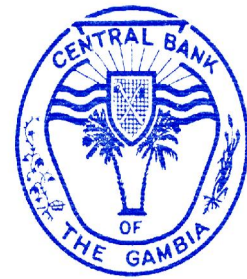




Central Bank of The Gambia

**Annual Report
and Financial Statements**

for the year ended 31 December 2015



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Financial Highlights

	2011 D'000	2012 D'000	2013 D'000	2014 D'000	2015 D'000	Increase/ (Decrease) 2015v2014
Net surplus/(deficit) for the year	(47,674)	(738)	44,947	(99,412)	269,975	369,387

Structure of Total Assets

Foreign currency cash balances and deposits	2,373,202	3,142,857	3,619,925	2,142,012	2,352,870	210,858
Receivable from IMF	69,310	71,349	81,258	93,109	110,491	17,382
Investment in securities	5,332,623	5,689,811	7,072,821	8,270,174	6,823,531	(1,446,644)
Loans and advances	49,577	62,348	61,643	1,633,708	3,874,850	(2,241,142)
Other assets	358,393	307,999	334,712	482,441	577,963	(95,522)
Intangible assets	50,320	83,839	43,451	71,460	56,523	(14,937)
Property, plant and equipment	328,366	330,578	360,473	419,791	408,711	(11,080)

Structure of Equity and reserves

Share capital and other reserves	105,315	331,688	628,275	569,957	105,315	(464,642)
Retained earnings	173,913	173,174	218,121	118,709	312,917	194,208

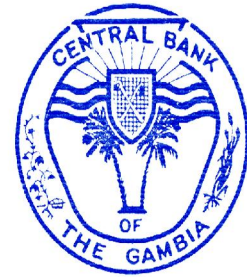
Structure of Total Liabilities

Currency in circulation	2,700,503	3,183,810	3,635,453	3,908,642	4,035,587	126,945
Deposits of Government and financial institutions	3,063,578	3,041,637	3,738,833	4,700,617	4,929,224	228,607
Long term loan from IMF	2,397,848	2,894,712	3,325,008	3,686,923	4,663,344	976,421
Other payables	120,634	63,760	28,593	127,847	158,552	30,705



General information

Executive Director	Mr. Amadou A. Colley	Governor and Chairman
Non Executive Directors	Mr. Mustapha A.B. Kah Permanent Secretary - Ministry of Finance and Economic Affairs (MOFEA) Mr. Benjamin J. Carr Mr. Rene Geoffrey Renner	Director Director Director Director
Audit Committee	Mr. Mustapha A.B. Kah Mr. Benjamin J. Carr Mr. Rene Geoffrey Renner Mr. Momodou B. Mboge	Chairman Member Member Secretary
First Deputy Governor Second Deputy Governor		Mr. Basiru A.O. Njai Mrs. Oumie Savage Samba
Director of Finance		Mr. Ousainou Corr
Secretary		Mr. Momodou B. Mboge
Auditors		PKF Accountants and business advisers 33 Bijilo Layout Annex Bijilo
Bankers		Bank of England International Monetary Fund Federal Reserve Bank of New York Banque De France Bank of International Settlements Standard Chartered Bank Plc Union Des Banque Arabes Et Francaise Credit Suisse Deutsche Bundesbank Crown Agents Banco Santander
Registered office		1-2 Ecowas Avenue Banjul The Gambia



Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 2015.

Statement of Directors' responsibilities

The Central Bank of The Gambia Act 2005 requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the bank and of its net profit or loss for that year. In preparing the financial statements, the directors are required to:

- " select suitable accounting policies and then apply them consistently;
- " make judgements and estimates that are reasonable and prudent;
- " state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the bank and to enable them to ensure that the financial statements comply with the Central Bank of The Gambia Act 2005. They are also responsible for safeguarding the assets of the bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

Central Bank of The Gambia was established to carry on business in accordance with the constitution and the provisions of the Central Bank of The Gambia Act 2005 with the following objectives:

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

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

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



- issue and redeem the currency notes and coins of The Gambia;
- licence, regulate and supervise non banking financial institutions;
- act as banker and financial advisor to the Government and guarantee Government loans;
- promote and maintain relations with international banking and financial institutions and subject to the Constitution or any other relevant enactment, implement international monetary agreements to which The Gambia is a party;
- own, hold and manage its official international reserves;
- promote the safe and sound development of the financial system including safeguarding the interest of depositors;
- collect, analyse and publish statistical data; and
- do all other things that are incidental and conducive to the efficient performance of its functions under the Act.

Results for the year

Results for the year are as presented in the accompanying financial statements.

Employees

The number of employees and the cost associated with these employees is as detailed in note 19.

Donations

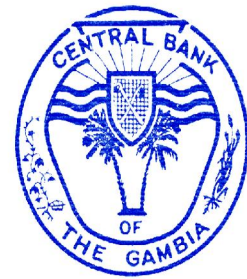
The bank made charitable donations amounting to D666,000 during the year. (2014: D383,000).

Directors and directors' interest

The directors who held office during the year are shown on page 3.

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

The term of two of the Non Executives Directors expired during the year and the process of replacement is yet to be concluded.



Auditors

The National Audit Office is mandated to appoint the Bank's auditors. PKF has been appointed for a further one year period to report on the 31st December 2015 financial year.

By order of the board of directors

Secretary

Dated this 0 0 0 0 0 0 0 0 0 0 0 0 0 0 2016

Independent Auditor's Report

To the Members of Central Bank of The Gambia

We have audited the accompanying financial statements of Central Bank of The Gambia, which comprise the statement of financial position as at 31st December 2015, the statement of comprehensive income, statement of changes in equity and the statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the financial statements

The Directors are responsible for the preparation and the fair presentation of these financial statements in accordance with the Central Bank of the Gambia Act 2005, International Financial Reporting Standards issued by the International Accounting Standard Board and for such internal controls as the Directors determine necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion: conflict between International Financial Reporting Standards and the Central Bank of The Gambia Act 2005

In preparing the financial statements in accordance with International Financial Reporting Standards, the following conflict with the requirements of Central Bank of The Gambia Act 2005 was noted:

- International Financial Reporting Standard IAS 21; The Effects of Changes in Foreign Exchange Rates requires that exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition shall be recognised in the Statement of Comprehensive Income in the period in which they arise. However, net unrealized foreign exchange loss of **D1,009.21** million arising from converting the bank's monetary assets and liabilities denominated in foreign currency were accounted for through equity in the statement of financial position, in accordance with section 9 (1) of the Central Bank of The Gambia Act 2005, which requires such effects of changes in foreign currency to be excluded from the statement of comprehensive income.

Qualified Opinion: Non compliance with International Financial Reporting Standards

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of the bank as of 31st December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of the Central Bank of The Gambia Act 2005.

PKF

Accountants and business advisers

Registered Auditors

Bijilo, The Gambia

Date: 0 0 0 0 0 0 0 0 0 0 2016



Statement of financial position

as at 31st December 2015

	Notes	31 st December 2015 D '000	31 st December 2014 D ₦00
Assets			
Foreign currency cash balances and deposits	4	2,352,870	2,142,012
Receivable from IMF	5	110,491	93,109
Investment in securities	6	6,823,531	8,270,174
Loans and advances	7	3,874,850	1,633,708
Other assets	8	577,963	482,441
Property, plant and equipment	9	408,711	419,791
Intangible assets	10	56,523	71,460
Total assets		14,204,939	13,112,695
Liabilities			
Currency in circulation	11	4,035,587	3,908,642
Deposits of Government and financial institutions	12	4,929,224	4,700,617
Long term loan from IMF	13	4,663,344	3,686,923
Other payables	14	158,552	127,847
Total liabilities		13,786,707	12,424,029
Equity and reserves			
Share capital		100,000	100,000
General reserve		5,315	5,315
Retained earnings		312,917	118,709
Revaluation reserve		-	464,642
Total equity and reserves	15	418,232	688,666
Total equity and liabilities		14,204,939	13,112,695

These financial statements were approved by the Board of Directors on 0 0 0 0 0 0 0 0 0 0 0 0 2016 and were signed on its behalf by:

..... Governor
 Deputy Governor
 Director

The attached notes form part of these financial statements.



Statement of comprehensive income

for the year ended 31st December 2015

	<i>Notes</i>	31 st December 2015 D '000	31 st December 2014 D ₦00
Interest income	16	550,920	525,564
Interest expense and other similar expense	17	(1,036)	(1,596)
Net interest income		549,884	523,968
Other income	18	20,019	21,946
Total operating revenue less interest expense		569,903	545,914
Operating expenses			
Personnel cost	19	(92,325)	(83,808)
General and administration expenses	20	(304,713)	(204,628)
Depreciation	9	(34,315)	(27,444)
Amortisation	10	(18,575)	(27,617)
Impairment of financial assets		-	(1,829)
Impairment of investment in Mega Bank	6a	150,000	(300,000)
Total operating expenses		(299,928)	(645,326)
Net surplus /(deficit) for the year		269,975	(99,412)
Other Comprehensive Income/loss:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Re-measurement of defined benefit pension plans		-	-
Gain on revaluation of property		-	-
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net fair value gain on available for sale financial assets		-	-
Other comprehensive income for the year		-	-
Total Comprehensive Income/(Loss) for the year		269,975	(99,412)

The attached notes form part of these financial statements.



