and the related interest income or expense and dividends, for financial assets and financial liabilities held for trading. This includes any ineffectiveness recorded on hedging transactions.

3.17 Cash and cash equivalents

Cash and cash equivalents as referred to in the cash flow statement comprises cash on hand, non–restricted current accounts with central banks and amounts due from banks on demand or with an original maturity of three months or less.

3.18. Taxes

3.18.1. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Bank operates and generates taxable income.

Current income tax relating to items recognized directly in equity or other comprehensive income, is recognized in equity or other comprehensive income respectively and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.18.2. Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognized as income tax benefits or expenses in the income statement except for tax related to the fair value premeasurement of debt instruments at fair value through OCI, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to OCI.

These exceptions are subsequently reclassified from OCI to the income statement together with the respective deferred loss or gain. The Bank also recognizes the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

The Bank only off-sets its deferred tax assets against liabilities when there is both a legal right to offset its current tax assets and liabilities and it is the Bank's intention to settle on a net basis.

3.19 Operating expenses

Expenses decrease in economic benefits during the accounting period in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Expenses are recognized on an accrual basis regardless of the time of spending cash.

3.20 Leases

The Bank as a lessee

The Bank assesses whether a contract is or contains a lease, at inception of the contract. The Bank recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Bank recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Bank remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Bank did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Bank incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right- of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfer's ownership of the underlying asset or the cost of the right-of-use asset reflects that the Bank expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease

The right-of-use assets are presented as a separate line in the consolidated statement of financial position

The Bank applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Bank has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Bank allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components

The Bank as a lessee

Assets held under finance leases are recognised as assets of the Bank at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Bank's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to income on a straight- line basis over

the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another

systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Bank as a lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Bank's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.21. Financial instruments – initial recognition

3.21.1. Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e., the date on which the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades, i.e., purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Bank recognises balances due to customers when funds are transferred to the Bank.

3.21.2. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Notes 3.23.1 and 3.23.1.2.

Financial instruments are initially measured at their fair value except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Bank accounts for the Day 1 profit or loss, as described below.

3.21.3. Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognises the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognized.

3.21.4. Measurement categories of financial assets and liabilities

The Bank classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost, as explained in Note 3.23
- FVOCI.
- FVTPL.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied.

3.22. Determination of fair value

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Bank has access to at the measurement date. The Bank considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Bank will classify the instruments as Level 3.
- Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.
- The Bank periodically reviews its valuation techniques including the adopted methodologies and model calibrations. However, the base models may not fully capture all factors relevant to the valuation of the Bank's financial instruments such as credit risk (CVA), own credit (DVA) and/or funding costs (FVA). Therefore, the Bank applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments. The Bank estimates the value of its own credit from market observable data, such as secondary prices for its traded debt.

The Bank evaluates the levelling at each reporting period on an instrument-by- instrument basis and reclassifies instruments when necessary, based on the facts at the end of the reporting period.

3.23. Financial assets and liabilities

Measurement

At initial recognition, the Bank measures a financial asset at its fair value plus, in the case of a fi nancial asset not at fair value through profi t or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profi t or loss. Where the fair value is different from the transaction price, the resulting gain or loss is recognized in trading gains or losses on financial instruments only when the fair value is evidenced by a quoted price in an active market for an identical asset (i.e. level 1 input) or based on a valuation technique that uses only data from observable markets.

Due from banks, Loans and advances to customers, Financial investments at amortised cost

The Bank measures Due from banks, Loans and advances to customers and other financial investments are measured at amortised cost only if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below

3.24. Business model assessment

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

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);

The expected frequency, value and timing of sales are also important aspects of the Bank's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

3.24.1.2. The SPPI test

As a second step of its classification process the Bank assesses the contractual terms of the financial asset to identify whether they meet the SPPI test .

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

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

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

Debt issued and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issued funds, and costs that are an integral part of the EIR.

3.25. Reclassification of financial assets and liabilities

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

3.26. Derecognition of financial assets and liabilities

3.27. Derecognition due to substantial modification of terms and conditions

The Bank derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for Expected Credit Loss (ECL) measurement purposes, unless the new loan is deemed to be Purchased or originated Credit impaired (POCI).

When assessing whether or not to derecognise a loan to a customer, amongst others, the Bank considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, as set out below, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been

recorded. For financial liabilities, the Bank considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent. For financial assets, this assessment is based on qualitative factors.

3.28. Derecognition other than for substantial modification

3.29. Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Bank has transferred the financial asset if, and only if, either:

- The Bank has transferred its contractual rights to receive cash flows from the financial asset
- Or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement
- Pass-through arrangements are transactions whereby the Bank retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:
- The Bank has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short- term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Bank cannot sell or pledge the original asset other

than as security to the eventual recipients

- The Bank has to remit any cash flows it collects on behalf of the eventual recipients without material delay.
- In addition, the Bank is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents, including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.
- A transfer only qualifies for derecognition if either:
- The Bank has transferred substantially all the risks and rewards of the asset Or
- The Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. The Bank considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Bank has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Bank's continuing involvement, in which case, the Bank 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 Bank 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 the Bank could be required to pay.

3.25.2.1. Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.30. Impairment of financial assets

3.30.1. Overview of the ECL principles

The Bank records an allowance for expected credit loss for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9. The overview of the ECL principles are further explained in Note 4.1(b).

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit losses or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit losses (12mECL) as outlined in Note 4.1 (b).

The Bank's policies for determining if there has been a significant increase in credit risk are set out in Note 4.1(d)

The 12mECL is the portion of LTECLs that represent the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECL and 12mECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Bank's policy is to individually assess corporate facilities and other assets such as corporate term loans, commercial overdrafts, investments and off balance sheet items whilst the rest of the financial assets are measured on a collective basis.

3.30.2. The calculation of ECL

The Bank calculates ECL based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral or credit enhancements that are integral to the loan and not required to be recognised separately. It is usually expressed as a percentage of the EAD. ECL measurement is further explained in Note 4.1(c).

4. Financial Risk Management

INTRODUCTION AND OVERVIEW

The Bank has exposure to risks arising from the use of financial instruments. Typical of such risks are as follows:

- credit risk

- liquidity risk
- market risk
- operational risk.

These are the principal risks of the Bank. This note presents information about the Bank's exposure to these risks, including the objectives, policies and processes for measuring and managing the risks as well as their impact on earnings and capital.

RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established the Asset and Liability Management committee (ALCO), and the Management Credit Committee (MCC), which are responsible for developing and monitoring the Bank's risk management policies in their specified areas.

Internal Control for Risk Management

Internal control is a process affected by the board of directors, senior management and all levels of personnel in a Bank. It is not solely a procedure or policy that is performed at a certain point in time, but rather it is continually operating at all levels within the bank. The board of directors and senior management are responsible for establishing the appropriate culture to facilitate an effective internal control process and for monitoring its effectiveness on an ongoing basis; however, each individual within an organization must participate in the process.

Internal Control Process

Internal Control is a continuous process affected by the Board of Directors and all the employees of the Bank are responsible in varying degrees for the effective functioning of the internal control system. Though internal control is affected at various levels throughout the bank, two major independent components from the perspective of management of risks are (1). Risk Management System and (2). Audit System.

Role of Risk Management System as part of Internal Control

Risk Management System of the Bank: Is aimed at providing assurance that core objectives of the Bank are achieved. It comprises various components such as:

- Risk Governance Structure including the roles played by Board of Directors, BCC, BRMC, Risk Committees, CRO and Risk Management Department;
- Risk Policies approved by the BOD, which spells out the Risk Appetite of the Bank and the guidelines to identify, measure, monitor, control and report the risks faced by the Bank Minor policies and procedures approved by the Risk Committees to apply the risk policies.

Risk Management system of the Bank (with its components mentioned above forming part of the control environment in the Bank) will perform the internal control process as a day-to-day activity throughout the bank by implementing the risk policy guidelines approved by the BOD for identifying, measuring, monitoring, controlling and reporting risks.

Audit System

The role of Audit System is to provide an independent assurance to the BOD that risk management function is effectively carried out to fulfill its stated objectives; it is neither to replace risk management function nor to substitute it in any manner. Audit System of the Bank comprises the Audit Committee of the BOD and Internal Audit Department reporting to Audit committee.

Internal Audit will play a critical role in Internal Control for Risk Management. Wherever necessary, the bank will utilize the services of external auditors to perform an independent assessment of the Risk Management System.

RISK APPETITE

Risk Appetite should be subject to frequent review depending on dynamics of business of the bank. However, they should be reviewed at least once annually by the Board of Directors (BOD). More dimensions can be added, or existing dimensions dropped to ensure that Risk Appetite is a valid tool in the hands of the BOD in conveying the banks' tolerance to accepting risks.

CAPITAL POLICY

Capital policy is an important segment of ERM policy as it relates to and supports the Bank's strategy of retention of risks and its response in the form of maintenance of different forms of capital. Maintenance of optimal levels of capital is significantly important not only to meet regulatory requirements but also to enable adequate returns to be earned on the capital.

RISK IDENTIFICATION

Risk identification section of the policy addresses identification of risks at the level of major risk streams namely:

- Credit risk in the Banking Book;
- Market risk in the Trading Book;
- Credit concentration risk across Trading & Banking Books;
- Operational risk across the Bank;
- Interest rate risk in the Banking Books;
- Liquidity risk across Trading and Banking Books;
- Strategic Risk across the bank;
- Reputation Risk across the ban

4.1 Credit Risk

In general, the Risk and Management Control function shall establish and maintain

appropriate structures and frameworks for administration of the bank's risk asset portfolio and individual risk exposures. The Risk Management Framework shall enable ongoing administration of credit risk bearing portfolios, monitor the condition and performance of individual credits, develop and utilize internal performance rating systems in managing individual exposures.

Effective risk management requires proper identification and understanding of the credit risks. Credit risk is most simply defined as the potential that a bank borrower or counter party will fail to meet obligations in accordance with agreed terms.

4.1 a Credit Risk Management

- The Board of Directors of the bank shall be responsible for articulating and reviewing on an ongoing basis the overall risk strategy and risk policies of the bank that outline clearly the risk appetite and return preferences that will govern the creation and management of risk assets in the bank. Specifically, the Board shall be responsible to:
- Approve the Bank's overall risk tolerance in relation to credit risk based on the recommendation of the Chief Risk and Compliance Officer;
- Ensure that the Bank's overall credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly review of various types of credit exposure;
- Ensure that top management as well as individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function;
- Ensure that the Bank implements a sound methodology that facilitates the identification, measurement, monitoring and control of credit risk;
- Ensure that detailed policies and procedures for credit risk exposure creation, management and recovery are in place; and
- Appoint Credit Approval Officers and delegate approval authorities to individuals and committees.

