



TRUSTBANK AMANAH

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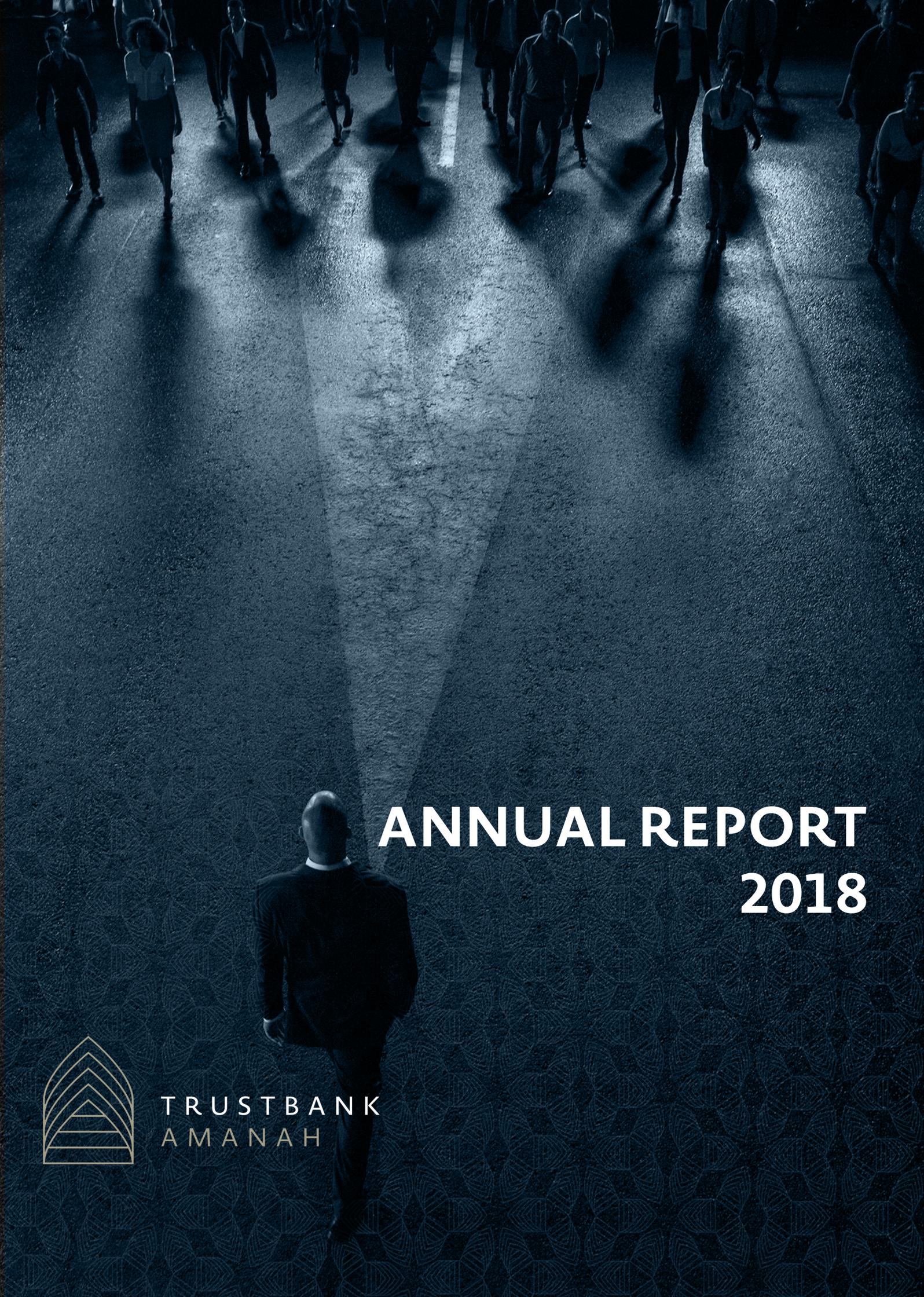
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ANNUAL REPORT 2018



TRUSTBANK
AMANAH

ANNUAL REPORT 2018



TRUSTBANK
AMANAH



CONTENTS

Introduction	6
Mission, vision and core values	7
•Shariah Supervisory Board	14
•Preliminary report of the Board of Supervisory Directors	15
•Report of the Management Board	18
1.General Consideration	18
2.The macro-economic climate	20
3.The financial development of the bank	24
4.Operational management	29
Financial Statements 2018	37
Balance sheet as at 31 December 2018 (before profit appropriation)	38
Profit and Loss Account 2018	40
Cash Flow Statement 2018	41
General Explanatory Notes	42
Other information	49

INTRODUCTION

Trustbank Amanah, the first full-fledged primary Islamic Bank in Suriname, continues the transformation process after the conversion from a conventional to an Islamic Bank. After the launch of Trustbank Amanah at the end of 2017, we are busy expanding our product range to give the various target groups the ultimate experience of the products and services of Islamic Banking.

The 2018 annual report focuses on the development, support and promotion of micro, small and medium-sized enterprises. This underlines the importance that we continue to attach to our core values and the value that we want to generate for our economy and society.

The key to our progress as a bank, is the capacity to create and provide value to our stakeholders, customers, employees, shareholders, suppliers and the Surinamese society as a whole.