Statement of changes in equity

for the year ended 31st December 2015

	Share Capital D'000	Other Reserves D'000	Revaluation reserves D'000	Retained Earnings D'000	Total D'000
Balance as at 1 January 2014	100,000	5,315	522,960	218,121	846,396
Deficit for the year	-	-	-	(99,412)	(99,412)
Exchange loss	-	-	(58,318)	-	(58,318)
Balance at 31 December 2014	100,000	5,315	464,642	118,709	688,666
Balance as at 1 January 2015	100,000	5,315	464,642	118,709	688,666
Net Income for the year	-	-	-	269,975	269,975
Revaluation Reserve S 9 (2)	-	-	(1,009,214)	-	(1,009,214)
Revaluation Reserve S 9 (3)	-	-	75,767	(75,767)	-
Interest Bearing Securities S 9 (4)	-	-	468,805	-	468,805
Balance at 31 December 2015	100,000	5,315	-	312,917	418,232

The attached notes form part of these financial statements



Statement of cash flows

for the year ended 31st December 2015

	<i>Notes</i>	31 st December 2015 D'000	31 st December 2014 D'000
Operating activities			
Net Income (deficit)/ from operations		269,975	(99,412)
Depreciation and amortisation		52,890	55,061
Interest income		(550,920)	(525,564)
Interest expense		1,036	1,596
Revaluation losses		(1,009,214)	(58,318)
		<hr/>	<hr/>
		(1,236,233)	(626,637)
Increase in receivable from IMF		(17,382)	(11,851)
Increase in loans and advances		(2,241,142)	(1,572,065)
Increase in other assets		(44,727)	(62,241)
Increase in provisions and other liabilities		30,705	99,255
Increase in deposit of Government and Financial Institutions		228,607	961,784
Increase in Currency in Circulation		126,945	273,189
		<hr/>	<hr/>
Cash absorbed by operations		(3,153,227)	(938,566)
Interest paid		(1,036)	(1,596)
Interest received		500,125	440,076
		<hr/>	<hr/>
Net cash outflows from operating activities		(2,654,138)	(500,086)
Cash flows from investing activities			
Purchase of securities		1,915,448	(1,197,353)
Acquisition of property, plant and equipment	9 & 10	(26,873)	(141,305)
Fair value adjustment	9	-	(1,083)
		<hr/>	<hr/>
Net cash used in investing activities		1,888,575	(1,339,741)
Cash flows from financing activities			
Long term loan from IMF		976,421	361,915
		<hr/>	<hr/>
Net cash from financing activities		976,421	361,915
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		210,858	(1,477,912)
Cash and cash equivalents at 1 January		2,142,012	3,619,924
		<hr/>	<hr/>
Cash and cash equivalents at 31 December		2,352,870	2,142,012

The attached notes form part of these financial statements.



Notes (forming part of the financial statements)

1. Statute and Principal Activities

Central Bank of The Gambia (the Bank) was established in 1971 by Government of The Gambia under the Central Bank of The Gambia Act 1971 (superseded by the Central Bank of The Gambia Act 1992 and the Central Bank of The Gambia Act 2005 (the Act)). The registered office is: 1-2 Ecowas Avenue, Banjul, The Gambia.

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

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

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

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



During the year ended 31st December 2015, the Bank's executive and non-executive directors were as follows:

Executive Director:

Mr. Amadou Colley Governor;

Non- Executive Directors:

Mr. Mustapha A.B. Kah Director;

Vacant Director;

Permanent Secretary MOFEA Director;

Vacant Director.

2. Basis of preparation

2.1 Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and current interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and the Central Bank of The Gambia Act 2005. A material departure from the provisions of IFRS in the financial statements as a result of compliance with the provisions of the Central Bank of The Gambia Act 2005 is disclosed in note 21.

The financial statements were approved by the Board of Directors on 21st December 2016.

2.2 Basis of measurement

The financial statements are presented in Dalasi which represents the functional currency of the Bank, being the currency of the economic environment in which the Bank operates, rounded to the nearest thousand. The financial statements have been prepared under the assumption that the Bank will continue as a going concern.

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

2.3 Use of estimates and judgement

In the application of the Bank's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In particular, the significant areas of estimation of uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in notes 3 (k) and 24.

3. Significant Accounting Policies

The following accounting policies have been approved by the Board and have been applied consistently to all periods presented in the financial statements in dealing with items that are considered material in relation to the Bank's financial statement.

a) Revenue Recognition

Fair value gains and losses

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

Dividend received

Dividends are recognised in the income statement when the Bank's right to receive payment is established.

b) Interest income and expense

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

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



c) Fees and commission

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

Commission, placement and arrangement fees and syndication fees are recognised as the related services are performed. Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

d) Foreign currency

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

e) Special drawing rights and International Monetary Fund Related Activities

Receivables from and liabilities to the International Monetary Fund (IMF), excluding any long-term interest- bearing borrowings, are stated at their nominal amounts using the net method, i.e. receivables and liabilities are offset. Interest- bearing borrowings from the IMF are recorded as a financial liability under the amortised costs method.

f) Financial assets

(i) Classification of financial assets and liabilities

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (FVTPL), held-to-maturity investments, available-for-sale (AFS) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified at fair value through profit and loss, which are initially measured at fair value.

(ii) Financial assets at fair value through profit and loss

The Bank has no financial assets classified as fair value through profit and loss.



(iii) Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method.

Loans and receivables include loans to government which are recorded at amortised costs.

(iv) Held to maturity investment

Instruments with fixed or determinable payments and fixed maturity dates that the Bank has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Foreign treasury bills, Gambia Government Bonds and foreign deposits placements are recognised as Held-to-maturity investments and are recorded at amortised cost using the effective interest method, less any impairment, with revenue recognised on an effective yield basis.

(v) Available for Sale financial assets (AFS)

Subscriptions to associate regional institutions such as the ECOWAS second Monetary zone (WAMZ) through its implementing Agency WAMI (equity contributions) are recorded at cost as there is no active market or reliable basis to determine their fair value. However during the year, the Bank reviewed their carrying value based on the currency (US Dollar) in which they are held in accordance with Section 9 (1) of the CBG Act 2005.

Equity investments made to Africa Export Import Bank and Africa Re-insurance are classified as AFS and recorded at cost as these equity investments are not publicly traded and the Bank has assessed that there is no reasonable basis for estimating their fair value. However, these investments are held in foreign currencies and the Directors have applied Section 9(1) of the CBG Act 2005 to their carrying value are the current rate of exchange.

Dividends on these equity instruments are recognised in the income statement when the Bank's right to receive the dividends are established.

(vi) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been impacted.

For unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or



- becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the income statement to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(vii) De-recognition of financial assets

The Bank derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Bank neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

(viii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial assets, or, where appropriate, a shorter period.

g) Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate



that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

De-recognition of financial liabilities

The Bank de-recognises financial liabilities when, and only when, the Bank's obligations are discharged, Cancelled or they expire.



h) Loans and advances

Loans and advances originated by the Bank are classified as loans and receivables. Loans and advances are stated in the statement of financial position at the estimated recoverable amounts in accordance with note f (iii) above.

The recoverable amounts of loans and advances are the present value of expected future cash flows, discounted at the instruments' original effective interest rate.

i) Securities

(i) Domestic securities

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

(ii) Foreign securities

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

(iii) Long Term Government securities

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

j) Equity Shares and participation Interest

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

k) Property, plant and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment (PPE) have different useful lives, they are accounted for as separate items (major components) of PPE.

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



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

Leasehold land (right to use of land) is now recognised as PPE and transferred from intangible assets carried at cost less accumulated depreciation. Leasehold land is depreciated over 99 years.

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

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

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

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the 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.

(iii) Depreciation

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

	<i>Number of Years</i>
Buildings	100
Furniture and equipment	10
Office machines	5
Computer equipment	5
Vehicles	5
Computer software	3



Right to use land

99

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

l) Intangible assets

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

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortization is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is four years.

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

m) Deposits

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

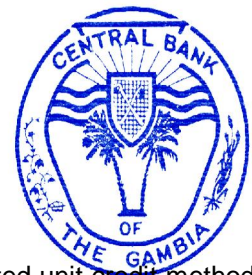
n) Employee benefits

The Bank operates a defined benefit scheme which provides benefits based on final pensionable pay. The Bank's obligation for contribution to the scheme is recognised as an expense in the income statement. The Bank's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and any unrecognised past service costs. The calculation is performed by a qualified actuary using the projected unit credit method. Changes in the present value of the plan liabilities are recognised in the income statement. When the calculation results in a benefit to the Bank, the recognised asset is limited to the net total of any unrecognised actuarial losses, unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

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.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee is entitled to receive on retirement, dependent on one or more factors such as age, years of service and salary. A full actuarial valuation by a qualified independent actuary is carried out every two years. An estimate is made to adjust the benefit obligation on a yearly



basis. The plan liability is measured on an actuarial basis using the projected unit credit method, adjusted for unrealised actuarial gains and losses. The defined benefit plan liability is discounted using rates equivalent to the long-term government bond rates.

o) Currency in circulation

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

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

p) 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 flow at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

q) Cash and cash equivalent

Cash and cash equivalents include foreign currency notes and foreign currency deposits, unrestricted balances held with foreign banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used in the management of short-term commitments.

r) Derivative financial instruments

Derivative instruments are contracts whose value is derived from one or more underlying financial instruments or indices defined in the contract. They include swaps, forward rate agreements, futures, options and combinations of these instruments and primarily affect the Bank's net interest income, net trading income, net fee and commission income and derivative assets and liabilities. Notional amounts of the contracts are not recorded on the balance sheet. The Bank applies IAS 39. All derivative instruments are held at fair value through profit or loss. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. This includes terms included in a contract or other financial asset or liability (the host), which, had it been a stand-alone contract, would have had met the definition of a derivative. These are separated from the host and accounted for in the same way as a derivative.