The Board Credit committee shall under delegated authority be responsible for the following:

- Facilitate the effective management of credit risk by the Bank;
- Approve credit risk management policies, underwriting guidelines and standard proposals on the recommendation of the Management Credit Committee (MCC);
- Approve definition of risk and return preferences and target risk portfolio;
- Approve the Bank's credit rating methodology and ensure its proper implementation;
- Approve credit risk appetite and portfolio strategy;
- Approve lending decisions and limit setting;
- Approve new credit products and processes;
- Approve assignment of credit approval authority on the recommendation of the Management Credit Committee (MCC) ;
- Approve changes to credit policy guidelines on the recommendation of the Management Credit Committee (MCC);
- Approve credit facility requests and proposals within limits defined by Access Bank Plc.'s credit policy and within the statutory requirements set by the regulatory/ supervisory authorities;
- Recommend credit facility requests above stipulated limit to the Board;
- Review credit risk reports on a periodic basis;
- Approve credit exceptions in line with Board approval; and
- Make recommendations to the Board on credit policy and strategy where appropriate.

The Management Credit Committee shall be responsible for managing credit risks in the Bank. The members of the committee shall include all Group heads and Head, Credit Risk.

4.1(b) Impaired loans and securities

Overview of the ECL principles

From 1 January 2018, the Bank assesses on a forward-looking basis, the expected credit losses ('ECL') associated with its debt instrument assets carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognizes 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.

Staging Assessment

The Bank has established a policy to perform an assessment, at the end of each reporting year, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Bank categorizes its financial instruments into Stage 1, Stage 2, Stage 3 and POCI, as described below:

Stage 1: When a financial instrument is first recognized, the Bank recognizes an allowance based on 12 months ECLs. Stage 1 also includes financial instruments where the credit risk has improved, and the financial instrument has been reclassified from Stage 2.

Stage 2: When a financial instrument has shown a significant increase in credit risk since origination, the Bank records an allowance for the Lifetime ECLs. Stage 2 financial instruments also include instances where the credit risk has improved, and the financial instrument has been reclassified from Stage 3.

Stage 3: Financial instruments considered credit-impaired. The Bank records an allowance for the Lifetime ECLs.

POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit-adjusted EIR. ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses.

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial Recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-months expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

Measuring the Expected Credit Loss

When estimating the ECLs, the Bank considers three scenarios (optimistic, best-estimate and downturn) and each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset. The 12- months and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGD's are typically set at product level due to the limitation in recoveries achieved across different borrower. These LGD's are influenced by collection strategies, including contracted debt sales and price.

The mechanics of the ECL method are summarized below:

- Stage 1: The 12-months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12-months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3: For loans considered credit-impaired, the Bank recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.
- POCI: Purchase or Originated Credit Impaired (POCI) assets are financial assets that are credit impaired on initial recognition. The Bank only recognizes the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the four scenarios, discounted by the credit adjusted EIR.
- Loan commitments and letters of credit: When estimating LTECLs for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability- weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.
- For credit cards and revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognized within Provisions.
- Financial guarantee contracts:
- The Bank's liability under each guarantee is measured at the higher of, the amount initially recognized less cumulative amortization recognized in the income statement, and the ECL provision. For this purpose, the Bank estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee contracts are recognized within Provisions.

Significant increase in credit risk (SICR)

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

Quantitative Criteria:

The remaining Lifetime PD at the reporting date has increased, compared to the residual Lifetime PD expected at the reporting date when the exposure was first recognized.

Deterioration in the credit rating of an obligor either based on the Bank's internal rating system or an international credit rating. However, the downgrade considers movement from a grade band to another e.g. Investment grade to Standard.

The Bank also considers accounts that meet the criteria to be put on the watch list bucket to have significantly increased in credit risk.

Qualitative criteria:

For Retail loans, 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
- For Corporate portfolio, 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 cash flow/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 for all Retail financial instruments held by the Bank. In relation to Wholesale and Treasury financial instruments, where a Watch list is used to monitor credit risk, this assessment is performed at the counterparty level and on a yearly basis. The criteria used to identify SICR are monitored and reviewed yearly for appropriateness by the independent Credit Risk team.

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.

Incorporation of forward looking information and macroeconomic factors

In its ECL models, the Bank relies on a broad range of forward looking information as economic inputs. The macroeconomic variables considered for the adjustment of the probabilities of default are listed below:

- Inflation,
- Interest rates,
- Exchange rates (USD/GMD), and
- Monetary Policy rate

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Collateral Valuation

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The Bank's accounting policy for collateral assigned to it through its lending arrangements under IFRS 9 is the same is it was under IAS 39. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a yearly basis.

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as external values.

Collateral Repossess

The Bank's accounting policy under IFRS 9 remains the same as it was under IAS 39. The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Bank's policy.

Write-offs

The Bank writes off a loan (and any related allowances for impairment losses) when the Bank's Credit Committee determines that the loans/securities are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller standardised loans, write-off decisions are generally based on a product specific past due status. All write-off decisions are sanctioned by the board of directors with subsequent approval by the Bank of Ghana before they are effected. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss

Credit concentrations

Our credit concentration aggregate exposure is depicted here under the defined aggregation by economic sectors. An analysis of concentration of credit risk as at 31st December 2022 and 2021 is set out below:

Loans and Advances to Customers Concentration by Sector:	**2022 D'000**	**2021 D'000**
Financial Institutions	**7,088**	-
Building and Construction	**2,945**	-
Transportation	**459**	360
Telecom	**-**	-
General	**131,906**	126,803
Manufacturing	**-**	-
Education	**-**	-
Agriculture	**84**	-
Distributive Trade	**-**	-
Oil and Gas	**13,792**	-
Government	**2,329**	-
Services and Others	**7,959**	6,982
Gross amount	**168,692**	134,145
Impairment	**(2,845)**	(1,243)
Total Loans	**165,847**	132,902

Credit Quality

31st December 2022	Gross Amount D'000	Stage 1 12 -month D'000	Stage 2 Lifetime ECL D'000	Stage 3 Lifetime ECL D'000	Carrying Amount D'000
Loans and Advances to Customers					
Individuals					
- Overdrafts	587				587
- Term loans	54,504	(235)		(1,909)	52,360
Corporates					
- Overdrafts	102,410	(489)		(78)	101,843
- Term loans	11,191	(134)			11,057
Total	**168,692**	**(858)**		(1987)	165,847
31st December 2021					
Individuals					
- Overdrafts	618	-			618
- Term loans	23,722	-	-	(121)	23,601
Corporates					
- Overdrafts	96,952	(1,122)	-	-	95,830
- Term loans	12,853	-	-	-	12,853
Total	134,145	(1,122)		(121)	132,902

Loans and Advances to Customers	2022 D'000	2021 D'000
Performing Loans	**166,867**	133,774
Non-Performing Loans	**1,826**	371
Gross amount	**168,692**	134,145
Impairment	**(2,845)**	(1,243)
Net Loans	**165,847**	132,902

Description of Collateral held

Potential credit losses by given loans are mitigated using a range of tools including collateral securities, insurance bonds and policies as well as different forms of guarantees. We assess the degree of reliance that can be placed on these credit risk mitigates carefully in the light of issues such as legal enforceability, market valuation, correlation with exposure and the counter party risk of the guarantor.

Credit Collateral Guidelines

To minimize the risk of credit loss to the bank in the event of decline in quality or delinquency, there shall be requirement for appropriate collateralisation of all credit exposures. Guidelines for acceptability of credit collateral shall be approved by the Management Credit Committee and shall include clear unambiguous articulation of:

- Acceptable collateral in respect of each credit product including description, location restrictions in respect of landed property, guidelines in respect of minimum realizable value of such collateral;
- Required documentation /perfection of collateral
- Conditions for waivers of collateral requirement and guidelines for approval of collateral waiver
- Acceptability of cash and other forms of collateral denominated in foreign currency.

Collateral Acceptability

The guiding principles behind collateral acceptability are adequacy and reliability. Collateral acceptable as security in respect of approved credit exposures shall include:

- Mortgage on Landed Property
- Cash Deposit
- Stocks/Share Certificates of quoted blue chip companies
- Guarantees
- Charge on assets (Fixed and/or Floating)
- Shipping Documents (for imports)
- Negative Pledges
- Bankers' Acceptance
- Life Assurance Policies
- Lien on Asset being financed
- Tripartite Field Warehousing Agreement
- Stock Hypothecation

The following table indicates the credit exposures by class and value collateral (refer to collateral management policy above).

Loans & Advances to customers	**Collateral Value 2022 D'000**	**Collateral Value 2021 D'000**
Property	**137,950**	170,020
Cash	**101,194**	228,260
TOTAL	**239,144**	398,280

Repossessed collateral

No properties were repossessed in 2022 and 2021.

4.2 LIQUIDITY RISK

Making sure the risk of loss to earnings and capital arising from the bank's inability to meet its obligations when they become due, without incurring unacceptable loss is paramount in our business as a bank. The ALM Unit of the bank is created with mandate to coordinate the bank's funding requirements, handle liquidity management across all currencies, in ensuring that there is sufficient liquidity to meet obligations under both normal and stress conditions on a sustainable manner. It also implements interest rate risk programs for the Assets and Liabilities ("ALCO"); and assist with profit planning, and financial decision making.

4.2(a) Management of Liquidity Risk

Liquidity risk is defined as the risk of loss to earnings and capital arising from banks inability to meet its obligations when they become due, without incurring unacceptable loss. This risk arises on the bank when it is not perceived as having sufficient cash, at one or more future periods of time, to meet its requirements

Liquidity management is the responsibility of the Assets and Liabilities Committee (ALCO) which includes the liability and asset generating units (market facing) and Treasury Unit, whose rresponsibility among others is pursuance of an effective Asset and Liability Management strategy which is in line with Access Bank and international best practice standards. Regular meetings of ALCO are held on a bi-weekly basis, during which the Bank's liquidity is evaluated and, subsequently, decisions are taken based on the current state of affairs.

Potential withdrawals are expected on daily basis on the Bank from its portfolio of current accounts, maturing investments, savings accounts, approved loan and overdraft commitments and guarantees. In line with sound financial management, the Bank does not maintain idle pool of cash to meet all of these needs. It creates a contingency funding window such as setting limits on the minimum proportion of maturing funds available to meet such calls, use of interbank funding, other borrowing facilities, and worse case rediscounting short term investment instruments to cover withdrawals at unexpected levels of demand.