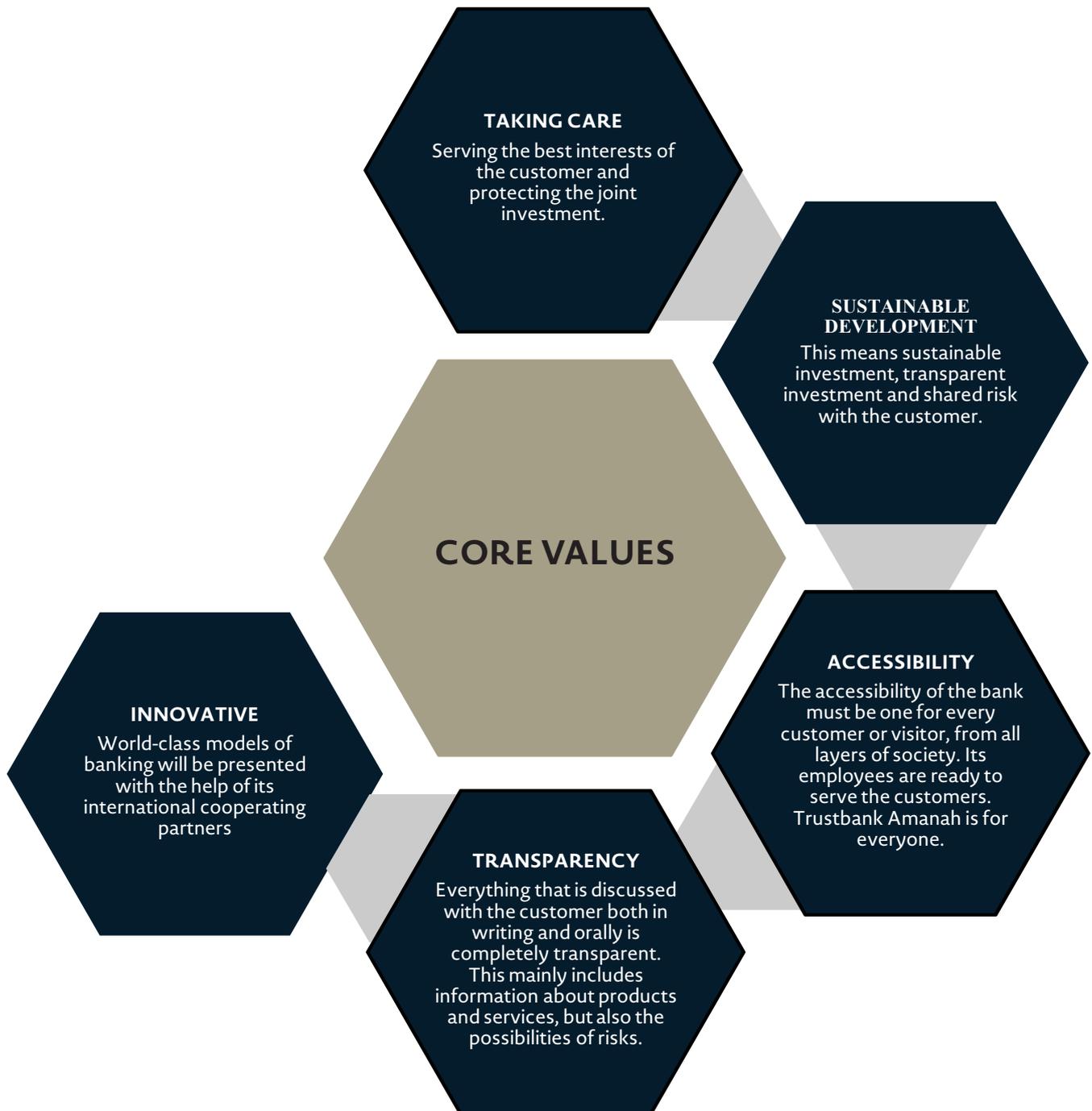
MISSION, VISION & CORE VALUES

MISSION

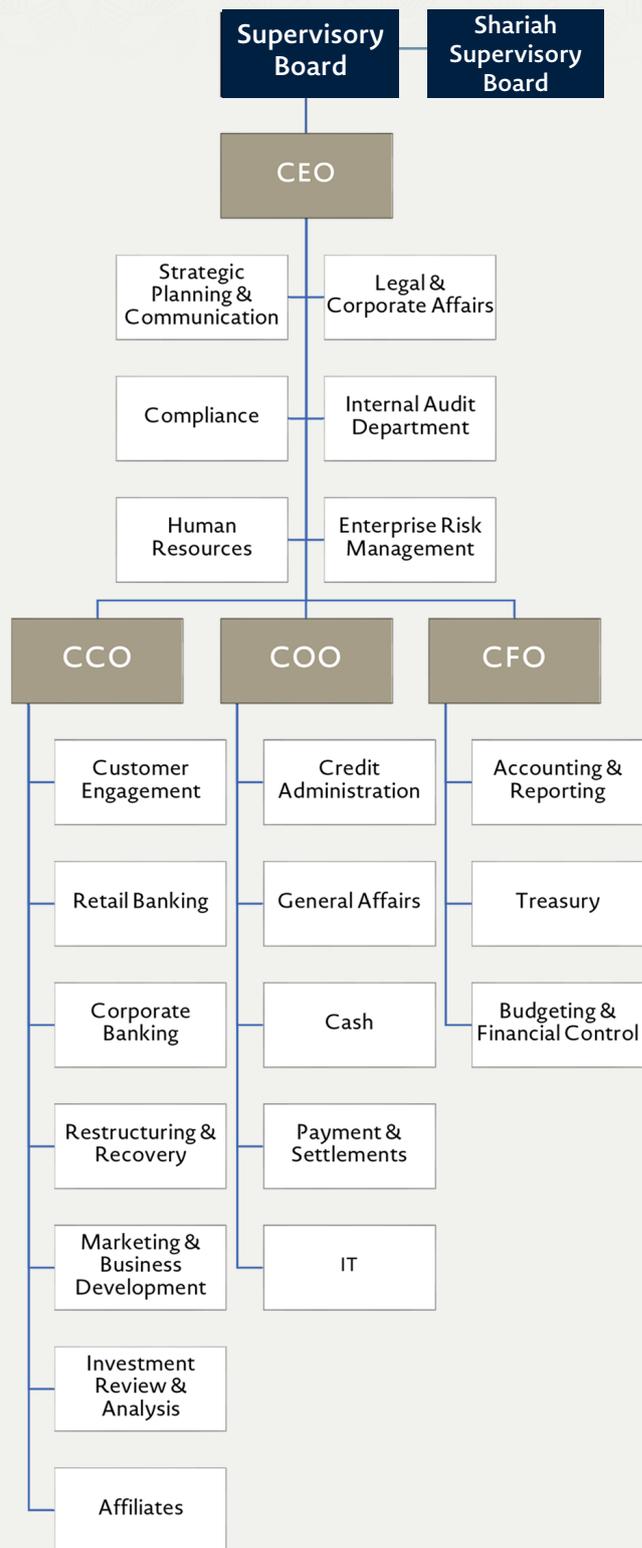
Ensuring the financial well-being of everyone.

VISION

Sustainable financial growth through ethical banking



ORGANIGRAM





“Trustbank Amanah offers financial services in which welfare, equality and partnership between the entrepreneur and the bank are the ultimate goals of the development-oriented initiatives”

COMPANY DEVELOPMENTS**FINANCIAL DEVELOPMENTS****HISTORICAL OVERVIEW****Balance sheets as at 31 December**

	12/31/2018	12/31/2017	12/31/2016	12/31/2015
	SRD	SRD	SRD	SRD
ASSETS				
Cash resources	27,176,666	39,217,906	21,638,030	32,993,066
Loans and advances to credit institutions	25,961,466	57,003,442	65,737,397	42,352,240
Loans and advances to customers	175,546,028	161,794,879	161,351,502	139,927,188
Securities	85,508	241,613	260,547	229,373
Treasury bills	104,085,993	14,370,762	14,761,112	2,450,690
Investments	15,578,195	21,395,453	1,594,347	437,580
Intangible fixed assets	6,035,117	4,321,971	-	28,896
Operating assets	10,560,171	8,646,861	7,636,529	4,007,085
Other current assets	111,485	90,458	741,304	-
Prepayments and accrued income	4,749,508	12,485,800	24,249,164	437,597
	369,890,137	319,569,145	297,969,932	222,863,715
LIABILITIES				
Amounts owed to customers	311,384,376	276,394,874	253,432,625	179,056,014
Other liabilities	-	248,853	358,400	327,500
Accrued expenses and deferred income	33,025,322	19,126,889	20,582,681	21,486,877
Provision for general bank risks	-	-	-	600,000
Provision for deferred tax liabilities	3,314,929	3,314,929	3,314,929	2,759,486
Equity capital	22,165,510	20,483,600	20,281,297	18,633,838
	369,890,137	319,569,145	297,969,932	222,863,715

Profit and Loss Accounts

	2018	2017	2016	2015
	SRD	SRD	SRD	SRD
INCOME				
Financing result	12,529,546	13,741,183	15,730,334	14,862,700
Other income	9,433,195	5,378,337	7,544,995	4,893,607
Total income	21,962,741	19,119,520	23,275,329	19,756,307
EXPENSES				
Personnel and other administrative expenses	18,386,629	18,614,061	14,395,838	9,438,911
Depreciations	449,446	175,549	281,971	327,157
Value adjustments to receivables and provisions for balance sheet liabilities	498,682	-1,530,866	3,458,753	2,718,907
Total expenses	19,334,757	17,258,744	18,136,562	12,484,975
Pre-tax profit	2,627,984	1,860,776	5,138,767	7,271,332
Income tax	-946,074	-663,063	-1,820,733	-2,648,766
Net-profit	1,681,910	1,197,713	3,318,034	4,622,566

Key indicators

	12/31/2018	12/31/2017
	SRD	SRD
Invested funds (loans and advances to customers)	180,256,185	166,310,943
Deposits and customer accounts (amounts owed to customers)	311,384,376	276,394,874
	%	%
Invested funds/deposits and customer accounts	58	60
Personnel expenses/total income	41	39
Operating expenses/total income	88	90
Operating result/total income	12	10
Pre-tax result/total income	12	10
Equity capital/total capital	6	6
Financing income /average loans and advances to customers	18	18
Expenses amounts owed to customers/ average amounts owed to customers	7	6
Net-financing margin (financing result/average loans and advances to customers)	7	9
Net-result/average equity capital	8	6
Net-result/average total capital	0,49	0,39
Efficiency Ratio (Personnel and other administrative expenses/total income)	84	97



CONFIDENCE IS THE KEY

SHARIAH SUPERVISORY BOARD



Assoc. Prof. Dr. Said Bouheraoua
(Chair)



Ust. Stanley Soeropawiro MSc
(Member)



Mr. Feroz Mohamed Shariff Ishaak
(Member)

PRELIMINARY REPORT OF THE BOARD OF SUPERVISORY DIRECTORS

The Board of Supervisory Directors (RvC – Dutch abbreviation) and the Management Board met monthly in the past year. The policy as outlined has been implemented accordingly and decisions have been revised where necessary. It was already clear in the middle of the year that the 2018 budget needed to be adjusted. The further drop in financing, particularly within the corporate segment, was one of the reasons for adjusting the budget. The reluctance of investors, but also the strict regulations regarding the investment for foreign currency financing, have led to this financing gap. Nonetheless, it may be stated that the strategic goals set by the RvC together with the Management Board in the 2018 annual plan have been largely achieved through the commitment of the managers and employees.