4. Foreign currency cash balances and deposits

	31 st December 2015 D'000	31 st December 2014 D'000
USD deposits	537,861	313,013
EUR deposits	110,784	257,275
GBP deposits	395,077	201,994
SDR deposits	1,272,647	1,309,935
Other deposits	9,151	9,920
Foreign currency cash held	27,350	49,875
	2,352,870	2,142,012

Foreign currency deposits are primarily held with foreign central banks.

5. Receivable from IMF

	31 st December 2015 D '000	31 st December 2014 D '000
Receivables:		
IMF quotas (deposits of Dalasi currency at IMF)	2,275,276	1,917,626
Payables:		
IMF account 1	(2,157,823)	(1,818,650)
IMF account 2	(6,962)	(5,867)
	110,491	93,109

The Bank is a member of the International Monetary Fund (IMF) and a designated fiscal agent and the depository for the IMF's holdings of local currency. The IMF quota receivable holdings of SDR 31,100,000 (2014: SDR 31,100,000). IMF local holdings equivalent to SDR 29,493,770 (2014: SDR 29,493,770) and SDR 95,154 (2014: SDR 95,154) are held in the IMF's No.1 and No. 2 liability accounts respectively. These are deposit accounts of the IMF with Central Bank of The Gambia.



6. Investments in securities

		31 st December 2015 D'000	31 st December 2014 D'000
Current			
<i>Held- to- maturity investments carried at amortised cost:</i>			
Fixed term investment Euro		301,950	678,202
Fixed term investment USD		598,114	1,598,494
Fixed term investment GBP		-	463,326
Gambia Government treasury bills	6.1	1,180,737	3,277,582
		2,080,801	6,017,604
Non-current			
<i>Held- to- maturity investments carried at amortised cost:</i>			
5% Gambia Government Bond 2015 - 2035	6.2	1,951,102	-
6.5% Gambia Government Bond 2010 - 2040	6.3	1,515,702	1,577,608
6% 10 Year Gambia Government Bond 2010 - 2040	6.4	104,168	125,269
		3,570,972	1,702,877
Available- for- sale investments Carried at fair value or cost			
Redeemable Interest-Bearing Notes	6.5	468,805	-
5% Gambia Government Bond	6.6	250,000	250,000
Equity investments	6.7	302,953	299,693
MegaBank Gambia Limited	6.8	300,000	300,000
		1,321,758	849,693
Provision for impairment on Mega Bank investment		(150,000)	(300,000)
		1,171,758	549,693



6,823,531

8,270,174

6.1 *Gambia Government Treasury Bills*

The Bank held Gambia Government treasury bills and Sukuk Al Salam as held to maturity investments as at 31st December 2015 of D 1,180.737 million (2014: D 3,277 million).

6.2 *5% Government Bond 2015 - 2035*

The amount of D1,951 million disbursed relates to a USD25.0 million loan agreement signed in November 2014 with Government of The Gambia for a period of 20 years to finance external obligations of State Owned Enterprises namely; National Water and Electricity Corporation (NAWEC), Gambia Groundnut Corporation (GGC), Gambia Telecommunications Company (GAMTEL) and Gambia Cellular Company (GAMCEL) obligations to the Islamic Development Bank Group (IsDB) in the form of accumulated loan repayments. Interest is paid in June and December each year.

6.3 *6.5% Government Bond 2010 - 2040*

An agreement was signed with the Government of The Gambia in September 2010 for a period of 30 years. The Initial amount of the bond was D1.825 billion with a tenor of 30 years. Interest is paid half yearly in March and September.

6.4 *6% 10 Year Government Bond 2010 - 2020*

There is a signed agreement with Government of The Gambia for a period of 10 years. Initial financing of D 208 million was provided as Bridge loan in anticipation of European Union (EU) FY2010 budget support and was subsequently converted to a loan when the budget support was not realised. Interest is applied half yearly in June and December.

6.5 *Redeemable Interest-Bearing Notes*

Under section 9(4) of the Act, the Government of The Gambia is required to issue and grant Redeemable Interest Bearing Notes to the Bank in the amount of the net loss incurred for the year for exchange rate revaluations of monetary assets and liabilities. These grants are recognised as income in the year the loss is incurred in order to match them with the related costs. If the Bank makes a gain on revaluation, in accordance with section 9(5) of the Act the Notes are redeemed in the amount of the gain and are recorded as an expense in the period that the gain is recognised at the year end. The RIBN of D468.804 is after applying the loss for the Year of D1,009 million (2014: D464,642) and the transfer of remainder of profits of D75,767 to redeem the loss under S9 (3) in accordance with CBG Act 2005.

6.6 *5% Gambia Government Bond*

Financing of D250 million was provided for an economic recovery programme with IMF in the mid eighties. Interest is applied half yearly every June and December. The Bond is held in perpetuity and may be redeemed in whole or in part at any time.



6.7 *Equity investments:*

	31st December 2015 D'000	31 st December 2014 D'000
Africa Export - Import Bank	14,552	11,292
Africa Re-insurance Company Limited	57,726	57,726
West African Central Bank	186,218	186,218
Gamswitch Limited	44,457	44,457
	<hr/> 302,953 <hr/>	<hr/> 299,693 <hr/>

- a. Shareholding in Africa Export - Import Bank for an amount of D14.552 million (2014: D 11.292 million), representing 0.13% holding.
- b. Shareholding in Africa Re-insurance Company Limited for an amount of D57.726 million (2014:D 57.726 million) representing 0.62% holding.
- c. Shares in West African Central Bank for an amount of D 186.218 million (2014:D 186.218 million) representing 6.6% holding. Interest accrued on this investment has been applied against the final instalment payment towards the capital of the proposed West African Central Bank.
- d. Shareholding in Gamswitch Limited or an amount of D 44.457 million (2014: D 44.457 million) representing 60% holding.

These equity investments which were initially recorded at cost have been reviewed and carried at fair value.

The directors have assessed the status of these investments based on latest their financial statements and concluded that there was no objective evidence of impairment and therefore did not make any impairment provision.

6.8 *MegaBank Gambia Limited (Formerly Keystone Bank)*

In May 5, 2014, Central Bank of the Gambia (CBG) took over Keystone Bank (Gambia) Limited (KSB) and subsequently recapitalized in the amount of D 300 million, partly to enhance its risk bearing capacity and ensure continuity of operations as a going concern. CBG then re-organized it, with the objective of creating a stronger, more efficient and competitive bank, which will contribute to economic growth and financial stability and thereafter disposes of its interest. The re-organization plan was approved by the Board of Directors and consequently KSB was divided into a good and bad bank.



KSB, the good bank was renamed MegaBank Gambia Limited (MBGL) and is continuing banking business as usual. Megabank transferred its non-performing loans amounting D 694.3 million to the newly created entity named Keystone Asset Management Company (KAMCO) Gambia Limited (the bad bank) on interest free credit on 31st December 2014. The loan is expected to be repaid by KAMCO over a two year period with three months grace period from 1st January 2015.

An impairment review on the investment was carried out at the yearend FY2014 using the unaudited financial statements of MegaBank and the results of the review indicated that there was objective evidence of a change in value of assets. Therefore 100% provisioning was made on the Investment. However during the year under review, an impairment review was done using the unaudited financial statements of Megabank and the results of the review indicated that there was no objective evidence of a significant reduction in value of net assets of the company. Therefore, the directors decided to conservatively reverse 50% (D 150 million) of the provision made in FY2014.

7. Loans and advances

		31st December 2015 D'000	31 st December 2014 D'000
Current			
Loans to Gambia Government	7.1	910,497	1,550,230
Advance - Special Deposit Treasury bills	7.2	2,459,142	-
Loans to Financial Institutions	7.3	4,610	-
4,610		3,374,249	1,554,840
Non-current			
Staff loans		85,784	78,868
IMF Rapid Credit Facility on-lending to Gambia Government	7.4	414,817	-
		500,601	78,868
		3,874,850	1,633,708

7.1 Loans to Gambia Government



The amount of D 914,497,000 represents payment in full settlement of Gambia Government obligation for payment of USD18.141 million to TOTSA Total Oil Trading SA for petroleum products supplied to National Water and Electricity Company representing full and final settlement of all claims against the Government.

