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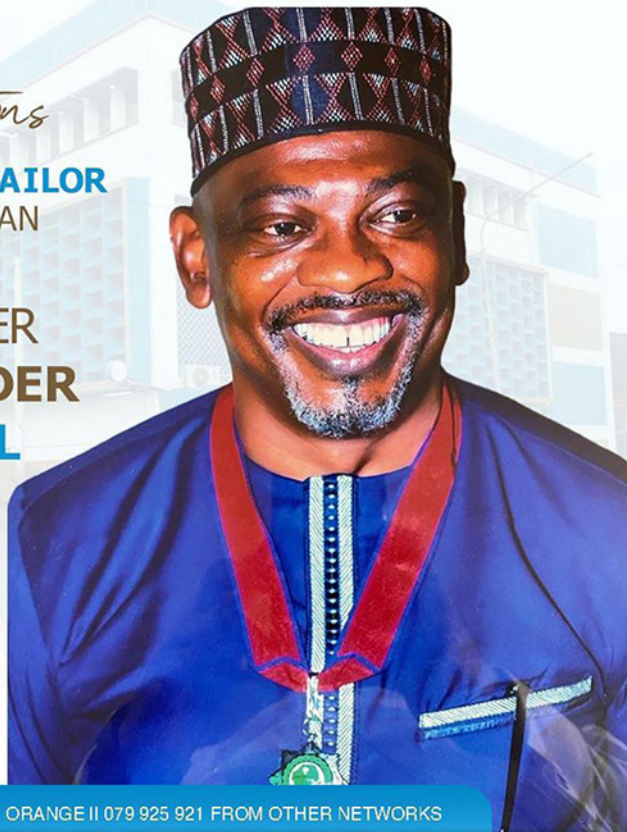
ROKEL SIM KORPOR PLUS
"Di Ansa"

2020 ANNUAL REPORT

Congratulations

BUFFY BATHAM BAILOR
BOARD CHAIRMAN

**COMMANDER
OF THE ORDER
OF ROKEL**



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Congratulations

DR WALTON GILPIN

**COMMANDER
OF THE ORDER
OF ROKEL**



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Bank of Choice RC Bank the Caring Bank!

*Congratulations
to the Chairman and
the Managing Director
as Recipients of Sierra
Leone's highest and most
prestigious Presidential
Recognition awarded to
Sierra Leoneans who have
distinguished themselves
by making meaningful and
valuable contributions to
the nation.*

*The strength of your
achievement is rooted
in the depth of your
passion for the growth
and development you
have brought to RCBank.
Your "You-Can-Do"
attitude has made a
positive difference to have
catapulted RCBank to
this position of strength.*

Congratulations!



Rokel Commercial Bank (Sierra Leone) Limited
Financial Statements
for the year ended 31st December 2020





NOTICE OF 48TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY given that the 48th Annual General Meeting (AGM) of the Shareholders of Rokel Commercial Bank (SL) Limited will be held at the Beccles Davies Memorial Hall, Gloucester Street, Freetown on Friday 23rd July 2021 at 11:00 a.m. prompt to transact the following businesses: -

1. *To amend, accept and adopt the Minutes of the 47th AGM held on the 16th October 2020;*
2. *To consider the reduction of the Company's Share Premium Account;*
3. *To consider the increment of the Company's Paid Up and Issued Share Capital;*
4. *To consider the issuance of Bonus Shares;*
5. *To receive/approve the Directors' Reports and Financial Statements as at 31st December 2020;*
6. *To propose/declare dividends for the year ended 31st December 2020;*
7. *To re-elect the retiring Directors; and*
8. *To transact any other business proper to be transacted at an AGM.*

FURTHER TAKE NOTICE that due to the Government's COVID-19 Pandemic Regulations in regard public gathering and social distancing, the Bank is obliged to comply by restricting the number of attendees to a maximum of Fifty (including Members of the Board and Senior Management), as approved by the National Covid-19 Emergency Response Center (NaCOVERC) on a "first-come-first-serve" basis. Nonetheless, the AGM will be aired via Zoom for the participation of Shareholders who could not attend in person.

A Member of the Company eligible to vote at the Meeting is entitled to appoint a Proxy who upon a poll to vote, can vote in his/her stead. Consequently, Shareholders are kindly encouraged to appoint their Proxies from among the Board Members or the Company Secretariat Staff who certainly shall be among the limited number to attend the AGM. Proxy Forms MUST be lodged with the Company Secretariat on or before 11:00 a.m on Tuesday, 20th July 2021.

The Directors' Report, the Audited Financial Statements, Proxy Forms and Zoom Details (ID and Password) will be distributed to Shareholders or can be collected at the Company's Secretariat at Nos. 25-27 Siaka Stevens Street, Freetown from Friday, 16th July 2021.

This Notice is given by order of the Board of Directors.

Dated this 24th day of June, 2021.

Margaret A.L. Davies (Mrs.)
COMPANY SECRETARY



AGENDA OF THE 48TH ANNUAL GENERAL MEETING

Item No. 1:	Call to Order and Silent Prayers
Item No. 2:	Reading of Notice Convening the Meeting
Item No. 3:	Welcome Statement & Introduction of Members of the Board of Directors
Item No. 4:	To amend, accept and adopt the agenda dated 23rd July 2020
Item No. 5:	To amend, accept and adopt the Minutes of the 47th AGM held on the 16th October 2020
Item No. 6:	To consider the reduction of the Company's Share Premium Account
Item No. 7:	To consider the increment of the Company's Paid Up and Issued Share Capital
Item No. 8:	To consider the issuance of Bonus Shares
Item No. 9:	To receive/approve the Directors' Reports and Financial Statements as at 31st December 2020
Item No. 10:	To propose/declare dividends for the year ended 31st December 2020
Item No. 11:	To re-elect the retiring Directors
Item No. 12:	To transact any other business proper to be transacted at an AGM
Item No. 13:	To Re-Elect the Retiring Directors
Item No. 14:	Statements from the following:
	(i) <i>The Managing Director</i>
	(ii) <i>Representative of the Private Shareholders</i>
	(iii) <i>Representative of the Majority Shareholder</i>
Item No. 15:	Any Other Business

Margaret A.L. Davies (Mrs.)
Company Secretary



CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS OF ROKEL COMMERCIAL BANK (SIERRA LEONE) LIMITED (2020)



Mr. Buffy B. Bailor
Chairman



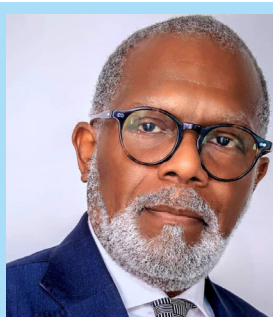
Mr. Sabieu Conteh
Member



Mr. Santigie C. Conteh
Member



Dr. Prince A. Harding
Member



Mr. Andre T. Hope
Member



Mrs. Marcella B. Jones
Member



Dr. Haja R. Wurie
Member



Dr. Walton E. Gilpin
Member/Managing Director



Mr. Emmanuel E. Borbor
Member/
Deputy Managing Director



Margaret A. Davies (Mrs.)
Company Secretary/
Legal Adviser

CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS

- | | |
|---------------------------|-----------------------------------|
| 1. Mr. Buffy B. Bailor | - Chairman |
| 2. Mr. Sabieu Conteh | - Member |
| 3. Mr. Santigie C. Conteh | - Member |
| 4. Dr. Prince A. Harding | - Member |
| 5. Mr. Andre T. Hope | - Member |
| 6. Mrs. Marcella B. Jones | - Member |
| 7. Dr. Haja R. Wurie | - Member |
| 8. Dr. Walton E. Gilpin | - Member/Managing Director |
| 9. Mr. Emmanuel E. Borbor | - Member/Deputy Managing Director |

COMPANY SECRETARY/LEGAL ADVISER

Margaret A.L. Davies (Mrs.)

REGISTERED OFFICE

25/27 Siaka Stevens Street, Freetown

AUDITORS AND TAX ADVISERS

MOORE Sierra Leone
55 Sir Samuel Lewis Road
Aberdeen, Freetown



CHAIRMAN'S STATEMENT 2021



INTRODUCTION

Dear Members, I want to welcome you all to another Annual General Meeting (AGM). It is and has always been a great honour to present to you the Annual Report and Financial Statements of your Company. As seen in

the Annual Report, the year ended 31st December 2020 was another year of significant progress as we were able to achieve most of our targets/goals including generating revenues/profits thereby adding to Shareholders' value. I will now take this opportunity to mention a few points that I consider important for the information of Shareholders.

BOARD GOVERNANCE

The Board of Directors has been constantly working towards improving its performance by practicing good corporate governance and following international Best Practice. The Board currently maintains the following four (4) Committees: Board Administrative Committee, Board Risk Management Committee, Board Audit & Compliance Committee and Board Nomination & Remuneration Committee.

In the past two (2) years, the Board has placed great emphasis on strengthening the Bank's risk culture, as identifying and assessing all types of risk is a fundamental element of its operations. We all may be aware that Risk is an integral part of every business of which the banking business is not an exception. On that note, the Board and Management contracted a reputable firm to develop an Enterprise Risk Management Framework as Risk Management underscores the fact that the survival of an organization depends heavily on its abilities and capabilities to anticipate and prepare for change rather than waiting for change and reacting thereafter. The Board also played an important role by working with Management in developing the following: a Medium Term Strategy, a Business Plan, a Customer Service Survey and Compliance Roadmap.

It may interest you to know that the Board upon assuming office noticed that there was no corporate governance structure in place and so, it immediately had one developed; this is now at the final stage of approving 'A Corporate Governance Charter', which intends to guide the overall functions of the Board, Board Committees and Management. In addition, the Board initiated the development and has approved additional operational policies, which are essential for the effective running of the institution.

As you may be aware, the rapid changes in digital technology and the need for a more modern approach to e-banking has become the modus operandi and the new normal in the Banking Industry. To this end, the Board has worked with Management to review the Bank's strategy on electronic banking and technology. On that note, the Board strategically approved the procurement of a new core banking system which will replace the obsolete system which the bank has been using since 1999.

In addition, we have worked towards ensuring that all the Resolutions passed at the 47th AGM are implemented in accordance with the Companies Act 2009, the Banking Act 2019 and the Memorandum of Articles. As a result of the ongoing growth and quest for top position in the industry, the Board has made a few other proposals as stated in the agenda.

THE ECONOMY

As we are all aware, 2020 was a year of extraordinary challenges. The scourge of the Covid-19 Pandemic caused many businesses to be affected; some scaled down in their operations, some temporarily closed and others permanently shut down. This triggered global macroeconomic shocks with far-reaching effects on the economy of Sierra Leone and by extension the Financial Sector, in which RCBank is a key player.

According to African Economic Outlook 2020, the Sierra Leone Real Gross Domestic Product (GDP) was estimated to be 2.7% in 2020 after a growth of 5.4% in 2019. The decline was attributed to weak external demand for the country's major



export commodities and this negatively affected key sectors, particularly mining, transport and tourism. The decline in exports caused the current account deficit to widen to 15.6% of the GDP in 2020 from 13.5% in 2019.

Inflation was estimated to peak up to 17% in 2020 from 14.8% in 2019 because of supply chain, disruptions and transportation restrictions. The budget deficit also expanded to 5.7% of the GDP in 2020 from 2.9% in 2019 as a result of a revenue shortfall arising from lower economic activities.

FINANCIAL PERFORMANCE/RESULT

Despite the challenges and stress faced by the banking industry in 2020, your Bank recorded a profit before tax of Le 83.6 billion amid the Covid-19 Pandemic, and this constitutes an increase of 5% compared to the 2019 result of Le 79 billion. A portion of the profits generated during the year has been proposed as interim dividend to be declared to existing Shareholders.

Also, total deposits stood at Le 1.5 trillion for the year ended 31st December 2020 representing a 52% increase compared to the previous year's figure of Le 967 billion. The growth recorded reflects our ever increasing marketing efforts to grow the Bank's deposit and generate additional revenue. The growth in our deposit figure has contributed immensely to the overall growth in the Bank's balance sheet figure.

During the year under review, the total assets of the Bank grew by 51% from Le1.2 trillion to Le1.9 trillion while Shareholders' funds increased by 32% from Le177 billion in 2019 to Le233 billion in 2020.

OPERATIONS/BRANCH EXPANSION

As part of the Bank's continued effort to ensure financial services become accessible to our numerous customers, onboard the unbanked and provide financial access points to communities who do not have access to financial services, the Bank in 2020 increased its representation by opening five (5) additional Branches/Outlets at; Fourah Bay College campus, Wilberforce Barracks, UNDP at Wilberforce, Wilkinson Road, and Sierra Leone Road Safety Authority. The opening of these new Branches/Outlets now enable customers to have easy access to the Bank as they no longer

need to travel all the way to the Central Business District to do transactions.

The Branch expansion exercise has been driven not only by the Bank of Sierra Leone's financial inclusion for efficiency in the financial sector, but also one of the RCBank's key goals. The new outlets have provided the Bank with a huge opportunity to market its products and services to potential customers in the new localities. At the same time, the SKP+ has also been deployed widely in these new locations. The Bank also continues to deepen its operations in the rural areas by intensifying marketing operations in areas where we just established banking or other operational/cash collection services such as Kabala, Bonthe, Jendema, but to name a few. We actively collaborate with the agriculture sector, by supporting cocoa producers and providing credit for fertilizers and other agricultural supporting condiments.

INFORMATION TECHNOLOGY/DIGITALIZATION

During the period under review, Management through the support of the Board of Directors finalised the procurement of a more sophisticated but user-friendly core banking software to replace its current software (Univbank) system which is considered technologically obsolete as it can no longer meet the increasing technological sectoral requirements and banking demands from our growing clients' base. We are hopeful that the new core banking application will usher in a competitive advantage for the Bank to deliver first class products and services to our valued customers, which is increasingly a changing demographics with the younger and more technological savvy population. In addition, as banking grows, the need for secure automatic transactions has become the norm. This bold step to change the Core Banking System is expected to drive the Bank's digitization aspirations and will no doubt reduce cost, increase revenue, enhance efficiency and put the Bank in a highly competitive position.

Your Bank, as an early adopter of technology with a view to providing safe, secure and convenient banking facilities to its customers has been working assiduously towards the digitization of the Bank's entire operations and improve on our technology channels by introducing a robust e-banking product/mobile platform called 'Rokel Sim Korpor Plus' (RSK+), which is a digital solution



of banking through your phone. This is an inclusive and user-friendly product that caters for both customers and non-customers irrespective of their location and it has significantly revolutionized the perception of your Bank, from being seen as an old fashioned and paper centric institution, to that of a modern, digital Bank. The RSK+ is already a household name within the financial sector and is one of the Bank's prime e-banking products designed towards the actualization of cashless society for Sierra Leone.

This Digitalization process has also been used to develop the online banking experience and now customers can fully manage their accounts and even purchase EDSA and do Orange Money transactions through the Online Banking Portal and also through the RSK+.

We have also upgraded our Point of Sales (POS) Machines and Automated Teller Machines (ATM) cards to be more protected in terms of security and usage. We also upgraded the Agency Banking within the year under review and we intend to launch a mobile application (2U Money) and a more robust internet banking by the end of this year 2021. RCBank has also invested heavily to ensure that our systems are secure and safe as incidences of cybercrime are now on the increase. Our vision is to remain competitive through innovation and the deployment of safe, secure and state of the art banking technology.

HUMAN RESOURCES

The quality of an organization is essentially represented by its employees with the requisite qualifications, skills and experience. The RCBank accords utmost importance to the enhancement of staff skills and as such, the Bank is constantly investing in staff development to enhance the skills of staff in order to maintain a quality workforce. Amidst the demanding test of the Covid 19 pandemic, management and staff united to overcome the challenges faced in 2020, and this reflects the caliber of staff the Bank has in ensuring that all our operations progress at a stable pace. The Bank places much value on our employees' development and remains committed to that. However, as a result of the Covid-19 Pandemic, various trainings scheduled for the year 2020 were constrained to be undertaken.

The current number of RCBank's staff is 540 of which 382 are permanent staff and 158 contract employees. Five (5) staff/employees left the Bank for various reasons and two members of staff died in active service.

CAPITAL RAISING INITIATIVES

The Board in the quest to steer the growth of the Bank, to tap into the unbanked and presenting opportunities, to effectively and efficiently serve our numerous customers, has taken deliberate steps in strengthening Management's capacity to particularly raise funds by empowering staff to onboard new customers (including corporate customers).

Management has also increased its debt collection exercise/drive and Agency Banking as a way of generating revenue thereby supporting the ever-growing demand of creditors and most importantly adding value to the Bank and subsequently increase Shareholders' value.

ACKNOWLEDGEMENT

On behalf of my colleague Board Members, I wish to sincerely appreciate the support of the Shareholders who are the backbone of this Institution; I want to state that you are the reason for RCBank and its successes. Indeed, the Bank would not be where it is today without the consistent, unequalled loyalty and confidence you have in the Board and Management of the Bank. The Board will strive to be worthy of the trust you have reposed in us as your representatives and we commit ourselves to growing Shareholders' Value and to working with Management to provide unprecedented dividends for you all. The Board of Directors, Management and Staff of your company wish to say a big THANK YOU for your ever increasing support and we look forward to serving you better in the coming years.

I also want to express our profound thanks and appreciation to our supervisory body, the Ministry of Finance and our Regulators, the Bank of Sierra Leone who have tirelessly continued to provide invaluable support. I want to also thank you for your guidance and directives for without which the Bank would not have achieved and witnessed its successes. As always, the Board is deeply grateful for your usual support and guidance in helping us to steer the affairs of the Bank.



I would also like to thank our numerous esteemed customers for their loyalty and confidence in RCBank for which I always state; “without you, there would be no RCBank” and also to let you know that your immeasurable and unmatched commitment to banking with RCBank has never gone unnoticed.

All these achievements would not have been possible without the support of all the stakeholders including our business partners, stakeholders (our competitors, creditors, debtors, suppliers, contractors, service providers, consultants, etc.) for creating a competitive environment (which made us strong in the industry), their various support, services rendered towards the success and growth of the Bank. I would like to thank you all for your collaboration and support to us in diverse ways and I remain appreciative of you all.

The future is bright for RCBank and I want to acknowledge our vibrant team of employees who are determined to see the Bank play a leading role in the banking industry and with whom we were able to reach to a position wherein we can propose dividends; a team which is poised to work very hard to provide unprecedented dividends for you all.

Special thanks go to the CEO/MD (Dr. Walton E. Gilpin) for his innovations, outstanding collaborative relationship with the Board and his strong and tireless efforts in directing the Bank’s day-to-day activities and for his highly fruitful engagement with stakeholders.

Mr. Buffy B. Bailor



Chairman

Lastly and most importantly, I want to acknowledge my colleagues, (members of the Board of Directors) for their contribution, dedication, support as we together propel RCBank to higher heights. I have no doubt (with the show of commitment and contribution) that we will do more in the ensuing year. Similarly, I want to thank the Company Secretary who has been invaluable in providing legal, ethical and regulatory advice and other professional services to the Board. I must state at this point that I am well pleased with the show of commitment exhibited by you all and look forward to working with you all in the years to come.

CONCLUSION

Let me conclude by assuring you that your Board has put in place appropriate strategies, plans and policies to achieve consistent growth with stability and profitability thereby maintaining the upward trajectory it has been working on since its inception. We, however need your support as not all these can be realized/achieved without your continued support.

Finally, I want to also assure you that your Company remains committed to the highest standards of corporate governance as we continue our relentless efforts in imbibing and ensuring a strong professional culture and environment in the Company.

God bless us all, God bless RCBank and God bless the Republic of Sierra Leone.

I thank you all,



MANAGING DIRECTOR'S STATEMENT



2020 has been no ordinary year. It accounts for our commendable strides and also tested our resolve to put Rokel Commercial Bank (RCBank) on a higher pedestal in the country's financial sector.

The persistent negative impact of the COVID -19 pandemic on our economy could not have proven to be more sinister for financial institutions in the country. However, as they say it, necessity is the mother of inventions. And if extra ordinary times call for extraordinary efforts, we are proud to say that we have worked ourselves out to remain one of the most significant contributors to Sierra Leone's growth trajectory.

We have continued to make considerable gains and the year under review revealed our enviable growth statistics and this could only mean one thing; Success! Yes, in the midst of our challenges, our thirst for success has been evident in the manner in which we have exceeded expectations. Clearly, our figures have not been static. We recorded a profit (before tax) of Le83.5 billion representing a 5% increase from Le79.4 billion in 2019. Of significance also is how our retained earnings increased from Le966 million in 2019 to Le44 billion in the year under review. This shows extreme financial stability as we are now in a strong position of retained earnings.

We have accelerated our efforts towards full digitalization and consequently, the bank is developing or installing the requisite human resource and infrastructure for this digital revolution. RCBank is set to become one of the first indigenous banks to fully digitalize its operations in Sierra Leone. A robust and secured digital infrastructure that would not only allow customers to enjoy cashless transactions in Sierra Leone and other parts of the world, but will also help to decongest the banking halls is currently underway.

A functionally effective internet banking portal has been developed and this has proven quite useful to customers who are keen to avoid the hassle of leaving the comfort of their homes and offices to carry out banking transactions in the usually

congested bank premises. This is what a modern bank should boast off, and we have provided this facility through your bank, RCBank.

At least, we will all agree that banks in Africa recognize the importance of digital banking in their growth strategy. Improved access to digital services can help increase the financial inclusion of many customers across the continent while supporting local economies. The opportunities are massive for banks willing to take the lead and digitally transform their business to truly engage with their customers. To this end, we have deepened the penetration of our state of the art digital portal, the Rokel Sim Korpor Plus, which allows customers to access their accounts, carry out normal banking transactions, make cash payments, buy EDSA credit, link with their Orange Money Accounts, top up phone credits, and much more – through their mobile devices. This is also being used in shops and through other vendors to pay for purchases and other services. It is our aim to make the Sim Korpor Plus the primary mode of payment in Sierra Leone in the shortest possible time.

In the year under review, RCBank has been very good at attracting and developing talented young people to face the challenges in the banking sector. As a seasoned administrator, I am proud to work with an exceptional Board of Directors, and I thank them for their commitment, passion and supervision in achieving the objectives of RCBank. That same appreciation goes to each and every employee of RCBank and our numerous customers. Our staff development, aggressive marketing, corporate Social responsibility, financial literacy and financial inclusion programmes have been escalated to 'conjure' the positive outcomes we are celebrating today and this celebration shall continue. To this end, your bank continues to be recognized internationally for its excellent developmental trajectory – even by renowned organizations like the World Economic Forum.

Let me assure our Shareholders that your company is in good shape, and we are optimistic about its future as we are all aligned and committed to our objective of providing you with satisfactory returns.

God bless you all and God bless your bank - RCBank.



**MINUTES OF THE 47TH ANNUAL GENERAL MEETING OF SHAREHOLDERS OF
ROKEL COMMERCIAL BANK (SIERRA LEONE) LIMITED
HELD AT THE VANILLA COMPLEX, ABERDEEN, FREETOWN
ON FRIDAY THE 16TH DAY OF OCTOBER 2020 AT 11:00 A.M.**

Board Of Directors Present:

- | | | |
|-----------------------|---|--|
| 1. Buffy B. Bailor | - | Chairman |
| 2. Sabieu Conteh | - | Member |
| 3. Santigie C. Conteh | - | Member, Representing the Financial Secretary |
| 4. Prince A. Harding | - | Member |
| 5. Marcella B. Jones | - | Member |
| 6. Haja R. Wurie | - | Member |
| 7. Walton E. Gilpin | - | Member/Managing Director |
| 8. Emmanuel Borbor | - | Member/Deputy Managing Director |

In Attendance:

- | | | |
|-------------------------|---|---|
| 1. Margaret A.L. Davies | - | Company Secretary/Legal Adviser |
| 2. Albert Randall | - | Representing Moore Sierra Leone (External Auditors) |

Opening of Meeting:

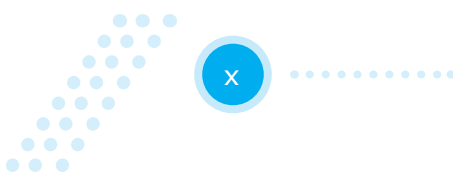
The Chairman called the Annual General Meeting (AGM) to order at 11:10 a.m and welcomed all present to the Company's 47th AGM. Opening prayers were said as thus; Islamic prayer was done by Mr. Abassie E. Thomas whilst the Christian prayer was done by Mrs. Millicent Cole.