Different balance sheet items on the asset side are brought into relation with liability side. The relationship is based on whether assets are liquid or illiquid and whether their funding is stable or sticky (volatile). The Bank's liabilities (customer deposit) bear no specific maturity date and are payable on demand. The few customer deposits maintained on fixed terms all matures with a maximum period of one year. This means the undiscounted cash flows are not materially different from the discounted ones. The key measure used by the bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, the net liquid assets are considered as cash and cash equivalents, balances maintained with the Central Bank of The Gambia, investment in securities (Treasury Bills), Placements with other banks, deposits from banks, debt securities issued, other borrowings and commitments maturing within the next month.

Details of the reported ratio of net liquid assets to customer deposits at the reporting date and during the reporting period were as follows:

	31st December 2022	31st December 2021
Liquidity Ratio	**104%**	76%
Highest ratio for the year	**106%**	115%
Average ratio for the year	**104%**	91%
Lowest ratio for the year	**101%**	76%

4.2(b) Funding Diversification

The bank's funding sources are mainly from retail, commercial and corporate deposits. There was concentration with a particular customer which accounts for over 25% of total deposit. The funds were deliberately returned to avoid concentration in line with the Bank's approved limit on concentration as well as to reduce Cost of Funds (COF)

The ALM Unit is also charged with maximizing returns on the bank's overall balance sheet and with the responsibility of ensuring that the bank achieves and remain compliant with the relevant regulatory requirements and/or other prudential guidelines.

More importantly, the ALM Unit shall be responsible for taking interest rate risks - in line with risk limits on behalf of the bank. Therefore, interest rate risk taking activities

i.e. current or prospective risk to earnings and capital arising out of adverse changes in interest rates (including all off-balance sheet items) will be concentrated within the ALM Unit. The newly created unit will monitor the activities of Treasury and presents independent reports to the Managing Director/CEO.

It is also the responsibility of the unit to strike a balance in the deposit mix of the Banks total deposit portfolio. The current account should contribute 40% of bank wide deposit, 30% savings and 30% Term Deposit. The unit should determine to re-price downward the expensive funds it carries with a view to reduce cost of funds to a level where the NRFF can cover operating expenses.

The bank currently has over USD136, 200 dollars in the nostros. Given the low rate of interest paid on deposits by western economies particularly UK and the US, Treasury has introduced Same Day Value on US Dollar Foreign Currency Shipment at a cost of 0.75% - 0.45%. On the GBP deposit, we will explore arbitrage opportunities but strictly on back to back basis so as to avoid any possible foreign exchange risk. Since this is only possible with liquidity, treasury will push with marketing teams to improve liquidity in the system by either increasing deposits or record significant recoveries from the Bank's sticky loans and overdrafts.

- Responsible for pursuance of an effective Asset and Liability Management strategy which is in line with Access Bank and international best practice standards.
- To ensure full compliance with local regulation in line with the Bank's zero tolerance principle for sanctions.
- Chief Dealer – directly responsible for all foreign currency transactions.
- Financial planning, projections and monitoring of foreign currency and interest rates (including activities of international capital markets).
- Deepen interbank market activities.
- Tracking maturity profiles of Letters of Credit and Tenured funds
- Work closely with marketing heads in disbursement of credits to customers
- Advisory services on foreign exchange transactions
- Marketing strategies on increasing counterparty base for foreign exchange source as well as deepening existing relationships.
- Actively engage and collaborate with regulators, policy makers and other relevant institutions across the country and the Group Office in order to drive and influence regulatory changes and introduce new products in the market.
- To give directions in deploying the bank's liquidity in the most efficient manner and in a diversified portfolio that maximizes return in a risk-controlled environment.
- To ensure daily review of trading blotters of both foreign exchange and local currency to make sure we are not in breach and the blotter is in agreement with the system always.
- Daily computation of funding threshold to determine optimal funding/utilization requirements.
- To conduct monthly meeting and review on changes in regulation and business environment;
- To conduct training of Treasury staff with particular attention to ACI.
- To conduct periodical on site visits to all branches to confirm compliance with policies and regulations;
- To conduct quarterly and half-yearly review and strategic sessions with the entire members of the bank
- To coordinate the bank's funding requirements, handle liquidity management across all currencies.

- To maintain and monitor interest rate risk programs for the Assets and Liabilities ("ALCO"); and assist with profit planning, and financial decision making.
- To present to ALCO the bank's performance at the Group Office in Lagos on bimonthly basis.
- To maximize returns on the bank's overall balance sheet and with the responsibility of ensuring compliant with the relevant regulatory requirements and/or other prudential guidelines.
- It is also the responsibility of the unit to strike a balance in the deposit mix of the Banks total deposit portfolio.
- Currently, the Fixed Income Desk is focused on the trading of Treasury Bills issued by or on behalf of the Central Bank of The Gambia.
- To ensure timely rendition of daily, weekly, biweekly, monthly and quarterly reports to both the Central Bank of The Gambia and Group Office.

4.2 (c) Maturity Analyses

The table below analyses financial liabilities of the bank into relevant maturity groupings based on the remaining period at statement of financial position to the contractual maturity date. Transactions in discounted instruments of more than 1 year are very insignificant.

The table includes both principal and interest cash follows:

31. December 2022

	1-3 months D'000	4 - 6 months D'000	7- 12 months D'000	1- 5 Years D'000	Total D'000
Financial Liabilities					
Deposits from banks	**192,050**	**-**	**-**	**-**	**192,050**
Deposit from customers	**262,354**	**24,365**	**2,540,602**	**-**	**2,827,321**
Other Liabilities	**47,986**	**-**	**-**	**-**	**47,986**
Total Financial Liabilities	**502,390**	**24,365**	**2,540,602**		**3,067,357**

31. December 2021

	1 - 3 months D'000	4 - 6 months D'000	7 -12 months D'000	1 -5 Years D'000	Total D'000
Financial Liabilities					
Deposits from banks	197,140	-			197,140
Deposit from customers	1,718,885	483,189	356,856	-	2,558,930
Other Liabilities	35,484	-	-	-	35,484
Total Financial Liabilities	2,732,509	483,189	356,856	-	3,572,554

4.3 MARKET RISK

The bank may be exposed to market risk in a variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely, it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off balance sheet items. The objective of management of our market risk is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

4.3(a) Management of Market Risk

The bank separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios mainly are held by the corporate banking unit, and include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis. Bank Risk is responsible for the development of detailed risk management policies (subject to review and approval by ALCO) and for the day-to-day review of their implementation.

Table below summarizes the Bank's exposure to foreign currency exchange risk as at 31st December 2022 and 2021.

31 December 2022	USD D'000	GBP D'000	Euro D'000	Dalasi D'000	Total D'000
Financial assets					
Cash and cash equivalents	**551,949**	**19,701**	**113,983**	**243,840**	**929,473**
Investment	**-**	**-**	**-**	**2,312,201**	**2,312,201**
Loans and Advances	**-**	**-**	**-**	**165,847**	**165,847**
Other Assets	**-**	**-**	**-**	**24,753**	**24,753**
Total Assets	**551,949**	**19,701**	**113,983**	**2,746,641**	**3,432,274**
Financial Liabilities					
Deposit from banks	**192,050**				**192,050**
Deposit from customers	**337,723**	**13,551**	**93,091**	**2,382,956**	**2,827,567**
Other Liabilities	**-**	**-**	**-**	**47,986**	**44,064**
Total	**529,773**	**13,551**	**93,091**	**2,430,942**	**3,067,357**

31. December 2021	USD D'000	GBP D'000	Euro D'000	Dalasi D'000	Total D'000
Financial assets					
Cash and cash equivalents	9,780	8,125	6,839	1,797,241	1,821,985
Investment	-	-	-	1,854,163	1,854,163
Loans and Advances	-	-	-	132,902	132,902
Other Assets	-	-	-	260,367	260,367
Total Assets	9,780	8,125	6,839	4,044,673	4,069,417
Financial Liabilities					
Deposit from banks	978,140			-	978,140
Deposit from customers	175,376	26,378	143,962	2,213,214	2,558,930
Other Liabilities	-	-	-	35,484	35,484
Total	1,153,516	26,378	143,962	2,248,698	3,572,554

4.3(b) Foreign Exchange Risk

The bank's exposure to foreign exchange risk is largely concentrated in US dollars. Movement in the exchange rate between the US dollar and the Gambian Dalasi affects reported earnings through revaluation gain or loss and the statement of financial position through an increase or decrease in the revalue amounts of financial assets and liabilities denominated in US dollars.

4.3(c) Interest Rate Risk

The table below summarizes the Bank's interest rate gap position on non-trading portfolios:

31. December 2022	Carrying amount D'000	Variable interest D'000	Fixed interest D'000	Non-interest Bearing D'000
Financial assets				
Cash and cash equivalents	**929,473**	**-**	**336,161**	**593,312**
Loans and Advances	**165,847**		**165,847**	**-**
Investments	**2,312,201**	**-**	**2,312,201**	**-**
Other Assets	**231,913**	**-**	**-**	**231,913**
TOTAL	**3,639,434**	**-**	**2,814,209**	**825,225**
Financial Liabilities				
Deposits from banks	**192,050**		**192,050**	
Deposit from customers	**2,827,321**	**-**	**1,929,578**	**897,743**
Other liabilities	**47,986**	**-**	**-**	**47,986**
TOTAL	**3,067,357**	**-**	**2,121,628**	**945,729**

31. December 2021	Carrying amount D'000	Variable interest D'000	Fixed interest D'000	Non-interest Bearing D'000
Financial assets				
Cash and cash equivalents	1,821,985	-	1,084,834	737,151
Loans and Advances	132,902		132,902	-
Investments	1,854,163	-	1,854,163	-
Other Assets	260,367	-	-	260,367
TOTAL	4,069,417	-	3,071,899	997,518
Financial Liabilities				
Deposits from banks	978,140		978,140	
Deposit from customers	2,558,930	-	1,590,758	968,172
Other liabilities	35,484	-	-	35,484
TOTAL	3,572,554	-	2,568,898	1,003,656

The Bank retains the right to vary all interest in Loans and Advances when there is a significant change in the rediscount rates. All contracted loans are structured with such provision.

Total interest re-pricing gap

The re-pricing gap details each time the interest rates are expected to be re-contracted:

- For a fixed rate instrument, it is on maturity
- For variable rates linked to prime, it is the date prime is next expected to change unless the instrument is expected to mature sooner
- For non-interest bearing items it is not included in the table.