7.2 Advance – Special Deposit Treasury Bills

The amount of D2,459,142 000 is the overdrawn amount of the Gambia Government for the issuance and redemption of Treasury bills account. The claim on Government was exacerbated by the monthly securitization of the overdrawn Net Treasury position as per the Memorandum of Economic & Financial Policies (MEFP) agreed between the Government of The Gambia and the International monetary Fund (IMF) to adhere to a zero limit on new credit from the Central Bank below market rates.

7.3 Loans to Financial Institutions

	31st December 2015 D'000	31 st December 2014 D'000
Gamstar Financial Services Limited	9,145	9,145
Gambia Women Finance Association (GAWFA)	4,610	4,610
	<hr/> 13,755	<hr/> 13,755
Impairment	(9,145)	(9,145)
	<hr/> 4,610 <hr/>	<hr/> 4,610 <hr/>

The above were liquidity support provided to these institutions to help meet their obligations to their depositors.

The impairment of D 9.145 million was made in respect of Gamstar, which has refused to pay up its loan and the matter is currently with the courts. The GAWFA loan is performing and therefore no impairment adjustment was considered necessary by the board.

7.4 IMF Rapid Credit Facility on-Lending to Gambia Government

The amount of GMD 414,817,200 (SDR5.67 million) is an on-lent from the Bank in response to the impact of the Ebola outbreak in the sub region on tourism. Although, The Gambia is Ebola free, the proceeds from the tourism industry were expected to be less than half during the 2014/2015 season which is among the main sources of foreign exchange earnings. Consequently, The Gambia Government requested from the IMF, an amount of SDR7.775



million for Balance of Payment support representing 25% of Gambia's quota with the fund to mitigate the impact. Since the revenue of Government was directly affected, an amount of SDR 5.67 million was on lend with the first principal repayment is due 13th October 2020 and full repayment by 2025. In accordance with the current policy to waive interest charges on concessional loans by the Fund due to the global financial meltdown, the Bank has also extended same to Gambia Government.

8. Other assets

	31 st December 2015 D'000	31 st December 2014 D'000
Current		
Stock of notes not yet issued	285,144	291,201
Commemorative coins	1,230	1,230
Accrued interest receivables	195,589	93,794
Prepayments	2,773	2,989
Value Added Tax (VAT) receivable	3,480	4,582
	<hr/>	<hr/>
	488,216	393,796
Provision for VAT irrecoverable	(3,480)	(4,582)
	<hr/>	<hr/>
	484,736	389,214
	<hr/>	<hr/>
Non-current		
WAMI stabilisation fund	93,227	93,227
	<hr/>	<hr/>
	93,227	93,227
	<hr/>	<hr/>
Total	577,963	482,441
	<hr/>	<hr/>



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

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



9. Property, plant and equipment

	Leasehold land	Buildings at fair value as deemed costs	Furniture & Equipment	Motor Vehicles	Computer Equipment	Work in progress	Total
	D'000	D'000	D'000	D'000	D'000	D'000	D'000
Cost / Fair value at deemed cost							
At the beginning of the year	25,000	321,851	45,319	46,260	32,672	1,220	472,322
Additions	-	2,851	29,283	8,169	44,268	1,108	85,679
Transfers	-	-	-	-	-	-	-
At 31 December 2014	25,000	324,702	74,602	54,429	76,940	2,328	558,001
Additions	-	4,742	5,967	5,883	1,878	4,765	23,235
Transfers	-	-	-	(2,961)	-	-	(2,961)
At 31 December 2015	25,000	329,444	80,569	57,351	78,818	7,093	578,275
Depreciation and impairment							
At the beginning of the year	1,750	27,070	40,737	34,499	34,154	-	138,210
Charge for the year	250	6,603	7,728	8,886	10,848	-	34,315
Other (Disposal)	-	-	-	(2,961)	-	-	(2,961)
At 31 December 2015	2,000	33,673	48,465	40,424	45,002	-	169,564



9. continued - Property, plant and equipment

Carrying value							
At 31 December 2015	23,000	295,771	32,104	16,927	33,816	7,093	408,711
At 31 December 2014	23,250	297,632	33,865	19,930	42,786	2,328	419,791

MAJ CONSULTS, an independent appraiser, re-valued the administrative building as of September 2008. Their revaluation was based on the observed asset conditions and asset replacement cost by reference to market evidence of recent transactions for similar properties and replacement cost estimation methodologies. Replacement cost estimates are based on estimated cost of Equivalent Assets (EA) and estimating the residual asset value from the EA cost, useful life and age of existing assets (Depreciated Replacement Cost Methodology). On the basis of the September valuation, management of the Bank estimated that the fair value of the building as at 31 December 2012 will not be significantly different.

Rights of use of land were acquired as leasehold land for a period of 99 years and have been re-valued as at date of transition to IFRS. The fair value of these rights now represent the deemed costs for the rights of use of land. The valuation was performed by an independent appraiser together with the valuation of the administrative building. Refer to note 10. The previous carrying amount of these rights represented a nominal amount.

Since an impairment review was carried out in financial year 2015, the directors estimate that the carrying value is not materially different from the current carrying value of property, plant and equipment.

10. Intangible assets

	Software D'000	WAMZ Payment Systems D'000	Work In Progress D'000	Total D'000
Cost				
At the beginning of the year	68,832	50,626	-	119,458
Additions	3,638	-	-	3,638
Transfer	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	72,470	50,626	-	123,096
	<hr/>	<hr/>	<hr/>	<hr/>
Amortisation				
At the beginning of the year	37,872	10,126	-	47,998
Charge for the year	8,449	10,126	-	18,575
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	46,321	20,252	-	66,573
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying value				
At 31 December 2015	26,149	30,374	-	56,523
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014	30,960	40,500	-	71,460
	<hr/>	<hr/>	<hr/>	<hr/>

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



11. Currency in circulation

The liability for currency in circulation represents that part of the Bank's activity which relates to the issuing of notes and coins to the general public amounting to D4,035,587 (2014: D3,908,642). Changes in the level of the liability are mainly influenced both by the Government's fiscal policies and monetary policies of the Bank.

The gold and silver coins in stock are redeemable at D138,700.

	31st December 2015 D'000	31 st December 2014 D'000
Breakdown as follows:		
Notes in Circulation	3,982,557	3,860,036
Coins in Circulation	53,030	48,467
Gold & Silver coins	-	139
	<hr/> 4,035,587 <hr/>	<hr/> 3,908,642 <hr/>

12. Deposits of Government and financial institutions

	31st December 2015 D '000	31 st December 2014 D £00
Deposits of Government and financial institutions comprise:		
Deposits of commercial banks	2,590,132	2,112,671
The Gambia Government deposits	2,046,001	2,377,045
Other deposits	293,091	210,901
	<hr/> 4,929,224 <hr/>	<hr/> 4,700,617 <hr/>
Deposits in Dalasi	4,351,561	3,736,252
Deposits in foreign currency	577,663	964,365
	<hr/> 4,929,224 <hr/>	<hr/> 4,700,617 <hr/>



As stipulated under the provisions of the Central Bank of The Gambia Act 2005, one of the principal objectives of the Bank is acting as banker and adviser to the Government. Relying on this provision, the Bank receives deposits which represent all receipts accruing to the Government through the consolidated revenue fund (CRF) account. The Bank also facilitates the operation of the Government's cash management system through the Treasury main account (TMA) as the expenditure account with maintenance holding accounts which fund the TMA.

Commercial banks' deposit also includes their minimum required reserves. Currently, commercial banks are required to maintain 14% of their total demand deposits as a minimum reserve requirement.

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

13. Long term loan from IMF

Interest-bearing borrowings from the IMF include amounts for the Gambia's Poverty Reduction or a period of 20 years Growth Facility (PRGF), the Extended Credit Facility (ECF) and the Rapid Credit Facility (RCF) in the amount of SDR 34.1 million (2014: SDR 30.1 million). The Bank repaid SDR 3.9 million under the Growth facility and the Extended Credit Facility during the year. An amount of SDR 7.775 million was disbursed under the Rapid Credit Facility to mitigate the impact of Ebola epidemic in the sub region.

The PRGF, ECF and the RCF are repayable in 18 instalments of SDR 0.2 million, 15 instalments of SDR 0.511 million, 9 instalments of SDR 1.995, 10 instalments of SDR 0.233, 10 instalments of SDR 0.933, 10 instalment of SDR 0.1555 and 10 instalments of SDR 0.7775. (2014: 26 instalments: SDR 0.2 million 20 instalments: SDR 0.511 million, 10 instalments: SDR 0.1995 10 instalment of SDR 0.233, 10 instalment of SDR 0.933 and 10 instalment of SDR 0.1555) respectively. Final instalment repayment is scheduled in 2025. The IMF Board extended through to December 2015 the waiver granted since January 2010, on the interest charges on all concessional loans as a result of the global meltdown.

On the other hand, as a response to the Global crises, the IMF also increased members' SDR allocation in August 2009 in order to finance the impact of the crises. The Gambia's original SDR 5.12 million allocations have been increased by SDR 24.65 million resulting in total allocations of SDR 29.77 million. Quarterly charges are levied and payable to the IMF on an average annual interest rate of 0.43 % (2014: 0.43%). The SDR allocations have no specific maturity dates.