The Chairman informed members that due to the Covid-19 pandemic and the restrictions imposed by the Government of Sierra Leone (GoSL), a limited number of attendees of not over 150 persons was approved by NACOVERC in compliance with the Regulations on public gathering and to efficiently observe social distancing. He noted that it is against that background that the Board decided that Shareholders were encouraged to participate or attend via Zoom; and the details for attending and/or participating via Zoom were published prior to the AGM. Cognizant of this development, the Chairman informed members that agenda item No. 3 is a request for Shareholders to alter the Company's Articles of Association to include holding of virtual meetings.

On point of Order, Mr. Abu Bangura observed that Agenda Item Nos. 7, 8 & 9 should be discussed before receiving the Accounts of the Company (Agenda Item No. 6). The Chairman therefore requested for a slight amendment to be made to the Agenda that Agenda Item No. 6 (***To receive the Directors' Report & Audited Financial Statements of the Company as at 31st December, 2018 and 31st December 2019***) be shifted after Agenda Item No. 9. This point of order was unanimously accepted and adopted and the Agenda was amended accordingly.

Item 2: Notice of Meeting:

The Chairman invited the Company Secretary to read out the Notice convening the AGM which said Notice had been sent to Shareholders by publication in print, visual, social and other media. The Company Secretary read the Notice and members were informed accordingly.





**Item 3: To Ratify the
Alteration in the Articles of
Association to include
holding of Virtual Meetings:**

The Chairman informed the AGM that due to the emerging developments in the field of Information Technology, the outbreak of the Covid-19 Pandemic and the Government of Sierra Leone's incidental regulations particularly on the issue of public gathering, the Board considered it necessary to alter the Company's Articles of Association to include hosting of virtual meetings. He noted that a Special Resolution for the Alteration of the Company's Articles of Association was duly passed by the Board at a meeting held on 24th September 2020, and therefore requested for ratification of same by the Shareholders. On a Motion moved by Mr. George Horton and seconded by Mr. Alan H. Cole, it was therefore unanimously,

RESOLVED THAT: *pursuant to the provisions of sections 43 and 44 of the Companies Act 2009 ("the Act") as amended and any other applicable provisions of the Act and rules framed thereunder, including any modification(s) thereto or re-enactment(s) thereof for the time being in force, the consent of the Members of the Company hereby accorded for the substitution of the existing Article 49 of the Articles of Association of the Company, with the amended provisions as provided hereunder:*

- ❖ *Article 49(i): "All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings".*
- ❖ *Article 49(ii): "General Meetings of Members, Board of Directors and Committees may be held by means of a conference telephone call or conference/live video calls so that all persons participating in the meeting can hear each other. Participation in a meeting held by telephone, conference/live video calls shall constitute presence of persons at the meeting. In the event such a meeting is to be held, the board shall, notwithstanding anything contained in these by-laws be subject to the Act, determine the procedures for the conduct thereof including, without limitation, the procedures for voting by telephonic, electronic or other communications facility".*

**Item 4: Welcome Statement
& Introduction of Members
Of the Board of Directors:**

The Chairman welcomed Members that joined the meeting via Zoom and thanked them for taking time out to attend and participate in the 47th AGM. He then introduced the members of the Board of Directors noting that the Board composed of nine (9) members, and that the Government of Sierra Leone (GoSL) being the majority Shareholder has six (6) representatives whilst the Private Shareholders have three (3). He however tendered apologies for the members of the Board who were unavoidably absent and thereafter read out the Chairman's Statement as contained in the Annual Reports of 2018/2019 Financial years.

**Item 5: To consider, accept
and adopt Minutes of
the 46th Annual General
Meeting**

The Minutes of the 46th AGM held on 12th February 2019 were considered for adoption and having read through the Minutes, a Motion for its acceptance and adoption was moved by Mr. Harold Bob-Grey and seconded by Mr. Frank Tucker and the Minutes were unanimously adopted with no correction.

**Item 6: To Approve/Ratify
the Reduction of the
Company's Share Premium
Account.**

The Chairman informed Shareholders that the Bank received a letter/Directives from its Regulators, the Bank of Sierra Leone (BSL) wherein the BSL requested that the Minimum Paid Up Capital of all commercial banks licensed and incorporated in Sierra Leone to be increased from Le30 billion to Le85 billion by end of December 2021. Based on the Directives from the BSL as indicated in the referred letters, Management sought Board approval for the Bank's 'Authorized Share Capital' to be increased from 60,000,000,000



Ordinary Shares to 100,000,000,000 Ordinary Shares of Le1.00 each and the Unissued Share Capital from 38,118,869,000 to 76,237,738,000.

The Chairman informed Members that at that time, the Bank needed Le38.1 billion to achieve the Le76.24 billion Paid Up Capital for 2019 and therefore advised that it would be better for the Bank to Issue Bonus Shares instead of issuing New Shares considering the fact that Dividends have not been paid for the past years. The Managing Director and Director of Finance advised that this can only be achieved by issuing 1:1 Bonus Share to existing Shareholders for no consideration and that the 38,118,869,000 additional shares will be issued at a nominal value of Le1.00 per share totaling 38,118,869,000 and this amount will be transferred from the 'Share Premium Account' which currently had Le49,090,909,000.

The Chairman emphasized on the need for the Bank to comply with the BSL Directives and stated that in order to meet the Regulatory requirement as directed by the BSL, the Board approved the Reduction of the Share Premium Account, Increment of the Authorized Share Capital and Issued Share Capital and Issuance of Bonus Shares and agreed to convene an Extra Ordinary General meeting of Shareholders in the first quarter of 2020 for Shareholders ratification but this was frustrated by the Covid-19 Pandemic. On a Motion moved by Mr. Abu Bangura and seconded by Mr. Allan H. Cole, it was duly,

RESOLVED THAT: *pursuant to Sections 89 and 90 and all other applicable provisions of the Companies Act, 2009 (as amended) and the rules made thereunder, and as per the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities, consent be and is hereby accorded to the Board of Directors of the Company for the Reduction of such sum standing to the credit of Company's Share Premium Account (Free Reserves of the Company), as may be considered necessary by the Board of Directors, for the purpose of issuance of Bonus Shares.*

On another note, Mr. Abu Bangura pointed out that the issuance of Bonus Shares does not mean an increment in Dividends to be paid to Shareholders. He also mentioned that RCB is listed in the Sierra Leone Stock Exchange and there has been challenges in securing much investment which is having a slow growth in the Bank's dividend drive. He further requested the Board to throw light on the National Commission for Privatisation (NCP)/Petroleum Directorate loan of Le14 Billion as mentioned in the findings of the Commission of Inquiry (CoI) which was said to have been utilised by GoSL to recapitalize the Bank in 2014. In response to the points made by Mr. Bangura, the Chairman assured him that the Board has noted his concerns and also allayed the fears of Shareholders by committing that by the next AGM, dividends would be increased.

On the concerns of the findings of the CoI, the Chairman clarified to the Shareholders that the finding of the CoI was adverse as there was no loan obtained by the Bank from NCP nor from Petroleum Directorate. Rather, it was the NCP that bought shares from RCBank in the said sum and Share Certificates were accordingly issued by the Bank to the NCP. He clarified the transaction stating that Petroleum Directorate gave the sum of Le14 Billion to NCP, and NCP used same to purchase Shares in the Bank thereby taking the share percentage of the GoSL from 51% to 65.02%. The Chairman pointed out that this position was wrongfully



stated in the Col's Report, but informed members that the Bank had written to the Attorney-General and Minister of Justice to inform the sadi Office accordingly. He stated that the Board will work very hard to set the records straight including but not limited to appealing against the Recommendation of the Commission of Inquiry. He made it categorically clear that RCBank holds no loan with any other Party and stated that Shareholders will be apprised accordingly of developments in that regard.

**Item 7: To Approve/
Ratify the Increment of
The 'Authorised Share
Capital' and 'Issued Share
Capital'**

Having initially given the Shareholders background to this Agenda which he noted is as a result of the Directives from the BSL, the Chairman requested for a Motion for the increment of the 'Authorised Share Capital' of the Bank in compliance with the said Directives. A Motion for the approval of same was moved by Charles Campbell Esq., and seconded by Mr. Abu Bakarr Rashid and it was,

RESOLVED, that the Authorized Share Capital of Sixty Billion (60,000,000,000/00) of the Company of Le1.00 each is hereby increased to a total Authorized Share Capital of One Hundred Billion (100,000,000,000/00), each ranking rank *pari passu* with the existing shares of the Company.

FURTHER RESOLVED THAT: the Issued and Paid Up Capital of Le38.12 Billion is hereby increased to a total Share Capital of Le76.24 Billion.

**Item 8: To Approve/
Ratify the Issuance of
Bonus Shares**

Having given background to this item under Agenda Item No. 6, the Chairman asked that a Motion be moved for the adoption of a Special Resolution to Ratify the 'Issuance of Bonus Share of 1:1 to existing Shareholders for no consideration. A Motion for the above Resolution was moved by Ms. Linda Williams and seconded by Mr. Christian During and it was unanimously,

RESOLVED THAT: pursuant to Sections 89 and 90 and all other applicable provisions of the Companies Act, 2009 as amended and the rules made thereunder, and as per the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities, consent be and is hereby accorded to the Board of Directors of the Company for the Issuance of Bonus Share of one ordinary share for each fully paid share (1:1) to existing Shareholders from the credit standing in the Company's Share Premium Account, credited as fully paid-up to Shareholders whose names appeared on the Register of Members on the 23rd December 2019, and the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the Paid-Up Capital of the Company.

RESOLVED FURTHER THAT: the Bonus Shares issued shall rank *pari passu* in all respects with fully paid-up Equity Shares of the Company as existing on the 23rd December 2019.

**Item 9: To Receive the
Directors' Report & Audited
Financial Statements of
the Company as at 31st
December 2018 and 2019**

The Report of the Directors and the Financial Statements for the years ended December 2018 and 2019 were presented. However, Mr. Abu Bangura expressed concerns that AGMs are held annually to receive the previous financial year's Account, but observed that this year's AGM presented two (2) Accounts for 2018 and 2019. The Managing Director responded that two (2) Accounts were being presented due to the fact that the Bank was constrained to hold an AGM in



2019 to have presented the Account for 2018, and this situation necessitated the Bank to seek for approval from Corporate Affairs Commission for an extension of time within which an AGM could be held for both Accounts, 2018 & 2019 to be presented so that the Bank will move up to speed with the current year. The Managing Director apologized and assured Shareholders that Accounts will now be seen to be presented in their current year.

The Chairman further noted that the accounts were being presented due to the fact that an Emergency General Meeting (EGM) was proposed to have been held in 2018 but due to the pandemic Covid-19, it was deferred which is the reason why the Auditors there are two (2) accounts presented at the AGM of 2019 so that subsequent AGMs would now be seen to review accounts of the current financial year.

On dividends, Mr. Harold Bob-Gray inquired from the Board and Management when the Shareholders would be receiving dividends. The Chairman responded that the 'when' is now as dividends were to be declared at the AGM.

The Chairman informed Shareholders that the Accounts were being audited by Moore Sierra Leone (External Auditors) and thereafter invited Mr. Albert Randall to present the Bank's audited Accounts for 2018 and 2019.

Mr. Albert Randall, Managing Partner of Moore Sierra Leone presented both Accounts (2018 & 2019) stating that in the opinion of the Auditors, the accompanying Financial Statements give a true and fair view of the financial position of the Bank for the respective years ended 31st December, 2018 and 2019. Consequent to the audited Financial Statements as presented by Mr. Albert Randall, Shareholders raised the following concerns:

Mr. Abu Bangura was concerned with staff costs, noting that the amount of Le 68 Billion reflecting staff cost is almost 50% of the Bank's Net Income. He further commented that as a Shareholder for about 12 years, he has observed that the Bank's members of staff have been enjoying from high staff cost and advised the Board and Management to change this position so that they, the Shareholders can enjoy the fruits of their investment.

The Managing Director in response to Mr. Abu Bangura's concerns stated that Management inherited a battered structure and had to develop the human resources of the Bank by investing on the right quality and staff complements which required trainings etc. which necessitated such staff costs. He also informed Shareholders that due to the competitiveness in the Banking Industry, RCBank has to ensure that the welfare and conditions of service of its staff are met so as not to lose them to other institutions for want of better conditions of services. He however assured Shareholders that the Bank is making frantic efforts to cut-down cost in its operations.

Director Santigie C. Conteh also threw light into this concern stating that such staff cost may have been occasioned due to the transition the Bank is presently undergoing. He however noted that the Ministry of Finance has been keenly following this issue. He noted that the situation will be monitored to ensure that the current position be maintained so that returns are not affected.



Mr. Abdul H. Koroma inquired on the required capitalization stating that the BSL instructed for an increment of a minimum of Le85 Billion from the current Le65 Billion, yet the Bank decided to make an increment to Le100 Billion. He advised that the Bank should have done the minimum of Le85 Billion and later gradually increases to Le100 Billion. The Chairman responded that the decision by the Board and Management to take the increment to Le100 Billion was made so as to prevent the Bank from undergoing further bureaucracies and procedure in the event that BSL demands subsequent increment from Le85 Billion to Le95 Billion or Le100 Billion as the case may be.

Mr Abu Bangura also observed that the Auditors' Report on other legal and regulatory requirements indicated that the Bank did not comply with certain regulations and laws which he said, would not augur well for the image of the Bank should the Annual Report be circulated worldwide.

Mr. Bernard Ngebuva observed that loans and advances to customers increased from about Le71 Billion in 2018 to Le162 Billion in 2019 and therefore inquired from the Board what informed such an increment.

The Chairman invited the Director of Risk Management to respond to this issue and the Director of Risk responded that increase in the Bank's loan books is as a result of the Bank heavily concentrating on its core operation which is to lend. He commented that in previous years, Auditors were advising the Bank on concentrating on the investment of Treasury Bills, but noted that Government's appetite on Treasury Bills may subside in due course.

The Chairman thereafter requested for a Motion to receive and adopt the Directors' Report and Audited Financial Statements for the years ended 31st December 2018 and 2019 and same was moved by Mr. Harold Bob-Gray and seconded by Mrs. Millicent Cole.

**Item 10: To Propose/
Declare Dividends for the
Year ended 31st December
2019**

The Chairman was pleased to inform Shareholders that dividends were to be declared after several years of the Bank not having found itself in the financial position to declare and pay dividends to its Shareholders and proposed a dividend of Le0.01 per Share amounting to Le762.34 Million for the year ended 31st December, 2019. He encouraged Shareholders to accept the dividend declared noting that this is a sign of improvement. However, the Chairman informed Shareholders that the Bank shall not be paying the declared dividends due to a letter from the BSL instructing that all payments of dividends be suspended until further directives or instructions be given in that regard. The referred letter was read by the Chairman for the attention of Shareholders and a Motion for the acceptance of the declared dividend was moved by Mr. Mohamed L.Y. Alhadi and seconded by Rev. Veronica Thomas and it was unanimously,

RESOLVED THAT: The Audited Financial Statements for the years ended 31st December 2018 and 31st December 2019 are hereby accepted and approved.

Mr. R. Macauley sought for further clarification and urged the Board and Management to confirm whether the declared dividends are going to be paid or not, stating that he had observed over the period that the issue of dividends has not been treated with the importance it deserves. In response, the Chairman expressed the Board and Management's willingness and commitment to paying dividends but cannot go against the Directives from BSL.



Mr. Josiah Cole-Davies suggested that given the circumstances that the BSL had issued a letter for the suspension of payments of dividends, the Board and Management can issue promissory statement/note to Shareholders until the BSL lifts the suspension of payments of dividends. The Chairman noted the suggestion made by Mr. Cole-Davies and assured Shareholders that once BSL lifts the suspension, each and every Shareholder entitled to be paid dividend/dividends will receive theirs.

Item 11: To Re-Elect The Retiring Directors

The Chairman stated that in accordance with relevant laws and best practice, Articles 89 and 90 of the company's Articles of Association, one third of the Directors for the time being shall retire at the AGM and these shall be those who have been the longest in office since their last election. One third of the current Directors to retire and be eligible for re-election are; Dr. Walton E. Gilpin, Mr. Emmanuel E. Borbor and Mr. Sabieu Conteh. He then requested that a Motion be moved for the re-election of the above-named Directors as Members of the Board of Directors and a Motion for same was moved by Ms. Jane Godwin and seconded by Mr. Osborne Horton and it was unanimously,

RESOLVED THAT: *Dr. Walton E. Gilpin, Mr. Emmanuel Borbor and Mr. Sabieu Conteh are duly re-elected as members of the Board of Directors of RCBank.*

Item 12: To Approve/ Ratify the Appointment of External Auditors

The Chairman informed Shareholders that Audit Sierra Leone is the statutory Body tasked with the responsibility of appointing External Auditors to audit institutions where the GoSL has some interest. Having said that, he informed the AGM that Moore Sierra Leone had already been appointed by Audit Service Sierra Leone as the Company's External Auditors and therefore asked for Shareholders' approval/ratification. A Motion for same was moved by Mr. Abubakarr Rashid and seconded by Mr. Horatio B. Williams and it was unanimously,

RESOLVED THAT: *pursuant to Sections 308 and all other applicable provisions of the Companies Act, 2009 as amended, section 111 of the Banking Act 2019 and any relevant law and the rules made thereunder; and as per the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities, consent be and is hereby accorded to the Board of Directors of the Company that, Messrs Moore Sierra Leone (formally known as 'Moore Stevens'), Chartered Accountants, be and is hereby appointed as the Statutory Auditor(s) of the Company and to hold the office for a term to be determined by the Central Bank, at a remuneration (plus applicable service tax) to be decided by the Board of Directors in consultation with the said Auditors and other authorities as the Board of Directors may deemed relevant.*

General Resolution Clauses

RESOLVED THAT: *any actions taken by the Board on the above Resolutions adopted that are within the authority conferred thereby are hereby ratified, confirmed and approved as the acts and deeds of the Company.*

FURTHER RESOLVED THAT: *for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient, and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.*



**Item 13: Statements from
The Following:**
(i) The Managing Director

The Managing Director commenced his Statement with slide videos capturing the Bank's successes over the years under his tenure. In his presentation, he mentioned among other things the rebirth of a new Bank with a much more captivating logo which has been attracting the general public and its customer. He highlighted the visibility of the Bank in every corner in the corner which had culminated to the Bank being rated 1st in savings Account in the Banking Industry and also with the value of its assets around the region of Le1.5 Trillion. He stated that the Bank believes that the market is fertile and is poised to continue exploring those fertile grounds for the continued growth of the Bank. He assured Shareholders that the Bank is interested in their well-being and the customers alike.

**(ii): The Prudential
Shareholder:**

Mr. Santigie C. Conteh (Representative of the Financial Secretary) informed Shareholders that he had been requested by the Financial Secretary (Mr. Sahr L. Jusu) to read a Statement on behalf of the GoSL. The Statement captured that RCBank is now on a sustainable path, characterized by strong growth and profit trajectory despite the turbulence faced by the Bank in the recent past. Its growth momentum did not dampen amidst the Covid-19 Pandemic as the Bank registered positive retained earnings in 2019.

The Statement reiterated the President's new direction agenda and his commitment to developing a strong, sound and effective banking system.

**(iii): The Private
Shareholders:**

Mrs. Marcella B. Jones, on behalf of the Private Shareholders commended the Bank for the good work done so far under the supervision of the current Board and the Management. She expressed thanks and appreciation to the Private Shareholders for reposing the confidence in them to represent them on the Board and encouraged them to increase their interest to buy more shares especially now that the Bank is thriving. She expressed dissatisfaction on behalf of the Private Shareholders who have been looking forward to receiving dividends only to be told of a letter from the BSL suspending payments of dividends. She however concluded that the Board will ensure that all outstanding declared dividends are paid once the suspension is lifted by the BSL.

The Chairman, at this point tendered apologies on behalf of Dr. Sanpha Koroma who he said was unavoidably absent due to other official exigency.

Item 14:
Any other Business

Charles Campbell Esq., sought clarification from the Board on the quantum of the Bonus Shares that have been issued and its effect on the reduction. In response, the Chairman stated that the Bonus Shares is "1 is to 1". In other word, if a Shareholder has 10 Shares, he/she will have another 10 Shares as bonus.

A.G. Spilsbury encouraged the Bank to expand its operations from its normal trading on loans and investments. The Chairman responded that the Board is always thinking of initiatives to expand the Bank's business, but such can only be done within and around the limit of the Bank's core business.

The Managing Director added that the Bank is considering expansion in tandem with indicators of productivity, the Gross Domestic Product and the payback reaction from the people/customers. He pointed that products like the Sim Korpor Plus, Visa Cards, ATMs, etc have been incorporated into the Bank's product to capture the population.



The Deputy Managing Director also commented on the issue of expansion which he said has been in line with the Government's call for financial inclusion and to take banking to those areas which are considered remote.

Mr. Josiah Cole-Davies observed that the Bank celebrated its 21st year of existence this year; yet Shareholders did not receive any souvenirs or invited to the celebrations. The Chairman stated that the 21st Year Anniversary of the Bank was done in low-key due to the Covid-19 situation and the Managing Director however promised Shareholders that the Bank will endeavour to send out some Christmas packages to them in December.

Closing of Meeting:

In the absence of any other business, the Chairman declared the 47th Annual General Meeting closed at 14:15 hours on a Motion moved by Ms. Angella Scott and seconded by Ms. Leticia Nelson.

Recorded and Submitted by:

Mrs. Margaret A.L. Davies
COMPANY SECRETARY

Confirmed by:

Mr. Buffy B. Bailor
CHAIRMAN, BOARD OF DIRECTORS



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Corporate information

Board of Directors

Mr. Buffy B. Bailor	Chairman
Dr. Walton E. Gilpin	Managing Director
Mr. Emmanuel E. Borbor	Deputy Managing Director
Dr. Prince Harding	Member (Appointed 18 August 2020)
Mr. Sabieu Conteh	Member
Mr. Santigie C. Conteh	Member
Mr. Andre T. Hope	Member
Mrs. Marcella B. Jones	Member
Mrs. Haja R. Kamara	Member

Company Secretary/ Legal adviser:

Mrs. Margaret A.L. Davies

Registered office:

25/27 Siaka Stevens Street
Freetown.

Auditors:

Moore Sierra Leone
Chartered Accountants
55 Sir Samuel Lewis Road
Aberdeen
Freetown



Report of the directors

The directors have pleasure in submitting their Annual Report on the business and operations of Rokel Commercial Bank (Sierra Leone) Limited to the shareholders together with the audited financial statements for the year ended 31 December 2020.

Principal activities

The Bank is engaged in retail, corporate and commercial banking services in Sierra Leone and operates with sixteen branches in addition to its Head Office.

Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the financial statements comprising the statement of financial position as at 31 December 2020, the statements of profit or loss and other comprehensive income, changes in equity, the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of Sierra Leone, the Banking Act of Sierra Leone and the Banking Regulations of Sierra Leone, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are required to:

- ☐ Select suitable accounting policies and then apply them consistently;
- ☐ Make judgements and estimates that are reasonable, relevant and reliable;
- ☐ State whether they have been prepared in accordance with IFRSs and in the manner required by the Companies Act of Sierra Leone, the Banking Act of Sierra Leone and the Banking Regulations of Sierra Leone;
- ☐ Assess the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- ☐ Use the going concern basis of accounting unless they either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Bank's transactions and disclose with reasonable accuracy at any time the financial position of the Bank and enable them to ensure that its financial statements comply with IFRS, the Companies Act of Sierra Leone, the Banking Act of Sierra Leone and the Banking Regulations of Sierra Leone and an effective system of risk management.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Bank and to prevent and detect fraud and other irregularities.

The directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Bank and of their profit or loss for that period.

The directors are also responsible for preparing a Directors' Report that complies with applicable law and regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information and the dissemination of the information.

The directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.



Report of the directors *(continued)* **Directors Responsibility Statement** *(continued)*

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Bank
- The financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Bank's position and performance, business model and strategy.

Share capital

Details of the Bank's share capital are shown in note 28 to the financial statements. The issued ordinary share capital of the Bank is 76,237,739 ordinary shares of Le1 each. The Bank has one class of ordinary shares, which carries no rights to fixed income. The holders of ordinary shares are entitled to receive dividends as declared from time to time. On a show of hands, each member present has the right to one vote at the general meetings. On a poll, each member is entitled to one vote for every Le1 nominal value of share capital held. All ordinary shares rank equally with regards to the Bank's residual assets.

On 6 March 2019, the Bank of Sierra Leone granted approval for the minimum paid up capital for banks to be reviewed as follows:

By end December 2019 increase to Le 45 billion
By end December 2020 increase to Le 65 billion
By end December 2021 increase to Le 85 billion

To comply with the Bank of Sierra Leone minimum paid up capital requirement, the Bank increased its authorized share capital from Le60 billion to Le100 billion by the creation of Le40 billion ordinary shares of Le1 each.

On 23 December 2020 a bonus of one ordinary share for each fully paid share was awarded to shareholders to bring the total paid up shares to Le 76.24 billion. The bonus shares rank pari - passu with the existing shares.

Profit for the year

The profit for the year after taxation was Le 57.59 billion (2019: Le63.05 billion).

Dividends

During the year ended 31 December 2020, at the Annual General Meeting, the shareholders approved a dividend of Le0.01 per share amounted to Le762.34 million in respect of 2019 financial year (2019: Total dividend of Le Nil was paid out).

A dividend of Le 0.14 per share in respect of the year ended 31 December 2020 amounting to Le10.67 billion is to be proposed to the Annual General Meeting and if approved paid to shareholder in the register as at 31 December 2020

Capital adequacy

The Bank is required to maintain a minimum capital adequacy ratio of 15% of total adjusted assets. As at 31 December 2020 the capital adequacy of the Bank was 82.69% (2019: 57.20%). Details of the computation are shown in note 35(f) to these financial statements.



Report of the directors *(continued)*

Directors

The names of the present directors are detailed on page 1.

Under the terms of Article 89 of the Articles and Memorandum of Association, Dr. Walton E. Gilpin and Mr. Emmanuel E. Borbor retire by rotation and being eligible to offer themselves for re-election.

In accordance with the provisions of section 24 of the Finance Act 2019 the representative of the Government of Sierra Leone on the Board of a Public Enterprise shall be the Financial Secretary of the Ministry of Finance or his Representative. Consequentially Mr. Sahr L. Jusu, is the designated Director of the Company. On 2 April 2019 Mr. Santigie C. Conteh was nominated by the Financial Secretary and approved by the Bank of Sierra Leone on as alternate Director to Sahr L. Jusa until further notice.

On 18 August 2020, Dr. Prince Harding, Chairman of the National Commission for Privatisation, was appointed to replace Mr.Colonel (Rtd) Alhaji Fanday Turay who resigned from the said Commission on the same date.

The Audit Committee

The audit committee comprised of the members of the Board of Directors with the exception of the Managing Director. The committee assisted the Board in fulfilling its oversight responsibility relating to the integrity of the Bank's financial reporting process, the independence and performance of the Bank's internal and external auditors and the Bank's system of internal control and mechanism for receiving complaints regarding the Bank's accounting and operating procedures.

Executive Committee

The executive committee (exco) comprises the Managing Director (Chairman), Deputy Managing Director, Director of Strategy, Head of operation, Director Risk Management, Director of Finance, Director of Business Center, Company Secretary and Legal Adviser, Head of Business Development and Wholesale Banking, Director of Audit, IT Manager, E Banking Manger, Head of Public Relations and Protocol, Head of Corporate Affairs and Customer Services, Head of Administration, Human Resource Manager and Head of compliance. The exco staff of the Bank meet on a weekly basis to discuss general issues affecting the bank.

IT Steering Committee

The IT steering Committee comprises of Managing Director (chairman), IT Manager, E Banking Manager, IT Consultant, Head of Operations, Director of Finance. The committee is responsible for reviewing, implementing, monitoring and evaluating the Bank's IT system (UNIVBANK) and the E-Banking (VISA) that the Bank uses in its operations.

Disciplinary Committee

This committee comprises the Deputy Managing Director (Chairman), Director of Finance, Director of Strategy, Director of Risk Management, Head of Operations, Head of administration, Head of Compliance, Company Secretary and Legal Advisor, Legal Adviser and Human Resource Manager. The committee is responsible for the enforcement of discipline within the bank by reviewing matters relating to fraud, insubordination, negligence, and absenteeism, breach of the terms and conditions of service, professional and other misconducts by staff.

Assets and Liability Committee

The Assets and Liabilities Committee comprise the Managing Director (Chairman), Director of Finance, Deputy Managing Director, Director of Risk Management, Director of Strategy, Head of Operation and Director of Business Centre. The Committee meets monthly to monitor the Bank's Assets and Liabilities and it assist management in ensuring that the Bank is in compliance with its policies and all other regulatory requirements.



Report of the directors (continued)

Special Debt Recovery Committee

The objectives of the committee is to ensure the Bank maintains advances within the limit of Le 300 billion as required by the Bank of Sierra Leone and also to monitor the process of debt recovery/collection.

Disposal of Recovered Properties Committee

The Bank set up a new committee, the Disposal of recovered properties committee to complement the work of Special Debt Recovery Committee. The committee is tasked to maintain a list of properties available for sale, advertise the properties available for sale, establish a procedure to make the committee the official reference point, negotiate every sale of properties concerned, prepare monthly report of activities of the committee and any other activities as directed by the Board of Directors.

Auditors

The auditors Messrs Moore Sierra Leone appointed by the Auditor-General on 12 November 2020 to conduct the audit of the financial statements for the year ended 31 December 2020 will hold office till the end of the forthcoming Annual General Meeting.

The Auditor-General has the responsibility to appoint auditors for the Bank for the ensuing year.

Approval of the financial statements

The financial statements of the Bank were approved by the Board of Directors on 29 April 2021 and are signed on its behalf by:


Chairman


Director


Secretary


Managing Director


Director



Independent Auditor's report to the shareholders of Rokel Commercial Bank (Sierra Leone) Limited

Opinion

We have audited the financial statements of *Rokel Commercial Bank (Sierra Leone) Limited*, which comprise the statement of financial position as at 31 December 2020, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies, and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of Sierra Leone, the Banking Act of Sierra Leone and the Banking Regulations of Sierra Leone.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Sierra Leone, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address those matters, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Impairment of Loans and Advances

The impairment of loans and advances disbursed to customers is considered to be of most significance in the audit due to the level of subjectivity inherent in estimating the key assumptions that impact the recoverability of loan and advances, including the application of industry knowledge and the prevailing economic conditions in determining the level of impairment allowance required.

The determination of impairment allowance using the Expected Credit Loss (ECL) model requires the application of certain financial indices which are estimated from historical financial data obtained within and outside the Bank, as inputs, into the complex financial model.



Independent Auditor's report to the shareholders of Rokel Commercial Bank (Sierra Leone) Limited
(continued)

Key Audit Matters (continued)

Impairment allowance on loans that have shown a significant increase in credit risk, is based on the Bank's estimate of losses expected to result from default events over the life of the loans. Impairment allowance on loans that have not shown a significant increase in credit risk is recognized based on an estimate of the losses expected to result from default events within the next 12 months. This estimate is also an output of models, with the key assumptions being the possibility of a loan becoming past due and subsequently defaulting, and the rate of recovery on the loans that are past due and in default. The Bank also incorporates forward looking information into the measurement of ECL.

The judgment involved in classifying loans into expected credit loss stages, the level of subjectivity inherent in estimating the key assumptions on the recoverability of loan balances, the inputs estimated, the complexity of the estimation process and the significant judgment involved in applying these estimates to determine the level of impairment allowance required, make the impairment allowance of loans and advances a matter of significance to the audit.

Procedures

Our procedures include the following:

- We evaluated the design and implementation of the key controls over the impairment determination process such as the board credit committee review of loans and advances, management review of relevant data used in the calculation of expected credit losses including forward looking macroeconomic data to be included in the impairment model and evaluation of ECL impairment computation.
- We tested the appropriateness of the Bank's determination of significant increase in credit risk and the resultant classification of loans into the various stages by examining the loans on a sample basis. We evaluated the level of past due obligations and qualitative factors such as publicly available information about the obligors to determine whether the Bank should estimate the expected credit loss over a period of 12 months or over the life of the loans and advances.
- Assisted by our financial risk management specialists, we checked the key data and assumptions for the data input into the ECL model used by the Bank. Our procedures in this regard included the following:
 - (i) We challenged the reasonableness of the Bank's ECL methodology by considering whether it reflects unbiased and probability-weighted amounts that are determined by evaluating a range of possible outcomes, the time value of money, reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions;
 - (ii) For forward looking assumptions comprising inflation rate used by the Bank's management in its ECL calculations, we corroborated the Bank's assumptions using publicly available information from external sources;
 - (iii) We evaluated the appropriateness of the basis of determining Exposure at Default, including the contractual cash flows, outstanding loan balance, loan repayment type, loan tenor and effective interest rate;
 - (iv) For Probability of Default (PD) used in the ECL calculations, we checked the historical movement in the balances of facilities between default and non-default categories for each sector;





Independent Auditor's report to the shareholders of Rokel Commercial Bank (Sierra Leone) Limited
(continued)

Key Audit Matters (continued)

- (v) We checked the calculation of the Loss Given Default (LGD) used by the Bank in the ECL calculations, including the appropriateness of the use of collateral, by recomputing the LGD;
- (vi) We re-performed the calculations of impairment allowance for loans and advances using the Bank's impairment model and validated key inputs. For loans and advances which have shown a significant increase in credit risk, the recalculation was based on the amount which may not be recovered throughout the life of the loans while for loans and advances that have not shown significant increase in credit risk, the recalculation was based on the losses expected to result from default events within a year.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of Sierra Leone, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of Sierra Leone, the Banking Act of Sierra Leone and the Banking Regulations of Sierra Leone, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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



Independent Auditor's report to the shareholders of Rokel Commercial Bank (Sierra Leone) Limited
(continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank's audit. We remain solely responsible for our audit opinion

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

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



Independent Auditor's report to the shareholders of Rokel Commercial Bank (Sierra Leone) Limited
(continued)

Report on other Legal and Regulatory Requirements

In accordance with the requirements of section 113(2) of the 2019 Banking Act of Sierra Leone we report that:

- The financial statements give a true and fair view of the state of affairs of the Bank and its results for the year under review;
- We were able to obtain all the information and explanation required for the efficient performance of our duties;
- The Bank transactions are within the powers of the bank; and
- The Bank has complied with the provisions of the 2019 Banking Act of Sierra Leone and any other relevant legislation.

The engagement partner on the audit resulting in this Independent auditor's report is Albert Randle.

Freetown

Moore
Chartered Accountants

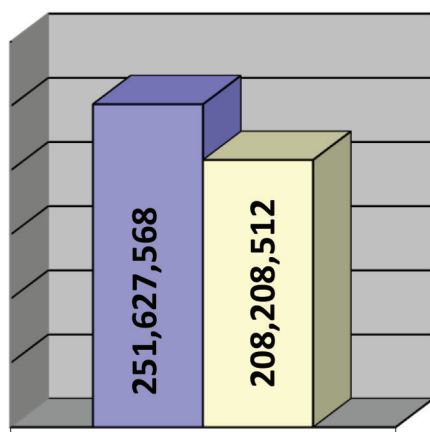
Date: 29 April 2021





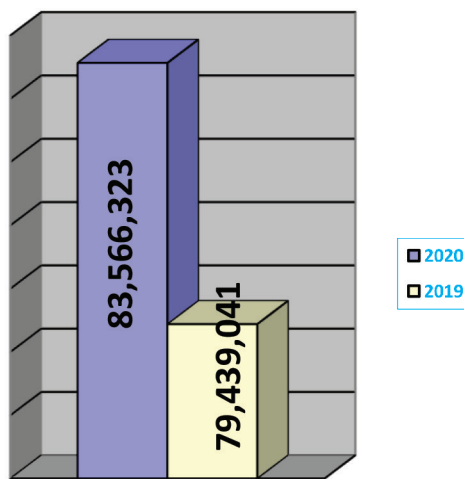
Financial highlights

Revenue (Thousands of Leones)



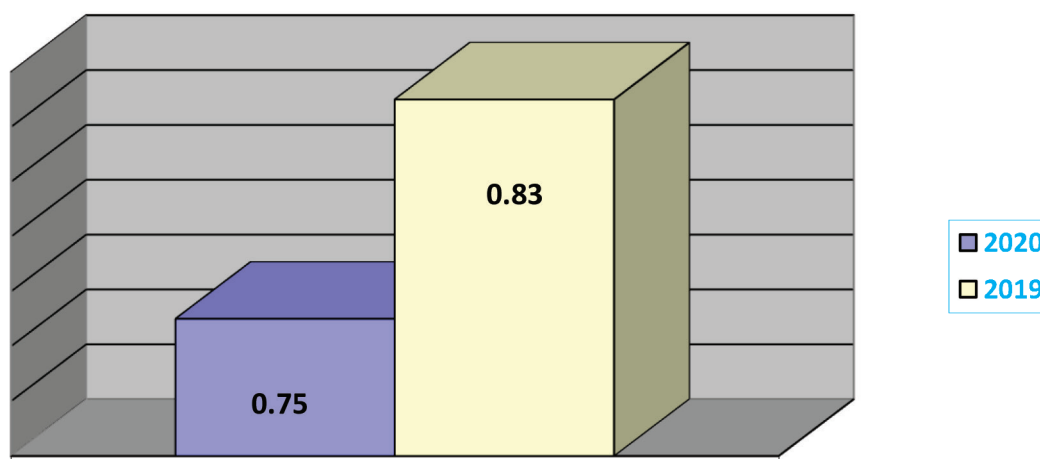
Net income

Profit before tax (Thousands of Leones)



Profit before tax

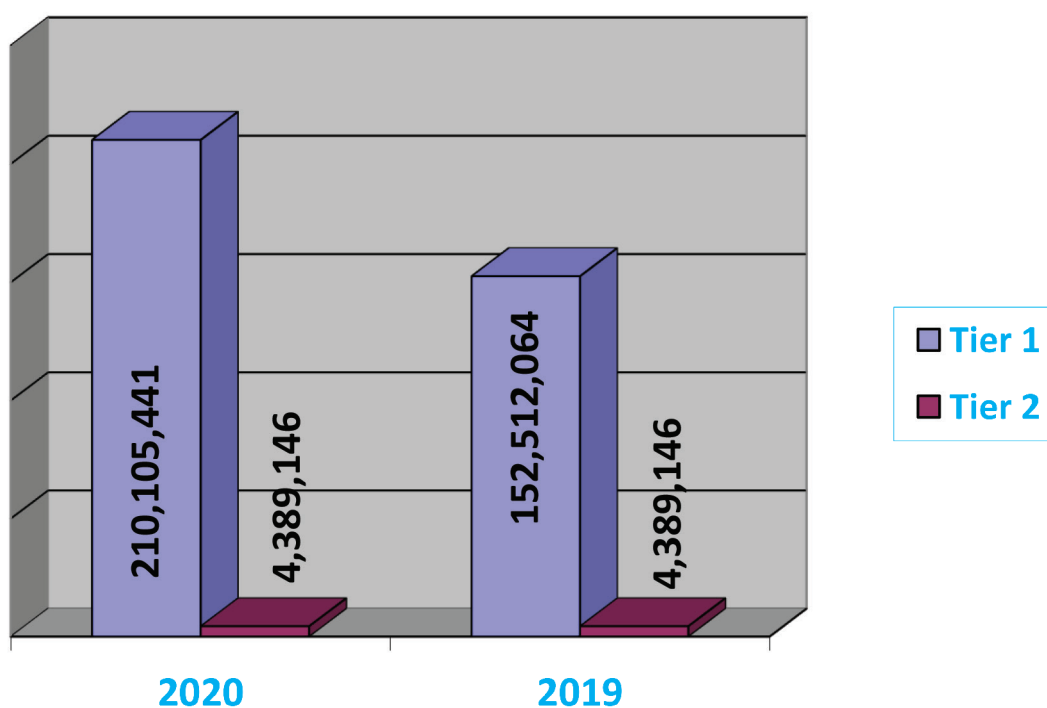
Basic earnings per shares Leone



Basic earnings per shares



Regulatory Capital
(Thousands of Leones)





Statement of financial position

As at 31 December <i>In thousands of Leones</i>	Note	2020	2019
Assets			
Cash and cash equivalents	18	249,014,793	250,334,739
Loans and advances to customers	19	259,863,413	162,975,770
Investment securities	20	1,130,007,261	738,896,334
Due from other banks	21	129,183,518	11,216,768
Property and equipment	22	46,686,713	34,168,473
Deferred tax assets	16(c)	14,317,603	15,891,846
Other assets	23	54,746,894	37,510,006
Total assets		1,883,820,195	1,250,993,936
Liabilities			
Deposits from customers	25	1,473,429,428	967,402,519
Current tax liabilities	16(d)	413,096	553,483
Other liabilities	26	176,003,138	105,637,507
Total liabilities		1,649,845,662	1,073,593,509
Equity			
Share capital	28	76,237,738	76,237,738
Share premium	29	10,972,040	10,972,040
Reserves	30	102,602,909	89,223,835
Retained earnings	30(e)	44,161,846	966,814
Total equity attributable to equity holders of the Bank		233,974,533	177,400,427
Total liabilities and equity		1,883,820,195	1,250,993,936

These financial statements were approved by the Board of Directors on 29 April 2021






.....) Chairman
) Managing Director
) Director
) Director

The notes on pages 19 to 97 are an integral part of these financial statements



Statement of profit or loss and other comprehensive income

for the year ended 31 December
In thousands of Leones

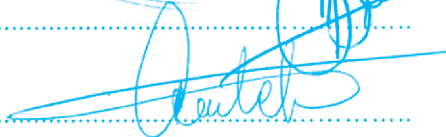
	Note	2020	2019
Interest income	8(a)	210,412,234	174,040,374
Interest expense	8(b)	(9,509,493)	(8,237,930)
Net interest income		200,902,741	165,802,444
Fee and commission income	9	28,758,358	23,322,661
Fee and commission income expense	9	(2,342,726)	(1,726,181)
Net Fee and commission		26,415,632	21,596,480
Net trading income	10	24,204,164	20,693,527
Other operating income	11	105,029	116,061
Net other income		24,309,193	20,809,588
Revenue		251,627,566	208,208,512
Net impairment gain/(loss) on financial assets	14.1	(3,459,233)	(488,145)
Personnel expenses	12	(90,501,998)	(75,745,226)
Depreciation	13.1	(5,251,598)	(3,933,946)
Other operating expenses	13.2	(68,848,414)	(48,602,154)
Profit before income tax		83,566,323	79,439,041
Income tax expense	16(a)	(25,972,946)	(16,393,176)
Profit for the year		57,593,377	63,045,865
Other comprehensive income, Items that will never be reclassified to profit or loss			
Re measurement of defined benefit liability		(1,359,028)	7,419,367
Related tax		339,757	(2,225,810)
Other comprehensive profit for the year, net of income tax		(1,019,271)	5,193,557
Total comprehensive profit for the year		56,574,106	68,239,422



Statement of profit or loss and other comprehensive income (continued)

<i>In thousands of Leones</i>	Note	2020	2019
Profit attributable to:			
Equity holders of the Bank		57,593,377	63,045,865
Profit for the year		57,593,377	63,045,865
Total comprehensive profit			
Attributable to:			
Equity holders of the Bank		56,574,106	68,239,422
Total comprehensive income for the year		56,574,106	68,239,422
Basic earnings per share (Leones)	15	0.75	0.83
Diluted earnings per share (Leones)	15	0.75	0.83

These financial statements were approved by the Board of Directors on 29 April 2021

	) Chairman
	) Chief Executive Officer
	) Director
	) Director

The notes on pages 19 to 97 are an integral part of these financial statements

Statement of changes in equity
For the year ended 31 December 2020
In thousands of Leones

	Attributable to equity holders of the Bank								
	Share Capital	Share premium	Capital Reserve	Statutory Reserve	Statutory loan loss reserve	Other Reserve	Total Reserves	Retained Earnings	Total equity
Balance at 1 January 2020	76,237,738	10,972,040	17,556,582	65,135,472	-	6,531,781	89,223,835	966,814	177,400,427
Total comprehensive income for the year									
Net profit for the year								57,593,377	57,593,377
Other comprehensive income, net of income tax (defined benefits obligations)									
Actuarial gain	-	-	-	-	-	(1,019,271)	(1,019,271)	-	(1,019,271)
Total other comprehensive income for the year	-	-	-	-	-	(1,019,271)	(1,019,271)	57,593,377	56,474,106
Other transfer									
Allowances for losses on loans and advances	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	14,398,345	-	-	14,398,345	(14,398,345)	-
Total transfers	-	-	-	14,398,345	-	-	14,398,345	(14,398,345)	-
Total comprehensive loss and other transfers	-	-	-	14,398,345	-	(1,019,271)	13,379,074	43,195,032	56,574,106
Transactions with owners of the bank, recorded directly in equity									
Contribution by and distributions to owners									
Issue of new shares									
Dividend to shareholders									
Share premium on issue of new shares									
Shares movement	-	-	-	-	-	-	-	-	-
Total contribution by and distribution to owners	-	-	-	-	-	-	-	-	-
Balance at 31 December 2020	76,237,738	10,972,040	17,556,582	79,533,817	-	5,512,510	102,602,909	44,161,846	233,974,533

The notes on pages 19 to 97 are an integral part of these financial statements



Statement of changes in equity
For the year ended 31 December 2020
In thousands of Leones

Attributable to equity holders of the Bank

	Share Capital	Share premium	Capital Reserve	Statutory Reserve	Statutory loan loss reserve	Other Reserve	Total Reserves	Retained Earnings	Total equity
Balance at 1 January 2019	38,118,869	49,090,909	17,556,582	49,374,006	-	1,338,224	68,268,812	(46,317,585)	109,161,005
Total comprehensive income for the year									
Net profit for the year								63,045,865	63,045,865
Other comprehensive income, net of income tax (defined benefits obligations)									
Actuarial gain	-	-	-	-	-	5,193,557	5,193,557	-	5,193,557
Total other comprehensive income for the year	-	-	-	-	-	5,193,557	5,193,557	-	5,193,557
Other transfer									
Allowances for losses on loans and advances	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	15,761,466	-	-	15,761,466	(15,761,466)	-
Total transfers				15,761,466	-	-	15,761,466	(15,761,466)	-
Total comprehensive income and other transfers	-		15,761,466		-	5,193,557	20,955,023	47,284,399	68,239,422
Transactions with owners of the bank, recorded directly in equity									
Contribution by and distributions to owners									
Issue of new shares									
Dividend to shareholders									
Share premium on issue of new shares									
Shares movement	38,118,869	(38,118,889)	-	-	-	-	-	-	-
Total contribution by and distribut to owners	38,118,869	(38,118,869)	-	-	-	-	-	-	-
Balance at 31 December 2019	76,237,738	10,972,040	17,556,582	65,135,472	-	6,531,781	89,223,835	966,814	177,400,427
Total contribution by and distribution to owners									
Balance at 31 December 2018	38,118,869	49,090,909	17,556,582	49,374,006	-	1,338,224	68,268,812	(46,317,585)	109,161,005

The notes on pages 19 to 97 are an integral part of these financial statements



Statement of cash flows

for the year ended 31 December
In thousands of Leones

	Note	2020	2019
Cash flows from operating activities			
Profit before tax		83,566,323	79,439,041
Adjustment for:			
Depreciation	13.1	5,251,598	3,933,946
Net impairment losses on financial assets	14.1	651,166	431,959
Net interest income	8	(200,902,741)	(165,802,444)
Actuarial Loss		(1,359,028)	7,419,367
		(112,792,682)	(74,578,131)
Changes in:			
Operating assets and liabilities			
Loans and advances to customers		(97,538,809)	(91,924,552)
Due from other bank		(117,966,750)	(11,250,000)
Other assets		(17,236,888)	(23,766,981)
Deposits from customers		506,026,909	94,199,075
Other liabilities		70,365,631	41,299,661
		230,857,411	(66,020,928)
Interest received	8a	210,412,234	174,040,374
Interest paid	8b	(9,509,493)	(8,237,930)
Income tax paid	16d	(24,199,333)	(51,854,595)
Net cash generated from operating activities		407,560,819	47,926,921
Cash flows from investing activities			
Purchase of property and equipment	21	(17,769,838)	(7,085,595)
Disposal/(acquisition) of investment securities		(391,110,927)	(85,913,788)
Net cash used in investing activities		(408,880,765)	(92,999,383)
Cash flow from financing activities			
Issue of shares during the year		-	38,118,869
Share premium utilized		-	(38,118,869)
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		(1,319,946)	(45,072,462)
Cash and cash equivalents at 1 January		250,334,739	295,407,201
Cash and cash equivalents at 31 December	18	249,014,793	250,334,739

The notes on pages 19 to 97 are an integral part of these financial statements



Notes to the Financial Statements

Rokel Commercial Bank (Sierra Leone) Limited (the Bank) has consistently applied the following accounting policies to all periods presented in these financial statements.