31st December 2022

	1 - 3 Months D'000	4 - 6 months D'000	7 - 12 months D'000	1 - 5 years D'000	Non-Interest Bearing D'000	Total Rate Sensitive D'000
Financial assets						
Cash and cash equivalents	**593,312**	**-**	**-**	**-**	**336,161**	**929,473**
Investments			**1,179,410**	**1,132,791**	**-**	**2,312,201**
Loans and Advances	**103,000**	**-**		**62,847**	**-**	**165,847**
Other Assets	**231,913**	**-**		**-**	**-**	**231,913**
Total Assets	**928,225**	**-**	**1,179,410**	**1,195,638**	**336,161**	**3,639,434**
Deposit from banks	**192,050**	**-**	**-**		**-**	**192,050**
Deposit from customers	**811,202**	**-**	**535,638**	**395,585**	**1,084,896**	**2,827,321**
Other liabilities	**47,986**		**-**	**-**	**-**	**47,986**
Total	**1,051,238**	**-**	**535,638**	**395,585**	**1,084,896**	**3,067,357**

31st December 2021

	1 to 3 Months D'000	4 to 6 months D'000	7 to 12 months D'000	1 to 5 years D'000	Non-Interest Bearing D'000	Total Rate Sensitive D'000
Financial assets						
Cash and cash equivalents	1,084,834	-	-	-	737,151	1,821,985
Investments		-	951,638	902,525	-	1,854,163
Loans and Advances	97,570	-	-	35,332	-	132,902
Other Assets	260,367	-	-	-	-	260,367
Total Assets	1,442,771	-	951,638	937,857	737,151	4,069,417
Deposit from banks	978,140	-	-		-	978,140
Deposit from customers	731,992	-	483,189	356,850	986,899	2,558,930
Other liabilities	35,484	-	-	-	-	35,484
Total	1,745,616	-	483,189	356,850	986,899	3,572,554

The above favourable and unfavourable changes are calculated independently from each other. Correlations and diversification effects are not taken into account.

4.3(d) Fair valuation methods and assumptions

- **Cash and balances with Central Bank**

Cash and balances with Central Bank represent cash held with Central Bank of the Gambia

- **Investment Securities**

This comprises investments in short-term and medium-term investments in Government securities such as treasury bills and bonds. Investment in securities are categorized as held to maturity assets and carried in the statement of financial position at amortized cost.

- **Loans and advances to customers**

Loans and advances are carried at amortized cost net of impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

- **Other assets**

Other assets represent monetary assets which usually have a short recycle period and as such the fair values of these balances approximate their carrying amounts.

- **Deposits from Banks and Customers**

The estimated fair value of deposits with no stated maturity, which includes non- interest bearing deposits are the amount repayable on demand. The estimated fair values of fixed interest-bearing deposits and borrowings would be determined using a discounted cash flow model based on a current yield curve appropriate to the remaining term to maturity.

4.4 OPERATIONAL RISK MANAGEMENT

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

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

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

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

The Operational risk framework should not merely be Basel-compliant; it should also provide the bank with mechanisms for improving overall risk culture and behaviour towards operational risk management. Understanding our risks should lead to better decision making and reflect in our performance. A robust operational risk management framework is made up of the following core components:

a) Corporate Governance - sets the precedence for Strategy, Structure and Execution.

b) Strategy drives the other components within the management framework and provides clear guidance on risk appetite or tolerance, policies, and processes for day-today risk management.

c) Appetite and Policy: Adopting an operational risk strategy aligned to risk appetite, leads to informed business and investment decisions.

d) Clear Definition & Communication of Policy - a strategic policy at the board level to focus on managing risk all levels and conscious efforts is made to ensure that these policies are communicated at all levels and across entire value chain.

e) Periodic Evaluations Based on Internal & External Changes: reviews the strategic policies inside out periodically evaluating the ORM performance goals in the light of internal and external factors.

4.4(a) CAPITAL MANAGEMENT

Inadequate planning of capital and funding needs is an obstacle to implementing strategic decisions and can have a disruptive effect on the Bank's operations and its ability to meet strategic goals and objectives. As such, the Bank views planning and capital management as a crucial element of the strategic planning process. The Bank's objectives when managing capital are;

a. To comply with the capital requirements set by the regulators of the banking industry

b. To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefit for other stakeholders and

c. To maintain a strong capital base to support the development of business

The bank's monitors its capital by determining the Capital Adequacy ratio weekly. Capital Adequacy is determined based on the guidelines developed by Central Bank of the Gambia which was developed on the Basel accord. Banks are required to file with the Central Bank the Capital Adequacy ratio at the end of each quarter. As at the reporting date, Central Bank required Banks to maintain regulatory minimum capital of D200m and a ratio of total regulatory capital to the risk-weighted asset and off-balance sheet assets at or above 10%.

The Bank's regulatory capital is managed by Financial Control unit and capital is classified along Tier 1 and Tier 2.

Tier 1 Capital which includes ordinary share capital, share premium, retained earnings, reserves created by appropriations of related earnings and reserves arising from deposit for shares made by shareholders.

Tier 2 Capital which includes fair value reserve relating to unrealized gains on equity instruments classified as available-for-sale and revaluation reserves on property and equipment. As at the reporting date, the Bank has no Tier 2 capital.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of – and reflecting an estimate of credit, market and other risks associated with each asset and counterparty.

A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses. The Central Bank provides guidance on the measurement.

The Bank complied with all regulatory capital requirement with the period contained in this financial statement.

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

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

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

The bank and its individually regulated operations have complied with all externally imposed capital requirements throughout the period.

The table below summarizes the composition of regulatory capital and the ratios of the Bank for the 2022 and 2021.

	31-Dec D'000	**31-Dec D'000**
Tier 1		
Share Capital	586,812	586,812
Share Premium	628,943	628,943
Income Surplus	(732,750)	(784,177)
Statutory Reserves	80,867	63,670
Other Reserves	-	-
Total Tier 1 capital	563,872	495,248
Total regulatory capital	563,872	495,248
Risk- Weighted Assets	546,029	790,913
Capital Ratios		
Total regulatory capital expressed as a percentage of risk weighted assets	103%	63%
Total Tier 1 Capital expressed as a % of Risk Weighted assets	103%	63%
Minimum required by Central Bank	200,000	200,000

WEIGHTED RISK ASSETS BREAKDOWN AS AT 31ST DECEMBER 2022

DENOMINATOR COMPONENTS	AS REPORTED GMD'000	RISK %	WEIGHTED BALANCE GMD'000
Cash and cash equivalents	737,427	0	0
Gambia Government Securities	2,312,201	0	0
Money market placements	192,046	40	76,818
Loan and Advances	165,847	100	165,847
Other Asset	24,753	100	24,753
Property and equipment	132,667	100	132,667
Intangible assets	25,628	100	25,628
Deferred tax assets	-	100	-
Contingent	32,219	100	32,219
SUBTOTAL	**3,622,788**		**457,932**
Documentary letters of credit	-	40	
Other letters of credit	-	75	
Gurantees and acceptances	4,843	100	4,842.62
Undisbursed funds on overdrafts\	-	40	
Other firm commitments(Third Party Treasury Bills)	23,130	40	9,252
			14,095
SUBTOTAL - OFF - BALANCE SHEET	27,973		
TOTAL RISK WEIGHTED ASSETS			**472,027**

4.4(b) Capital allocation

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

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the bank to particular operations or activities, it is not the sole basis used

for decision making. Consideration also is made of synergies with other operations and activities, the availability of management and other resources, and the capability of the activity with the bank's longer term strategic objectives. The bank's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

Use of estimates and judgments

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

These disclosures supplement the commentary on financial risk management (see note 4).

5. Key sources of estimation uncertainty

5.1 Allowances for credit losses

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

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

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

5.2 Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3(i)(v). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

5.3 Critical accounting judgements in applying the bank's accounting policies

Critical accounting judgements made in applying the Bank's accounting policies include:

Financial asset and liability classification

The bank's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

- In classifying financial assets or liabilities as "trading", the Bank has determined that it meets the description of trading assets and liabilities set out in accounting policy 3(k).
- In designating financial assets or liabilities at fair value through profit or loss, the bank has determined that it has met one of the criteria for this designation set out in accounting policy 3(i) (vii).

Details of the bank's classification of financial assets and liabilities are given in note 4.3.

5.4 Going concern

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

5.5 Effective Interest Rate (EIR) method

The Bank's EIR method, as explained in Note 3.14, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and deposits and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgment regarding the expected behaviour and life-cycle of the instruments, as well expected changes to Goodland's base rate and other fee income/expense that are integral parts of the instrument.

5.6 Deferred tax assets

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the tax losses can be utilised. Although in Goodland tax losses can be utilised indefinitely, judgment is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax-planning strategies (see Note 3.18.2).

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

The Bank determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Bank has several lease contracts that include extension and termination options. The Bank applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Bank reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

5.8 Estimating the incremental borrowing rate

The Bank cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Bank would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic

environment. The IBR therefore reflects what the Bank 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).The Bank estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments (such as the subsidiary's stand-alone credit rating, or to reflect the terms and conditions of the lease).

6. Operating segments

Segment information is presented in respect of the bank's business segments. The primary format, business segments, is based on the bank's management and internal reporting structure.

Business segments pay and receive interest to and from the Central Treasury on an arm's length basis to reflect the allocation of capital and funding costs.

Segment capital expenditure is the total cost incurred during the period to acquire property and equipment, and intangible assets other than goodwill.

6.1 Business segments

The bank comprises the following main business segments:

- Retail Banking - Provides banking services to our retail customers, including High Network Individuals (HNIs)
- Corporate Banking - Provides financing and investment solutions to our corporate and institutional clients.
- Commercial Banking - Provides banking services to small and Medium seize Enterprises.
- Public Sector - Provides banking services to government institutions, Multinational and Non-Governmental Organisations (NGOs)
- Treasury - Provides the bank's foreign exchange services to all customers of all the business segments.