Products and services

The primary banking services have been further expanded with the provision of current accounts and the provision of debit cards. In addition, Islamic asset management has been introduced to society. The process has been started to get into a partnership with a correspondent bank to enable foreign transfers. The target groups, particularly in rural areas / the interior and Corporate customers, will be further accommodated with internet banking and mobile banking.

Institutional strengthening

The Corporate Department has been further structured and has been accommodated in a modern bank building at the Plutostraat; this after obtaining a branch banking license from the Central Bank of Suriname. The services to the clients have been further optimized by occupying again the new bank building in the center of Paramaribo at the Dr. S. Redmondstraat. Mr. Mr. Feroz Ishaak, LL.M. has resigned from the RvC, after which he joined the Shariah Supervisory Board (SSB) due to his extensive banking experience and affinity with Islamic banking. The vacancy within the RvC has been filled by Mr. Ir. Sven Sjauw Koen Fa. Based on his previous experience as an RvC member at a local banking institution, he is currently a member of the credit committee, Audit, Risk and Compliance working committee at Trustbank Amanah. The policy documents relating to the Audit, Risk and Compliance department, RvC regulations and RvC working committee regulations have been updated and brought in keeping with a structure of a primary full-fledged Islamic Bank. For the further support to the Management Board, an Islamic Banking expert was hired from the ICD with extensive knowledge and experience in the field of Islamic Finance and Banking and to increase the business, in particular Corporate Banking, a commercial director was also hired. The organization was further institutionally strengthened by gaining theoretical and practical Islamic Finance and Banking knowledge.

Prospects

The launch of the first primary full-fledged Islamic Bank in Suriname and the region, creates for Trustbank Amanah, great opportunities and possibilities for expansion of its services and products. Trustbank Amanah is preparing to create a platform for Islamic Banking and Finance in the region. Strategic partnerships will also be entered into with international banks in order to internationalize Trustbank Amanah.

BOARD OF SUPERVISORY DIRECTORS



Mr.S.Karijokromo-Ardjosoediro
(Chair of the Board of Supervisory Directors)



TO THE GENERAL MEETING OF SHAREHOLDERS

In order to comply with the provisions of article 19 of the articles of association, we are pleased to report to you the following with regard to the financial statements of Finatrust, de Trustbank N.V.

We had the balance sheet as at 31 December 2018, the profit and loss account for the 2018 financial year of the company, as well as the accompanying notes examined, and suggest that you adopt these financial statements, such as those were submitted for handling by the Management Board together with the auditor's report of the independent auditor Tjong A Hung Accountants. This adoption serves to discharge from liability the Management Board for its management and the Board of Supervisory Directors for its supervision over the year 2018.

The pre-tax operating result in 2018 amounts to	SRD 2.627.984
Income tax	<u>SRD -946.074</u>
Netto-winst	<u>SRD 1.681.910</u>

Upon adopting the financial statements we propose to add to the general reserve the net profit for 2018, which amounts to SRD 1.681.910.

We express our appreciation and gratitude for the way in which Management Board, staff and all employees have given their strength to the company during the financial year 2018.

Paramaribo, 23 april 2019

Raad van Commissarissen

Mrs. S. Ardjosoediro, LL.M.	: Chair
Mr. S. Kertoidjojo, LL.M.	: Member
Mr. Ing. S. Sjauw Koen Fa	: Member
Mr. drs. H. Abas	: Member
Mr. drs. R.A. Tjin Wong Joe	: Member

Shariah board

Mr. Assoc. Prof. Dr. Said Bouheraoua	: Chair
Mr. Ust. S. Soeropawiro MSc	: Member
Mr. F.M.S. Ishaak, LL.M.	: Member

REPORT OF THE MANAGEMENT BOARD

1. GENERAL CONSIDERATION

Also in 2018 did Trustbank Amanah develop satisfactorily amid major challenges facing the Surinamese economy. Despite these less favourable conditions in the macroeconomic environment in which we had to operate as a bank, we are pleased to report that the balance sheet total increased by 16% in the past year, which outperformed the performance of the previous year (7% increase in 2017). The operating result after tax increased by 40% compared to 2017 to SRD 1.68 million. The other administrative expenses decreased compared to the 2017 financial year by SRD 1.8 million. The decrease was caused by the conversion costs which mainly took place in 2017. As a result, the Efficiency Ratio improved by 13 percentage points to 84%. The performance indicators for liquidity, profitability and solvency remained within a sound level. The non-performing loan ratio remained around 5% at the end of December 2018 in accordance with the standard set by the Central Bank.



Mr. Maureen Badjoeri
CEO



Eduard Kidjo MSc
CFO



Rick Soedamah MBA
Acting CCO

2. THE MACRO-ECONOMIC ENVIRONMENTAL CLIMATE

World: global economic growth stable

The global economic growth prospects for 2018 have been reconfirmed in the latest World Economic Outlook at 3.7%¹. The average expected annual growth of the global economy for the 2019-2021 period is now estimated at 3.6%. This growth forecast has been adjusted downwards somewhat due to some short-term challenges. Although the global economy has been growing steadily since mid-2016, which is also continuing in 2018 and is also expected to continue in 2019, this growth is less balanced and certain developed countries have already reached their peak growth. The US economy is expected to continue to grow strongly in the coming year as a result of expansive government policies, but the growth has been adjusted downwards due to trade tensions with China. The trade tensions between the two largest economies in the world could possibly put downward pressure on the growth of the global economy. The other developed economies, especially in the Eurozone and the United Kingdom, show signs of slowing growth in the second half of 2019.

World market prices of commodities

In the past year, commodity trading was mainly determined by rising US interest rates, the appreciation of the US Dollar on the foreign exchange market, growing tensions between major economies of the world and the pressure on the financial markets in a number of emerging economies and developing countries. According to the World Bank², energy prices rose in 2018 on average by more than 30% compared to 2017. The average international crude oil prices experienced a sharp increase up to and including October 2018. The highest price per barrel was US \$ 76.70. This is a 40% increase compared to the end of 2017. The reason for this increase is partly due to the continuing fall in production in Venezuela and the measures against Iranian oil products announced by the United States of America. The slight fall in the petroleum price starting from November 2018 is related to increased production in Saudi Arabia, Russia and the United States.

The monthly world market price of gold turned out to be very volatile in 2018. In addition to the usual law of supply and demand, risk avoidance plays a central role in determining the level of the gold price. Trust in the US Dollar may also influence this. However, the gold price rose at the end of 2018, despite a rising value of the US dollar. Various experts have mentioned a number of international political issues and tensions as the reason for this increase, including the flaring trade wars, the tensions between the United States and Saudi Arabia and the falling returns on the stock markets in Wall Street. Looking at the global demand and supply of gold, a supply surplus may be observed from the second quarter of 2017 and demand has been falling from the end of 2017. Nevertheless, the World Bank expects the gold price to remain stable in the short term.