The PRGF, ECF & RCP amounts have the following repayment schedule:-

	31st December 2015 D'000	31 st December 2014 D ₦00
Within 1 year	313,340	130,164
After 2 years	384,031	241,552
After 3 years	405,138	267,601
After 4 years	336,851	326,485
5 years and after	1,046,153	885,623
	<hr/> 2,485,513	<hr/> 1,851,425
SDR allocations	2,177,831	1,835,498
	<hr/> 4,663,344	<hr/> 3,686,923

14. Other payables

Current

Accrued interest & accounts payable		28,191	5,718
Provisions and other liabilities		82,652	66,457
AfDB Grant (deferred income)	14a	36,058	48,078
		<hr/> 146,901	<hr/> 120,253

Non-current

Provisions and other liabilities		11,651	7,594
		<hr/> 158,552	<hr/> 127,847

14a) This represents income received from African Development Bank (AfDB) in respect of projects virtually completed at the year-end. These amounts which are deferred to the



following period, relate to the modernization of the payment system implement by West African Monetary Institute (WAMI) for The Gambia, Sierra Leone, Guinea and Liberia.

15. Share capital

	31st December 2015 D'000	31 st December 2014 D ₦00
<i>Share capital</i>	100,000	100,000

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

<i>General Reserve Fund</i>	5,315	5,315
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The General Reserve Fund, the use of funds which is subject to the Central Bank Act rules. Under this Act, any net loss incurred by the Bank under the accounting standards of the Act shall be charged to the General Reserve Fund. In cases where the General Reserve Fund is inadequate to cover the entire amount of the loss, the balance of the loss shall be carried forward under retained earnings or accumulated losses.

<i>Revaluation Reserve</i>	-	464,642
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The Revaluation Reserve includes profits or losses arising from the revaluation of the Bank's assets and liabilities in gold, special drawing rights or foreign securities as a result of a change in the par value of the dalasis or any change in the par value of the currency unit of any country. The use of the account is in line with Section 9 of the CBG Act 2005. During the year, the reserve brought forward has been utilized in accordance with S9 (5)

<i>Retained Earnings</i>	312,917	118,709
---------------------------------	----------------	---------

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



16. Interest income

	31st December 2015 D '000	31 st December 2014 D ₦00
Interest and other similar income consist of:		
Interest on Government Bonds	537,085	507,814
Interest on USD deposits	10,215	9,724
Interest on EUR deposits	1,413	2,544
Interest on GBP deposits	1,548	4,273
Interest on other foreign currency deposits	659	1,209
	<hr/> 550,920 <hr/>	<hr/> 525,564 <hr/>

17. Interest expense

Interest and other similar expense for the year ended consist of:

Interest on IMF loan	(1,036)	(1,596)
	<hr/> (1,036) <hr/>	<hr/> (1,596) <hr/>

18. Other income

Other income comprises of:

Gain on sale of investment	2,792	1,159
Miscellaneous income	5,074	8,677
Sale of commemorative coins	104	54
Rental income	30	37
AfDB Grant amortised	12,019	12,019
	<hr/> 20,019 <hr/>	<hr/> 21,946 <hr/>





19. Staff numbers and cost

The average number of staff employed during the year (including directors) analysed by category, is as follows:

	Number of employees	
	2015	2014
Directors and Management Staff	18	19
General Staff	251	262
	<hr/>	<hr/>
	269	281
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	31st December 2015 D '000	31 st December 2014 D £00
Salaries	52,282	49,612
Transport allowances	14,212	12,901
Contribution to provident fund	3,508	3,261
Professional allowances	2,631	2,689
Other pension costs	8,636	8,332
Other	11,056	7,013
	<hr/>	<hr/>
	92,325	83,808
	<hr/>	<hr/>

20. General and administrative expenses

General and administration expenses comprises of:

Contributions to regional organisations	54,659	42,313
Currency printing cost amortisation	117,186	50,467
Training expenses	14,975	22,554
Travel and transport operating expenses	14,284	15,881
Software license fees	40,126	27,732
Telecommunication expenses	3,461	3,308
Other costs and expenses	60,022	42,373
	<hr/>	<hr/>
	304,713	204,628
	<hr/>	<hr/>



21. Exchange rate gains and losses

31st December 2015 D '000	31st December 2014 D ₦00
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Exchange rate gains and losses can be summarised as follows:

Net exchange rate differences on foreign currency deposits	(171,511)	(249,027)
Net exchange rate differences on foreign currency on IMF	(743,050)	286,633
Net exchange differences on SDR accounts with IMF	(94,653)	(95,924)
	<u>(1,009,214)</u>	<u>(58,318)</u>

As stated in note 3 (d) the net unrealised foreign exchange loss of D1,009. 214 million was set-off against the brought forward amount credit balance of D464.642 million. This arises mainly from the impact of the Exchange rate Directives issued during the year through an Executive Order.

22. Taxation

Under section 70 of the Central Bank of The Gambia Act 2005, the Bank is exempt from payment of income taxes. However the Income and Value Added Tax Act 2012 which became effective in January 2013 supersedes section 70 of the Central Bank of The Gambia Act as a result of which the Bank is now liable to Value Added Tax (VAT). Pending the outcome of negotiations with Ministry of Finance & Economic Affairs on exemptions to be granted to the Bank, a total amount of D3.480 million (2014:D4.582 million) of VAT paid is classified under miscellaneous assets. A 100% provision has been made in respect this receivable amount.

23. Provisions and other liabilities

Provisions and other liabilities include Pension fund reserves of D80.456 million in line with the actuarial valuation carried as at 31 December 2013. The cost of the plan assets invested in Treasury bills amounts to D105.42 million (Face value D128 Million); 2014: D91.07 million (face value D108 million). The IAS 19 disclosure requirements are as detailed below.

Amounts recognized in the statement of financial position

	31st December 2015 D'000	31st December 2014 D ₦00
Carrying value		
Present value of the defined benefit obligation	116,349	115,594
Fair value of plan assets end of the year	(128,000)	(108,000)
Recognised plan liability/ asset	<u>11,651</u>	<u>7,594</u>



Movement in the statement of financial position

	31 st December 2015 D'000	31 st December 2014 D £00
Opening net liability	7,594	(19,499)
Net contribution during the year	(8,204)	(8,045)
Interest earned on plan asset	10,497	32,535
Net expenses recognized in Income Statement	8,636	8,332
Settlements - Payment directly to members	(6,872)	(5,729)
Closing net liability	11,651	7,594

Net expense recognised in the statement of comprehensive income

Current service cost	6,941	6,310
Interest earned on plan asset	(12,077)	(10,498)
Interest cost on defined benefit obligations	13,772	12,520
	8,636	8,332

Reconciliation of present value of the defined benefit obligation

Opening balance	115,594	80,456
Current service cost	6,941	6,310
Interest cost	13,772	12,520
Interest earned on plan assets	10,497	22,037
Actuarial losses/ gains	-	-
Settlements benefits paid	(6,872)	(5,729)
	139,932	115,594

Reconciliation of fair value of plan assets

Opening balance	108,000	99,955
Contributions by employer	20,000	8,045
	128,000	108,000



The Bank contracted Muhanna and Co Limited based in Nicosia, Cyprus a qualified actuary to calculate the obligation for the purposes of the 31st December 2013 financial statements and as a follow up to the actuarial valuation done as at 31st December 2013.

The report of the actuarial valuation revealed an unfunded liability of D40,840 million. However, based on the actuarial valuation the directors increased the actuarial value of past service cost to D158.44 million (2014: D144.03 million) after recognizing interest cost at 10% and current service cost at 5% resulting in a estimated unfunded liability of D18.51 million. Therefore the Directors decided to recognize the unfunded liability by maintaining the banks contribution as 19.3% of basic salaries plus additional level allocation of D4,115,000 over fifteen years. The directors estimate that with the current investment of the funds at average Treasury bill rate, the Bank should be able to fully fund the pension fund under the existing arrangement. Consequently the directors recommend another actuarial valuation during 2016.

The plan asset investment in treasury bills valued at D128 million was made during the year maturing in 2016.

Key assumptions used

Assumptions used based on last valuation of December 2013.