Business segments 2022

In thousands of local currency	Commercial Banking	Public Sector	Corporate Banking	Treasury	Retail Banking	Total
Revenue:						
Derived from external customers	**37,442**	**22,856**	**45,258**	**50,905**	**39,390**	**195,850**
Interest expenses	**(13,651)**	**(8,737)**	**(19,385)**	**(7,666)**	**(10,876)**	**(60,315)**
Net interest income	23,791	14,119	25,873	43,239	28,514	135,535
Impairment write off on Financial Assets	-	-	(401)	-	(1,202)	(1,602)
Recoveries	-	-	20,516	-	-	20,516
Non-Interest Income	15,453	6,424	21,596	37,090	30,297	110,860
Total Expenses	(33,771)	(30,518)	(34,509)	(31,865)	(37,378)	(168,040)
Profit on Ordinary Activity	**5,473**	**(9,975)**	**33,075**	**48,464**	**20,231**	**97,269**
Other segment information:						
Assets and liabilities:						
Tangible segment assets	590,675	365,471	833,095	676,421	1,175,061	3,640,723
Total assets	**590,675**	**365,471**	**833,095**	**676,421**	**1,175,061**	**3,640,723**
Segment Dep. Liabilities	426,703	595,955	735,273	-	1,069,391	2,827,322
Other Liabilities & interbank takings	1,940	2,077	2,529	232,713	2,894	242,153
Net assets	**162,032**	**(232,561)**	**95,293**	**443,708**	**127,776**	**571,248**

Business segments 2021

In thousands of local currency	Commercial Banking	Public Sector	Corporate Banking	Treasury	Retail Banking	Total
Revenue:						
Derived from external customers	39,477	16,939	34,737	81,511	24,925	197,589
Interest expenses	(12,435)	(11,247)	(2,021)	(57,727)	(2,259)	(85,688)
Net interest income	27,042	5, 692	32,716	23,784	22,666	111,900
Impairment write back on Financial Assets	-	-	-	-	854	854
Recoveries	-	-	-		963	963
Non-Interest Income	5,063	3,372	7,087	14,118	15,695	45,334
Total Expenses	(18,895)	(26,265)	(24,998)	(17,375)	(35,908)	(123,441)
Profit on Ordinary Activity	13,210	(17,201)	14,805	20,528	4,270	35,611
Other segment information:						
Assets and liabilities:						
Tangible segment assets	691,063	406,917	894,170	1,254,162	827,297	4,073,609
Total assets	691,063	406,917	894,170	1,254,162	827,297	4,073,609
Segment Dep. Liabilities	545,677	584,196	711,488	-	717,569	2,558,930
Other Liabilities & interbank takings	8,153	8,728	10,630	978,140	12,165	1,017,815
Net assets	137,233	(186,007)	172,592	276,022	97,563	496,864

7. Major Breakdowns to the financial statement

7.1 Interest income

In Thousands of D	2022	2021
Interest on loans	28,788	81,731
Interest on T/Bill, Bond and Placement	167,062	115,858
Total Interest Income	**195,850**	197,589

Interest on Placement

The interest income of GMD37.26 million on placement relates to placement with Access Bank PLC from the takings.

7.2 Interest Expense

In Thousands of D	2022	2021
Interest expense- Current Account	10	342
Interest expense- Savings	1,781	5,127
Interest expense- Fixed deposit	32,843	44,255
Interest expense-IB/DH Takings-Cal	25,681	35,964
Total Interest Expense	**60,315**	85,688

Other Interest Expense D25,681 million:

This relates to interest paid on takings of USD2.5 million from Mega Bank Gambia Limited and Access Bank Rwanda which is placed with Access Bank PLC.

7.3 Net fee and commission income

In Thousands of D	2022	2021
Fees, commission and other income		
Commission on Turnover	**9,038**	5,992
Commission on Money transfers	**1,619**	2,335
Maintenance Fees	*3,478*	4,375
e-business Income	**11,340**	4,510
Facility fees	**3,412**	568
Other commission (7.3 A)	**19,934**	13,473
Total Income	**48,821**	31,253
Corresponding Bank Charges	**(1,262)**	(912)
CBG Licensing fees	**-**	(45)
Clearing and Transfer Charges	**(198)**	(1,615)
Toral Expenses	**(1,460)**	(2,572)
Total Net Fees and Commissions Income	**47,361**	28,681

7.3 (A) Other Commission

In Thousands of D	2022	2021
Telex Recovery	**3,002**	2,818
Commission on funds transfers	**12,318**	7,027
Other commissions	**1,143**	905
Commission on cheque books	**467**	375
Search & legal fees	**79**	38
Comm. on inward (export) lc	**0**	44
Commission on bonds & guarantees	**7**	1
Others	**2,918**	2,265
Total	**19,934**	14,473

E-business Income:

This is income derived from our online Banking Platforms; Mobile App and USSD, Cards.

7.4 Net trading income

In Thousands of D	2022	2021
FX Gain -Western Union	**26**	-
Revaluation Gain/(Loss)	**-222**	(4,452)
Foreign exchange trading income	**59,525**	19,070
Total Net Trading Income	**59,330**	14,618

7.5 Other operating income

In Thousands of D	2022	2021
Rent Received	**250**	100
Gain on disposal of property and equipment	**342**	-
Cash management overage	**-**	-
Other Income 7.5 (A)	**3,577**	1936
Total other operating income	**4,169**	2,036

Rent received represents the income realized from the sublet of the unused office space of our leasehold property at Brusubi Branch to subtenants.

7.5 (A) Other income

In Thousands of D	2022	2021
Other Income 7.5 (A1)	**2,584**	1106
VAT Allowance	**993**	829
Total	**3,577**	1,936

The VAT allowance amounting to D0.993 million relates to 20% of Withholding Tax collected on behalf GRA in 2022 that the bank retained.

7.6 Personnel expenses

In Thousands of D	2022	2021
Staff Wages and Salaries	**9,858**	8,506
Staff Allowances	**34,637**	28,588
Staff Medical Allowance	**3,772**	2,762
Staff expatriate allowance	**4,436**	2,096
Contribution to Social Security	**1,788**	1,154
Board expenses - directors fees	**1,806**	1,619
Total Employees Benefit	**56,295**	44,725

Staff Expatraite Allowance – this relates to relocation expenses of the former Head of Compliance.The other reason relates to excess provision made for expatriate allowance of D0.560 million as evidenced in Accruals for expatriate allowance (see note 7.21 (a1) – Accruals)

7.7 Income Tax

7.7(a) Income Tax Expense

In Thousands of D Current tax	2022	2021
Current income tax	**27,560**	10,041
Deferred tax transfer to current tax	**920**	1,445
Total tax charge	**28,480**	11,486

7.7(b) Income Tax (Asset)/Liability

In Thousands of D Current tax	2022	2021
Opening	**(4,192)**	1,828
Income tax charge	**27,560**	10,041
Tax Paid	**(23,739)**	(16,061)
Total tax charge	**371**	(4,192)

7.8 Administration and general expenses

In Thousands of D	2022	2021
Advertisement expenses	**124**	50
Branding expense	**730**	146
Business promotions	**2,378**	1,133
Sponsorship corporate	**534**	89
Charities & donations	**680**	18
Entertainment expenses	**140**	91
Year-end corporate gift	**120**	331
Year-end events	**286**	-
Local Training Expenses	**510**	698
Overseas training expenses	**1,148**	278
Trade group membership subscription	**466**	398
Local travels - lodging & passage	**296**	222
Foreign travels-lodging & passage	**10,148**	5,911
Guest house expenses - others	**6**	-
Computer stationery	**60**	-
Pre-printed stationery	**2,362**	1,394
Other stationery	**443**	758
Office provisions	**589**	257
Telephone expenses – office	**308**	750

Communication expenses	**2,324**	7,374
Software maintenance Contract	**12,607**	6,787
E-business & value card	**6,878**	3,143
Mail mgmt. services	**172**	165
Other IT consumables	**2,158**	1,329
Auditor Remuneration	**1,342**	137
Cash shipment services	**153**	532
Security expenses account	**2,839**	2,370
Insurance - motor vehicles	**375**	499
Insurance – operational	**1,238**	662
Insurance – fire, burglary etc.	**38**	-
Newspapers & periodicals	**12**	5
Consultancy fees	**685**	-
Legal fees & charges	**101**	264
Other expenses	**7,936**	2,049
Rates - LGA & others	**2,318**	1,827
Rents - office premises	**2,127**	470
Rents - residential premises	**2,620**	977
Rep. & maint. - generator diesel	**2,157**	927
Rep. & maint. – generator	**225**	127
Rep. & maint. - office Equip. & fitting	**1,801**	738
Rep. & maint. - office premises	**949**	757
Rep. & maint. - ATM machine	**363**	749
Rep. & maint - residential premi	**652**	534
Veh. Maint. - motor fuel & oil	**580**	1,436
Veh. Maint. - servicing & repair	**472**	386
Veh. Maint. - license & others	**23**	28
Utilities – electricity & water	**5,527**	3,916
Utilities – cleaning	**1,242**	1,169
CBG penalty	**-**	24
Uncapitalised asset expenses	**-**	70
Fraud and defalcations	**-**	313
Group office expense	**6,387**	1,948
Finance Cost on Lease	**1,975**	1,585
Total	**89,607**	55,821

Software maintenance Contract – the amount relates to Mobile banking and Support, FLEXCUBE AMC, ISO Recertification and VISA Payments of D0.164 million, D1.328 million, D0.625 million and D0.522 million respectively from other assets that relate to 2021. The 2022 software maintenance Contract was D9.969 million.

Other Expenses – the amount relates to migration difference and unreconciled T. Bills of D2.637 million and D1.885 million respectively which are expensed from other assets.

Uncapitalised asset expenses are capital asset which did not met the capitalization threshold as per the bank's Fixed assets policy

The Central Bank of the Gambia's penalty Charges relates to late submission of fit and proper test for new head of Unit.

7.9 Dividend per share

The Directors do not recommend the payment of dividend for the financial year 2022. (2021: Nil).