1. Reporting entity

Rokel Commercial Bank (Sierra Leone) Limited (the Bank) is a Bank domiciled in Sierra Leone. The Bank's registered office is at 25/27 Siaka Stevens Street Freetown. The financial statements of the Bank as at and for the year ended 31 December 2020 comprise the Head Office and its branches. The Bank is primarily involved in retail, consumer banking, financial services and wholesale banking services.

2. Compliance with International Financial Reporting Standards

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the Interpretations Committee (IFRICs), as published by the International Accounting Standards Board (IASB). The principal accounting policies applied in the preparation of financial statements are set out below, and in the relevant notes to the financial statements

3. Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the particular financial instruments, to the extent required or permitted under IFRS as set out in the relevant accounting policies. They are stated in thousands of Leones (Le'000), the functional currency of Rokel Commercial Bank (Sierra Leone) Limited.

The financial statements have been prepared on a going concern basis, in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of Sierra Leone, the Banking Act of Sierra Leone and the Banking Regulations of Sierra Leone.

4. Use of judgements, and estimates

In preparing these financial statements the directors have made judgements, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is including in the following notes:

Measurement of the expected credit loss allowance for Financial Assets.

The Bank reviews its loan portfolio to assess the Expected Credit Loss (ECL) allowance that should be recorded in the income statement. The Bank makes judgement in applying the accounting requirements for measuring the ECL; such as

- Determining criteria for significant increase in credit risk;
- Choosing appropriate and assumptions for the measurement of ECL
- Establishing the number and relative weightings of forward –looking scenarios for each type of product/market and the associated ECL,
- Determine whether credit risk has increased significantly
- Establishing groups of similar financial assets for the purpose of measuring ECL

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2020 is set out below in relation to the impairment of financial instruments and in the following notes:



Notes to the Financial Statements (continued)

4. Use of judgements, and estimates (continued)

a	Note 6(g) (vii)	determination of fair value of financial instruments with significant unobservable inputs
b	Note 16(c)	recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used;
c	Note 31	recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
d	Note 6(g)(viii)	Identification and measurement of impairment

(c) Determination of default prior to the measurement of ECL.

The Bank considers an objective evidence of default for the purpose of determining its stage classification of impairment. All financial assets with objective evidence of impairment will be further referred to as defaulted. Exposure is considered defaulted if the obligatory payments of the exposure have been past due for at least 90 days. An exposure is comprised of the following components at the reporting date:

- Overdue principal receivable
- Undue principal receivable
- Overdue contract interest receivable
- Other outstanding exposure
- Unconditional and conditional off-balance sheet exposure
- Unamortized discount or premium

(d) Measurement of the expected credit loss allowance for financial assets.

The measurement of ECL allowance for a financial asset measured at amortised cost or fair value through other comprehensive income (FVOCI) is an area that requires the use of complex models and significant assumptions about the future economic conditions and credit behavior. The ECL is measured on either a 12 month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit – impaired. ECL is the discounted product of the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). The PD represents the likelihood of the borrower defaulting on its financial obligation either over the next 12months (12 months PD) or over the remaining lifetime (lifetime PD) of the obligation. EAD is based on the amount the Bank expects to be owed at the time of default, over the next 12 months or over the remaining life. LGD represents the Bank's expectation of the extent of loss on a default exposure. LGD varies by type of counterparty, type of seniority of claim and availability of collateral or other credit support. LGD is expressed as percentage loss per unit of exposure at the time of default (EAD) and is calculated on a 12months or lifetime.

Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 35(a)(iv)

5. Changes in accounting policies

Except as noted below, the bank has consistently applied the accounting policies as set out in Note 6 to all periods presented in these financial statements.

The bank has adopted the following new standards and amendments including any consequential amendments to other standards with initial date of application of January 1, 2020. The effect of initially applying these standards is mainly attributed to the following,



Notes to the Financial Statements (continued)

5. Changes in accounting policies (continued)

a) Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments had no impact on the company's financial statements, but may impact future periods should the company enter into any business combinations.

b) Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

These amendments have no impact on the financial statements of the company as it does not have any interest rate hedge relationships.

c) Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of the company, nor is there expected to be any future impact to the company.

d) Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

These amendments had no impact on the financial statements of the company.



Notes to the Financial Statements *(continued)*

5. Changes in accounting policies *(continued)*

e) Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the company.

6. Significant Accounting policies

The Bank prepares financial statements in accordance with IFRS. The Bank's significant accounting policies relating to specific financial statement items, together with a description of the accounting estimates and judgements that were critical to preparing them, are set out under the relevant notes. Accounting policies that affect the financial statements as a whole are set out below.

(a) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Bank at the spot exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial liability designated as the hedging instrument in a hedge, which are recognised directly in equity.

(b) Interest

Interest income and expense are recognised in profit or loss for all interest-bearing instruments measured on an accrual basis 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 recognition of interest ceases when the payment of interest on principal is in doubt. Interest is included in income thereafter, only when it is received.



Notes to the Financial Statements (continued)

6. Significant Accounting policies (continued)

(b) Interest (continued)

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or liability, (or where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument but not future credit losses.

The calculation of the effective interest rate includes all transaction costs, fees and interest paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to acquisition or issue of a financial asset or liability.

Interest income and expenses presented in the statement of profit or loss and OCI include:

- Interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis.
- Interest on available-for-sale investment securities on an effective interest basis.
- Fair value changes

Interest income and expenses in all trading assets and liabilities are considered to be incidental to the Bank's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Fair value changes on the other derivative held for risk management purposes and other financial assets and liabilities carried at fair value through profit or loss are presented in net income from other financial instruments at fair value through profit and loss in the statement of comprehensive income.

(c) Fees and commissions

Fees and commissions income and expense that are integral to the effective interest rate on a financial asset or liability 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 fees and syndication fees, are recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, the related loan commitment fees are recognised on a straight-line basis over the commitment period.

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

(d) Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities and includes all realised fair value changes, interest, and foreign exchange differences.

(e) Leases

The Bank has initially adopted IFRS 16 Leases from 1 January 2019.

IFRS 16 introduced a single, on-balance sheet accounting model for leases. As a result, the Bank, as a lessee has recognized the right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor's accounting remains similar to previous accounting policies.



Notes to the Financial Statements (continued)

6. Significant accounting policies (continued)

(e) Leases (continued)

(i) Definition of lease

The Bank has elected to apply the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to apply to those leases entered or modified before 1 January 2019.

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:

- The right to obtain substantially all of the economic benefits from the use of an identified asset; and
- The right to direct the use of that asset.

The Bank will apply the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract).

At inception or on reassessment of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Bank has elected not to separate non-lease components and will instead account for the lease and non-lease component as a single component

(ii) Bank as a lessee

Leases, under which the Bank possess a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration is disclosed in the Bank's statement of financial position and recognized as a leased asset.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Bank assesses whether, throughout the period of use, it has both of the following:

- (a) the right to obtain substantially all of the economic benefits from use of the identified asset, and
- (b) the right to direct the use of the identified asset.

The Bank has elected not to recognize right-of-use assets and lease liabilities for some leases of low value assets. The Bank recognizes expenses associated with these leases as an expense on straight line basis over the lease term.

The Bank presents right-of-use assets as a separate class under 'property and equipment'. The Bank presents lease liability in other liabilities in the statement of financial position.



Notes to the Financial Statements *(continued)*

6. Significant accounting policies *(continued)*

(e) Leases *(continued)*

(ii) Bank as a lessee *(continued)*

The Bank recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Bank has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Bank is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

iii. Transition

Previously, the Bank classified property leases as finance leases under IAS 17. These properties are the Bank's branch offices.

- At transition, for leases classified as finance leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Bank's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments - the Bank applied this approach to all other leases.

The Bank used the following practical expedients when applying IFRS 16 to leases previously classified as finance leases under IAS 17.

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.



Notes to the Financial Statements *(continued)*

6. Significant accounting policies *(continued)*

(e) Leases *(continued)*

iv. Bank as a lessor *(continued)*

Lease and instalment sale contracts are primarily financing transactions in banking activities, with rentals and instalments receivable, less unearned finance charges, being included in Loans and advances to customers in the statement of financial position. Finance charges earned are computed using the effective interest method which reflects a constant periodic return on the investment in the finance lease. Initial direct costs paid are capitalized to the value of the lease amount receivable and accounted for over the lease term as an adjustment to the effective rate of return.

The accounting policies applicable to the Bank as a lessor are not different from those under IAS 17. The Bank is not required to make any adjustments on transition to IFRS 16 for lease in which it acts as a lessor.

The Bank recognizes assets held under a finance lease in its statement of financial position and present them as a receivable at an amount equal to the net investment in the lease. Initially, the Bank will recognize a finance lease receivable at the amount equal to the net investment in the lease. Subsequently, finance income will be recognized at a constant rate on the net investment. During any 'payment free' period, this will result in the accrued finance income increasing the finance lease receivable.

For finance leases, the lease payments included in the measurement of the net investment in a lease at commencement date includes variable lease payments that depend on an index or a rate; other variable payments (e.g. those linked to future performance or use of an underlying asset) are excluded from the measurement of the net investment and are instead recognized as income when they arise. The treatment adopted for variable lease payments under operating leases should be consistent with these policies.

(f) Income tax

(i) Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

(ii) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, and any adjustments to the tax payable or receivables in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes if any. It is measured using the rates enacted or substantially enacted at the reporting date. Current tax also includes any tax arising from dividends.

(iii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that it not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.



Notes to the Financial Statements *(continued)*

6. Significant accounting policies *(continued)*

(f) Income tax *(continued)*

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Future taxable profits are determined based on business plans of the Bank and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws and rates that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis of their tax assets and liabilities will be realized simultaneously.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank expects at the reporting date to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale and the Bank has not rebutted this presumption.

Unrecognised deferred assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Additional income taxes that arise from the distribution of dividends by the Bank are recognised at the same time as the liability to pay the related dividend is recognised. These amounts are generally recognized in profit or loss because they generally relate to income arising from transactions that were not originally recognized in profit or loss.

iv. Tax exposures

In determining the amount of asset and deferred tax, the Bank takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the bank to change its judgement regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(g) Financial assets and financial liabilities

i. Recognition

The Bank initially recognised loans and advances, deposits, debt securities issued and subordinated liabilities on the date at which they are originated. Regular way purchases and sales of financial assets are recognised on the trade date at which the Bank commits to purchase or sell the asset. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date, which is the date that the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.



Notes to the Financial Statements *(continued)*

6. Significant accounting policies *(continued)*

(g) Financial assets and financial liabilities *(continued)*

ii. Classification

The Bank classifies its financial assets in one of the following categories:

- loans and receivables,
- held to maturity;
- available-for-sale; or
- at fair value through profit or loss and within the category as
- held for trading; or
- designated at fair value through profit or loss.

The Bank classifies its financial liabilities as measured at amortised cost or fair value through profit or loss.

iii. Derecognition

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in such transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Any interest in such transferred financial assets that qualify for derecognition that is created by the Bank is recognized as a separate asset or liability.

The Bank enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized. Transfers of assets with retention of all or substantially all risks and rewards include for example securities lending and repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sales and repurchase transactions because the Bank retains all or substantially all the risks and rewards of ownership of such assets.

In transactions in which the Bank neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions the Bank retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognized if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.



Notes to the Financial Statements (continued)

6. Significant accounting policies (continued)

(g) Financial assets and financial liabilities (continued)

The Bank securities various consumer and commercial financial assets, which generally results in the sale of these assets to special-purpose entities, which in turn issue securities to investors. Interests in the securitized financial assets may be retained in the form of senior or subordinated tranches, interest-only strips or other residual interests ("retained interest"). Retained interests are primarily recorded in available-for-sale investment securities and carried at fair value. Gains or losses on securitization depend in part on the carrying amount of the transferred financial assets, allocated between the financial assets derecognized and the retained interests based on their relative fair values at the date of the transfer. Gains or losses on securitization are recorded in other operating income.

The Bank derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

iv. Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when and only when the Bank has a legal right to set off the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

v. Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

vi. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the **principal** or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Bank measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.



Notes to the Financial Statements *(continued)*

6. Significant accounting policies *(continued)*

(g) Financial assets and financial liabilities *(continued)*

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e. the fair value of the consideration given or received. The Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

vii. Fair value measurement

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure.

Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

'Fair value' is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

When available, the Bank measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, then the Bank establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Bank, incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received.

However, in some cases the initial estimate of fair value of a financial instrument on initial recognition may be different from its transaction price. If this estimated fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in profit or loss on initial recognition of the instrument.



Notes to the Financial Statements (continued)

6. Significant accounting policies (continued)

(g) Financial assets and financial liabilities (continued)

In other cases, the fair value at initial recognition is considered to be the transaction price and the difference is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price. Where the Bank has positions with offsetting risks, mid-market prices are used to measure the offsetting risk positions and a bid or ask price adjustment is applied only to the net open position as appropriate.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

viii. Identification and measurement of impairment

At each reporting date the Bank assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is (are) impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired includes:

- significant financial difficulty of the borrower or issuer
- default or delinquency by a borrower,
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise,
- indications that a borrower or issuer will enter bankruptcy,
- the disappearance of an active market for a security,
- observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the Bank, or economic conditions that correlate with defaults in the Bank.

In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Bank considers evidence of impairment for loans and advances and held-to-maturity investment securities at both a specific asset and collective level. All individually significant loans and advances and held-to-maturity investment securities are assessed for specific impairment. All individually significant loans and advances and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment, the Bank uses statistical modeling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modeling.



Notes to the Financial Statements (continued)

6. Significant accounting policies (continued)

(g) Financial assets and financial liabilities (continued)

Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and advances. Interest on impaired assets continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income to profit or loss as a reclassification adjustment. The cumulative loss that is reclassified from other comprehensive income to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss.

However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

The Bank writes off certain loans and advances and investment securities when they are determined to be uncollectible.

ix. Designation at fair value through profit or loss

The Bank has designated financial assets and liabilities at fair value through profit or loss in the following circumstances:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis.
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

Note 17 sets out the amount of each class of financial asset or liability that are measured at amortised costs and or classified as available for sale.

A description of the basis for each designation is set out in the note for the relevant asset or liability class.



Notes to the Financial Statements *(continued)*

6. Significant accounting policies *(continued)*

(g) Financial assets and financial liabilities *(continued)*

(h) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with the Central Bank and highly liquid financial assets with original maturities of less than three months from the reporting date that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments.

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

(i) Loans and advances

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

Loans and advances to banks are classified as loans and receivables. Loans and advances to customers include:

- those classified as loans and receivables
- those designated as at fair value through profit or loss; and
- finance lease receivables

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method. When the Bank chooses to designate the loans and advances as measured at fair value through profit or loss as described in the accounting policy, they are measured at fair value with face value changes recognized immediately in profit or loss.

When the Bank is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of the asset to the lessee, the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognised and presented within loans and advances.

When the Bank purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date ("reverse repo" or "stock borrowing"), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Bank's financial statements.

(j) Investment securities

Investment securities are initially measured at fair value plus, in case of investment securities not at fair value through profit or loss, incremental direct transaction costs, and are subsequently accounted for depending on their classification as either held to maturity, fair value through profit or loss, or available for sale.



Notes to the Financial Statements (continued)

6. Significant accounting policies (continued)

(i) Held-to-maturity

Held-to-maturity investment are non-derivative assets with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to maturity, and which are not designated as at fair value through profit or loss or as available for sale.

Held-to-maturity investments are carried at amortised cost using the effective interest method less any impairment losses. A sale or reclassification of a more than insignificant amount of held-to-maturity investments would result in the reclassification of all held-to-maturity investments as available for sale, and would prevent the Bank from classifying investment securities as held to maturity for the current and the following two financial years.

However, sales and reclassifications in any of the following circumstances would not trigger a reclassification.

- Sales or reclassifications that are so close to maturity that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- Sales or reclassifications after the Bank has collected substantially all of the asset's original principal; and
- Sale or reclassifications that are attributable to non-recurring isolated events beyond the Bank's control that would not have been reasonably anticipated.

(ii) Fair value through profit or loss

The Bank does not hold any securities designated at fair value, with fair value changes recognised immediately in profit or loss as at 31 December 2020.

(iii) Available-for-sale

Available-for-sale investments are non-derivative investments that are designated as available for sale or are not classified as another category of financial assets. Unquoted equity securities whose fair value cannot reliably be measured are carried at cost. All other available-for-sale investments are measured at fair value after initial recognition.

Interest income is recognised in profit or loss using the effective interest method. Foreign exchange gains or losses on available-for-sale debt security investments are recognised in profit or loss.

Other fair value changes other than impairment losses are recognised in other comprehensive income until the investment is sold or impaired, whereupon the cumulative gains and losses previously recognised in equity are reclassified to profit or loss as a reclassification adjustment.

A non-derivative financial asset may be reclassified from the available-for-sale category to the loans and receivables category if it would otherwise have met the definition of loans and receivables and if the Bank has the intention and ability to hold that financial asset for the foreseeable future or until maturity.



Notes to the Financial Statements (continued)

6. Significant accounting policies (continued)

(k) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at costs less accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

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

Any gain or loss on disposal of property and equipment is recognized within other income in profit or loss.

Land and buildings comprise mainly branches and offices. All property, plant and equipment are stated at historical cost less depreciation and impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

(ii) Subsequent costs

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset as appropriate only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

(iii) Depreciation

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their costs less their residual values and is generally recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and the useful lives unless it is reasonably certain that the Bank will obtain ownership by the end of the lease term.

The estimated useful lives of significant items of property and equipment are as follows:

Office premises	50 years
Right of use assets	2 to 50 years
Furniture and fittings	5 years
Computer equipment	3 years
Motor vehicles	5 years
Other equipment	5 years

Depreciation methods useful lives and residual values are revalued at each reporting date and adjusted if appropriate.



Notes to the Financial Statements (continued)

6. Significant accounting policies (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(iv) *Intangible assets*

Computer software

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

Expenditure on internally developed software is recognised as an asset when the Bank is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development.

The capitalized costs of internally developed software include all costs directly attributable to developing the software and capitalized borrowing costs and are amortised over its useful life. Internally developed software is stated at capitalized cost less accumulated amortization and impairment.

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.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is three to five years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

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

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.



Notes to the Financial Statements (continued)

6. Significant accounting policies (continued)

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit” or “CGU”). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes.

Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Bank’s corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

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

(m) Deposits

Deposits are the Bank’s main sources of debt funding.

When the Bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (“repo” or “stock lending”), the arrangement is accounted for as a deposit, and the underlying asset continues to be recognised in the Bank’s financial statements.

Deposits and debts securities issued are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Bank chooses to carry the liabilities at fair value through profit or loss.

(n) Provisions

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



Notes to the Financial Statements (continued)

(i) Restructuring

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

(ii) Onerous contracts

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

(o) Financial guarantees

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

(p) Employee benefit

(i) Short term benefits

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

A liability 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 and constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be reliably estimated.

(ii) Defined contribution plans

The Bank pays contributions to the National Social Security and Insurance Trust on a mandatory basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense in profit and loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Bank's net obligation in respect of its defined benefit plan 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. Any unrecognized past service costs and the fair value of any plan assets are deducted.

The calculation is performed annually by a qualified actuary using the projected unit credit method.

The Bank recognizes all actuarial gains and losses arising from defined benefit plans and all expenses related to defined benefit plans in employee benefit expense in OCI.



Notes to the Financial Statements (continued)

6. Significant accounting policies (continued)

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Bank before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Bank recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

(q) Share capital and reserves

(i) Share issue costs

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

(ii) Share premium

Share premium is measured as the excess of the issue price over the per value of the ordinary shares.

(iii) Dividends on ordinary shares

Dividends on ordinary shares are recognized in equity in the period in which they are paid to the Bank's shareholders. Dividends for the period that are declared after the financial position date are dealt with in the subsequent events note.

(v) Statutory reserves

Statutory reserves are based on the requirements of section 24 of the Banking Act of Sierra Leone. Transfers into statutory reserves are made in accordance with the relationship between the Bank's reserve fund and its paid-up capital, which determines the proportion of profits for the period that should be transferred.

(v) Statutory loan loss reserves

This is a reserve created to set aside the excess between amounts recognized as impairment loss on loans and advances based on provisions made for bad and doubtful loans and advances calculated in accordance with IFRS and the Central Bank's prudential guidelines.

(vi) Other reserves

Other reserves represent net actuarial gains or losses on the defined benefit obligation of the Bank.

(r) Earnings per share

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



Notes to the Financial Statements *(continued)*

6. Significant accounting policies *(continued)*

(s) Segment reporting

An operating segment is a component of the Bank that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Bank's other components, whose operating results are reviewed regularly by the Management Committee (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

7. Operating segments

Business segmentation

The Bank operates three main business segments:

- | | |
|----------------------|--|
| 1) Retail Banking | - Incorporating private banking services, private customer current accounts, savings, deposits, investments savings products, custody, consumer loans and other financial products |
| 2) Corporate Banking | - Incorporating direct debt facilities, current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and other financial products; and |
| 3) Money Transfer | - Incorporating money transfers between jurisdictions. |

Transactions between the business segments are on normal commercial terms and conditions.

Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in cooperating income. Interest charged for these funds is based on the Bank's cost of capital. There are no other material items of income or expense between the business segments.

Segment assets and liabilities comprise operating assets and liabilities, being the majority of the balances in the statement of financial position, but exclude items such as taxation and borrowings.

Internal charges and transfer pricing adjustments have been reflected in the performance of each business. Revenue sharing agreements are used to allocate external customers revenues to a business segment on a reasonable basis.

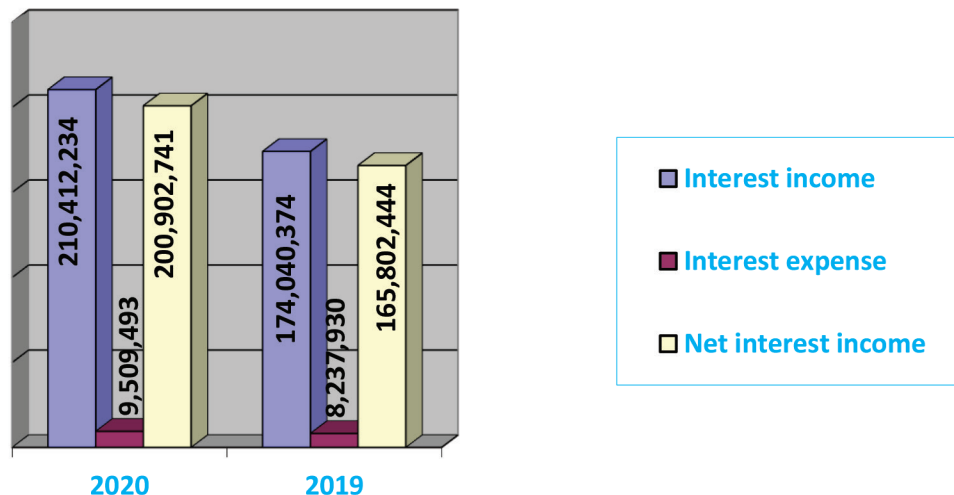


Notes to the financial statements (continued)

8. Net interest income

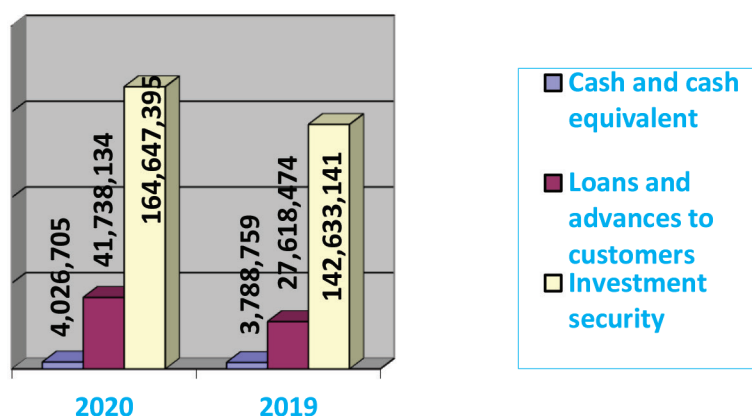
Net interest income

In thousands of Leones



Revenue by category

In thousands of Leones



In thousands of Leones

(a) Interest income:

Interest income from

Cash and cash equivalents

Loans and advances to customers

Investment securities

Total interest income

2020

2019

4,026,705

3,788,759

41,738,134

27,618,474

164,647,395

142,633,141

210,412,234

174,040,374

The Le164.65 billion (2019: Le142.63 billion) from interest on investment securities relates to interests earned on Government Securities.



Notes to the financial statements (continued)

Net interest income (continued)

(b) **Interest expense**

Interest expenses on Deposits from customers	(9,509,493)	(8,237,930)
Total interest expense	(9,509,493)	(8,237,930)
Net interest income	200,902,741	165,802,444

9. Fee and commission income

See accounting policy in note 6(c)

<i>In thousands of Leones</i>	2020	2019
Credit related fees and commission	3,201,882	2,126,224
Trade finance and other fees	10,669,912	9,600,706
Commission on turnover	14,886,564	11,595,731
Total fee and commission income	28,758,358	23,322,661

Fees and commission expense

Fees and commission paid	(2,342,726)	(1,726,181)
Net fees and commission income	26,415,632	21,596,480

Performance obligation and revenue recognition policies

Fee and commission income from contracts with customers is measured based on the consideration specified in the contract with the customer. The Bank recognizes revenue when it transfers control over a service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Retail and corporate banking services	The Bank provides banking services to retail and corporate customers including account management provision of overdraft facilities, foreign currency transactions credit card and servicing fees. Fees for ongoing account management are charged to the customer's account on a monthly basis. The Bank sets the rates separately for retail and corporate banking customers on an annual basis. Transaction – based fees for interchange, foreign currency transactions and overdrafts are charged to the customer's account when the transaction takes place. Servicing fees are charged on a monthly basis and are based on fixed rates reviewed annually by the Bank.	Revenue from account service and servicing fees is recognized over time as the services are provided. Revenue related to transactions is recognized at the point in time when the transaction takes place.



Notes to the financial statements (continued)

9. Fee and commission income (continued)

Credit related fees and commission relate to establishment fees earned on loans and advances other than interest income.

Trade finance and other fees relate to income on import and export finance transactions, issue of letters of credit, guarantees and other similar transactions.

Commission on turnover relates to fees earned on activities of the Bank relating to outward and inward remittance service charges on current accounts, and other earnings on similar commission related transactions.

10. Net trading income

See accounting policy in note 6(d)

<i>In thousands of Leones</i>	2020	2019
Foreign exchange gains	24,204,164	20,693,527

The foreign exchange net trading income includes gains and losses from spot transactions and translated foreign currency assets and liabilities.

11. Other operating income

<i>In thousands of Leones</i>	2020	2019
Rent received	105,029	92,632
Others	-	23,429
Total operating income	105,029	116,061

12. Personnel expenses

See accounting policy in note 6(p)

<i>In thousands of Leones</i>	2020	2019
Salaries and allowances	62,013,217	54,241,215
Compulsory social security obligations	3,068,035	2,435,283
Expenses related to post employment:		
Current service cost	1,907,809	2,382,860
Interest cost	10,225,292	9,057,435
Other employee costs	13,287,645	7,628,433
Total personnel expenses	90,501,998	75,745,226

Other employee benefits

The Bank maintains a post-employment defined benefit plan in accordance with statutory requirements, which entitles an employee to receive a lump sum payment when leaving the employment of the Bank, whether due to resignation, retirement or death. The lump sum payment is determined by the final basic salary and number of years of service provided.

These defined benefit plans expose the Bank to actuarial risks such as interest rate risk.



Notes to the financial statements (continued)

(i) Movement in net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its component.

<i>In thousands of Leones</i>	2020	2019
Liability at 1 January	39,333,506	39,413,862
Expense recognized in profit or loss and other comprehensive income		
Current service cost	1,907,809	2,382,860
Interest on obligation	10,225,292	9,057,435
Past service cost	-	-
	12,133,101	11,440,295
Included in other comprehensive income		
Actuarial (gain) loss	1,359,028	(7,419,367)
	1,359,028	(7,419,367)
Other		
Recovery from provident fund contribution/(recovered)	1,011,121	(437,470)
Benefits paid by the plan	(729,032)	(3,663,814)
Liability for defined benefit obligation	53,107,724	39,333,506

(ii) Movement in plan assets

<i>In thousands of Leones</i>	2020	2019
Fair value of plan assets at the beginning of the reporting period		
Contribution paid into the plan	729,032	3,663,814
Benefits paid by the plan	(729,032)	(3,663,814)
Actuarial (losses)/gains	-	-
Expected return on plan assets	-	-
Fair value of plan assets	-	-

13. Operating expenses

13.1 Operating expenses

<i>In thousands of Leones</i>	2020	2019
Depreciation	5,251,598	3,933,946



Notes to the financial statements (continued)

13.2 Other operating expenses

<i>In thousands of Leones</i>	2020	2019
Other operating expenses		
Audit fees	420,000	395,000
Legal and professional fees	641,283	792,359
Property costs	13,442,716	12,200,276
Computer costs	17,084,186	10,210,292
Communications	4,149,432	2,949,424
Travel	6,578,575	7,084,947
Directors' fees	1,246,783	665,556
General administrative expenses	15,303,187	10,388,706
Fraud expense	6,408,449	-
Others	3,573,803	3,915,594
Total operating expenses	68,848,414	48,602,154

Included in the above costs is non-executive directors' remuneration of Le 1.2 billion (2019: Le 650.56 million).

14. Net impairment loss

14.1 Net impairment loss

<i>In thousands of Leones</i>	2020	2019
This comprises:		
New provisions on loans and advances	13,093,325	1,525,823
Due from other bank provision	78,981	33,232
Guarantees provision	4,260	56,187
Recovery of amounts previously written off	(9,717,333)	(1,127,097)
Total	3,459,233	488,145

14.2. Advances written off

These relate to various long outstanding overdraft balances that could not be recovered by the Bank as at 31 December as follows:

Overdraft written off		
<i>In thousands of Leones</i>	2020	2019
Long outstanding overdraft balances	-	-
Balance at year end	-	-

15. Earnings per share

	2020	2019
<i>In thousands of Leones</i>		
Profit attributable to equity holders of the Bank	56,574,106	63,045,865
Weighted average number of ordinary shares in issue	76,237,738	76,237,738
Basic earnings per share (expressed in Leones per share)	0.75	0.83

Basic

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Bank by the weighted average number of shares in issue during the year, excluding the average number of ordinary shares purchased by the Bank and held as treasury shares.



Notes to the financial statements (continued)

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Bank had no category of dilutive potential ordinary shares as at 31 December 2020; hence diluted and basic earnings per share are the same.

16. Taxation

See accounting policy in note (6(f))

Income tax expense

Recognised in the statement of comprehensive income			
<i>In thousands of Leone</i>		2020	2019
(a)	Current tax expense:		
	Current year charge at 25% (2019:30%)	24,058,946	26,314,213
	Deferred tax expense		
	Origination and reversal of temporary Differences	1,914,000	(9,921,037)
	Unrecognized deferred tax asset	-	-
	Total income tax expense	25,972,946	16,393,176
(b)	<i>Reconciliation of effective tax rate</i>		
	<i>In thousands of Leones</i>	2020	2019
	Profit before income tax	83,566,323	79,439,041
	Income tax using the Corporation tax rate	20,891,580	23,831,712
	Reconciliation of opening position		
	<i>Tax impact of permanent difference:</i>		
	Deferred tax adjustment due to change in tax rate	2,840,934	-
	Tax exempt income	(26,257)	(27,790)
	Non deductible expanses	2,328,526	780,769
	Tax inventives	(61,837)	(99,528)
	(Deferred tax asset not recognised) / deferred tax charge	-	(8,091,987)
	Total income tax expense in the income statement	25,972,946	16,393,176
(c)	<i>Deferred tax account</i>	2020	2019
	<i>In thousands of Leones</i>		
	Balance brought forward	(15,891,846)	(8,196,619)
	Charge for the year	1,914,000	(9,921,037)
	Actuarial gain tax	(339,757)	2,225,810
	Balance at end of year	(14,317,603)	(15,891,846)



Notes to the financial statements (continued)

16. Taxation (continued)

(d) Current tax (assets)/liabilities
In thousands of Leones

	2020	2019
Balance at 1 January	553,483	26,093,865
Charge for the year	24,058,946	26,314,213
Income tax paid	(24,199,333)	(51,854,595)
Balance at end of year	413,096	553,483



16. Notes to the financial statements (continued)
Taxation (continued)

(e) Deferred tax asset and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2020		2019	
<i>In thousands of Leones</i>	Asset	Liabilities	Asset	Liabilities
Property, plant and Equipment	-	4,821,665	-	6,451,413
Employee benefit	(21,760,495)	-	(22,691,373)	-
Actuarial gain tax	-	2,459,578	-	2,799,334
Allowance on loan Losses	143,191	-	(2,473,370)	-
Exchange gains/ (loss)unrealized	18,458	-	-	22,150
Tax loss	-	-	-	-
Unrecognized deferred tax asset	-	-	-	-
Net tax (asset)/Liabilities	(21,598,846)	7,281,243	(25,164,743)	9,272,897
				Net
				6,451,413
				(22,691,373)
				2,799,334
				(2,473,370)
				22,150
				-
				-
				(15,891,846)

Movement in temporary differences during the year

	Opening Balance	Recognised in profit and loss	Recognised in equity	Closing Balance
<i>In thousands of Leones</i>				
2020				
Property, plant and Equipment	6,451,413	(1,629,748)	-	4,821,665
Employee benefit	(22,691,373)	930,878	-	(21,760,495)
Allowance on loan Losses	(2,473,370)	2,616,561	-	143,191
Foreign exchange loss	22,150	(3,692)	-	18,458
Tax loss carry forward	-	-	-	-
Actuarial gains	2,799,334	-	(339,756)	2,459,578
Total	(15,891,846)	1,913,999	(339,756)	(14,317,603)



Notes to the financial statements (continued)

16. Taxation (continued)

(e) Deferred tax asset and liabilities (continued)

<i>In thousands of Leones</i>	Opening Balance	Recognised in profit and loss	Recognised in equity	Closing Balance
2019				
Property, plant and Equipment	6,146,889	304,524	-	6,451,413
Employee benefit	(12,397,682)	(10,293,691)	-	(22,691,373)
Allowance on loan Losses	(2,541,500)	68,130	-	(2,473,370)
Foreign exchange loss	22,150	-	-	22,150
Tax loss carry forward	-	-	-	-
Actuarial gains	573,524	-	2,225,810	2,799,334
Total deferred tax	(8,196,619)	(9,921,037)	2,225,810	(15,891,846)

Derecognition of deferred tax assets of Le Nil (2019: Le Nil) is based on management's profit forecasts (which are based on the available evidence, including historical levels of profitability), which indicates that it is probable that the Bank will have future taxable profits against which these assets can be utilised.

17. Financial assets and financial liabilities

a. Classification of financial assets and financial liabilities

31 December 2020	Mandatorily at FVTPL	Designated as at FVTPL	FVOCI debt instruments	FVOCI equity instruments	Amortised Cost	Total Carrying Amount
Cash and cash equivalent	-	-	-	-	249,014,793	249,014,793
Loans and advances to customers measured at amortised cost	-	-	-	-	259,863,413	259,863,413
Investment securities at measured amortised cost	-	-	-	-	1,130,007,261	1,130,007,261
Placement measured at amortised cost	-	-	-	-	129,183,518	129,183,518
Investment securities and fair value	-	-	-	800,000	-	800,000
Total financial assets	-	-	-	800,000	1,768,068,985	1,768,868,985
Deposit from customers	-	-	-	-	1,473,429,428	1,473,429,428
Total financial liabilities	-	-	-	-	1,473,429,428	1,473,429,428



Notes to the financial statements (continued)

17. Financial assets and financial liabilities (continued)
(a) Classification of financial assets and financial liabilities (continued)

The table below provides reconciliation between line items in the financial position categories of financial instruments:

31 December 2019	Mandatorily at FVTPL	Designated as at FVTPL	FVOCI debt instruments	FVOCI equity instruments	Amortised Cost	Total Carrying Amount
Cash and cash equivalent	-	-	-	-	250,334,739	250,334,739
Loans and advances to customers measured at amortised cost	-	-	-	-	162,975,770	162,975,770
Investment securities at measured amortised cost	-	-	-	-	738,896,334	738,896,334
Investment securities and fair value	-	-	-	800,000	-	800,000
Total financial assets	-	-	-	800,000	1,152,206,843	1,153,006,843
Deposit from customers	-	-	-	-	967,402,519	967,402,519
Total financial liabilities	-	-	-	-	967,402,519	967,402,519



Notes to the financial statements (continued)

18. Cash and cash equivalents
See accounting policy in note 6(h)

<i>In thousands of Leones</i>	2020	2019
Cash in hand	25,659,126	56,361,920
Balance with the Central Bank	128,663,967	49,057,201
Balances with other banks (Nostros)	94,136,618	144,144,067
Items in clearing from other banks	555,082	771,551
and cash equivalents included in the statement of cash flows	249,014,793	250,334,739

Balances with the Central Bank are non-interest bearing.

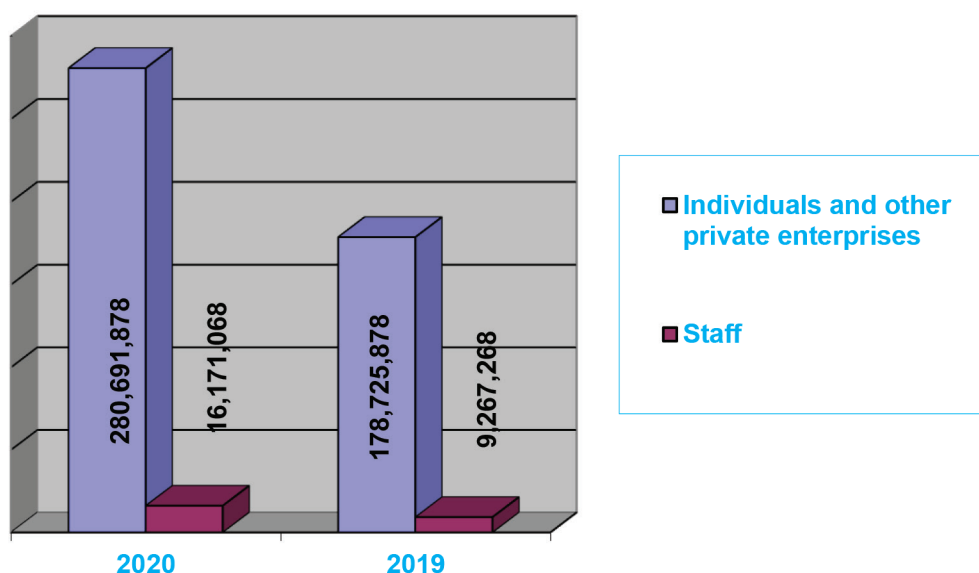
19. Loans and advances to customers
See accounting policy in note 6(i)

a. **Loans and advances to customers at amortized costs**

<i>In thousands of Leone</i>	2020	2019
Loans and advances to customers at amortized costs	259,863,413	162,975,770
	259,863,413	162,975,770

b. **Analysis by type of customer**

In thousands of Leones





Notes to the financial statements (continued)

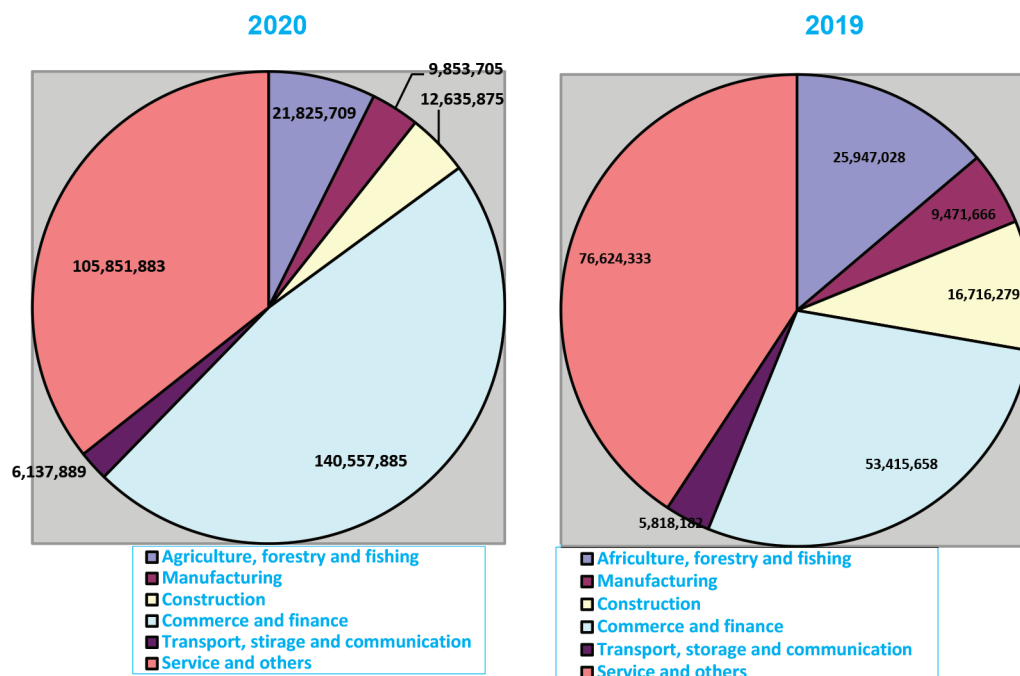
19. Loans and advances to customers (continued)

b. Analysis by type of customer (continued)

In thousands of Leone

	2020	2019
Individuals and other private enterprises	280,691,878	178,725,878
Staff	16,171,068	9,267,268
Gross loans and advances	296,862,946	187,993,146
Less:		
Interest on classified debts	(2,281,952)	(1,394,148)
ECL allowances for impairment	(33,913,913)	(23,102,540)
Fair value adjustment on staff loan	(803,668)	(520,688)
Net loans and advances	259,863,413	162,975,770

c. Analysis by sector



In thousands of Leones

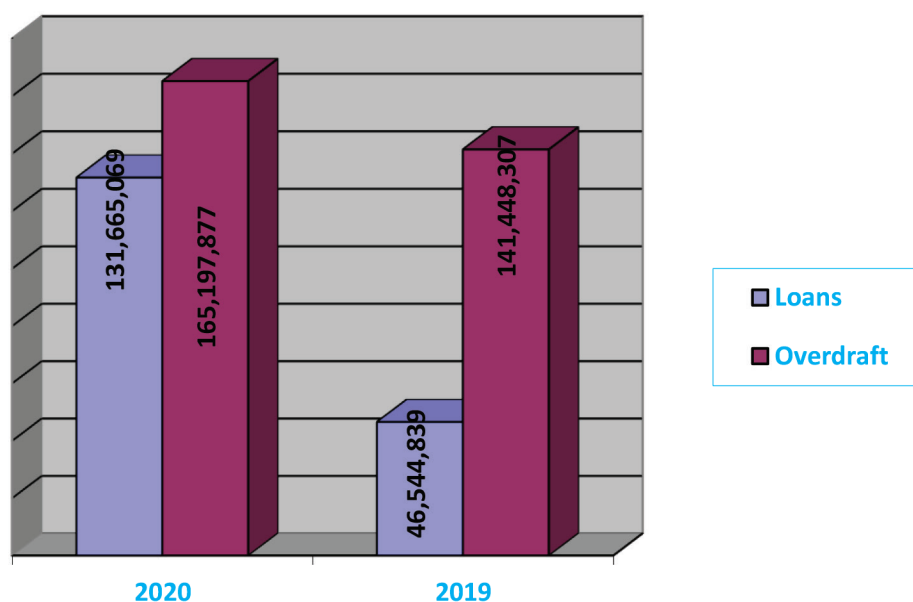
	2020	2019
Agriculture, forestry and fishing	21,825,709	25,947,028
Manufacturing	9,853,705	9,471,666
Construction	12,635,875	16,716,279
Commerce and finance	140,557,885	53,415,658
Transport, storage and communication	6,137,889	5,818,182
Service and others	105,851,883	76,624,333
	296,862,946	187,993,146
Less:		
Interest on classified debt	(2,281,952)	(1,394,148)
Allowance for impairment	(33,913,913)	(23,102,540)
Fair value adjustment on staff loan	(803,668)	(520,688)
Net loans and advances	259,863,413	162,975,770