Mortality and pre-retirement is determined based on:

Distribution of active members by age

	Number	Number
20 - 25	4	3
25 - 30	34	26
30 - 35	47	40
35 - 40	48	49
40 - 45	55	44
45 - 50	37	38
50 - 55	38	35
55 - 60	26	26
60 . 65		4
65+		

Distribution of pensioner members by age

	Number	Number
35 - 40	3	3
40 - 45	7	7
45 - 50	6	11
50 - 55	11	12
55 - 60	13	21
60 - 65	16	15
65 - 70	11	8



70 - 75
75 - 80

7 4
- -

Employees / members by sex

	Number	Average age	Average Years of Service	Total Monthly Salaries (GMD)	Average Monthly Pension (GMD)
Male	174	43.4	12.7	1,582.153	7.083
Female	100	41.9	12.2	746.440	7.511
Total	274	42.6	12.5	2,328.593	7.297

Pensioners by sex

	Number	Average age	Total Monthly Pensions (GMD)	Average Monthly Pension (GMD)
Male	27	61.1	178.219	4.817
Female	44	61.0	110.474	2.511
Total	71	61.1	288.693	3.664

Discount rate 5%
 Inflation rate 5%
 Salary scales used
 Expected rate of return on plan assets 9%
 Salary scales used
 Expenses Nil
 Expected rate of return on plan assets 9%

Life expectancy of Pensioners at age 60 Men (19.5) Women (20.9)
 Life expectancy of current employees at age 60 Men (20.9) Women (22.2)

Sensitivity Analysis

A sensitivity test was carried out to check the behaviour of the main results of the valuation with relation to a series of future foreseeable changes on the parameters that most elastically affects the solvency of the Fund. The scenarios tested were as follows:

- Scenario 1: Increase of the discount rate by 1 percentage unit;
- Scenario 2: Decrease of the discount rate by 1 percentage unit;
- Scenario 3: Increase the percentage of the table of mortality by 10 percentage units;
- Scenario 4: Decrease the percentage of table of mortality by 10 percentage units;
- Scenario 5: Zero discount rate.



Further tests were carried out with respect to changes in inflation assumption and salary increase assumptions of the Fund. The tests carried out did not result to any significant deviations in the values of the Actuarial Liability and the NCR from the basic result.

24. Financial Instruments

24.1 Capital risk management

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

The capital structure of the Bank consist of deposits of the Government and minimum reserves of the commercial banks and the long- term loan obtained from the IMF, deposits of the Bank in foreign banks, foreign cash held at the bank and equity, comprising share capital, reserves and retained earnings as disclosed in Note 15 .

24.2 Gearing ratio

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

The gearing ratio at the yearend was as follows:

Debt (i)	9,751,121	8,515,387
Equity (ii)	418,232	688,666
	<hr/>	<hr/>
Debt to equity ratio (times)	23.32	12.37
	<hr/>	<hr/>

- (i) Debt comprises all liabilities excluding currency in circulation.
- (ii) Equity comprises all capital, retained earnings and reserves of the Bank.

The increase was mainly from the net income from the previous financial year which improved shareholders' funds resulting in the absorption of accumulated losses.



24.3 Categories of financial instruments

	31 st December 2015 D'000	31 st December 2014 D ₦00
Financial assets		
Held-to-maturity investments	5,651,773	7,720,481
Loans and receivables (including cash and cash equivalents)	4,346,543	4,258,161
Available-for-sale financial assets	1,171,757	549,693
	11,170,073	12,528,335
Financial liabilities		
Liabilities at amortised value	2,485,513	1,851,425
Other liabilities	11,301,195	10,572,342
	13,786,708	12,423,767

24.4 Financial risk management objectives

The Bank's board monitors and manages the financial risks relating to the operations of the Bank through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include operational risk, market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

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

24.5 Operational risk



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

24.6 Market risk

The Bank's activities expose it primarily to the financial risk of changes in foreign currency exchange rate and interest rates. The Bank does not manage its exposure to interest rate and foreign currency risk except for the government grants of Interest-bearing redeemable notes to cover foreign currency exchange rate losses on monetary assets and liabilities.

24.7 Foreign currency risk management

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

The carrying amounts of the Bank's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	31st December 2015 D'000	31st December 2014 D'000	31st December 2015 D'000	31st December 2014 D'000
EUR	-	-	412,734	933,361
USD	-	-	1,135,975	1,940,047
GBP	-	-	395,077	672,206
SDR	4,663,344	3,686,923	1,272,647	1,309,935
Other	-	-	9,151	9,920
	4,663,344	3,686,923	3,225,584	4,865,469

24.8 Foreign currency sensitivity analysis

The Bank is mainly exposed to the USD, EUR, GBP and IMF SDR currencies.



The following table details the Bank's sensitivity to a 5% increase and decrease in the Dalasi against the USD, EUR and GBP currencies respectively. +-5% is tolerable sensitivity rate used when reporting foreign currency risk internally to the Board and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A negative number below indicates an increase in exchange loss where the Dalasi weakens 5% against the relevant currency for assets and an increase in exchange gains for liabilities. For a 5% strengthening of the Dalasi against the relevant currency, there would be an equal and opposite impact on the exchange gains and the balances below would be negative for asset and positive for liabilities.

Impact	USD impact		Euro impact		GBP impact		SDR	
	2015	2014	2015	2014	2015	2014	2015	2014
Exchange Gain/(loss)	(56,799)	(97,002)	(20,637)	(46,668)	(19,754)	(33,610)	169,535	118,849

Currency

Currency	Exchange rate
European Union	43.08
United States	39.77
Great Britain	61.57
Switzerland	41.95
SDR	73.16

24.9 Interest rate risk management

The bank is exposed to interest rate risk as it borrows funds primarily from the IMF at fixed interest rates. The Bank does not enter into any derivatives transactions to manage its exposure to interest rate risk.

The Bank's exposure to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

24.10 Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure of the Bank primarily to interest rates on assets and liabilities at the date (comprising primarily foreign currency deposits with foreign commercial and central banks, Redeemable interest-bearing Notes, the 5% Gambia Government bond and the IMF long interest bearing borrowing. for floating rate assets, the analysis is prepared assuming the amount of asset outstanding at the



end of the reporting was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to the Board of Directors and represents the Bank's assessment of the reasonably possible change in the interest rates. However, the current Global financial crisis has made it much more difficult to predict interest rate movements. There is a general decline in interest rate in developed economies which encourages more borrowing with a view to stimulate their economies. Considering that interest rates are at their lowest-virtually zero and negative in the Euro Zone, the near term outlook is that it will remain the same at least for now.

The Net Income for the year ended 31 December 2015 would therefore not increase as a result of interest rate (2014: (D99.12 million) since rates are virtually at zero. This is mainly attributable to the Bank's exposure to interest rates on its variable rate deposits with foreign commercial and Central Banks and the IMF long-term interest-bearing borrowings which are currently at their lowest.

24.11 Other price risks

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

24.12 Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Bank. Given the nature of the Bank's role and responsibility, transactions are made with the Gambia Government, other Central Banks and with reputable foreign commercial banks. Therefore, the Bank's credit risk exposure is mitigated within acceptable levels of the Bank's risk management policy. The carrying amount of financial assets recorded in the financial statements as at 31 December 2015 represents the Bank's maximum exposure to credit risk. The bank risk appetite is risk averse and its priority is liquidity and safety.

Foreign currency cash balances and deposits

2015

USD deposits

Current accounts	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
Standard Chartered	62,621	62,621	USD	none	AA-
UBAF	1,761	1,761	USD	none	A-
Federal Reserve	473,479	473,479	USD	none	n/a
	537,861	537,851			



Euro deposits

Cash	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
Banque de France	69,881	69,881	Euros	none	n/a
BIS	4,730	4,730	Euros	none	n/a
UBAF	11,940	11,940	Euros	none	A-
Deutsche Bundesbank	24,233	24,233	Euros	none	n/a
	110,784	110,784			

GBP deposits

Cash	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
Standard Chartered London	358,394	358,394	GBP	none	AA-
Bank of England	36,683	36,683	GBP	none	n/a
	395,077	395,077			

SDR deposits

Cash	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
International Monetary Fund	1,272,647	1,272,647	SDR	none	n/a
	1,272,647	1,272,647			

Other deposits

Cash	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
Standard Chartered London	327	327	CHF	none	AA-



BIS	8,824	8,824	CHF	none	n/a
	<hr/> 9,151 <hr/>	<hr/> 9,151 <hr/>			

Foreign currency cash balance held

Cash	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
GBP	3,982	3,982	GBP	none	n/a
USD	19,986	19,986	USD	none	n/a
Euros	3,382	3,382	Euros	none	n/a
	<hr/> 27,350 <hr/>	<hr/> 27,350 <hr/>			

2014

USD deposits

Current accounts	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
Standard Chartered	52,656	52,656	USD	none	AA-
UBAF	73	73	USD	none	A-
Federal Reserve	260,284	260,284	USD	none	n/a
	<hr/> 313,013 <hr/>	<hr/> 313,013 <hr/>			

Euro deposits

Cash	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
Banque de France	133,048	133,048	Euros	none	n/a
BIS	6,212	6,212	Euros	none	n/a
UBAF	86,332	86,332	Euros	none	A-
Deutsche Bundesbank	31,683	31,683	Euros	none	n/a
	<hr/> 257,275 <hr/>	<hr/> 257,275 <hr/>			



GBP deposits

Cash	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
Standard Chartered London	199,610	199,610	GBP	none	AA-
Bank of England	2,384	2,384	GBP	none	n/a
	<u>201,994</u>	<u>201,994</u>			

SDR deposits

Cash	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
International Monetary Fund	1,309,935	1,309,935	SDR	none	n/a
	<u>1,309,935</u>	<u>1,309,935</u>			

Other deposits

Cash	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
Standard Chartered London	353	353	CHF	none	AA-
BIS	9,567	9,567	CHF	none	n/a
	<u>9,920</u>	<u>9,920</u>			

Foreign currency cash balance held

Cash	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
GBP	5,224	5,224	GBP	none	n/a
USD	39,973	39,873	USD	none	n/a