7.10 Earnings per share

Basic Earnings Per share

In Thousands of D	31-Dec-22	31-Dec-21
Basic earnings per share (butut)	**0.12**	0.04
Diluted earnings per share (butut)	**0.12**	0.04

The calculation of basic earnings per share at 31st December 2022 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	31-Dec-22	31-Dec-21
Profit for the year (D'000)	**68,789**	23,742
Number of shares	**586,811,668**	586,811,668

7.11 Cash and cash equivalents

In Thousands of D	2022	2021
Cash in hand	**78,428**	90,859
Unrestricted balances with Central Bank of The Gambia	**-**	122,952
Money Market Placement	**336,161**	1,084,834
Balances with Local Banks	**382**	355
Balances with Correspondent Banks	**311,322**	190,324
Balance as per statement of cash flow	**726,293**	1,489,325
Restricted balances with Central Bank of The Gambia	**203,180**	332,660
Total cash and cash equivalents	**929,473**	1,821,985

7.12 Loans and advances to customers

In Thousands of D	2022	2021
Loans and advances – Individuals	**47,057**	20,804
Loans and advances – Corporate	**113,601**	109,805
Loans and advances – Staff	**8,034**	3,536
Total – Gross	**168,692**	134,145
Impairment of financial assets	**(2,845)**	(1,243)
Total – Net	**165,847**	132,902

Dec-22

In thousands of Dalasi	Gross Amount	Total Impairment	Carrying Amount
Loans to individuals	**55,091**	**(2,144)**	**52,947**
Loans to Non-individuals	**113,601**	**(701)**	**112,900**
Total	**168,692**	**(2,845)**	**165,847**

Dec-21

In thousands of Dalasi	Gross Amount	Total Impairment	Carrying Amount
Loans to individuals	24,340	(121)	24,219
Loans to Non-individuals	109,805	(1,122)	108,683
Total	134,145	(1,243)	132,902

Gross loans:

In thousands of Dalasi	Dec-22	Dec-21
Loans to non-individuals:		
Overdraft	**102,410**	96,952
Loans	**11,191**	12,853
Total	**113,601**	109,805

In thousands of Dalasi	Dec-22	Dec-21
Loans to individuals:		
Overdraft	**587**	618
Loans	**54,504**	23,722
Total	**55,091**	24,340

7.13 Impairment

7.13(a) Impairment Charge for the Year

Impairment write back/(charge) for the year	**(1,602)**	854
Loan Recoveries	**20,516**	963
Total	**18,914**	1,817

The list of the recoveries during the year is as below:

RECOVERIES FROM JAN-DEC 2022	**D'000**
BABOUCARR SAWANEH	89
SAMCAD	18
SEAVIEW RELATED ACCOUNTS & OCEAN PROPERTIES GROUP	20,409
TOTAL	**20,516**

All recoveries are actual cash received in 2022 7.13(b)Closing Impairment

In thousands of Dalasi	**Dec-2022 Total Impairment**	**Dec- 2021 Total Impairment**
Balance at 1 January	**1,243**	2,073
(Writeback)/Charge for the year	**1,602**	(830)
Balance, end of period	**2,845**	1,243

7.13(c) Impairment Staging

In thousands of Dalasi	**Dec-2022**	**Dec- 2021**
Stage 1	**858**	1,121
Stage 2	**-**	-
Stage 3	**1,987**	121
Balance end of period	**2,845**	1,243

Loans classified as stage 1 in 2021 as been reclassified as stage 3 in 2022 due to their under performing nature.

7.14(a) Investment

In Thousands of D	**2022**	**2021**
Government of The Gambia Treasury bills	**1,179,410**	834,997
Government Bond	**1,062,805**	902,525
Parastatals Debt	**69,986**	116,640
Total investment	**2,312,201**	1,854,162

7.14(b) Parastatals Debt

Parastatal's debt comprises 69.986 million (2021: D112 million) for Access Bank Gambia Access Bank Plc zero (2021 : D4.6 million 2021)..

7.15 (a) Property, plant and equipment

In thousands of GMD	Leasehold Improvement and Buildings	Computer Hardware	Furniture and Fittings	Plant Machinery	Motor Vehicles	WIP	Total
Cost							
Balance at 1 Jan-22	**149,255**	**34,164**	**8,694**	**30,180**	**42,221**	**11,444**	**275,958**
Additions	**5,750**	**3,194**	**341**	**1,352**	**13,256**	**7,547**	**31,440**
Disposal	**(1,352)**		**(34)**	**-**	**(8,642)**	**-**	**(10,028)**
Transfer							
Write-Offs							
Balance at 31 Dec-22	**153,653**	**37,358**	**9,001**	**31,532**	**46,835**	**18,991**	**297,370**
Depreciation:							
Balance Jan-22	**(70,745)**	**(30,981)**	**(5,764)**	**(19,980)**	**(23,595)**	**-**	**(151,065)**
Depreciation charge for the year	**(4,734)**	**(1,944)**	**(466)**	**(2,356)**	**(6,259)**	**-**	**(15,759)**
Disposal	**1,352**	**-**	**34**	**-**	**8,642**	**-**	**10,028**
Adjustment	**928**	**1,832**	**445**	**3,627**	**(408)**	**(14,330)**	**(7,906)**
Transfer							
Balance at 31 Dec-22	**(73,199)**	**(31,093)**	**(5,751)**	**(18,709)**	**(21,620)**	**(14,330)**	**(164,702)**
Net book value At 31 Dec-22	**80,454**	**6,265**	**3,250**	**12,823**	**25,215**	**4,661**	**132,668**

In thousands of GMD	Leasehold Improvement and Buildings	Computer Hardware	Furniture and Fittings	Plant Machinery	Motor Vehicles	WIP	Total
Cost:							
Balance at 1Jan-21	147,387	31,553	6,726	24,459	29,630	9,171	248,926
Additions	1,868	2,611	1,635	3,008	12,591	5,319	27,032
Disposal	-	-	-	-	-	-	-
Transfer	-	-	333	2,713	-	(3,046)	-
Balance at 31 Dec-21	149,255	34,164	8,694	30,180	42,221	11,444	275,958
Depreciation:							
Balance at 1 Jan-21	(68,148)	(30,453)	(5,117)	(18,083)	(21,602)	-	(143,403)
Depreciation charge for the year	(2,797)	(5,378)	(383)	(1,897)	(5,583)	-	(16,038)
Disposal					-		-
Adjustment	200	4,850	(268)		3,590		8,376
Balance at 31 Dec-21	(70,745)	(30,981)	(5,764)	(19,980)	(23,595)	-	(151,065)
Net book value At 31 Dec-21	78,510	3,183	2,930	10,200	18,626	11,444	124,893

7.15 (b) Right of use assets

In Thousands of D Cost	2022 D'000	2021 D'000
Balance at 1 January	**50,714**	31,457
Additions	**16,580**	19,257
Derecognition	**(2,357)**	
Balance at 31 December	**64,937**	50,714
Depreciation		
Balance at 1 January	**(12,782)**	(7,678)
Depreciation charge for the year	**(5,649)**	(5,104)
Derecognition	**2,357**	
Balance at 31 December	**(16,074)**	(12,782)
Net book value At 31 December	**48,863**	37,932

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

7.16 Intangible assets

In thousands of GMD Cost	2022 D'000	2021 D'000
Balance at 1 January	**47,300**	37,563
Additions	**15,400**	9,737
Transfer		
Balance at 31 December	**62,700**	47,300
Amortisation		
Balance at 1 January	**(28,448)**	(26,310)
Amortisation charge for the year	**(728)**	(2,139)
Adjustment	**(7,896)**	
Balance at 31 December	**(37,072)**	(28,448)
Net book value At 31 December	**25,628**	18,851

7.17 Deferred tax

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2022 Assets D'000	Liabilities D'000	Net D'000	2021 Assets D'000	Liabilities D'000	Net D'000
Property and equipment and software		**(6,794)**	**(6,794)**	-	(5,874)	(5,874)
Allowances for loan losses				-	-	-
Net tax assets (liabilities)		**(6,794)**	**(6,794)**	-	(5,874)	(5,874)

Movements during the year

	Opening balance D'000	Recognised in profit or loss D'000	Recognized in equity D'000	Closing balance D'000
2022				
Property and equipment, and software	**5,874**	**920**		**6,794**
Allowances for loan losses				
Closing Balance	**5,874**	**920**		**6,794**
2021				
Property and equipment, and software	4,429	1,445	-5,874	
Allowances for loan losses	-	-	-	-
Closing Balance	4,429	1,445	-	5,874

7.18 (a) Other assets

In Thousands of D	2022	2021
Receivable on e-channels 7.18(a)	**1,620**	649
Other Receivables 7.18(b)	**9,547**	65,100
Inventory	**2,086**	1,565
Pre-paid technology	**1,718**	805
Rent Prepaid	**2,720**	3,022
Pre-paid interest-CP & BA Sold	**(292)**	161
Pre-paid Insurance	**2,542**	2,456
Other Prepayment 7.18 (c)	**4,812**	4,934
Total other assets	**24,753**	78,692

CP & BA – Certificate of Deposit and Banker's Acceptance

7.18(b) Other Receivable

In Thousands of D	2022	2021
A/C Receivable – Staff Advance	**118**	113
A/C Receivable – Fx shipment	**1**	60,577
Other Receivables-Others	**9,428**	4,410
Total	**9,547**	65,100

Other Receivables – Others relates to interbranch receivable and Gamswitch interbank Receivables of D4.87 million and D4.094 million.

In Thousands of D	2022	2021
Prepaid Expenses- Rate	**307**	136
Other Prepaid Expenses	**3,045**	3,673
Housing Prepaid	**0**	153
Prepaid CRB Maintenance	**28**	90
Education Prepaid	**-**	32
Prepaid Communication	**1,432**	613
Prepaid Expatriate Expenses	**-**	237
Total	**4,812**	4,934

7.19 Deposits from Customers

In Thousands of D	2022	2021
Current accounts	**1,295,880**	986,733
Savings accounts	**745,808**	731,992
Fixed deposit	**785,633**	840,205
Total deposits from customers	**2,827,321**	2,558,930

7.20 (a) Other Liabilities

In Thousands of D	2022	2021
E-banking Payables	**74**	578
Accruals and deferred income (Note 7.2 a 1)	**2,320**	1,858
Deposits for Property Purchase	**3,796**	8,658
Other creditors	**3,078**	349
Due to Group (Note 7.2 a 2)	**4,921**	5,563
Other financial liability	**10,044**	2,717
Total	**24,233**	19,723

7.21 (a1) Accruals

In Thousands of D	2022	2021
Accrued Audit Fees	**461**	366
Accrued Board expenses	**-**	251
Accrued Electricity expenses	**211**	280
Accrued Telephone expense	**70**	70
Accrued Fringe benefit tax	**-**	132
Accrued Security support	**248**	100
Accrued Other administration and branch expenses	**363**	319
Accrued E-business & value Card	**72**	94
Accrued HR Expenses	**-**	246
Accrued Expatraite Expenses	**560**	-
Accrued Appraisal Bonus	**180**	-
Accrued Branch Expenses	**34**	-
Loan loss Pool	**121**	
Total	**2,320**	1,858

The **Loan Loss Pool** is an accrued income charged on Instant Business Loan customers as security at the time of booking the facility. If the customer did not default the money is transferred as an income.