Suriname: Economic growth and investments

In November the 2018-2023 growth projections were adjusted by the Planning Bureau. Expectations are that our country experienced a growth of 2.0%³ in 2018 based on the growth of the Real GDP. The average medium-term growth prospects are projected at around 2.2%. The mineral sector plays an important role in national growth expectations. The gold production in 2018 remained virtually at the level of the previous year. Production is expected to increase in 2019 due to an increase in the production volume of Rosebel Gold Mines by the exploitation of the Saramacca concession area. The growth in oil production in 2018 has been moderate and is estimated at around 2%, while the production growth for oil processing products is estimated at around 16%. In the medium term, onshore petroleum production will remain fairly constant. The estimate of the growth in the non-mineral sector, exclusive of the government, was around 2%, due to a slight increase in production in, among other things, the fishing sector and the hotels and restaurants, water and electricity and transport, storage and communication sectors. There is also a slight increase in growth in the construction sector compared to 2017. If the macro-economic climate remains stable and government investments increase after 2019, the growth of the non-mineral sector may gradually increase further in the medium term.

¹ <https://www.imf.org/en/Publications/WEO/Issues/2019/01/11/weo-update-january-2019>

² World bank Commodity Market Outlook, oktober 2018

³ IMF Country Report No.18/376

Exports and imports increased in sound ratios

The total export of goods and services increased by around 9% compared to 2017. On the other hand, imports increased by around 22% in the last calendar year. At the end of 2018, the export / import ratio of goods and services was 108%. The import of consumer goods in particular began to rise from mid-2018. Imports of investment goods increased slightly during this period and now represent around 58% of total imports. Imports for the mineral sector have remained fairly stable and account for approximately 31% of total imports. The fragile macro-economic stability with a stable exchange rate, low inflation, wage compensations and purchasing power-boosting measures by the government has slightly increased effective demand and increased demand for imports. The increase in exports is not only attributable to exports from the mineral sector. The value of non-mineral exports increased by around 11%. This mainly concerns the export of rice, wood and wood products and foodstuff. The export value of gold on a cash basis increased by a minimum of 1.2% at year-end 2018 compared to 2017. In 2018, approximately 64% of the export value of gold is attributable to the exports of the multinationals and 36% to the small and medium-sized gold companies.

In 2018, the export value of Surinamese oil products on a cash basis increased by approximately 21% compared to 2017. This is mainly caused by the rising global market prices for oil. The oil products that are exported are fuel oil, ULSD diesel, gasoline and asphalt. The products are exported to the region, namely Guyana, Barbados, Cayman Island and Trinidad. The average export price of oil products is lower than the average world market price of crude oil. In addition, part of the oil products from Staatsolie are used nationally for energy generation and transport. This somewhat replaces relatively expensive imports.

The exchange rate remained stable

The exchange rate for the US Dollar has been fairly stable since the end of 2017 with an average purchase price of SRD 7.396 for 1 US \$. The Euro appreciated against the Surinamese Dollar at the beginning of 2018. A clear change has been noticeable since May. The growing international reserve managed by the Central Bank of Suriname experienced a growth of 23% and ended at US \$ 520 million. An important reason for this growth was the early repayment of the bond loan by Staatsolie to the state and the sale of the government share in Newmont Suriname. Inflation is mainly caused by exchange rate deterioration, as imported consumer goods and investment goods become more expensive as a result thereof. Due to the stable exchange rate, inflation declined further in 2018 and ended at 5.2%.

Encouraging growth prospects

The Planning Bureau expects the medium-term growth of the economy to fall just under 2%. To further expand fragile stability, the government will have to take structural measures to determine the course of the economy, which must lead to sustainability. In the very short term, measures are needed to make public finances sound by being the first to drastically reduce spending in accordance with the absorptive capacity of the economy and in keeping with the degree of realization of line ministries. Transparency and good cooperation between the various government and private institutions is fundamental. At the same time, the Tax Authorities as the main operating unit of the Ministry of Finance must be institutionally strengthened in order to structurally increase the tax revenues of the state. The long-term measures are related to drastically improving the business climate. The banking system also plays an important role in this respect. A strategic diversification plan for the economy is urgently required and investments in the knowledge sector and human capital must be geared to this. Important key indicators of the economy up to and including 2018 can be found in table 2.1.

Table 2.1: Macro-economic key indicators

(movements in terms of percentage, unless stated otherwise)

	2015	2016	2017	2018
Gross domestic product (in billions of SRD)	16,4	19,7	23	29,9*
Real domestic product	-2	-5,5	0,5	1,7
Consumer price index	25	55	9,2	5,5
Money supply	8	33	19	10
Loans to the private sector	8	1	1	1
Dollarization (in % of the total)				
-Lending operations	39	30	28	24
-Deposits	58	68	66	69
Public financing deficit (in % GDP)	-8	-10	-7	-6
National debt (in % GDP)	50	60	67	57*
International reserves (in months of import)	2	3	3	4

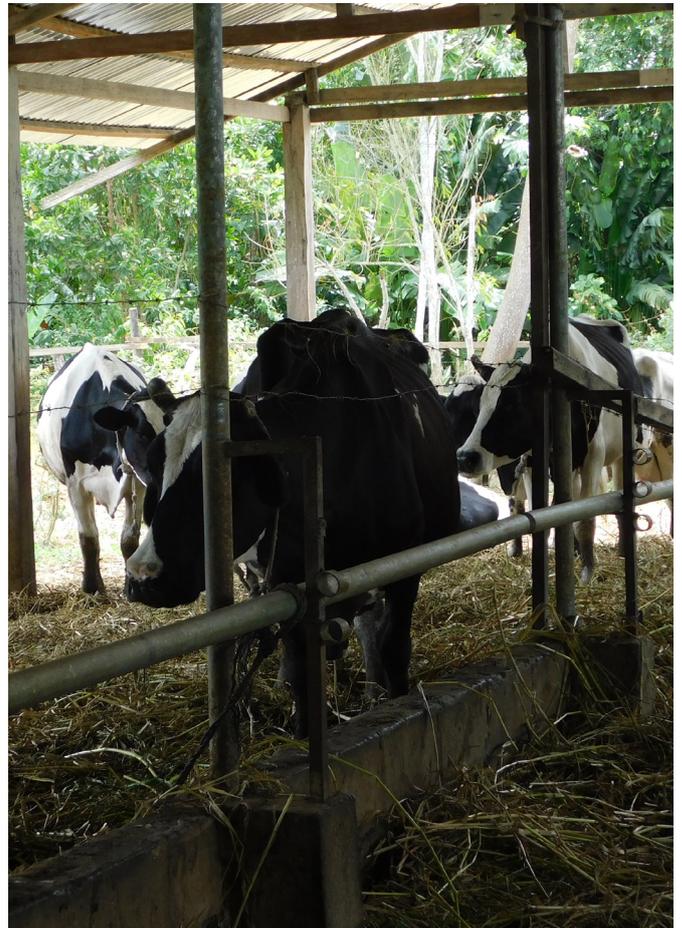
Source: Central Bank of Suriname, International Monetary Fund, Planning bureau and own estimates



TRUSTBANK AMANAH AND MICRO, SMALL & MEDIUM ENTERPRISES (MSME's)

The micro, small and medium-sized enterprises (SME) are seen as the engine of the economy and job creation around the world. These companies form the backbone of economic activity and represent the national pillars for economic growth. Although there is no clear definition for MSMEs, there is no doubt about the substantiation that this part of entrepreneurship can give to future regional growth. The Caricom secretariat counts 45% of the established companies in this category. In Suriname at least 58% of the companies registered in the Trade Register could be considered MSME. The majority of these are sole traders who have managed to survive crises.