19. Notes to the financial statements (continued)
Loans and advances to customers (continued)

d. Type of advance

In thousands of Leones



<i>In thousands of Leones</i>	2020	2019
Loans	131,665,069	46,544,839
Overdrafts	165,197,877	141,448,307
	296,862,946	187,993,146
Less:		
Interest on classified debt	(2,281,952)	(1,394,148)
Allowances for impairment	(33,913,913)	(23,102,540)
Fair value adjustment on staff loan	(803,668)	(520,688)
Net loans and advances	259,863,413	162,975,770



Notes to the financial statements (continued)

19. Loans and advances to customers (continued)

e. Loans and advances to customers at amortised cost

Retail customers:	Gross amount	2020 ECL allowance	Carrying amount	Gross Amount	2019 ECL Allowance	Carrying amount
<i>In thousands of Leones</i>						
Personal loans	29,504,448	(1,377,615)	28,126,833	21,385,591	(3,955,720)	17,429,871
Staff loans	16,171,068	(233,828)	15,937,240	9,267,268	(1,992,666)	7,274,602
Corporate Customer:						
Interest on Classified debt			(2,281,952)		-	(1,394,148)
Short and long term loan lending	251,187,430	(32,302,470)	218,884,960	157,340,287	(17,154,154)	140,186,133
	296,862,946	(33,913,913)	260,667,081	187,993,146	(23,102,540)	163,496,458
Deferred Facility Income	-	-	-	-	-	-
Fair value Adjustment on staff loan	-	-	(803,668)	-	-	(520,688)
	296,862,946	(33,913,913)	259,863,413	187,993,146	(23,102,540)	162,975,770

f. Allowances for impairment

<i>In thousands of Leones</i>	2020	2019
Specific allowance for impairment		
Balance at 1 January	17,310,919	44,685,933
Loan recoveries	-	(1,127,097)
Impairment losses for the year:		
Provision for loan impairment	-	-
Charge for the year	12,193,325	625,823
Others/(write-offs)	-	(25,479,592)
Interest on classified debt	(2,281,952)	(1,394,148)
Balance at 31 December	27,222,292	17,310,919
General allowances for impairment		
Balance at 1 January	5,791,621	4,891,621
Impairment losses for the year:		
Charge/(reversal) for the year	900,000	900,000
Balance at 31 December	6,691,621	5,791,621
Grand total	33,913,913	23,102,540



Notes to the financial statements (continued)

19. Loans and advances to customers (continued)

g. Allowances for impairment

<i>In thousands of Leones</i>	2020	2019
Movement in allowance for impairment		
Balance at 1 January	23,102,540	49,577,554
Impairment losses for the year:		
Provision for loan impairment	-	-
Others/(write-offs)	-	(25,479,592)
Loan recoveries	-	(1,127,097)
Interest on classified debts	(2,281,952)	(1,394,148)
Charge/(reversal) for the year	13,093,325	1,525,823
Balance at 31 December	33,913,913	23,102,540

20. Investment securities

See accounting policy in note 6(j)

	2020	2019
Held at amortised cost	1,129,207,261	738,096,334
Measured at FVOCI	800,000	800,000
Investment Securities	1,130,007,261	738,896,334

	2020	2019
a. <i>Measured at amortised cost</i>		
Held to maturity investment securities	1,129,207,261	738,096,334
Other eligible bills (treasury bearer bonds)	-	-
For sale assets recognised in equity	-	-
Measured at amortised cost	1,129,207,261	738,096,334

Held to collect cash / (Held to maturity investment securities)

<i>In thousands of Leones</i>	2020	2019
Government treasury bills	1,129,207,261	738,096,334
Impairment allowance	-	-
Investment securities	1,129,207,261	738,096,334

For the purpose of the cash flows statements investment securities with a maturity period greater than three months from the reporting date have been treated as part of investing activities, whilst investment securities with maturity period of three months or less from the reporting date have been treated as cash and cash equivalents in the statement of cash flows.

Treasury bills are debt securities issued by the Government of Sierra Leone through the Bank of Sierra Leone for a term of three months, six months or one year. All bills are subject to variable interest rate risk.



Notes to the financial statements (continued)

20. Investment securities

	2020	2019
b. Ordinary shares		
Measured at FVOCI / measured at cost		
First Discount House Limited	450,000	450,000
Capital Discount house	350,000	350,000
	800,000	800,000

At 1 January 2020 the bank designated certain investment shown in table (b) above as equity investment securities at FVOCI. In 2019 these investments were classified as available –for-sale and measured at cost. FVOCI were made because the investments are expected to be held for the long term or for strategic purposes.

Grand total	1,130,007,261	738,896,334
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21. Due from other banks

	2020	2019
Placement with other banks	129,262,499	11,250,000
ECL allowance	(78,981)	(33,232)
Total	129,183,518	11,216,768

This balance includes balance with bank outside Sierra Leone in United States Dollars with a maturity greater than 3 months.



Notes to the financial statements (continued)

22. Property, plant and equipment
See accounting policy in note 6(k)

In thousands of Leones

Cost

	Office Premises	Computer equipment	Furniture and fittings	Motor vehicles	Other equipment	Right of use assets	Total
Balance at 1 January 2019	32,875,894	1,671,336	558,395	2,756,161	7,161,297	-	45,023,083
Additions	-	648,988	450,319	2,631,329	3,354,959	-	7,085,595
Transfer	(15,421,435)	-	-	-	-	15,421,435	-
Transition adjustment	-	-	-	-	-	(7,833,379)	(7,833,379)
Balance at 31 December 2019	17,454,459	2,320,324	1,008,714	5,387,490	10,516,256	7,588,056	44,275,299
Balance at 1 January 2020	17,454,459	2,320,324	1,008,714	5,387,490	10,516,256	7,588,056	44,275,299
Additions	11,844,033	860,500	978,875	406,100	3,680,330	-	17,769,838
Transfer	1,097,058	-	-	-	-	(1,097,058)	-
Balance at 31 December 2020	30,395,550	3,180,824	1,987,589	5,793,590	14,196,586	6,490,998	62,045,137
Accumulated depreciation and impairment losses							
Balance at 1 January 2019	8,612,741	618,145	216,827	1,468,298	3,090,248	-	14,006,259
Depreciation for the year	284,608	567,391	154,424	918,008	1,419,473	590,042	3,933,946
Transition adjustment	(7,833,379)	-	-	-	-	-	(7,833,379)
Balance at 31 December 2019	1,063,970	1,185,536	371,251	2,386,306	4,509,721	590,042	10,106,826
Balance at 1 January 2020	1,063,970	1,185,536	371,251	2,386,306	4,509,721	590,042	10,106,826
Depreciation for the year	458,798	655,909	264,421	1,118,540	2,248,278	505,652	5,251,598
Balance at 31 December 2020	1,522,768	1,841,445	635,672	3,504,846	6,757,999	1,095,694	15,358,424
Carrying amounts							
Balance at 31 December 2019	16,390,489	1,134,788	637,463	3,001,184	6,006,535	6,998,014	34,168,473
Balance at 31 December 2020	28,872,782	1,339,379	1,351,917	2,288,744	7,438,587	5,395,304	46,686,713

There are no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year (2019: nil).



Notes to the financial statements (continued)

23. Other assets

<i>In thousands of Leones</i>	2020	2019
Bills receivable	2,277	2,326
Other receivable and prepayments	41,757,207	26,581,484
Accrued receivables	12,987,410	10,926,196
	54,746,894	37,510,006

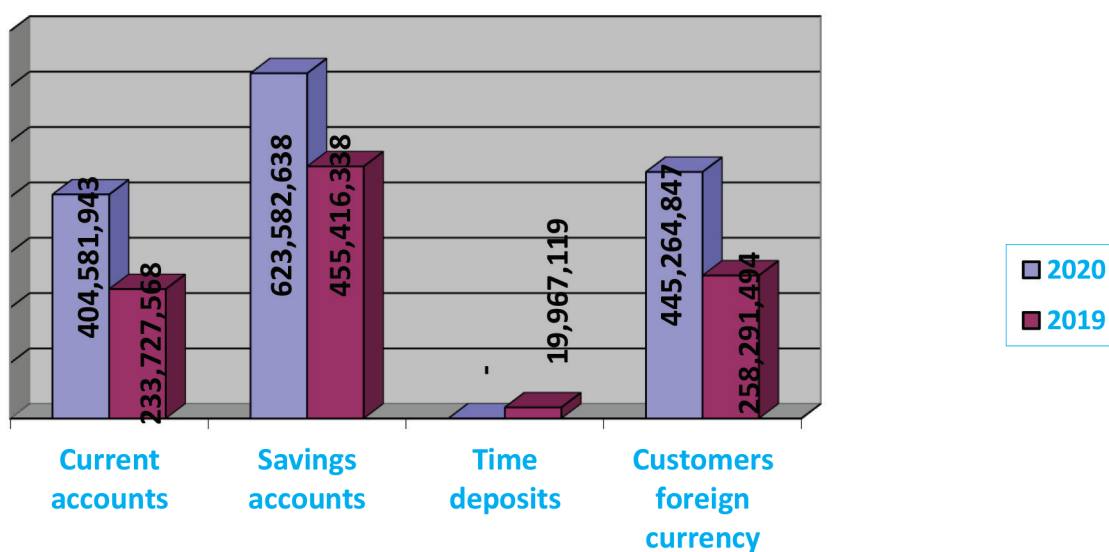
24. Deposits from banks

<i>In thousands of Leones</i>	2020	2019
Other deposits from banks	-	-

25. Deposits from customers See accounting policy in note 6(m)

Deposits from customers

In thousands of Leones



Deposits from customers

<i>In thousands of Leones</i>	2020	2019
Customers:		
Current accounts	404,581,943	233,727,568
Savings accounts	623,582,638	455,416,338
Time deposits	-	19,967,119
Customer's foreign currency funds	445,264,847	258,291,494
Total deposits	1,473,429,428	967,402,519

At 31 December 2020 nil (2019: Le 19.97 billion) of deposits from customers are expected to be settled more than 12 months after the reporting date.



Notes to the financial statements (continued)

26. Other liabilities

<i>In thousands of Leones</i>	2020	2019
Sundry creditors	117,817,015	61,605,135
Accrued interest	2,349,258	1,969,725
Unpaid dividend	2,729,141	2,729,141
Defined benefit plan	53,107,724	39,333,506
	176,003,138	105,637,507

27. Defined benefit obligation

See accounting policy in note 6(p)

<i>In thousands of Leones</i>	2020	2019
Present value of unfunded obligation	53,107,724	39,333,506
Present value of funded obligation	-	-
Total present value of obligation	53,107,724	39,333,506
Fair value of plan assets		
Present value of net obligation		
Unrecognised actuarial losses		
Recognised liability for defined benefit obligation	53,107,724	39,333,506

	2020	2019
Plan assets consist of the following:		
Equity securities	-	-
Government bonds	-	-
Property occupied by the Bank	-	-
Bank's own ordinary shares	-	-
Liability for defined benefit obligation	53,107,724	39,333,506

Movement in the present value of defined benefit obligation

Liability at beginning of the period	39,333,506	39,987,513
Actuarial (gain)/loss	1,359,028	(7,419,367)
Benefit paid by the plan	(729,032)	(3,663,814)
Current service cost	1,907,809	2,382,860
Interest cost	10,225,292	9,057,435
Past service cost	-	-
	52,096,603	40,344,627
Provident Fund Contribution/(recovered)*	1,011,121	(1,011,121)
Liability for defined benefit obligation	53,107,724	39,333,506

*This represents the contributions made to provident fund by the bank on behalf the bank staff prior to 2008. These amounts are deducted from the employees' end of benefits upon their exit from the Bank.

Key valuation assumptions

Summary of economic assumption

Basis item	31 December 2020	31 December 2019
Discount rate	15%	25%
Salary inflation	13%	20%
Nominal Inflation gap	2%	5%
Effective salary inflation gap	1.77%	4.17%



Notes to the financial statements (continued)

27. Defined benefit obligation (continued)

The above assumptions depict the experience of the actuary of the likely future experience of the Bank.

Discount rate

Based on the actuary, Sierra Leone does not have a deep and liquid market in corporate bonds so government bond yields should apply, and furthermore it does not seem there are treasury bonds with duration longer than 1 year. Therefore, we noted that government bonds with one year duration have had yields of 9.95% per annum as published on 26 November 2020 by the Bank of Sierra Leone. http://www.bsl.gov.sl/Treasury_Bills.html. Considering the rate of inflation, using this Yield to Maturity (YTM) of 1 year government bond could result in negative real rate of return which is not consistent with the long-term economic variables in the country. Consequently, we have applied the current Monetary Policy Rate (MPR) of 15% as published by the Bank of Sierra Leone on the aforementioned date. <http://www.bsl.gov.sl/index.html>.

Salary inflation

The best estimate of inflation assumption is calculated as the difference between the nominal and real yield curves at the point corresponding to the duration of the liability including an adjustment for risk premium, as applicable.

However, the information relating to yield curves is not available. Consequently, we have used inflation rate of 12% consistent with 11.71% as published by the Bank of Sierra Leone and Statistics Sierra Leone as at 31 October 2020 on <http://www.bsl.gov.sl>.

We therefore assumed that the long term salary inflation rate to be Inflation rate plus 1%.

Demographic assumption

Ideally, these assumptions should be based on actual scheme experience but, in practice, most schemes are too small for the data to be credible in assumption determination. Therefore, general population statistics is often used, combined with judgement and knowledge about assumptions used by other organisations in the same community where experience is expected to be similar

Retiring age

It has been assumed that all staff members retire at age 60. No allowance has been made for early retirement either due to ill health or at the option of the member. Experience should be monitored to ensure that the assumptions remain appropriate.

Any member above the retirement age is assumed to be retiring immediately after the valuation date.

Mortality rates

Mortality has been allowed for in this valuation. As in the previous valuation mortality has been assumed to follow the mortality rates according to the A67-70 table.

A67-70 table was based on experience collected from UK insurance companies between 1967 and 1970 and is often used for valuations of benefits of this nature for the population in Sierra Leone. Given the small number of members in this scheme, deriving company specific mortality assumptions is not practical. However, experience should be monitored to ensure that the assumption remains appropriate.

28. Share capital

See accounting policy in note 6(q)

In thousands of Leones

	2020		2019	
	No. of shares In thousands	Proceeds Le'000	No. of shares In thousands	Proceeds Le'000
Authorised share capital				
Ordinary shares of Le1.00 each				
Balance at 1 January	100,000,000	100,000,000	60,000,000	60,000,000
Addition	-	-	40,000,000	40,000,000
Balance at 31 December	100,000,000	100,000,000	100,000,000	100,000,000

At a Board meeting held on 20 December 2019 it was resolved that the Authorized Shares Capital of Le60,000,000,000 made up of 60,000,000,000 ordinary shares of Le1 each be increased to 100,000,000,000, ordinary shares Le1 each by the creation of 40,000,000,000 ordinary share of Le1 each. This action which is normally an action for the company in a General Meeting has been ratified by the shareholders at a Annual General meeting held on the 16 October 2020.



Notes to the financial statements (continued)

Issued share capital

Ordinary shares of Le 1 each

Balance at 1 January	76,237,738	76,237,738	38,118,869	38,118,869
Addition during the year	-	-	38,118,869	38,118,869
Balance at 31 December	76,237,738	76,237,738	76,237,738	76,237,738

At the Board meeting held on 20 December 2019, the Board approved a bonus share issue of one new fully paid ordinary share for every share held by shareholders whose names are on the register of shares as at 20 December 2019, to be funded by the share premium account.

The shareholding structure of the Bank at the reporting date was as follows:

<i>In thousands of Leones</i>	2020		2019	
	No. of shares In thousands	%	No. of shares In thousands	%
Government of Sierra Leone	49,554,530	65	49,554,530	65
Other corporate and private Individuals	26,683,208	35	26,683,208	35
	76,237,738	100	76,237,738	100

All ordinary shares rank equally with regards to the Bank's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at General Meetings of the Bank.

29. Share premium

See accounting policy in note 6(q)

<i>In thousands of Leone</i>	2020	2019
Balance as at 1 January	10,972,040	49,090,909
Transferred to share capital	-	(38,118,869)
Balance at 1 January and 31 December	10,972,040	10,972,040

30. Reserves and retained earnings

<i>In thousands of Leones</i>	2020	2019
Capital reserve 30 (a)	17,556,582	17,556,582
Statutory reserves 30(b)	79,533,817	65,135,472
Other reserves 30(d) (ii)	5,512,510	6,531,781
Statutory loan loss reserves 30(d) (i)	-	-
Total reserve as at 31 December	102,602,909	89,223,835

(a) Statutory reserves

In accordance with Section 30 of the 2019 Banking Act of Sierra Leone the Bank is to maintain a statutory reserve account into which transfers from the net profit of the Bank's should be made. A transfer of Le14.40 was made in 2020 (2019: Le15.77 billion) as the Bank's reserve funds is more than fifty percent but less than one hundred percent of its paid-up capital fund, an amount which shall not be less than 25% of its current year profit after tax.

(b) Capital reserves

The capital reserves represent surpluses arising from the revaluation of the freehold buildings of the Bank.



Notes to the financial statements (continued)

<i>In thousands of Leones</i>	2020	2019
Balance at 1 January	65,135,472	49,374,006
Transfer from net profits	14,398,345	15,761,466
Balance at 31 December	79,533,817	65,135,472

(c) Fair value reserve

<i>In thousands of Leones</i>	2020	2019
Treasury bills provision	-	-
Balance at 31 December	-	-

This reserve relates to gain or loss on an available-for-sale financial asset recognised directly in equity, until the financial asset is de-recognised, at which time, the cumulative gain or loss previously recognised in equity is recognised in the statement of comprehensive income.

(d) Other reserves

(i) Statutory loan loss reserve

<i>In thousands of Leones</i>	2020	2019
Balance 1 January	-	-
Transfer (to)/from retained earnings Note (30(e))	-	-
	-	-

The statutory loan loss reserves is the excess of impairment losses computed under the prudential guidelines over the impairment losses computed under International Financial Reporting Standards, appropriated from retained earnings.

(ii) Others

<i>In thousands of Leones</i>	2020	2019
At 1 January	6,531,781	1,338,224
Actuarial gain/(loss)	(1,359,028)	7,419,367
Taxation thereof	339,757	(2,225,810)
At 31 December	5,512,510	6,531,781

(e) Movements in retained earnings were as follows:

<i>In thousands of Leones</i>	2020	2019
At 1 January	966,814	(46,317,585)
Net profit for the year	57,593,377	63,045,865
	58,560,191	16,728,280
Dividends	-	-
Transfer to statutory reserves	(14,398,345)	(15,761,466)
At 31 December	44,161,846	966,814



Notes to the financial statements (continued)

31. Contingencies and commitments

The Bank entered into various commitments in the normal course of banking business, which are not reflected in the statement of financial position.

<i>In thousands of Leones</i>	2020	2019
Customs and other guarantees	15,021,641	11,667,919
Letters of credits	-	-
	15,021,641	11,667,919

32. Capital commitment

Commitment for share capital requirement at 31 December 2020 amounted to Le9 billion (2019: Le9 billion).

33. Related party disclosures

Related parties transactions

A number of banking transactions are entered into with related parties in the normal course of business. These include loans, deposits and foreign currency transactions. The volume of related party transactions, outstanding balances at the end of the year and related expense and income for the year are as follows:

<i>In thousands of Leones</i>	2020	2019
Loans and overdrafts to Management and Directors		
Outstanding at 1 January	1,679,886	1,123,560
New loans given	3,938,785	2,220,000
Repaid during the year	(3,043,099)	(1,663,674)
	2,575,572	1,679,886
	=====	=====
Director Remuneration		
Executive directors remuneration	4,745,743	4,508,456
Non-executive directors fees	1,231,715	630,575
	5,977,458	5,139,031
	=====	=====

The Bank operates a profit-sharing scheme for its employees.

34. Subsequent events

Subsequent to the year ended 31 December 2020, the Bank revalued its assets, however, the revaluation report is in draft form and it is yet to be approved by the board of directors. This is considered as a non-adjusting post balance sheet event.

35. Financial Risk Review and management

This note presents information about the Bank's exposure to financial risks and the Bank's management of capital.



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

Risk management framework

The Board of Directors have overall responsibility for the establishment and oversight of the Bank's Risk management framework.

The Board of Directors is responsible for monitoring compliance with the risk management policies and procedures, reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank, the appropriateness and effectiveness of the Bank's risk management systems and controls and also for considering the implications of changes proposed to regulations and legislation that are material to the Bank's risk appetite and management of risk.

The Board is assisted in these functions by the Head of Internal Audit. The Head of Compliance undertakes both regular and ad-hoc review of risk management controls and procedures, the results of which are reported to the Board.

The Audit Committee is responsible for monitoring the Bank's compliance with financial accounting policies and pronouncements, keeping under review the appropriateness of the accounting policies and internal controls systems, considering the external auditor's report and also reviewing the resources, scope, authority and operations of the Bank's audit function. The Audit Committee is assisted in these functions by the Head of Internal Audit. The Head of Audit undertakes both regular and ad-hoc reviews of audit management controls and procedures, the results of which are reported to the Audit Committee.

a	Credit risk:	Page
i	Credit quality analysis	64
ii	Collateral held and other credit enhancements, and their financial effect	67
iii	Concentrations of credit risk	69
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b	Liquidity risk	75
c	Market risk	80
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(a) Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, and sector risk).

Management of credit risk

The Board of Directors, is responsible for oversight of the Bank's credit risk, including:

- *Formulating credit policies* covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- *Establishing the authorisation structure* for the approval and renewal of credit facilities. All facilities require the prior approval of the Bank's Executive Committee. Larger facilities require approval by the Board of Director as appropriate.
- *Reviewing and assessing credit risk.* The Bank's Executive Committee assesses all credit exposures, prior to facilities being committed to customers. Renewals and reviews of facilities are subject to the same review process.
- *Limiting concentrations of exposure* to counterparties and industries (for loans and advances).



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

(a) Credit risk (continued)

- *Developing and maintaining the Bank's risk gradings* in order to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework consists of five grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation.

The responsibility for setting risk grades lies with the final approving executive/committee as appropriate. Risk grades are subject to regular reviews by the Credit Committee.

- *Reviewing compliance* with agreed exposure limits, including those for selected industries, and product types. Regular reports are provided to the Critised Assets Committee on the credit quality of loan/advances portfolios and appropriate corrective action is taken.

Providing advice, guidance and specialist skills to promote best practice throughout the Bank in the management of credit risk. The Bank is required to implement credit policies and procedures, with credit approved authorities delegated from the Board of Directors.

- *Developing and maintaining the Bank's process for measuring ECL* this includes process for: internal approval, regular validation and back-testing of the module used.
- *Determining and monitoring significant increase in credit risk and incorporating forward looking information*
- *Reviewing compliance of business units* agreed with exposures limits including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to The Bank's Credit Committee, which may require appropriate corrective action to be taken. These include reports containing estimates of ECL allowances.
- *Providing advice, guidance and specialist skills* to business units to promote best practice throughout the Bank in the management of credit risk.

(i) Credit quality analysis

The tables below set out information about the credit quality of financial assets measured at amortised cost, FVOCI equity investment (2019) and available for sale equity investment (2018)

Unless specifically indicated for financial assets, the amounts in the table represents gross carrying amount.