Euros	4,678	4,678	Euros	none	n/a
	<u>49,875</u>	<u>49,875</u>			

Investment in securities

2015

Treasury Bills

	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
United States	-	-	USD	none	n/a

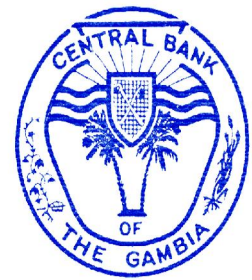
Fixed term investment USD - Current

Bank	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
UBAF France	-	-	USD	none	A-
Credit Suisse	-	-	USD	none	A
Crown Agents	-	-	USD	none	n/a
	<u>-</u>	<u>-</u>			

Fixed term investment USD - Non Current

Bank	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
UBAF France	-	-	USD	none	A-
UBAF France	-	-	USD	none	A-
Banco Santander	-	-	USD	none	A
Banco Santander	-	-	USD	none	AAA
Crown Agents	-	-	USD	none	A+
Crown agents	-	-	USD	none	n/a
Crown agents	-	-	USD	none	n/a
	<u>-</u>	<u>-</u>			
Total	<u>1,598,494</u>	<u>1,598,494</u>			

Fixed term investment Euro Non-Current



UBAF	-	-	Euro	none	A-
Credit Suisse	-	-	Euro	none	A
Crown Agents	-	-	Euro	none	A
	_____	_____			
	-	-			
	=====	=====			

Fixed term investment GBP - Non Current

Bank	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
SCB-London	-	-	GBP	none	AA-
SCB-London	-	-	GBP	none	AA-
	_____	_____			
	-	-			
	=====	=====			

2014

Treasury Bills

	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
United States	-	-	USD	none	n/a
	_____	_____			

Fixed term investment USD - Current

Bank	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
UBAF France	-	-	USD	none	A-
UBAF France	-	-	USD	none	A-
Credit Suisse	-	-	USD	none	A
Banco Santander	-	-	USD	none	B
Banco Santander	-	-	USD	none	B
Crown Agents	-	-	USD	none	n/a
Crown Agents	-	-	USD	none	n/a
	_____	_____			
	-	-			
	_____	_____			

Fixed term investment USD - Non Current



Bank	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
UBAF France	226,400	226,400	USD	none	A-
UBAF France	-	-	USD	none	A-
Credit Suisse	-	-	USD	none	A
Banco Santander	316,960	316,960	USD	none	B
Banco Santander	135,840	135,840	USD	none	B
SCB London	-	-	USD	none	AA-
Crown agents	232,628	232,628	USD	none	n/a
Crown agents	460,266	460,266	USD	none	n/a
Crown agents	226,400	226,400	USD	none	n/a
	<u>1,598,494</u>	<u>1,598,494</u>			

Total 1,598,494 1,598,494

Fixed term investment Euro Non-Current

UBAF	396,026	396,026	Euro	none	A-
Credit Suisse	-	-	Euro	none	A
Crown Agents	282,176	282,176	Euro	none	A
	<u>678,202</u>	<u>678,202</u>			

Fixed term investment GBP Non-Current

Bank	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
SCB-London	213,742	213,742	GBP	none	AA-
SCB-London	249,584	249,584	GBP	none	AA-
SCB-London	-	-	GBP	none	AA-
SCB-London	-	-	GBP	none	AA-
	<u>463,326</u>	<u>463,326</u>			

AAA- Obligations are judged to be of the highest quality with minimal credit risk.

AA-- Obligations are judged to be of a high quality with minimal credit risks.

A- Obligations are judged to be of a quality with minimal credit risks.

A Obligations are judged to be of a quality with still minimal credit risks.

BBB - Obligations are considered to have moderate degree of safety;

BB - Obligations are considered to have moderate risk of default;

B - Obligations are considered to have a high risk of default;

N/A - Cash and reserve banks do not have a credit rating.



Loans and advances

2015

	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
Housing loans	68,704	68,704	GMD	Mortgage	n/a
Car loan	34,278	34,278	GMD	Bill of Sale	n/a
Personal	4,143	4,143	GMD	Insurance	n/a
Staff loan amortised	(21,340)	(21,340)	GMD		
	<u>85,785</u>	<u>85,785</u>			
Micro finance institutions	4,610	4,610	GMD	Mortgage	n/a
	<u>90,395</u>	<u>90,395</u>			
	=====	=====			

2014

	Carrying amount D'000	Maximum exposure D'000	Held in Denomination	Type of collateral	Credit rating
Housing loans	48,304	48,304	GMD	Mortgage	n/a
Car loan	30,202	30,202	GMD	Bill of Sale	n/a
Personal	6,221	6,221	GMD	Insurance	n/a
Staff loan amortised	(5,859)	(5,859)			
	<u>78,868</u>	<u>78,868</u>			
Micro finance institutions	4,610	4,610	GMD	Mortgage	n/a
	<u>83,478</u>	<u>83,478</u>			
	=====	=====			

24.13 Liquidity risk management

Liquidity risk refers to the risk that the Bank will encounter difficulty in meeting obligations associated with financial liabilities. The ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Bank's short, medium and long-term funding and liquidity management requirements. The Bank manages liquidity risk by maintaining adequate amounts on very short term deposit with foreign commercial and central banks, by having ability to draw down on the IMF facilities up to the approved limits, by continuously monitoring forecast and



actual cash flows related primarily to Government projects and matching the maturity profiles of financial assets and liabilities. Included in note 5 is a summary of undrawn amounts from the IMF under approved facilities that the Bank has as its disposal.

In managing its liquidity risk, the Central Bank of The Gambia entered into foreign currency swaps valued at USD35.70 million equivalent GMD1,824 million with commercial banks in The Gambia in a bid to boost up its Gross International Reserves (GIR) due mainly from the inability to purchase foreign currency from the Interbank market. Although The Gambia was Ebola free, the main source of foreign exchange earnings on tourism was severely impacted. Consequently the foreign currency reserves of the country needed to be augmented in the short term to mitigate the impact of not meeting external obligations of The Gambia Government to complement the IMF disbursement under the Rapid Credit facility for Balance of Payment Support during the year under review.

The receipts of the foreign currency swaps are booked in the foreign bank accounts of the Bank and the commercial banks credited with the Dalasi equivalent. The funds received by the commercial banks are invested in Treasury bills mainly to minimise liquidity injection in the banking system which has implication for monetary policy stance and the core mandate of reigning in inflation of the Bank.

The foreign currency swaps are repayable upon maturity and the equivalent GMD debited with value at the agreed rate to commercial banks accounts with the option to roll over where agreeable by both parties at a new agreed rate.

The Bank is a party to the contractual provision of these instruments, initial measurement at fair value equals the transaction price. Therefore it is management judgement that there are no significant observable inputs impeding this fair value judgement.

Derivative financial instruments

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year end and are indicative of neither the market risk nor the credit risk.

At their inception, derivatives often involve only a mutual exchange of promises with little or no transfer of consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the value of the asset, rate or index underlying a derivative contract may have a significant impact on the profit or loss of the Bank. Over the counter derivatives may expose the Bank to the risks associated with the absence of an exchange market on which to close out an open position. The Bank's exposure under derivative contracts is closely monitored as part of the overall management of its market risk.

Forwards and futures



Forward and futures contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Forwards are customised contracts transacted in the over the counter market. Futures contracts are transacted in standardised amounts on regulated exchanges and are subject to daily cash margin requirements. The main differences in the risks associated with forward and futures contracts are credit risk and liquidity risk. The Bank has credit exposure to the counterparties of forward contracts. The credit risk related to future contracts is considered minimal because the cash margin requirements of the exchange help ensure that these contracts are always honoured. Forward contracts are settled gross and are, therefore, considered to bear a higher liquidity risk than the futures contracts that are settled on a net basis. Both types of contracts result in market risk exposure.

Swaps

Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts, in relation to movements in a specified underlying index such as an interest rate, foreign currency rate or equity index. Interest rate swaps relate to contracts taken out by the Bank with other financial institutions in which the Bank either receives or pays a floating rate of interest, respectively, in return for paying or receiving a fixed rate of interest. The payment flows are usually netted against each other, with the difference being paid by one party to the other. In a currency swap, the Bank pays a specified amount in one currency and receives a specified amount in another currency. Currency swaps are mostly gross settled.

	2015			2014				
	Fair value		Net	Notional	Fair value		Net	
	Assets	Liabilities	Amount		Assets	Liabilities		Amount
D'000	D'000	D'000	USD'000	D'000	D'000	D'000	USD'000	
Currency swaps - Guaranty Trust Bank	-	-		21,500	-	-	-	-
Currency swaps - Ecobank	-	-		18,200	-	-	-	-
Forwards	-	-	-	-	-	-	-	-
Futures	-	-	-	-	-	-	-	-
	-	-	-	39,700	-	-	-	-

The Bank's liabilities represent primarily deposits of commercial banks in the amount of D2,590,132 (2014: D2,112,671,000) (Including the minimum reserve requirement) and deposits of The Gambia government in the amount of D2,046,001,000 (2014: D2, 377,045,000). These amounts bear no specific maturity date and are repayable on demand. The Bank's only interest bearing liabilities are in respect of the IMF facilities that are repayable as outlined in note 13.