Trustbank Amanah strives to develop, support and encourage small and medium-sized enterprises according to the principles of Islamic banking. The vision of Trustbank Amanah is sustainable business growth through ethical banking. The aim is to ensure sustainable economic growth and, in the long term, to meet the financial needs of regional markets. By offering this alternative way of banking, Trustbank Amanah has opened the door for sustainable growth and fair distribution of wealth, with which we are trying to help achieve economic stability in Suriname. The bank is committed to the development of the private sector and the strengthening of public-private partnerships. The spin-off effect of this is that the processing industry in the country is encouraged to be more innovative, competitive and export-oriented. Successful and growing companies create employment opportunities, purchasing power gains and ultimately an increase in economic growth. With this in mind, Trustbank Amanah has entered into a partnership with the Islamic Corporation for the Development of the Private Sector (ICD), given that this globally operating institution has extensive knowledge and experience and has built a good reputation on various continents of the world. Indeed, Islamic Banking & Finance is gaining strength in both developing and developed countries. Trustbank Amanah therefore offers special assistance to micro and small companies to realize their dream. This fragile segment of entrepreneurship in our country is encouraged with few risks.



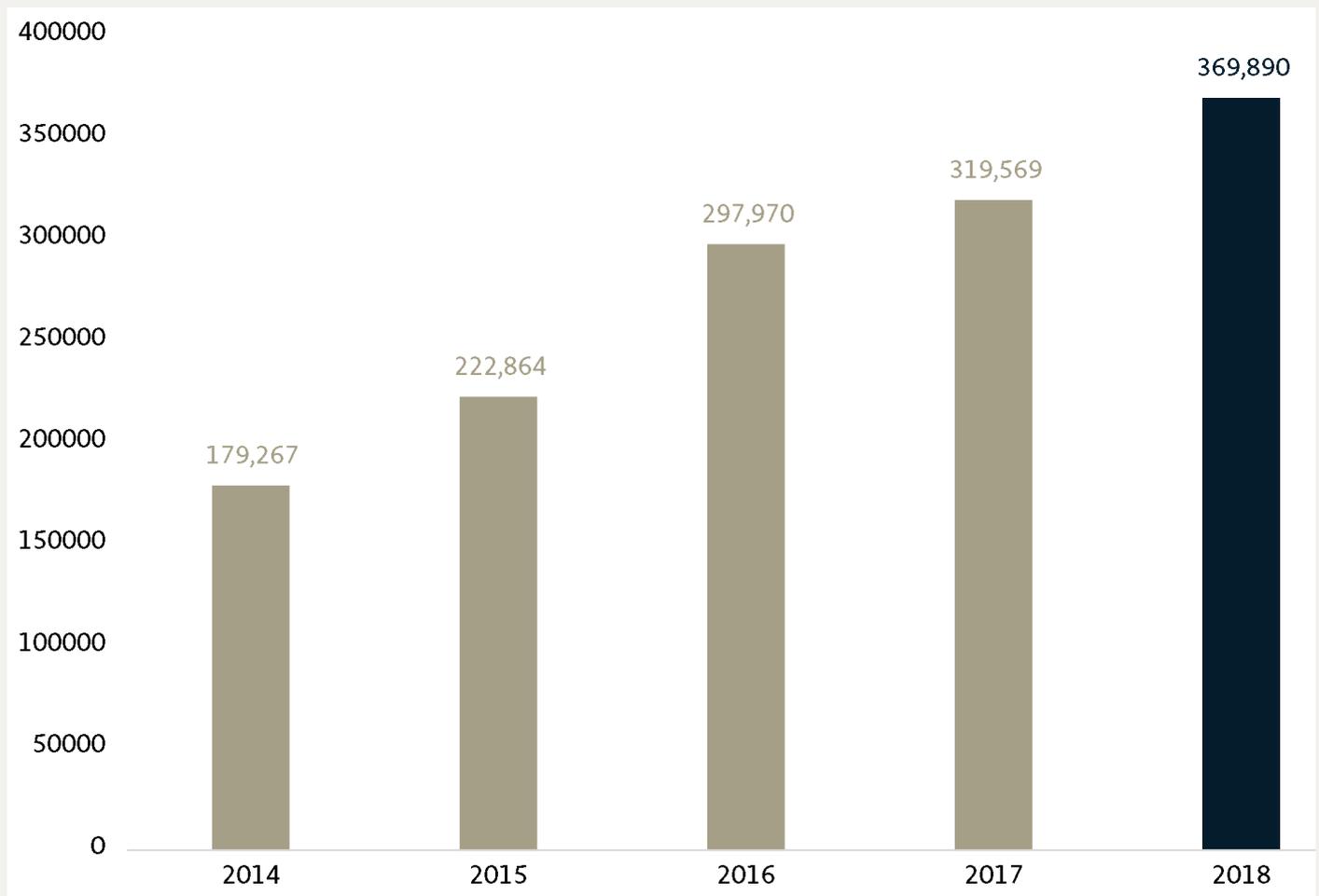
3. THE FINANCIAL DEVELOPMENT OF THE BANK

The bank continues to grow in a sound manner

In the reporting year we succeeded in further increasing the balance sheet total by 16% to SRD 369 million, after this total had already increased by 7% in 2017 (see diagram 3.1). The further growth came about despite strong competition in the deposit market and some reluctance on the part of companies. The result of financial transactions includes exchange rate differences that result from the conversion of monetary assets and liabilities denominated in foreign currencies as at the reporting date. The personnel expenses increased by SRD 1.6 million in the fiscal year, mainly as a result of the recruitment of more staff and the implementation of a new salary structure. The other administrative expenses decreased, compared to the financial year 2017 by SRD 1.8 million. The decrease was caused by the conversion costs which mainly took place in 2017.