Notes to the financial statements (continued)
35. Financial Risk Review and Management (continued)
(a) Credit risk (continued)

	2020			
Loans and advances to customers at amortised cost	Stage 1 or 12 months	Stage 2/lifetime ECL not credit impaired	Stage 3 or lifetime credit impaired	Purchase credit impaired
Grade 1-6 Low-fair risk	-	-	-	-
Grade 7-9 Higher risk	277,075,297	-	-	-
Grade 10 Standard	-	8,149,243	-	-
Grade 11 Doubtful	-	7,287,254	-	-
Grade 12 Loss	-	-	4,351,152	-
Total gross amount	277,075,297	15,436,497	4,351,152	296,862,946
Allowance for impairment	(21,927,845)	(8,071,217)	(3,914,851)	(33,913,913)
Other value adjustment	-	(803,668)	-	(803,668)
Interest on classified loan	-	(1,815,651)	(436,301)	(2,251,952)
Carrying amount	255,147,452	4,745,961	-	259,893,413

	2020			
Debt investment securities at amortised cost (2017 held to maturity)	Stage 1 or 12 months	Stage 2/lifetime ECL not credit impaired	Stage 3 or lifetime credit impaired	Purchase credit impaired
Grades 1-6 low – fair risk	1,130,007,261	-	-	-
Carrying amount	1,130,007,261	-	-	1,130,007,261

	2020			
Loan commitments	Stage 1 or 12 months	Stage 2/lifetime ECL not credit impaired	Stage 3 or lifetime credit impaired	Purchase credit impaired
Grades 1-6 low fair risk	15,021,640	-	-	-
Allowance for impairment	(4,260)	-	-	-
Carrying Amount	15,017,380	-	-	15,017,381



Notes to the financial statements (continued)
35. Financial Risk Review and Management (continued)
(a) Credit risk (continued)

	2019				
Loans and advances to customers at amortised cost	Stage 1 or 12 months	Stage 2/lifetime ECL not credit impaired	Stage 3 or lifetime credit impaired	Purchase credit impaired	Total
Grade 1-6 Low-fair risk	-	-	-	-	-
Grade 7-9 Higher risk	182,500,739	-	-	-	182,500,739
Grade 10 Standard	-	3,758,923	-	-	3,758,923
Grade 11 Doubtful	-	931,009	-	-	931,009
Grade 12 Loss	-	-	802,475	-	802,475
Total gross amount	182,500,739	4,689,932	802,475	-	187,993,146
Allowance for impairment	(21,460,319)	(1,263,906)	(378,315)	-	(23,102,540)
Other value adjustment	-	(520,688)	-	-	(520,688)
Interest on classified loan	-	(969,988)	(424,160)	-	(1,394,148)
Carrying amount	161,040,420	1,935,350	-	-	162,975,770

	2019				
Debt investment securities at amortised cost (2017 held to maturity)	Stage 1 or 12 months	Stage 2/lifetime ECL not credit impaired	Stage 3 or lifetime credit impaired	Purchase credit impaired	Total
Grades 1-6 low – fair risk	738,896,334	-	-	-	738,896,334
Carrying amount	738,896,334	-	-	-	738,896,334

	2019				
Loan commitments	Stage 1 or 12 months	Stage 2/lifetime ECL not credit impaired	Stage 3 or lifetime credit impaired	Purchase credit impaired	Total
Grades 1-6 low fair risk	11,667,919	-	-	-	11,667,919
less allowance for impairment	(56,187)	-	-	-	(56,187)
Carrying Amount	11,611,732	-	-	-	11,611,732



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

(a) Credit risk (continued)

(ii) Collateral held and other credit enhancements, and their financial effect

The Bank holds collateral and other credit enhancements against certain of its credit exposures. The table below sets out the principal types of collateral held against different types of financial assets.

Type of credit exposure	Principal type of collateral held for secured lending
Loans and advances to retail customers	
Mortgage lending	Residential property
Personal loans	None
Loans and advances to corporate customers	
Financial leases	Property and equipment
Other lending to corporate customers	Commercial property,
floating charges over corporate assets	
Investment debt securities	None

The Bank typically does not hold collateral against investment securities.

Residential mortgage lending

The tables below stratify credit exposures from mortgage loans and advances to retail customers by ranges of loan-to-value (LTV) ratio. LTV is calculated as the ratio of the gross amount of the loan – or the amount committed for loan commitments – to the value of the collateral. The gross amounts exclude any impairment allowance. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. The value of the collateral for residential mortgage loans is based on the collateral value at origination updated based on changes in house price indices.

Loans secured against property

	2020	2019
Loans to value (LTV) ratio		
Less than 50%	164,957,869	43,630,172
51% to 70%	37,334,146	18,232,695
71% to 90%	44,084,252	29,226,049
91% to 100%	12,069,305	8,364,689
More than 100%	38,417,374	88,539,541
Total	296,862,946	187,993,146

Credit impaired loans

	2020	2019
Less than 50%	3,767,889	595,815
51-70 %	454,850	-
More than 70%	128,413	206,660
Total	4,351,152	802,475

Loans and advances to customers

The general creditworthiness of a corporate customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the bank generally requests that borrowers provide it. The Bank may take collateral in the form of a first charge over real estate, floating charges over all corporate assets and other liens and guarantees.



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

(a) Credit risk (continued)

Because of the Bank's focus on corporate customers' creditworthiness, the Bank does not routinely update the valuation of collateral held against all loans to corporate customers. Valuation of collateral is updated when the loan is put on a watch list and the loan is monitored, more closely. For credit impaired Loans the bank obtains appraisal of collateral because it provides input into determining management credit risk actions.

Other types of collateral and credit enhancements

The Bank also holds other types of collateral and credit enhancements such as second charges and floating charges for which specific values are not generally available.

Assets obtained by taking possession of collateral

Details of financial and non-financial assets obtained by the Bank during the year by taking possession of collateral held as security against loans and advances as well as calls made on credit enhancements and held at the year-end are shown below:

Loans and advances to customers

<i>In thousands of Leones</i>	2020	2019
Property	298,528,479	324,264,288
Other	7,859,244	9,233,288
Total	306,387,723	333,497,576

The Bank's policy is to pursue timely realisation of the collateral in an orderly manner. The bank does not generally use the non-cash collateral for its own operations.



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

(a) Credit risk (continued)

(III) Concentration of credit risk

The Bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk from loans and advances, lending commitments, financial guarantees and investment securities is show below:

<i>In thousands of Leones</i>	Loans and advances to customers		Investment securities		Financial guarantees	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Carrying amount	259,863,413	162,975,770	1,130,007,261	738,896,334	15,017,380	11,611,733
Concentration by type of customer						
Individuals and other private enterprises	280,501,948	175,362,041	1,130,007,261	738,896,334	15,021,641	11,667,919
Staff	16,171,068	9,267,269	-	-	-	-
Government	189,930	3,363,836	-	-	-	-
	296,862,946	187,993,146	1,130,007,261	738,896,334	15,021,641	11,667,919
Concentration by sectors						
Agriculture, forestry and fishing	21,825,709	25,947,028	-	-	-	-
Manufacturing	9,853,705	9,471,666	-	-	-	-
Construction	12,635,875	16,716,279	-	-	-	-
Commerce and finance	140,557,885	53,415,658	1,130,007,261	738,896,334	15,021,641	11,667,919
Transport, storage and communication	6,137,889	5,818,182	-	-	-	-
Services and other	105,851,883	76,624,333	-	-	-	-
	296,862,946	187,993,146	1,130,007,261	738,896,334	15,021,641	11,667,919



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

(a) Credit risk (continued)

- (iv). **Amounts arising from Expected Credit Loss (ECL)** - Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the bank historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- The remaining lifetime probability of default (PD) as at the reporting date; with
- The remaining lifetime PD at the point in time that was estimated at the time of initial recognition of the exposure (adjusted where for changes in prepayment expectations).

The Bank uses three criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in PD
- qualitative indicators; and
- a backstop of 30 days past due

Credit Risk grades

The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data.



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

(a) Credit risk (continued)

<u>Corporate exposures</u>	<u>Retail Exposure</u>	<u>All Exposures</u>
- Information obtained during periodic review of customers files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenant quality of management, senior management changes - Data from credit reference agencies, press articles, changes in external credit ratings - Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities	- Internally collected data on customer behavior –eg. Utilization of credit card facilities - Affordability metrics - External data from credit reference agencies, including industry-standard credit scores	- Payment record – this includes overdue status as well as a range of variables about payment ratios - Utilisation of the granted limit - Requests for and granting of forbearance - Existing and forecast changes in business, Financial and economic conditions

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by type of product and borrower as well as by credit risk grading.

The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

Determining whether credit risk has increased significantly

Significant increase in credit risk.

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's quantitative modelling, the remaining lifetime PD is determined to have increased by more than a predetermined percentage/range. Using its expert credit judgement and, where possible, relevant historical experience, the Bank may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. As a backstop, the Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower. If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Bank determines a probation period during which the financial asset is required to demonstrate good behavior to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

(a) Credit risk (continued)

Generally, facilities with loss allowances being measured as Life-time ECL not credit impaired (Stage 2) are monitored for a probationary period of 90 days to confirm if the credit risk has decreased sufficiently before they can be migrated from Lifetime ECL not credit impaired (Stage 2) to 12-month ECL (Stage 1) while credit-impaired facilities (Stage 3) are monitored for a probationary period of 180 days before migration from Stage 3 to 12-month ECL (Stage 1). The decrease in risk of default is reflected in the obligor's Risk Rating which is a critical input for Staging. The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that the criteria are capable of identifying significant increases in credit risk before an exposure is in default; the criteria do not align with the point in time when an asset becomes 30 days past due; and there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in the accounting policy. When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of: its remaining lifetime PD at the reporting date based on the modified terms; with the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.

The bank renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities') to maximise collection opportunities and minimise the risk of default. Under the Bank's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms. The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy. The Bank Audit Committee regularly reviews reports on forbearance activities. For financial assets modified as part of the Bank's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Bank's ability to collect interest and principal and the Bank's previous experience of similar forbearance action. As part of this process, the Bank evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators. Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired/in default. A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12month ECL.

Definition of default

The Bank considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Bank. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, The Bank considers indicator that are:



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

(a) Credit risk (continued)

- Qualitative : e.g. Breaches of covenant;
- Quantitative : e.g. overdue status and non-payment on another obligation of the same issuer to the Bank
- Based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary overtime to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Bank for regulatory capital purposes.

Incorporation of forward – looking information

The Bank incorporates forward –looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

The Bank formulates three economic scenarios a base case, which is the median scenario assigned a 50% probability of occurring, and two less likely scenarios, one upside and one downside, each assigned a 20% probability of occurring. The base case is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Bank operates, supranational organisations such as the OECD and the internal Monetary Fund, and selected private –sector and academic forecasters.

Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios by a Bank expert that advises the Bank's senior management.

The Bank has identified and documented key drivers of credit and credit losses for each portfolio financial instruments and using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk losses.

The key drivers for credit risk for wholesale portfolios are: GDP growth, unemployment rate and interest rates. For exposures to specific industries and /or regions, the key drivers also include relevant commodity and/or real estate prices.

The economic scenarios used as at 31 December 2020 included the following key indicators for Sierra Leone for the years ended 31 December 2020 and 31 December 2019

	2020	2019
GDP growth	Base -3% Upside 3% Downside -4%	Base 5% Upside 5% Downside 2%
Inflation	Base 15.7% Upside 12.7% Downside 17%	Base 14% Upside 6% Downside 19%
Monetary Policy rate	Base 14% Upside 105 Downside 12%	- - -



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

(a) Credit risk (continued)

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

The methodology of estimating PDs is discussed above under the heading 'Generating the term structure of PD.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property,

LTV ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period. The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- instrument type;
- credit risk gradings;
- collateral type;
- LTV ratio for retail mortgages;
- date of initial recognition;
- remaining term to maturity;
- industry; and
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.



35. Notes to the financial statements (continued)

(a) Credit risk (continued)

Loans with renegotiated terms

Loans with renegotiated terms are defined as loans that have been restricted due to a deterioration in the borrower's financial position, for which the Bank has made concessions by agreeing to terms and conditions that are more favourable for the borrower than the Bank had provided initially and that it would not otherwise consider. A Loan continues to be presented as part of loans with renegotiated terms until maturity, early repayment or write – off.

Loans and investment debt securities that were due but not impaired

Loans and investment debt securities were past due but not impaired are those for which contractual interest or principal payments were past due but the Company believed that impairment was not appropriate on the basis of the level of security or collateral available and/ or the stage of collection of amounts owed to the Bank. The amounts disclosed excluded measured at FVTPL.

(b) Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations from its financial liabilities that are settled by delivering cash or another financial asset.

Management of liquidity risk

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

- Maintaining a diversified funding base consisting of customer deposits (both retail and corporate) and wholesale market deposits and maintaining contingency facilities.
- Carrying a portfolio of highly liquid assets, diversified by currency and maturity.
- Monitoring liquidity ratios, maturity mismatches, behavioural characteristics of the Bank's financial assets and financial liabilities, and the extent to which the Bank's assets are encumbered and so not available as potential collateral for obtaining funding.
- Carrying out stress testing of the Bank's liquidity position.

Management receives information from other business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. Management then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to customers, to ensure that sufficient liquidity is maintained within the Bank as a whole.

The liquidity requirements of the Bank are met through short-term investment to cover any short-term fluctuations and longer-term funding to address any structural liquidity requirements.

When the Bank is subject to a liquidity limit imposed by the Central Bank, the Bank is responsible for managing its overall liquidity within the regulatory limit in co-ordination with management. Management monitors compliance of all operating activities with local regulatory limits on a daily basis.

The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by ALCO. Daily reports cover the liquidity position of the Bank. A summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO.



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

(b) Liquidity(continued)

Exposure to liquidity risk

The key measure used by the bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, 'net liquid assets' includes cash and cash equivalents and investment-grade debt securities for which there is an active and liquid market less any deposits from banks, debt securities issued, other borrowings and commitments maturing within the next month. Details of the reported bank ratio of net liquid assets to deposits from customers at the reporting date and during the reporting period were as follows:

	2020 %	2019 %
At 31 December		
Average for the period	63	62
Maximum for the period	109	103
Minimum for the period	16	21



Notes to the financial statements (continued)
35. Financial Risk Review and Management (continued)

(b) Liquidity risk (continued)

Maturity analysis for financial assets and financial liabilities

The table below set out the remaining contractual maturities of the bank's financial liabilities and financial assets

In thousands of Leones

	Note	Carrying Amount	Gross nominal inflow/(outflow)	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
31 December 2020								
Financial liability by type								
<i>Non-derivative liabilities</i>								
Deposit from banks	24	-	-	-	-	-	-	-
Deposits from customers	25	1,473,429,428	1,473,429,428	-	-	-	-	-
Unrecognized loan commitment		1,473,429,428	1,473,429,428	-	-	-	-	-
Financial asset by type								
<i>Non-derivative assets</i>								
Cash and bank balances with banks	18	222,800,585	222,800,585	222,800,585	-	-	-	-
Cash on hand	18	26,214,208	26,214,208	26,214,208	-	-	-	-
Loans and advances to customers	19	259,863,413	259,863,413	-	-	-	259,863,413	-
Investment securities	20	1,130,007,261	1,130,007,261	-	-	-	1,130,007,261	-
		1,638,885,467	1,638,885,467	249,014,793	-	-	1,389,870,674	-



Notes to the financial statements (continued)
35. Financial Risk Review and Management (continued)
(b) Liquidity risk (continued)

Maturity analysis for financial assets and financial liabilities (continued)
In thousands of Leones

31 December 2019

Financial liability by type

Non-derivative liabilities

Deposit from banks

24

Deposits from customers

25

Unrecognized loan commitment

Financial asset by type

derivative assets

Cash and bank balances with bank

18

Cash on hand

18

Loans and advances to customers

19

Investment securities

Note	Carrying Amount	Gross nominal inflow/(outflow)	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
24	967,402,519	967,402,519	233,727,567	1,824,071	731,839,812	-	-
25	-	-	-	-	-	11,069	-
	967,402,519	967,402,519	233,727,567	1,824,071	731,839,812	11,069	-
18	193,201,268	193,201,268	193,201,268	-	-	-	-
18	57,133,471	57,133,471	57,133,471	-	-	-	-
19	162,975,770	162,975,770	-	-	-	163,031,956	-
	738,896,334	738,896,334	-	-	-	738,896,334	-
	1,152,206,843	1,152,206,843	250,334,739	-	-	901,928,290	-



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

Maturity analysis for financial assets and financial liabilities (continued)

The amounts in the table above have been compiled as follows:

Type of financial instrument	Basis on which amounts are compiled
Non-derivatives financial liabilities and financial assets	Undiscounted cash flows, which include financial assets estimated interest payment; estimated interest payments

The bank's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to remain stable or increase and unrecognised loan commitments are not all expected to be drawn down immediately.

As part of the management of liquidity risk arising from financial liabilities, the Bank holds liquid assets comprising cash and cash equivalents, and debt securities issued by sovereigns, which can be readily sold to meet liquidity requirements. In addition, the bank maintains agreed lines of credit with other banks and holds unencumbered assets eligible for use as collateral with central banks (these amounts are referred to as the 'bank's liquidity reserves').

The table below sets out the carrying amounts of non-derivative financial assets and financial liabilities expected to be recovered or settled more than 12 months after the reporting date.

<i>In thousands of Leones</i>	2020	2019
Financial assets		
Loans and advances to customers	259,863,413	162,975,770
Investment securities	1,130,007,260	738,896,334
Financial liabilities		
Deposits from customers	1,473,429,427	967,402,519

The table below sets out the components of the Bank's liquidity reserve

Liquidity reserve

In thousands of Leones

	2020 Carrying Amount	2020 Fair Value	2019 Carrying amount	2019 Fair Value
Balances with the Central Bank	128,663,967	128,663,967	49,828,752	49,828,752
Cash and balances in hand	25,659,126	25,659,126	56,361,920	56,361,920
Cash and balances with other banks	94,691,701	94,691,701	144,144,067	144,144,067
Total liquidity reserve	249,014,794	249,014,794	250,334,739	250,334,739



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

The table below set out the availability of the Bank's financial assets to support future funding.

In thousands of Leones

	Pledged as Collateral	Encumbered Other	Available as Collateral	Unencumbered Other	Total
2020					
Cash and cash					
Equivalents			-	-	249,014,793
Loans and advances	-	-	-	-	259,863,413
Investment securities	-	-	-	-	1,130,007,261
Due from other banks	-	-	-	-	129,183,518
Other financial assets	-	-	-	-	12,987,410
Non-financial assets	-	21,678,435	-	-	21,678,435
Total assets	-	21,678,435	-	-	1,802,734,830
2019					
Cash and cash					
Equivalents	-		-	-	250,334,739
Loans and advances	-	-	-	-	162,975,770
Investment securities					738,896,334
Due from other banks					11,216,768
Other financial assets	-	-	-	-	10,126,916
Non-financial assets	-	13,549,137	-	-	13,549,137
Total assets		13,549,137	-	-	1,187,099,664

Financial assets pledged as collateral

The total financial assets that had been pledged as collateral for liabilities at 31 December 2020 is shown in the preceding table. Financial assets are pledged as collateral as part of sales and repurchases, securities borrowing and securitisation transactions under terms that are usual and customary for such activities.

(c) Market risks

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Management of market risks

The Bank separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios mainly are held by the treasury unit, and include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis.

Overall authority for market risk is vested in the Board of Director. The ALCO is responsible for the development of detailed risk management policies (subject to review and approval by the Board and for the day-to-day review of their implementation).



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

Exposure to market risks – trading portfolios

The principal tool used to measure and control market risk exposure within the Bank's trading portfolios are limits placed on open positions. Specified limits have been set for open positions which is the expected maximum exposure the Bank is to be exposed to.

The Bank uses open position limits for specific foreign exchange risks. The overall structure of the limits is subject to review and approval by the Board. Open position is measured at least daily and more regularly for days of active trade. Regular reports of utilisation of open limits are submitted to the Board.

Exposure to interest rate risk – non-trading portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rate. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. The ALCO is the monitoring body for compliance with these limits.

The table below sets out the allocation of assets and liabilities subject to market risk between trading and non-trading portfolios:

In thousands of Leones

	Note	Market risk measures		
		Carrying Amount	Trading portfolios	Non- trading portfolios
31 December 2019				
Assets subject to market risk				
Cash and cash equivalents	18	249,014,793		249,014,793
Loans and advances to Customers	19	259,863,413		259,863,413
Investment securities	20	1,130,007,261		1,130,007,261
Due from other banks	21			
Liabilities subject to market risk				
Deposits	25	1,473,429,428		1,473,429,428
31 December 2018				
Assets subject to market risk				
Cash and cash equivalents	18	250,334,739	-	250,334,739
Loans and advances to Customers	19	162,975,770	-	162,975,770
Investment securities	20	738,896,334	-	738,896,334
Due from other banks		11,216,768	-	11,216,768
Liabilities subject to market risk				
Deposits	25	967,402,519	-	967,402,519



Notes to the financial statements (continued)
Financial Risk Review and Management (continued)
(c) **Market risks (continued)**

In thousands of Leones

31 December 2020

	Note	Carrying Amount	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years
Cash and cash equivalents	18	249,014,793	249,014,793	-	-	-	-
Loans and advances to customers	19	259,863,413	-	-	-	259,863,413	-
Investment securities	20	1,130,007,261	-	-	895,287,234	233,920,027	800,000
Due from other banks	21	129,183,518	-	-	-	-	-
		1,768,068,985	249,014,793	-	895,287,234	493,783,440	800,000
Deposits from customers	25	1,473,429,428	376,697,527	-	1,072,362,834	24,369,067	-
		1,473,429,428	376,697,527	-	1,072,362,834	24,369,067	-
Effects of derivatives held for risk Management		-	-	-	-	-	-
		294,639,557	(127,782,734)	-	(177,362,834)	469,414,373	800,000

31 December 2019

Cash and cash equivalents	18	250,334,739	250,334,739	-	-	-	-
Loans and advances to customers	19	162,975,770	-	-	-	162,975,770	-
Investment securities	20	738,896,334	-	-	666,667,544	71,428,790	800,000
Due from other banks		11,216,768	-	-	-	11,216,768	-
		1,163,423,611	250,334,739	-	666,667,544	245,621,328	800,000
Deposits from customers	25	967,402,519	235,551,638	897,784	730,942,028	11,069	-
		967,402,519	235,551,638	897,784	730,942,028	11,069	-
Effects of derivatives held for risk management		-	-	(897,784)	(64,274,484)	245,610,259	800,000



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

(c) Market risks (continued)

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios.

Standard scenarios that are considered on a monthly basis include a 2% basis point (bp) parallel fall or rise in market interest rates.

Overall non-trading interest rate risk positions are managed by Global Markets, which uses investment securities, advances to customer's deposits and derivative instruments to manage the overall position arising from the Bank's non-trading activities.

Exposure to other market risk – non-trading portfolios

Credit spread risk not relating to changes in the obligor/issuer's Credit Standing on debt securities held by treasury and equity price risk is subject to regular monitoring by credit risk, but is not currently significant in relation to the overall results and financial position of the Bank.

Sensitivity of projected net interest income (Interest rate sensitivity analysis)

	200bp (2%) Increase 2020	200bp (2%) Decrease 2020
In thousands of Leones		
Interest income impact	4,208,245	(4,208,245)
Interest expense impact	(190,190)	190,190
Net impact	4,018,055	(4,018,055)
In thousands of Leones	2019	2019
Interest income impact	3,480,808	(3,480,808)
Interest expense impact	(164,759)	164,759
Net impact	3,316,049	(3,316,049)

The expected impact on net interest income have been based on a +/- two percent swing in interest rates that may occur during the ensuing year. The computation considered interest income on cash and short-term funds, investment securities and loans and advances; and interest expense all of which are deemed susceptible to interest rate change.