The following table details the Bank's expected maturity for its non-derivative financial assets that are the primary tool for liquidity risk management. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Bank anticipates that the cash flow will occur in a different period.

	Less than 1 month D'000	1-3 months D'000	3 months to 1 year D'000	1-5 years D'000	5+ years D'000	Total D'000
2015						
Non- interest bearing	-	-	2,459,142	914,497	414,817	3,788,456
Variable interest rate instruments	2,352,870	841,295	1,239,506	-	-	4,433,671
Fixed interest rate instrument	-	-	-	468,804	3,820,972	4,289,776
	2,352,870	841,295	3,698,648	1,383,301	4,235,789	
	12,511,903					
2014						
Non- interest bearing	-	-	-	-	-	-
Variable interest rate instruments	2,142,012	1,325,000	4,692,152	-	-	8,159,164
Fixed interest rate instrument	-	-	1,550,230	-	1,952,877	3,503,107
	2,142,012	1,325,000	6,242,382	-	1,952,877	11,662,271

24.14 Fair value of financial instruments

The fair value of the Redeemable Interest-Bearing Notes and The Gambia Government 5% bond are determined as follows:

- There is no secondary market in The Gambia for trading of these or any other similar long- term instruments and therefore, the Directors of the Bank have applied non-market valuation techniques to determine the estimated fair value of these instruments;
- As the instruments have a fixed rate of interest without a fixed maturity date, a valuation technique was applied similar to fixed rate in-perpetuity instruments;
- The market rate used to derived at the estimated fair value included significant assumptions as the Gambia financial markets do not currently trade in any instruments with extended maturities;
- The significant assumptions used included:



1. There is little or no credit risk for government securities;
2. The risk free rate as at 31 December 2009 was adjusted downwards to reflect the virtual lack of risk associated with an interest income cash flows in perpetuity;
3. The directors of the Bank have also assumed that the discount rate that would be applied would approximate the nominal interest on the instruments;
4. Directors of the Bank have also assumed that the classification of these instruments as available for sale investments will change in the future to hold to maturity investments as the Bank plans to reach an agreement with The Gambia Government on applying a maturity date to these instruments.

The directors consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost or at their nominal values in the financial statements approximate their fair values, given the short term nature, economic environment the Bank is operating in and the relationship of the Bank with government of The Gambia, the IMF and the commercial banks.

Therefore, no detailed fair value analysis of the Bank's other financial assets and liabilities were performed.

The table below shows the classification of financial instruments held at fair value into the valuation hierarchy set out above as at 31 December, 2015:

2015

	Level 1 D'000	Level 2 D'000	Level 3 D'000	Total D'000
Assets				
<i>Available for sale investments:</i>				
Redeemable Interest-Bearing Notes	-	-	468,805	468,805
5% Gambia Government Bond	-	-	250,000	250,000
Equity investments	-	-	302,953	302,953
Derivatives	-	-	-	-
	-	-	1,021,758	1,021,758
Liabilities				
Derivatives	-	-	-	-
	-	-	-	-



2014

Assets

Available for sale investments:

Redeemable Interest-Bearing Notes	-	-	-	-
5% Gambia Government Bond	-	-	250,000	250,000
Equity investments	-	-	299,693	299,693
Derivatives	-	-	-	-
	<u>-</u>	<u>-</u>	<u>549,693</u>	<u>549,693</u>

Liabilities

Derivatives	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

24.15 Related party transactions

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

Transactions with related parties in 2015 can be summarised as follows:

Name	Receivables D'000	Payables D'000	Revenues D'000	Expenses D'000
The Government of Gambia:				
Ministry of Finance	5,565,381	-	468,804	-
Other Government departments	-	-	-	-
GG Treasury bills	1,180,737	-	-	-
Senior Management of the Bank	10,710	-	-	-
	<u>6,756,828</u>	<u>-</u>	<u>468,804</u>	<u>-</u>

Transactions with related parties in 2014 can be summarised as follows:



Name	Receivables D'000	Payables D'000	Revenues D'000	Expenses D'000
The Government of Gambia:				
Ministry of Finance	3,503,107	2,377,045	-	464,642
Other Government departments	-	-	-	-
GG Treasury bills	3,277,582			
Senior Management of the Bank	8,448	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	6,789,137	2,377,045	-	464,642
	<hr/>	<hr/>	<hr/>	<hr/>

Related party transactions represent primarily the deposits of The Gambia Government and other financial instruments, including the grants of Redeemable Interest- Bearing Securities and advances granted to government and treasury bills holdings. Transactions with Directors of the Bank represent primarily loans provided for financing housing, car and other personal effects.

Remuneration of board of directors and Function Directors

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

	31 st December 2015 D'000	31 st December 2014 D £00
Board of directors:		
Directors fees and sitting allowances	672	666
Senior management:		
Salary	5,639	4,745
Other benefits	5,927	5,379
	<hr/>	<hr/>
	12,238	10,790
	<hr/>	<hr/>

25. Capital commitments



Capital expenditure budget for 2015 and 2016 can be summarised as follows:

	D=000
2015	192,443
2016	121,907
	<hr/>
	314,350
	<hr/>

Capital expenditure mainly relates to costs to be incurred in achieving the broad objectives in line with the strategic plan activities and actions. The significant items are for the minting of coins and its related activities, demolition and design of Lemman Street Annex and other building related activities and the maintenance and enhancement of the payment Systems. The Bank has entered into binding contractual arrangements in respect of the realisation of some of these projects. The Bank does not prepare capital expenditure budgets for longer periods.

26. Contingent liabilities and assets

The Directors of the Bank have assessed the existence of contingent assets and contingent liabilities and have concluded on the basis of their valuation that the Bank has no significant contingent assets or contingent liabilities (2014: D Nil).

27. Events after the reporting date

The Directors of the Bank have concluded that no events have occurred since the date that requires adjustments or disclosures in the financial statements.

28. Adoption of new and revised standards

The Bank has adopted all the new, revised and amended standards and interpretations issued by the IASB and IFRIC applicable to the Bank's operations and to annual reporting periods beginning on or after 1 January 2008. The adoption of new, revised or amended standards and interpretations did not result in the Bank's accounting principles affecting the figures disclosed in the financial statements of previous years and the current year.



29. New standards, interpretations and amendments to existing standards that are not yet effective

Standards issued but not yet effective

IFRS 9 Financial Instruments

The first phase of IFRS 9, which addressed classification and measurement of financial assets was published in November 2009, and was subsequently amended in October 2010 and November 2013, to include classification and measurement requirements of financial liabilities and hedge accounting requirements.

IFRS 9 (2013) does not yet have a mandatory effective date, but early adoption is allowed. A mandatory effective date will be set when the IASB completes the impairment phase of the project. At its February 2014 meeting, the IASB tentatively decided that the mandatory effective date of IFRS 9 will be for annual periods beginning on or after 1 January 2018.

Key requirements:

Classification and measurement of financial assets

~ All financial assets are measured at fair value on initial recognition. Debt instruments may be subsequently measured at amortised cost, if the fair value option (FVO) is not invoked, and:

- i) The asset is held within a business model that has the objective to hold the assets to collect the contractual cashflows.
- ii) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

~ All other debt instruments are subsequently measured at fair value.

~ Equity instruments are measured at fair value through either other comprehensive income (OCI) or profit or loss. Entities have an irrevocable choice to recognise changes in the fair value of

non-trading instruments either in OCI or profit or loss by instrument. However, equity instruments held for trading must be measured at fair value through profit or loss.

Classification and measurement of financial liabilities

~ For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is



presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss.

~ All other IAS 39 classification and measurement requirements for financial liabilities have been carried forward into IFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

Hedge accounting

~ Hedge effectiveness testing must be done prospectively and can be qualitative, depending on the complexity of the hedge.

~ A risk component of a financial or non-financial instrument may be designated as the hedged item if the risk component is separately identifiable and reliably measurable.

Transition

Entities may elect to early apply only the accounting requirements for gains and losses from own credit risk without applying the other requirements of IFRS 9 (2013) at the same time. These provisions require an entity to present in OCI the changes in the fair value of non-derivative financial liabilities designated at fair value through profit or loss that are attributable to the entity's own credit risk.

Previous versions of IFRS 9 (2009 and 2010) will be available for early application until all of the phases of IFRS 9 have been issued.⁴

Impact

The application of the completed version of IFRS 9 will likely result in significant changes to an entity's current accounting, systems and processes. For entities considering early application, there are a number of benefits and challenges that should be considered. Careful planning for this transition will be necessary.

IAS 16 and 38 Acceptable methods of Depreciation and Amortisation

Effective for annual periods beginning on or after 1 January 2016.

Key requirements:

Amendments to both IAS 16 and IAS 38 clarifying, that when applying the principle of %the basis of depreciation and amortisation is the expected pattern of consumption of the future economic benefits of an asset+, revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets.

Additionally further clarified the basis for the calculation of depreciation and amortisation.

IFRS 15 Revenue from Contracts with Customers

Effective for annual periods beginning on or after 1 January 2017.

Key requirements:



The objective of the new standard is to establish principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

The standard introduces a revenue model in which the core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.