Diagram 3.1: Balance sheet total of the Trustbank Amanah

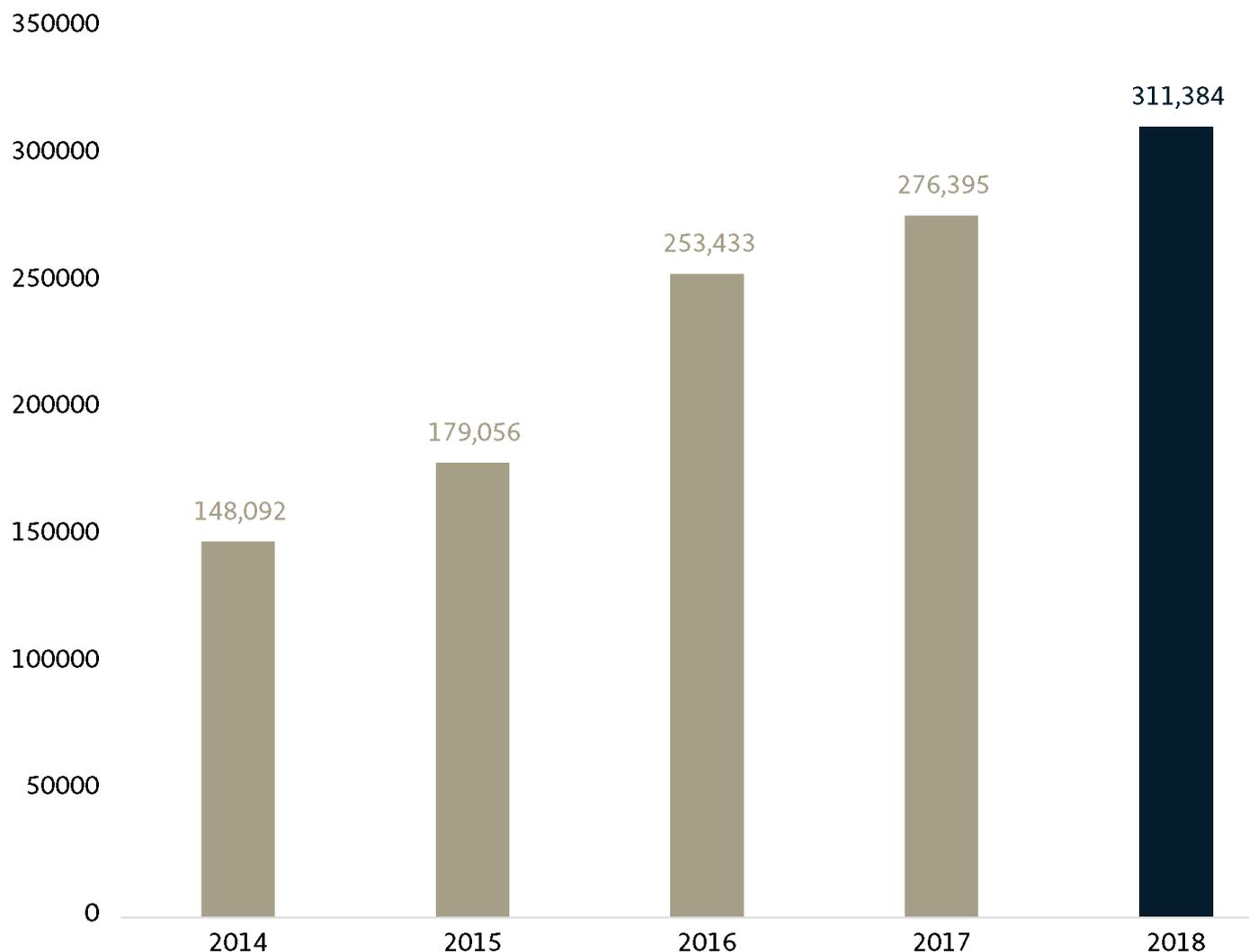
x SRD 1000



The average balances of our deposits and customer accounts increased further by 9%; these funds amounted to SRD 289 million at year-end 2018. This very satisfactory result is indicative of the confidence that customers place in the bank. The balance sheet value of the savings accounts remained virtually unchanged at SRD 123 million, while especially the term deposits, which are more in demand, experienced a strong growth of 18% to SRD 166 million from SRD 140 million in 2017 and 109 million in 2016. This satisfactory outcome is an indication of the increasing confidence that customers have in the bank. The result of financial transactions includes exchange differences arising from the translation of monetary assets and liabilities denominated in foreign currencies. The formal short-term savings yielded 6% for SRD savings, 0.60% for US \$ savings and between 0.4% for Euro savings. The maturity was between 6 months and 5 years, while the compensation varied between 10.75% and 15.75% for the SRD. For the US \$ denominated term deposits with a maturity of between 1 and 5 years, the compensation varied between 2.10% and 3.50%, while this compensation percentage for Euro-denominated certificates was between 1% and 3%.

Diagram 3.2: Funding portfolio Trustbank Amanah

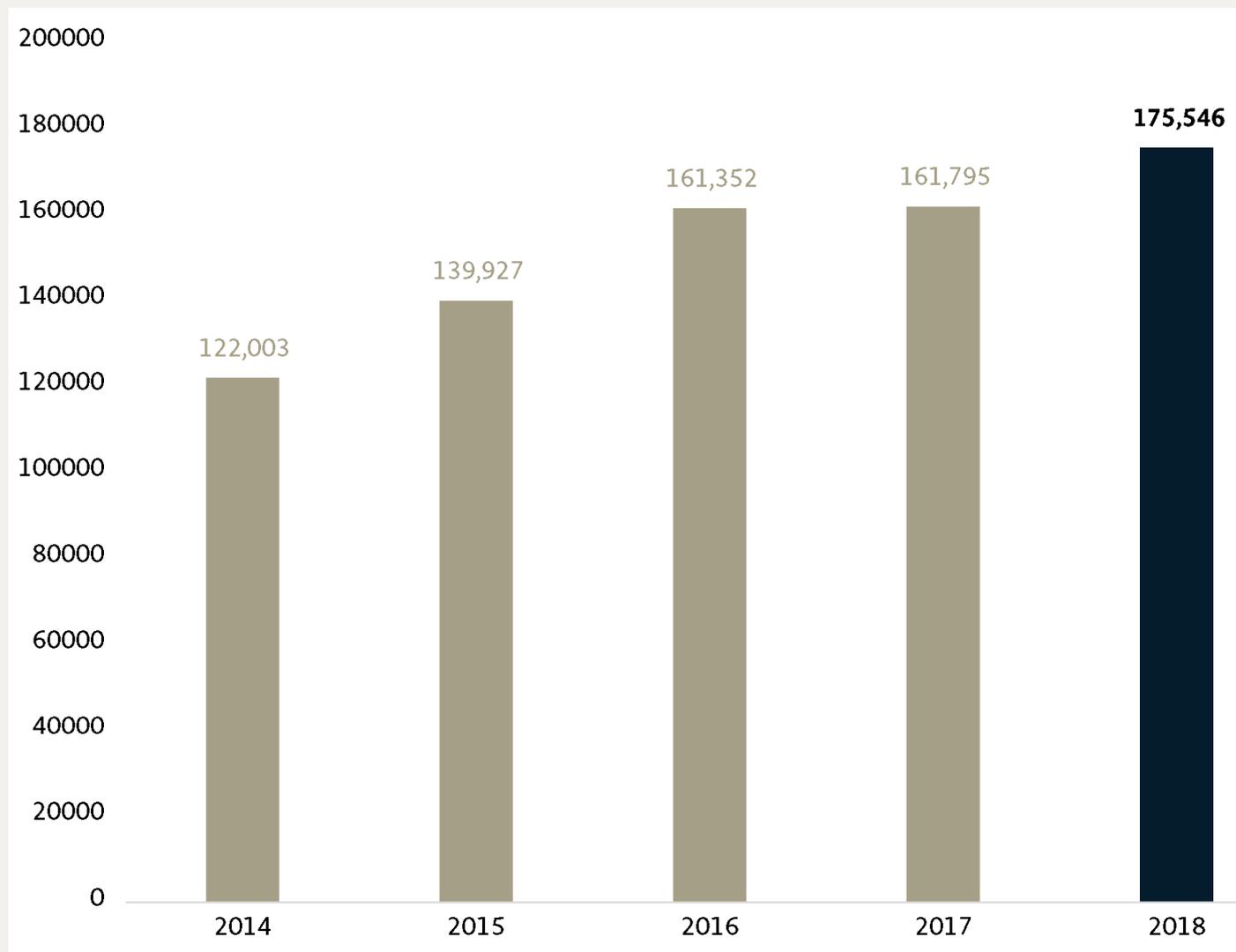
x SRD 1000



The deposits and customer accounts rose on balance to SRD 311 million, or 13%, and were largely used to provide credit to customers. Partly due to repayments from existing customers, the loans and advances to customers (excluding compensation and provision for impairments to be received) increased on balance to SRD 180 million or 8%. The investment of cash and cash equivalents was less rapid in the past year than the growth of deposits and customer accounts, so that the ratio of the invested funds compared to deposits and customer accounts fell slightly by 2 percentage points to 58%.