Sensitivity of reported equity to interest rate movement

	200 bp (2%) Increase	200bp (2%) Decrease
<i>In thousands of Leones</i>		
31 December 2020		
Net (after tax) interest impact on retained earnings	2,812,638	(2,812,638)
	200 bp (2%) Increase	200bp (2%) Decrease
31 December 2019		
Net (after tax) interest impact on retained earnings	2,321,234	(2,321,234)



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

Concentrations of assets, liabilities and off financial position items

The table below summarizes the Bank exposure to foreign currency exchange rate at 31 December. Included in the table on the Bank's financial instrument carrying amounts; categorized by currency.

<i>In thousands of Leones</i>	Le	Euro	USD	GBP	Others	Total
2020						
Cash and balances with the banks	144,874,083	57,707,538	37,527,055	8,906,117	-	249,014,793
Treasury bills and other eligible bills	1,130,007,260	-	-	-	-	1,130,007,260
Loans and advances to customers	259,863,413	-	-	-	-	259,863,413
Due from other banks	-	-	115,862,500	13,321,018	-	129,183,518
Property, plant and equipment	46,686,714	-	-	-	-	46,686,714
Other assets	39,456,443	-	15,290,451	-	-	54,746,894
Total assets	1,620,887,913	57,707,538	168,680,006	22,227,135	-	1,869,502,592
Deposit from customers	1,028,164,580	57,408,980	370,547,720	17,308,147	-	1,473,429,427
Other liabilities	174,922,136	11,069	934,387	135,545	-	176,003,137
Total liabilities	1,203,086,716	57,420,049	371,482,107	17,443,692	-	1,649,432,564
Net on-financial position	417,801,197	287,489	(202,802,101)	4,783,443	-	220,070,028



Notes to the financial statements (continued)
35. Financial Risk Review and Management (continued)

Concentrations of assets, liabilities and off financial position items

2019	Le	Euro	USD	GBP	Others	Total
Cash and balances with the banks	103,807,217	27,802,304	112,424,106	6,301,112	-	250,334,739
Treasury bills and other eligible bills	738,896,334	-	-	-	-	738,896,334
Loans and advances to customers	162,975,770	-	-	-	-	162,975,770
Due from other banks	-	-	11,216,768	-	-	11,216,768
Property, plant and equipment	34,168,473	-	-	-	-	34,168,473
Other assets	27,110,515	-	10,399,132	359	-	37,510,006
Total assets	1,066,958,309	27,802,304	134,040,006	6,301,471	-	1,235,102,090
Deposit from customers	709,111,024	18,389,291	224,147,368	15,754,836	-	967,402,519
Other liabilities	94,508,458	9,633	597,638	48,544	-	95,164,273
Total liabilities	803,619,482	18,398,924	224,745,006	15,803,380	-	1,062,566,792
Net on-financial position	263,338,827	9,403,380	(90,705,000)	(9,501,909)	-	172,535,298



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

Concentration of Leone equivalent of foreign currency denominated assets and liabilities.

In thousands of Leones

	Euro	US\$	GBP	Others	Total
2020					
Cash and balances with the Bank	57,707,538	37,527,055	8,906,117	-	104,140,710
Loans and advances to customers	-	-	-	-	-
Due from other banks	-	115,862,500	13,321,018	-	129,183,518
Other assets	-	15,290,451	-	-	15,290,451
Total assets	57,707,538	168,680,006	22,227,135	-	248,614,679
Liabilities					
Due to customer	57,408,980	370,547,720	17,308,147	-	445,264,847
Other liabilities	11,069	934,387	135,545	-	1,081,001
Total liabilities	57,420,049	371,482,107	17,443,692	-	446,345,848
Net on financial position	287,489	(202,802,101)	4,783,443		(197,731,169)
2019					
Cash and balances with the Bank	27,802,304	112,424,106	6,301,112	-	146,527,522
Loans and advances to customers	-	-	-	-	-
Due from other banks	-	11,216,768	-	-	11,216,768
Other assets	-	10,399,132	359	-	10,399,491
Total assets	27,802,304	134,040,006	6,301,471	-	168,143,781
Liabilities					
Due to customer	18,389,291	224,147,368	15,754,836	-	258,291,495
Other liabilities	9,632	597,638	48,544	-	655,814
Total liabilities	18,398,923	224,745,006	15,803,380	-	258,947,309
Net on financial position	9,403,381	(90,705,000)	(9,501,909)	-	(90,803,528)



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

(d) Operational risks

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

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

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Bank. This responsibility is supported through the Bank's Operational Risk and Assurance Methodology Framework (ORAMF) in the following areas:

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

Compliance with Bank standards is supported by a programme of independent periodic reviews undertaken by the Head of Compliance. The results of internal audit reviews are discussed with the management of the Bank with summaries submitted to the senior management of the Bank.

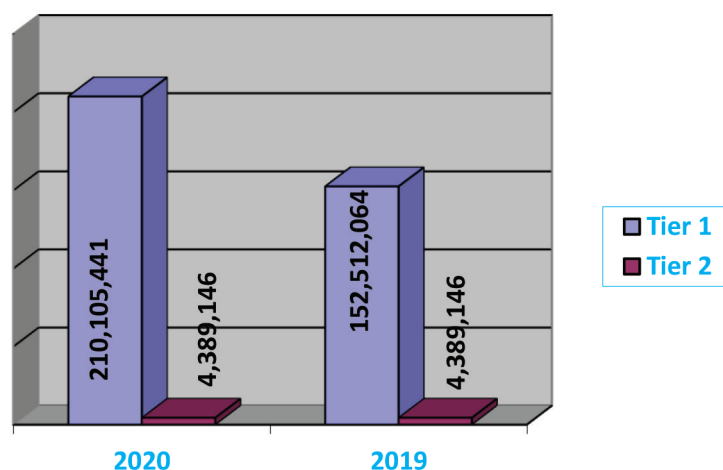
(e) Settlement risk

The Bank's activities may give rise to risk at the time of settlement of transaction and trade. Settlement risk is the risk of loss due to the failure of a counterparty to honour its obligation to deliver cash securities or other assets as contractually agreed.

(f) Capital management

Regulatory capital

Thousands of Leones





Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

Bank of Sierra Leone sets and monitors capital requirements for banks as a whole.

In implementing the current capital requirements, Bank of Sierra Leone requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets.

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

- Tier 1 capital, which includes ordinary share capital, retained earnings and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes;
- Tier 2 capital, which includes qualifying subordinated liabilities, collective impairment allowances and the element of the fair value reserve relating to unrealised gains on equity instruments classified as available-for-sale, asset revaluation reserves and high bond (debt equity's capital instruments).

Various limits are applied to elements of the capital base. The amount of innovative Tier 1 securities cannot exceed 15 percent of total Tier 1 capital; qualifying Tier 2 capital cannot exceed Tier 1 capital; and qualifying term subordinated loan capital may not exceed 50 percent of Tier 1 capital. There also are restrictions on the amount of collective impairment allowances that may be included as part of Tier 2 capital. Other deductions from capital include the carrying amounts of investments in the capital of Banks and certain other regulatory items.

(i) Regulatory capital

Banking operations are categorized as either trading book or non-trading book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and exposures not recognised in the statement of financial position.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Bank has not complied with all external imposed capital requirements throughout the year. There have been no material changes in the Bank's management of capital during the period.

(ii) Capital adequacy ratio

In accordance with Section 27 (4) of the Banking Act of Sierra Leone, the Bank is to maintain a capital adequacy ratio measured as a percentage of the capital base of the Bank to its risk weighted assets in line with regulations or directions, which the Central Bank may from time to time prescribe.

<i>In thousands of Leones</i>	2020	2019
1. Tier 1 capital		
Issued capital	76,237,738	76,237,738
Retained profit and reserves	123,695,663	66,102,286
Share premium	10,972,040	10,972,040
	210,905,441	153,312,064
Less equity instruments	(800,000)	(800,000)
	210,105,441	152,512,064



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

2 Tier 2 capital

Capital reserves (25%)	4,389,146	4,389,146
	4,389,146	4,389,146
Total capital base	214,494,587	156,901,210

Risk weighted asset base

	2020		2019	
	Amount	Weighting %	Weighted Amount	Weighted Amount
Foreign cash and Nostro balances	233,324,228	20	46,664,846	31,555,504
Due from other banks	129,183,518	20	25,836,704	2,250,000
Advances (non cash guaranteed)	259,863,413	50	77,959,024	162,975,770
Other assets	54,746,894	100	54,746,894	37,510,006
Fixed assets	46,686,714	100	46,686,714	34,168,473
	723,804,767		251,894,182	268,459,753

Off balance sheet accounts

	2020		2019	
	Amount	Weighting %	Weighted Amount	Weighted Amount
Performance bonds acceptances (cash securities)	15,021,640	50%	7,510,820	5,833,960
	15,021,640		7,510,820	5,833,960
Total			259,405,002	274,293,713
Capital adequacy ratio			82.69%	57.20%
Core capital ratio			80.99%	55.60%

The Bank's capital adequacy and core capital ratios are above the statutory minimum of 15% and 7.5% respectively as required by current prudential guidelines for commercial banks.

Capital allocation

Management uses regulatory capital ratios to monitor its capital base. The Banking Supervision Document (BSD 5) is used for this purpose. The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily on the regulatory capital, but in some cases the regulatory requirements do not fully reflect the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation by Bank Risk and Bank Credit, and is subject to review by the Bank Credit Committee or the Bank Asset and Liability Management Committee (ALCO), as appropriate.



Notes to the financial statements (continued)

35. Financial Risk Review and Management (continued)

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

36. Fair value of financial instruments

See accounting policy in note 6(g)

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Bank determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(a) Valuation models

The Bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Bank uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation.



Notes to the financial statements (continued)

36. Fair value of financial instruments (continued)

Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

(b) Valuation framework

The Bank has an established control framework with respect to the measurement of fair values. This framework includes a product control function, which is independent of front office management and reports to the Director of Finance, and which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls include:

- verification of observable pricing;
- re-performance of model valuations
- a review and approval process for new models and changes to models involving both Product Control and Bank Market Risk;
- quarterly calibration and back-testing of models against observed market transactions;
- analysis and investigation of significant daily valuation movements; and
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous month, by a committee of senior Product Control and Bank Market Risk personnel.

(c) Financial instruments not measured at fair value – fair value hierarchy

The following table analyses financial instruments not measured at fair value by the level in the fair value hierarchy into which each fair value measurement is categorized.

31 December 2020	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Assets					
<i>In thousands of Leones</i>					
Cash and cash equivalents	-	249,014,793	-	249,014,793	249,014,793
Loans and advances to Customers	-	-	259,863,413	259,863,413	259,863,413
Investment securities	-	1,130,007,261	-	1,130,007,261	1,130,007,261
Due from other banks	-	129,183,518	-	129,183,518	129,183,518
Liabilities					
Deposits from customers	-	1,473,429,428	-	1,473,429,428	1,473,429,428
31 December 2019	Level 1	Level 2	Level 3	Total fair values	Total carrying Amount
Assets					
<i>In thousands of Leones</i>					
Cash and cash equivalents	-	250,334,739	-	250,334,739	250,334,739
Loans and advances to Customers	-	-	162,975,770	162,975,770	162,975,770
Investment securities	-	738,896,334	-	738,896,334	738,896,334
Due from other banks	-	11,216,768	11,216,768	11,216,768	11,216,768
Liabilities					
Deposits from customers	-	967,402,519	-	967,402,519	967,402,519



Notes to the financial statements (continued)

36. Fair value of financial instruments (continued)

(c) Financial instruments not measured at fair value – fair value hierarchy

Where available, the fair value of loans and advances is based on observable market transactions.

Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Input into the valuation techniques includes expected lifetime credit losses, interest rates, prepayment rates and primary origination or secondary market spreads. For collateral-dependent impaired loans, the fair value is measured based on the value of the underlying collateral.

To improve the accuracy of the valuation, estimate for retail and smaller commercial loans, homogeneous loans are grouped into portfolios with similar characteristics such as vintage, LTV ratios, the quality of collateral, product and borrower type, prepayment and delinquency rates, and default probability.

The fair value of deposits from banks and customers is estimated using discounted cash flow techniques, applying the rates that are offered for deposits of similar maturities and terms. The fair value of deposits payable on demand is the amount payable at the reporting date.

37. Standard issued but not yet adopted

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements for the year ended 31 December 2020 are disclosed below. The Bank intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

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

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification.

These amendments are effective for reporting periods beginning on or after 1 January 2023, with early application permitted. The Company is not expected to be affected by these amendments on the date of transition.

Amendments to IAS 37 – Onerous Contracts: — Cost of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

Since the amendments apply prospectively to transactions or other events that occur on or after 1 January 2022, the Company will not be affected by these amendments on the date of transition.



37. **Notes to the financial statements** (continued)
Standard issued but not yet adopted (continued)

Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments are effective for reporting periods beginning on or after 1 January 2022, with early application permitted. The Company is not expected to be affected by these amendments on the date of transition.

Amendments to IFRS 3 – Reference to the Conceptual Framework

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

Since the amendments apply prospectively to transactions or other events that occur on or after 1 January 2022, the Company will not be affected by these amendments on the date of transition.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2 (IBOR reform phase 2)

On 27 August 2020 the IASB published 'Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16' (IBOR reform phase 2). IBOR reform phase 2 provides temporary reliefs to address the accounting issues which arise upon the replacement of an IBOR with an alternative nearly risk-free profit rate. The amendment is effective for annual reporting periods beginning on or after 1 January 2021 with earlier adoption permitted.

The impact of the replacement of interbank offered rates with alternative risk-free rates on the Company's products and services remains a key area of focus. The Company has exposure to contracts referencing IBORs, such as LIBOR, extending past 2021, when it is likely that these IBORs will cease being published or any subsequent timeline as determined by the relevant bodies. The Company is currently assessing the impact of the transition to the new rate regimes after 2021 by considering changes in its products, services, systems and reporting and will continue to engage with internal and external stakeholders to support an orderly transition and to mitigate the risks resulting from the transition.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.



Notes to the financial statements (continued)

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- * A specific adaptation for contracts with direct participation features (the variable fee approach)
- * A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

IFRS 17 will have no impact on the Bank, as it does not issue insurance contract.

This standard does not impact the Bank in anyway as the Bank do not engage in insurance business.

The bank will apply this amendment when it became effect.

Annual improvements 2018-2020 cycle

These improvements include:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a First-time Adopter;
- IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities;
- IAS 41 Agriculture – Taxation in Fair Value Measurements; and
- Illustrative Examples accompanying IFRS 16 Leases – Lease Incentives.

These improvements are effective for reporting periods beginning on or after 1 January 2022, with early application permitted. The Company is not expected to be affected by these amendments on the date of initial application.

38. Impact assessment of the covid-19

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections worldwide. Consequently, in most countries, a lot of measures were taken to contain the virus; limiting the movement of people, restricting flights and closing borders, temporarily closing businesses and schools, and cancelling events. This pandemic is having an immediate impact on businesses such as tourism, transport, retail, and entertainment. In response, the Bank of Sierra Leone and the Government of Sierra Leone intervened with monetary and fiscal measures aimed at mitigating market concerns and providing liquidity to the market.

At Rokel Commercial Bank (Sierra Leone) Limited, the management team has taken appropriate steps to assess the impact on the company’s financial statement based on the information available as of date. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the company.

1. Governance around the pandemic

On the outset of the pandemic in the country in March 2020, the company board set up measures, to monitor and mitigate any risk arising from the worldwide pandemic.



Notes to the financial statements (continued)

A COVID -19 measure focusing on Staff and Customer Safety and ensuring compliance to directives and measures taken by the government of Sierra Leone and authorities. Monitoring governance around COVID -19 in compliance to the bank directives related to customers, staff safety and Business Continuity.

A COVID-19 measure focusing on the Portfolio Impact of ongoing economic events, from a risk and client activity crisis management perspective.

2. Impact on Capital and Liquidity

The Company's capital and liquidity remain resilient despite unprecedented challenges from the Covid-19 pandemic. As the world manages the fallout from a second wave of infections, the Company continues to monitor the situation proactively and provides guidance and support to its staff as needed.

During the year, various regulators that monitor the company's banking responded to the risks associated with the pandemic by implementing a variety of actions to safeguard both capital and liquidity. These have included delays or reductions in prudential requirements, implementation of frameworks for restructuring credit facilities and providing payment moratoriums to customers, provision of liquidity support to banks, and lifting the restriction on the issue of United State Dollars over the counter. In June 2020, the bank of Sierra Leone issued a special covid loan facility to businesses importing essential commodities via commercial banks at a reduced interest rate of 7%.

3. Impact on Revenue

The COVID-19 Pandemic has impacted some sectors of the economy. However, the level of impact depends on the nature of the industry. Considering that some customers may be much more vulnerable than others, we worked closely with our credit risk department to assess their liquidity and operational cash flow needs and offered different relief measures such as credit restructures and granting of moratoriums for customers having financial difficulty in meeting up their repayment obligations. In terms of reduced volume of economic activities, this has translated into lower revenue.

4. Impairment Charges and credit risk

Considering the disruption to economic and market activities and the resultant heightened probabilities of default occasioned by the pandemic, the company has put in place measures to recognize the impact which the pandemic has on the impairment numbers as a result of worsening macroeconomic variables which have been incorporated into the forward-looking information (FLIs) within the ECL model used in determining impairment charges.

5. Impact on Operating Expense

We were able to manage our controllable cost prudently even though we incurred some unexpected Covid-19 related costs. Some of which include additional investment in technology, to enable staff work from home, the cost associated with implementing enhanced safety procedures and other COVID 19 protocols. In addition, the impact of inflation was also pronounced in the first half of the year. We have made donations to efforts in controlling the pandemic in terms of cash, healthcare essentials and supplies

6. Impact on Branches Operations

The company has an experienced and competent management team that is well prepared to manage risks arising from the economic realities affecting different business environment. As of 31 December 2020, we continue to operate in all the 16 branches, we have a presence, we are confident that there will be no threats of either partial or complete cessation of any of the business operations due to the impact of the Covid-19 pandemic.



Notes to the financial statements (continued)

7. Conclusion

We will continue to monitor the development of the situation locally and globally and follow recommended measures and guidelines issued by the World Health Organization (WHO) and Sierra Leone Government Health Authorities. Based on the current assessment and in the advent of world vaccination, the directors are confident that the going concern of the company will not be threatened by COVID 19 and would be able to continue to operate in the foreseeable future. Management is closely monitoring the evolution of this pandemic.

39. Regulatory ratios

Key prudential guidance ratios of the Bank for the year ended 31 December.

Narration	BSL Requirement	2020	2019
Capital Adequacy Ratio	Should not be less than 15%	82.69%	57.20%
Loan to Deposit Ratio	Loan to deposit should not exceed 80%	17.64%	16.85%
Local Asset Ratio	Total Liquid asset should not be less than 60%	85.33%	84.47%
Liquidity Ratio	Should not be less than 12%	70.59%	12.98%
Net Open Position Aggregate	Shall not exceed 25% of the institution's capital base	1.56%	6.47%
Non - Performing Loan	Should not be more than 10%	6.67%	3.00%
Aggregate exposure	The bank's exposures shall not exceed 300% of its capital base.	100.10%	91.87%



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ROKEL SIM KORPOR TARIFF

FROM LE	TO LE	AMOUNT
1,000	15,000	450
15,001	30,000	800
30,001	60,000	1,500
60,001	150,000	3,000
150,001	300,000	6,000
300,001	600,000	11,000

FROM LE	TO LE	AMOUNT
600,001	1,000,000	18,000
1,000,001	2,000,000	25,000
2,000,001	3,000,000	40,000
3,000,001	4,000,000	50,000
4,000,001	7,000,000	80,000
7,000,001	15,000,000	120,000

FREETOWN OFFICES
25/27 SIAKA STEVENS STREET

TELEPHONE:
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(232)77222501

EMAIL: ROKELSL@ROKELBANK.SL
 WEBSITE: WWW.ROKELBANK.SL



BENEFITS OF ROKEL SIM KORPOR

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- 2 SAVES COST
- 3 REDUCES STRESS
- 4 EASY TO USE
- 5 RELIABLE

USES OF THE SERVICE

- 1 CHECK BALANCE
- 2 TRANSFER FUNDS
- 3 MAKE WITHDRAWAL
- 4 TRANSACTION HISTORY
- 5 CHECK MINI STATEMENT
- 6 PAY MERCHANT
- 7 E. KOPOR
- 8 MAKE DEPOSIT
- 9 PAY UTILITY BILLS
- 10 BUY AIRTIME
- 11 MAKE BULK PAYMENT (WITHOUT/WITHOUT) ACCOUNT

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ROKEL COMMERCIAL BANK OFFERS PERSONAL AND COPERATE INTERNET BANKING TO DO TRANSACTIONS ANYWHERE AND AT ANYTIME USING THE WORLD WIDE WEB. WITH OUR PERSONAL INTERNET BANKING YOU CAN CHECK ACCOUNT BALANCE, VIEW MINI STATEMENT AND DOWNLOAD, PAY SALARIES, PAY FOR EDSA AND OTHER BILLS.

HOW TO GET SIMKOPOR

- 1 HAVE AN ACTIVE ACCOUNT WITH ROKEL COMMERCIAL BANK.
- 2 HAVE A MOBILE PHONE IN GOOD WORKING ORDER

- 3 ACCESS THE SERVICE

AT ANY ROKEL COMMERCIAL BANK BRANCH OR AGENT POINT

YOU CAN ALSO ACCESS IT ON BOTH:

APPLE STORE

GOOGLE PLAY

- 1 OPEN APPLE STORE STORE ON YOUR PHONE

- 2 SEARCH FOR ROKEL SIMKOPOR PLUS

OR SCAN AND BYPASS STEP 1 & 2



- 3 CLICK INSTALL

- 1 OPEN GOOGLE PLAY STORE ON YOUR PHONE

- 2 SEARCH FOR ROKEL SIMKOPOR PLUS

OR SCAN AND BYPASS STEP 1 & 2



- 3 CLICK INSTALL



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COMPLEMENTING
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EFFORT
IN THE FIGHT
AGAINST
COVID -19



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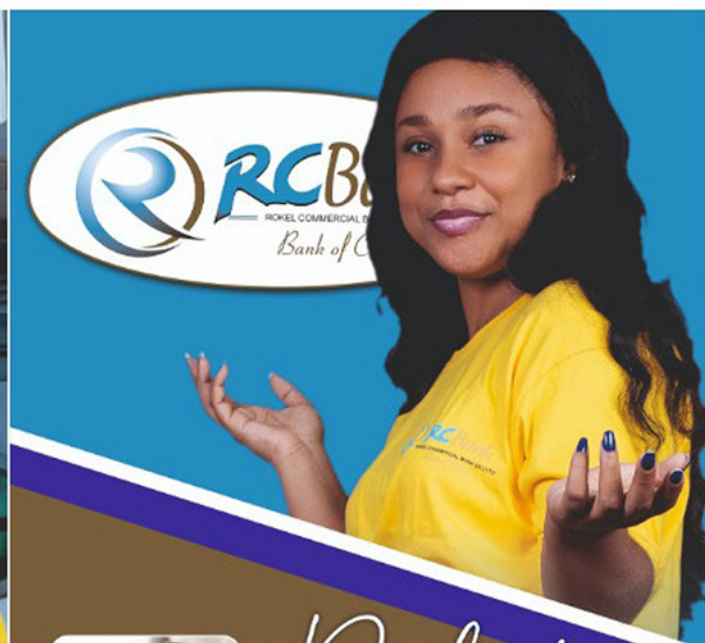
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