7.20 (a 2) Due to Group

In Thousands of D	2022	2021
Dividend Payables	**4,921**	4,921
Accounts Payable Access Bank Plc	**0**	642
Total	**4,921**	5,563

7.20 (b) Lease Liability

In Thousands of D	2022	2021
Lease Liability	**23,753**	14,078
Total	**23,753**	14,078

7.21 Share Capital and Reserves

7.21(a) Ordinary Share capital

	2022	2021
On issue at 1 January	**586,812**	586,812
Addition in shares	**-**	-
	586,812	586,812

At 31st December 2022 the authorised share capital comprised of 1 billion ordinary shares same as 2021; all of these shares have a par value of D1. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Bank.

7.21(b) Share Premium

	2022	2021
On issue at 1 January	**628,943**	628,943
Addition Premium on new shares issued	**-**	-
	628,943	628,943

7.21 (c) Statutory Reserves

The Central Bank Gambia required that 25% of the Bank's annual profit be transferred to Statutory Reserves. As at 31st December 2022, 25% of GMD61.228 million annual profit (GMD 15.307million) is transferred to statutory reserves.

7.21 (d) Credit Risk Reserves

The Central Bank of The Gambia required that provisions for loans recognized in the profit and loss account based on the requirements of IFRS are compared with provisions determined under prudential guidelines and the expected impact/ changes in general reserve should be treated as follows:

	2022	2021
Total impairment based on Prudential Guidelines	**3,010**	1,006
Loan impairment per IFRS (Note 7.12)	**(2,845)**	(1,243)
Transfer (from)/to credit risk reserve from retained earnings	**(165)**	(237)
Opening CRR	**1,616**	1,853
Movement to CRR	**165**	(237)
Balance as per credit risk reserve	**1,781**	1,616

7.,21 (e) Contingent and Off-balance sheet

The following are shown off the company's balance sheet and relate to items, which may result in ultimate liabilities to the bank in subsequent accounting periods.

In Thousands of D	31-Dec-22	31-Dec-21
	D'000	D'000
Guarantees	32,219	1,641
Primary dealership	23,130	17,050
Total off balance sheet balances	**55,349**	18,691

Nature of contingent liabilities:

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

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

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

7.23 Litigation

Liabilities in respect of pending litigation totalled D14.4million. (2021: D11.4 million). All cases are yet to be decided by court of Law.

ALAGIE Y FAAL VS ACCESS BANK (G) LTD

The total exposure of the claim against Access Bank is D7.5 million. The likelihood of the outcome is probable that the verdict will go infavour of Access Bank.

PAUL MAROUN VS ACCESS BANK GAMBIA AND HATIB S. JANNEH

The total exposure of the claim against Access Bank is D3.958 million. The likelihood of the outcome is probable that the verdict will go infavour of Access Bank.

YUSUPHA SAMUEL NJIE Vs ACCESS BANK GAMBIA LTD

The total exposure of the claim against Access Bank is D2.5 million. The likelihood of the outcome is probable that the verdict will go infavour of Access Bank.

NURU HASSAN JOBE VS ACCESS BANK GAMBIA

The total exposure of the claim against Access Bank is D0.425 million. The likelihood of the outcome is probable that the verdict will go infavour of Access Bank

7.24 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates, joint ventures as well as key management personnel. Below are the transactions between the Bank and other subsidiaries in the Group during 2021. All transactions were carried out at arm's length.

	Balances held withmother Banks	Placement	Takings
Currencies	**GBP**	**USD**	**USD**
2022	**'000**	**'000**	**'000**
Access Bank PLC.	**-**	**5,500**	
Access Bank Rwanda			**1,000**

7.24(a) Loans and advances granted to related parties

Transactions with key management personnel

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

	2022 Maximum Balance D'000	2022 Closing Balance D'000	2021 Maximum Balance D'000	2021 Closing Balance D'000
Mortgage lending and other secured loans				
Other Loans (staff loans)	**7,959**	**7,959**	3,536	3,536
Total	**7,959**	**7,959**	3,536	3,536

Interest rates charged on balances outstanding are about a quarter of the rates that would be charged in an arm's length transaction. The mortgages and secured loans granted are secured over property of the respective borrowers. Other balances are not secured, and no guarantees have been obtained.

No impairment losses have been recorded against balances outstanding during the period with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at the year end.

In addition to their salaries, the bank also provides non-cash benefits to employees, and contributes to a defined contribution plan (provident fund) on their behalf.

7.24(b) Loans and advances to employees

	2022	2021
Loans advanced during the year	**7,959**	3,536
Balance at 31 December	**7,959**	3,536

Interest earned on staff loans during the year amounted to D267,842 [2020: D192,010].

7.24(c) Loans and advances to directors and their associates

There are no loans and advances to any of the directors and their associates during the year under review.

All the transactions with the related parties with the exception of employees are priced on arm's length basis and have been entered into in the normal course of business.

The short term benefits paid to Management staff is the total salaries and allowances. In addition to their salaries, the bank also provides non-cash benefits to employees, and contributes to a defined contribution plan (provident fund) on their behalf. The Director's short-term benefits relate to Directors fees.

The Bank has Seven Directors (Including two executives) as at 31st December 2022 and same in 2021. They received short term benefits on a quarterly and annual basis as follows:

	2022 No of Directors	**2021 No of Directors**
Executives		
D0-D150,000	**2**	2
D150,000 +		
Non- Executives		
D0-D150000	**5**	4
D150,000 +	-	

The total number of staff employed by the Bank during the year (excluding directors) is as follows:

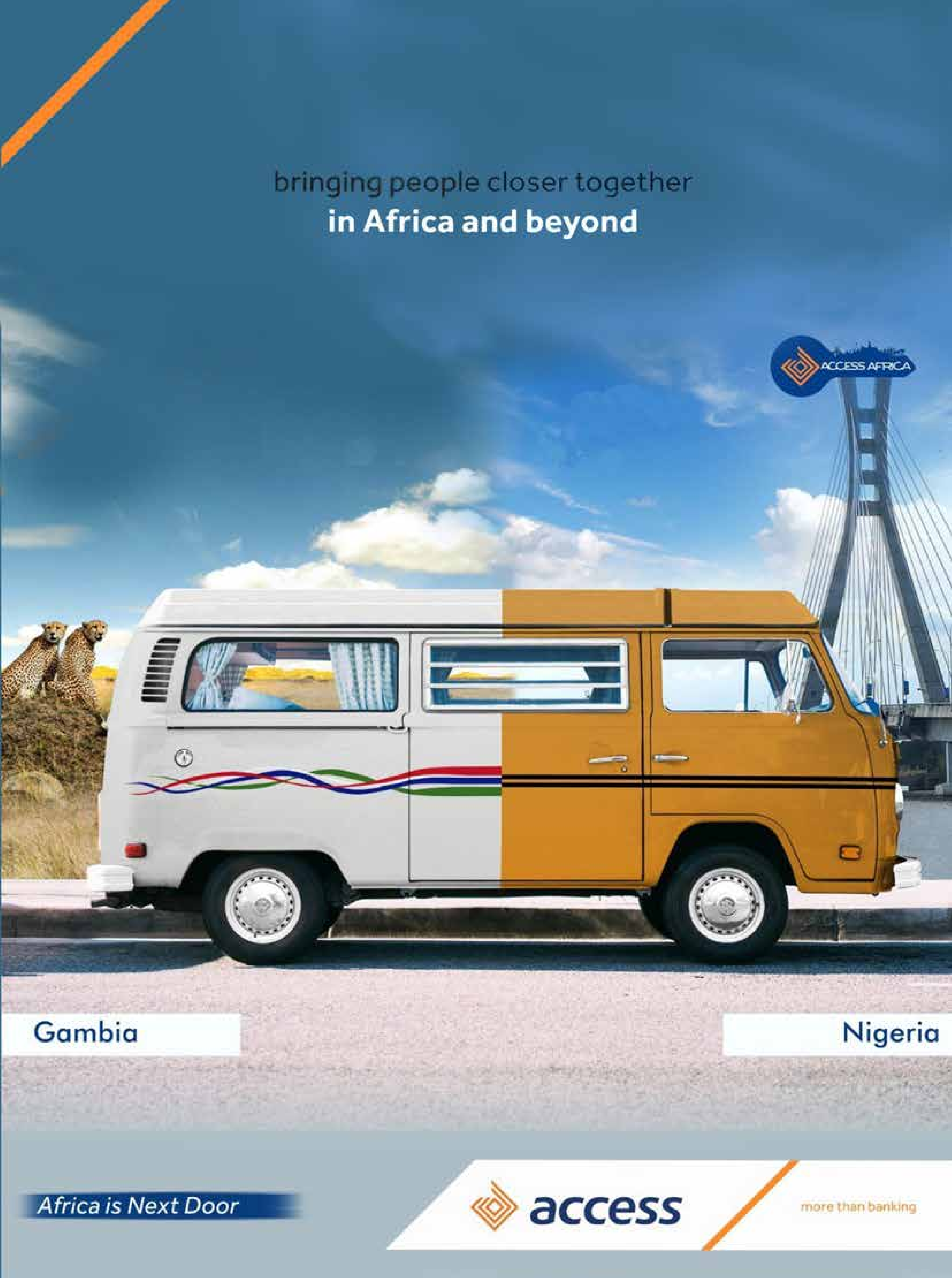
	2022	**2021**
Management	**14**	10
General Staff	**154**	139
Total number of staff	**168**	149