Diagram 3.3: Development financing portfolio

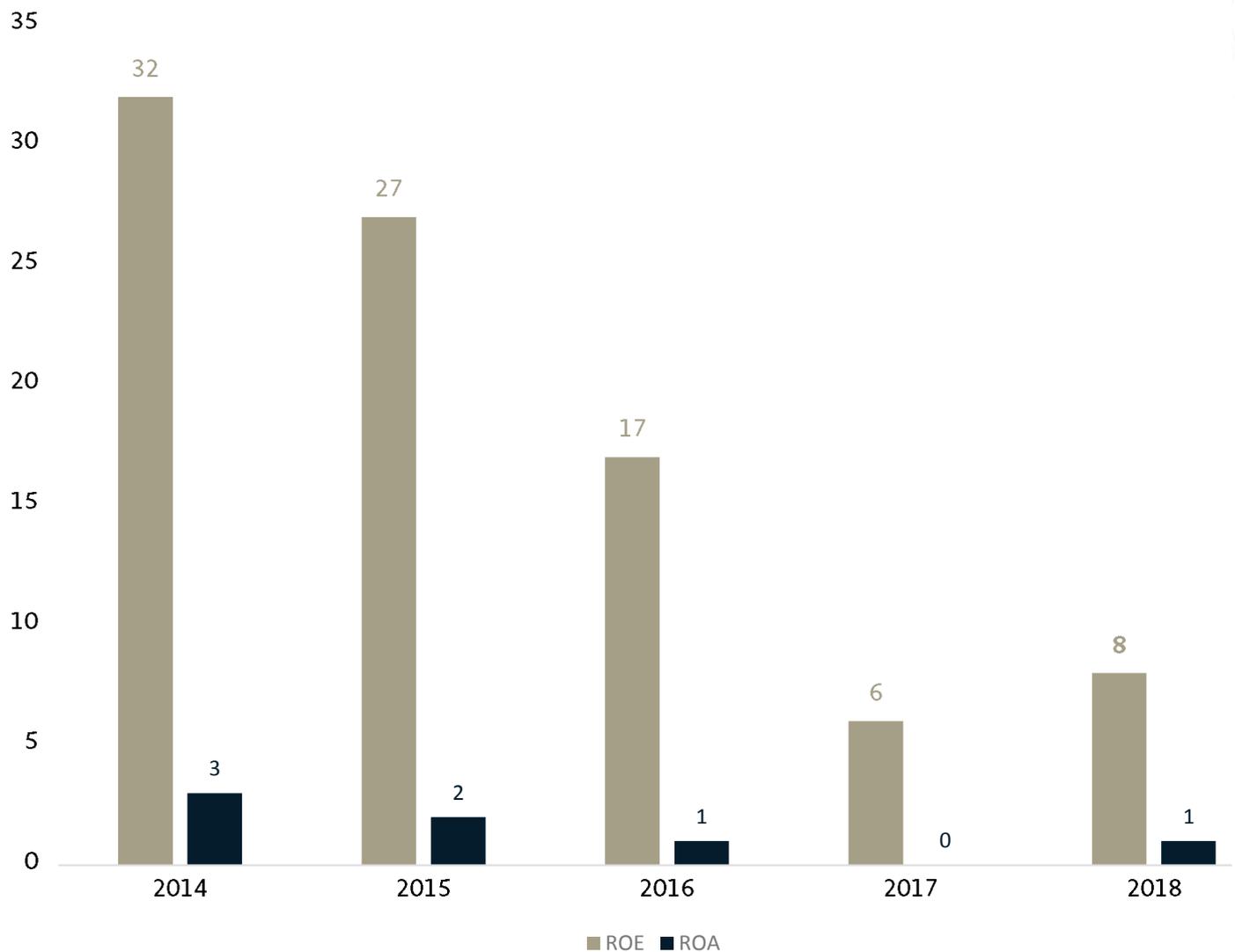
x SRD 1000



During the past year, the policy focused on more prudent management of temporary cash surpluses. The desired result thereof was the 10% increase in financing income to SRD 32 million, mainly due to commercial financing. Nevertheless, the financing result decreased by 11% compared to 2017, and this to SRD 12 million or 55% of the total income. The less favourable result mainly ensues from increased costs of amounts owed to customers due to an increase in the average compensation percentage for the funds raised and a stronger growth of these funds compared to 2017. Expired financing and greying of the financing portfolio also play a role herein (see diagram 3.3).

The other sources of income increased by no less than 100% from SRD 5.1 million in 2017 to SRD 9.4 million in 2018. This income is related to the provision of credit-related services to our customers. The balance sheet value of the bank's securities holdings increased slightly this year due to a slightly improved sentiment, namely by SRD 19 thousand. On the expenses side of the profit and loss account, the total administrative expenses increased by 12% to SRD 19 million, mainly due to conversion costs attributable to the cooperation between the bank and the Islamic Corporation for the Development of the private sector (ICD). The outlined development of the expenses and income resulted in an increase in a pre-tax operating result from 41% to SRD 2.6 million compared to 64% in 2017. After deduction of taxes, the net result amounts to SRD 1.8 million.

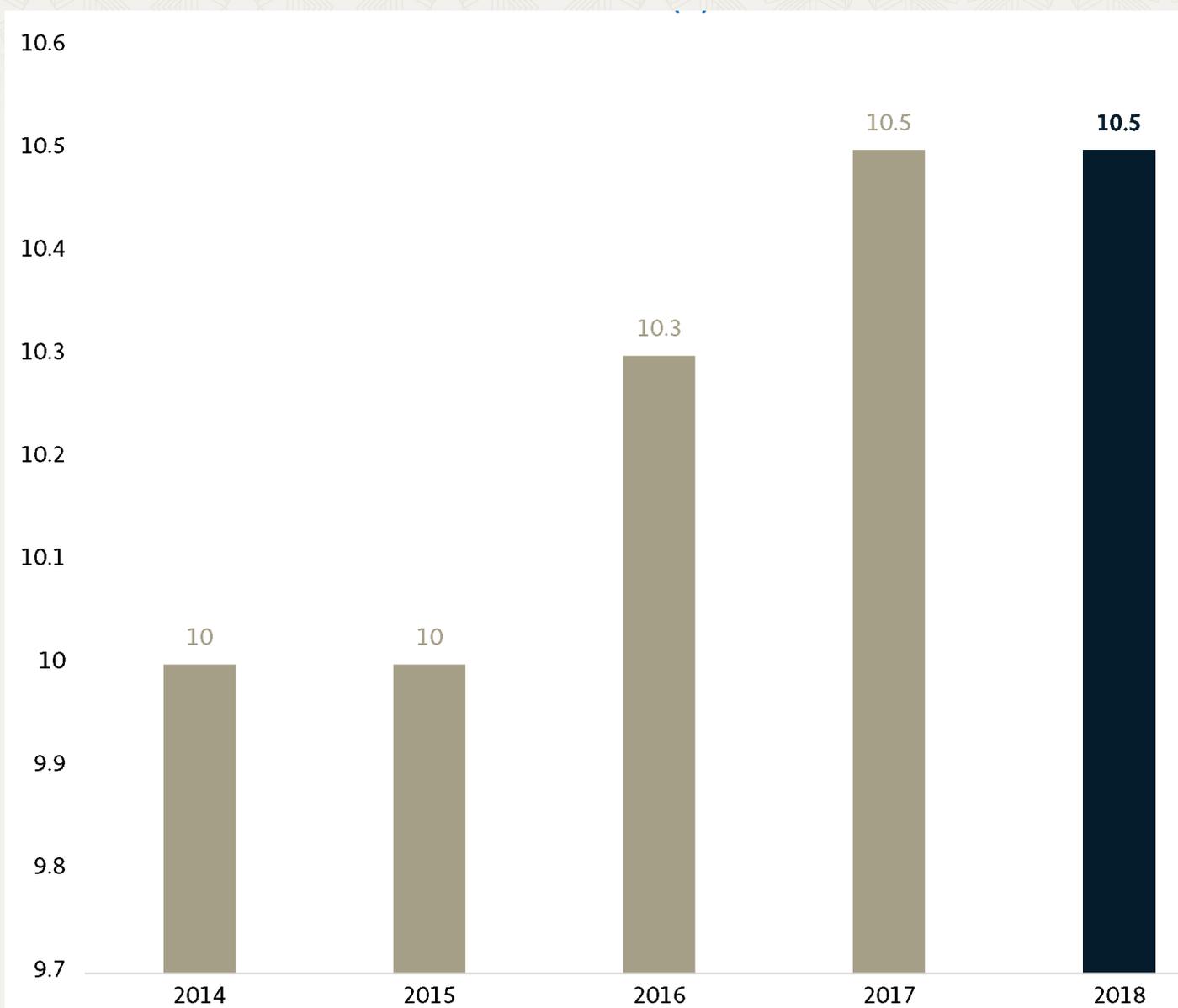
Diagram 3.4: ROA & ROE Trustbank Amanah (%)



All this also led to an improvement in the efficiency ratio by 13 percentage points to 84%. This ratio represents the ratio between the total operating expenses (excluding the provision for credit risks) and the total income. The improvement of this important indicator for operational management is indicative of the decreased administrative expenses in the reporting year.