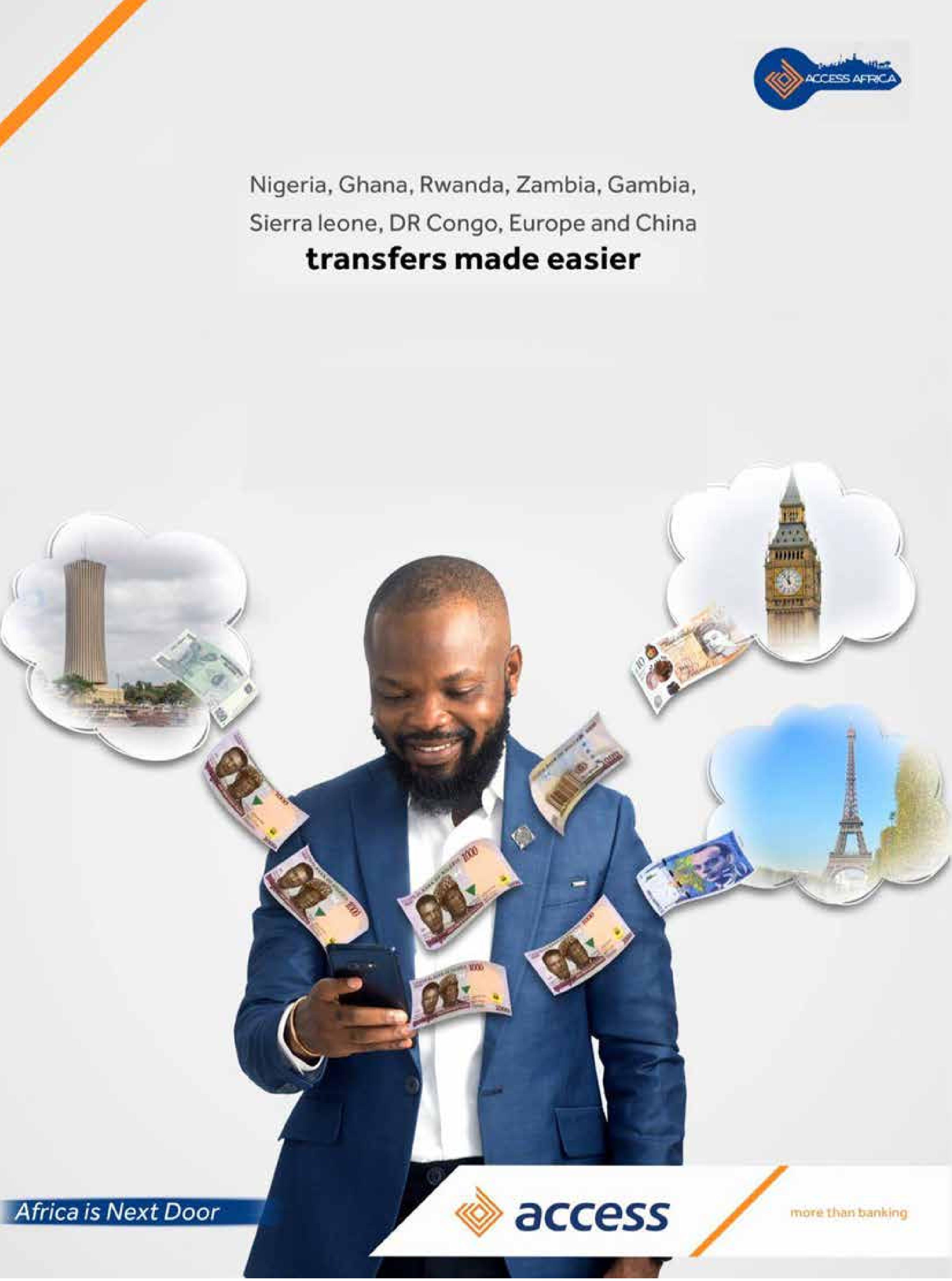
7.24(d) Compensation to the Management Staff is as follows:

	2022	**2021**
Salaries	**9,805**	8,505
Allowances	**29,305**	26,750
Total	**39,110**	35,255

7.25 Subsequent events

There were no material events after the balance sheet date that has significant effect on these financial statements.


bringing people closer together
in Africa and beyond
ACCESS AFRICA
Gambia
Nigeria
Africa is Next Door
access
more than banking


ACCESS AFRICA
Nigeria, Ghana, Rwanda, Zambia, Gambia,
Sierra leone, DR Congo, Europe and China
transfers made easier
Africa is Next Door
access
more than banking

Supplementary Information


Age
80 or older
150
120
90
60
30
0
62
40
30
Less than 5,000

Appendix I: Shareholding Structure

The shareholders who held shares in the bank as at 31st December 2022 are as follows:

S/N	NAME	% HOLDINGS	No. of SHARES
1	Access Bank PLC	88.40	518,713,509
2	Pa Alassan Jagne	2.69	15,772,727
3	Dr. Uriel Able-Thomas	0.20	1,200,000
4	Dr. Adama Sallah	0.17	1,000,000
5	Mr Hatib Janneh	0.09	500,000
6	J. Enterprise	0.09	500,000
7	Mr Doudou S.Mbaye	0.17	990,000
8	Mrs. Ramou Sarge	0.05	300,000
9	Mr Abu Dandeh Njie	0.04	250,000
10	Mr Tigan Mbaye	0.03	200,000
11	Mr Maba J.O.Jobe	0.04	227,272
12	Mrs.Aminata M.M.Jallow	0.02	100,000
13	Mrs Joanna Mbaye	0.01	30,000
14	Gambia Electrical Company Limited	0.15	909,090
15	Alieu B.S.Secka	0.01	50,000
16	Dr. Muminatou Jallow-Mbaye	0.01	30,000
17	Mr Freddie Blell	0.13	750,000
18	Mr David Silverstone	0.01	50,000
19	Maria C Hobeika Jnr	0.02	100,000
20	Edmond C. Hobeika	0.03	200,000
21	Roy C. Hobeika	0.03	200,000
22	Mohammed Sillah	0.05	300,000
23	IBETO Petrochemical Industries Limited	7.57	44,439,070
Total		**100%**	**586,811,668**

This statement represents the distribution of the wealth created through the use of Bank's assets and on its own and its employee's efforts.

Value Added Statements

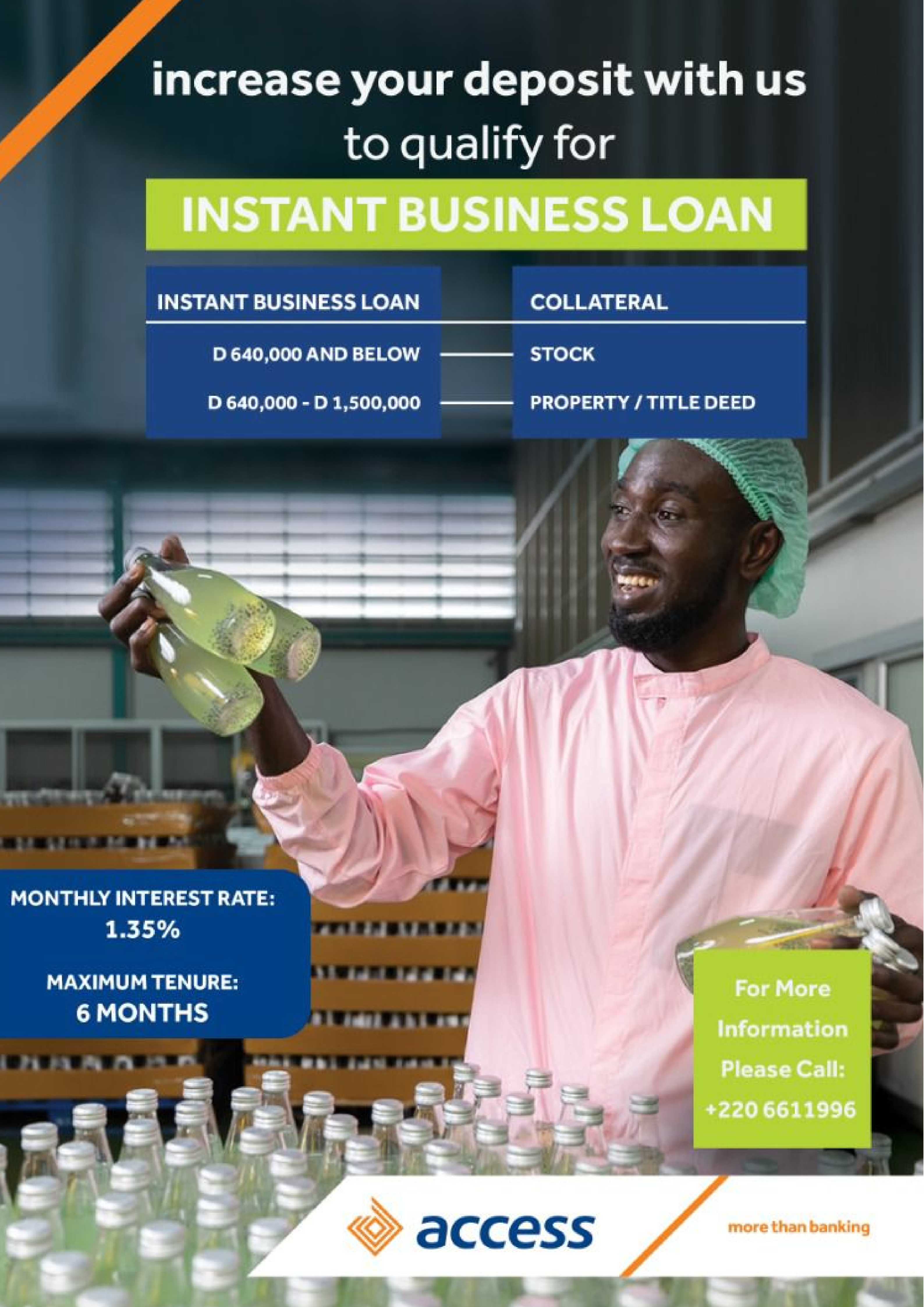
for the year ended 31st December 2021

	2022	2021
Interest earned and other operating income	**24,173**	240,728
Direct cost of services	**60,315)**	(85,688)
Value added by banking services	**263,858**	155,040
Other Banking Income	**3,053**	3,852
Value Added	**266,911**	158,892
Distributed as follows:		
To employees:		
Directors (without executive)	**(1,731)**	(457)
Management salaries and remunerations	**(34,468)**	(20,132)
Other employees	**(20,022)**	(22,974)
To Government:		
Income Tax	**(28,480)**	(11,486)
To Providers of capital:		
Dividends to shareholders	**-**	-
To expansion and growth		
Operating Expenses	**(89,683)**	(57,440)
Depreciation	**(21,408)**	(21,140)
Amortization	**(728)**	(2,139)
Impairment gain / charges	**(1,602)**	(1,817)
Retained Profit /Loss	**68,789**	23,742

ATM

Our banking halls may not be open today, but your nearest ATM is

access
more than banking


increase your deposit with us
to qualify for
INSTANT BUSINESS LOAN
INSTANT BUSINESS LOAN
COLLATERAL
D 640,000 AND BELOW
STOCK
D 640,000 - D 1,500,000
PROPERTY / TITLE DEED
MONTHLY INTEREST RATE:
1.35%
MAXIMUM TENURE:
6 MONTHS
For More Information Please Call:
+220 6611996
access
more than banking

HEAD OFFICE

Access Bank (Gambia) Plc.

47 Kairaba Avenue

Fajara, K.S.M.D

The Gambia.

T: +220 4396 679, 4399 022, +220 6611 670

F: +220 4396 640

E: info_ga@accessbankplc.com

contactcentrega@accessbankplc.com

www.gambia.accessbankplc.com