Furthermore, the return on average equity capital increased from 6% in 2017 to 8% in 2018, because the growth of the operating result after deduction of taxes exceeded the growth of total capital. The profitability of the total capital (before profit appropriation) ended at 1%. Due to the faster growth of the balance sheet total compared to the result achieved, the solvency of the bank decreased slightly. This nevertheless remained within the applicable standards. The capital ratio, which represents the ratio between the equity capital (before profit appropriation) and the balance sheet total, remained unchanged and, just like in 2017, also ended at 6%. The growth of the equity capital and the growth of the balance sheet total went hand in hand in 2018. The BIS ratio, defined as the ratio between the equity capital and the sum of the risk-weighted assets, also ended around 10.5%.

Diagram 3.5: BIS - ratio Trustbank Amanah (%)



OPERATIONAL MANAGEMENT



Operational management Trustbank Amanah Continuation transformation process: 1st Primary Islamic Bank in Suriname

Introduction

This paragraph of the annual report describes and explains the operational management.

This outlines the general perception of the policy and management of the organization. After a successful conversion from conventional secondary bank to primary Islamic Bank and the launch in December 2017, the transformation process continued, with the strategic plan being further elaborated.

Institutional strengthening

In the reporting year, the institutional strengthening within Trustbank Amanah was implemented by recruiting the Chief Commercial Officer to strengthen the business segment and an Islamic Banking expert as Sr. Executive Advisor to strengthen Islamic Banking & Finance.

Milestone 2018: Introduction current account and debit card

In the reporting year, the product range was expanded with the primary bank product current account and linked to that the launch of the debit card at the end of 2018. To this end, the entire organization has made an enormous effort in collaboration with the partners Path Solutions, which is responsible for the Core Banking System iMal, and Banking Network Suriname (BNETS) that provides access to the interbank network in Suriname. With the Trustbank Amanah debit card, money can be withdrawn from all ATMs and payments can be made at the POS devices. With the introduction of the current account and the debit card, Trustbank Amanah is now ready to offer a more extensive service, in the course of which convenience and efficiency are highly valued.



Trustbank Amanah debit card

43rd IsDB annual meeting

On the invitation of the Islamic Development Bank (IsDB), Trustbank Amanah attended the 43rd annual meeting in Tunisia, Tunis from 1 up to and including 5 April 2018. At this meeting CEO Maureen Badjoeri conducted talks in order to achieve the goals as outlined.

Compliance

The Compliance Department ensures that Trustbank Amanah complies with national and international laws and regulations. In the reporting year, following the developments within the financial sector the Compliance policy of the bank was tightened and implemented. Attention was also paid to knowledge development of the senior employee of the Compliance Department by participating in the FIBA AML / CFT Compliance Conference and Certified Professional Training in AML CFT. With this the department has been able to delve deeper into the matter with the aim of transferring the acquired knowledge to the other employees as well as the Management Board, Board of Supervisory Directors and Shariah Supervisory Board in order to create internal awareness regarding AML CFT & FATCA.

Enterprise Risk Management

In the reporting year, the Enterprise Risk Management (ERM) Policy and Framework based on the COSO ERM framework 2017 was approved. The department and the organization as a whole can now focus on the implementation of the approved policy, which should ultimately lead to the achievement of the objective of the ERM department. The purpose of the department is proactive identification, monitoring and controlling risks in order to achieve the strategic objectives of the bank. To support this goal, an inventory was made in 2018 of the policies and procedures to be developed by the various departments. The ERM Department Charter was also approved in the past financial year.

The ERM department was able to delve further into best practice risk management principles through the Certification in Risk Management Assurance (CRMA) and Certified Internal Auditor (CIA) training courses with the intention of obtaining certification in the next financial year. Furthermore, in the reporting year the ERM department was intensively involved in phase 2 of the iMAL Core Banking System implementation project with the primary objective of launching primary banking products such as Internet & Mobile Banking and debit cards as well as the implementation of supporting systems such as Society for Worldwide Interbank Financial Telecommunication (SWIFT), Suriname National Electronic Payment System (SNEPS), Card Management System (CMS), etc.

Human Resource Management

The employees play a crucial role in achieving our organizational goals. The HRM policy is aimed at using all that is necessary to realize the stated ambitions and organizational goals. Within the framework of knowledge and experience development, various employees have followed the relevant courses and training in the areas of Compliance, Risk Management, Corporate Banking, IT and Marketing & Communication. In 2018, 20 new employees were employed and 10 employees left the company, one of which had reached the retirement age. As of December 2018, the number of employees is 73, 31 of whom are male and 42 are female. In the reporting year, 7 employees celebrated their service anniversary.

The persons celebrating their anniversary are:

- Afzal Hausil 5 years
- Rachel Tjon Tjauw Liem 5 years
- Gaby Djojomoenawie 5 years
- Hui Fang Liao 10 years
- Maïke Resowikromo 12½ years
- Clarence Tokromo 12½ years
- Julia Choennie 15 years



Persons celebrating their anniversary & management board Trustbank Amanah

Family Day

In order to promote team-building and unity among the Trustbank Amanah team and their family members, the Family Day is held annually. This took place in October 2018 at the Da Kaboera Resort. The turnout was excellent and the participants unanimously agreed that the event was successful.

Marketing & Communication

In addition to the implementation of the current account and the debit card, the reporting year was all about creating awareness and transferring knowledge to the Surinamese community with respect to Islamic Banking & Finance. To achieve the aforementioned aspects, in addition to the media campaign and “publicity trail (interviews with various media) the marketing activities are focused on information sessions, presentations, lectures and participation in trade fairs. These are placed under one heading “Personal Approach”. Different target groups such as private individuals, micro-entrepreneurs, Small & Medium Enterprises have been approached personally and informed about the various possibilities, products and services offered in accordance with Shariah principles. With this Trustbank Amanah aims to give society the ultimate experience of Islamic Banking & Finance. The marketing activities in the reporting year are:

- **Agricultural & Food trade show 2018 in the district of Moengo**
- **Egi Du trade show 2018 in the district of Commewijne**
- **Made In Suriname, Agro & ICT trade show**
- **Woon, Bouw & Huishoudbeurs [House, construction & household trade show]**
- **VHJI-Entrepreneurs Trade Show (VEB)**
- **Indo Fair 2018**
- **Open day Poly Technic College (PTC)**
- **Lectures, information sessions and presentations at the following organizations:**
- **Mosque Al Furqon at Saramacca**
- **Stichting der Islamitische gemeenten in Suriname (SIS) in Paramaribo [Foundation of the Islamic congregations in Suriname in Paramaribo]**
- **Surinaamse Moeslim Associatie (SMA) in Wanica [Suriname Muslim Association]**
- **Board members of Kawna Cooperative Society and stakeholders in Commewijne**
- **Surinaamse Islamitische Vereniging (SIV) in Paramaribo [Suriname Islamic Association]**
- **Residence Inn “Network Event” in Paramaribo**
- **Business Group in the LallaRookh building**
- **Mini Seminar “Islamic Banking & Finance” in cooperation with the Vereniging van Economisten in Suriname (VES) [The Association of Economists in Suriname]**

Furthermore, following the Memorandum of Understanding (MOU), which was signed with the Ministry of Trade, Industry & Tourism during the launch in 2017, several information sessions were held. These sessions were held during the “Entrepreneurship & Business Plan” training course held by the Underdirectorat Entrepreneurship in various districts. The information sessions conducted by Trustbank Amanah were held in the following districts:

- **Wanica at the Office of the District Commissioner Wanica South-East (April 2018)**
- **Nickerie at the Citizen Information Center (May 2018)**
- **Wanica local constituency Houttuin at the LVV [Ministry of Agriculture, Animal Husbandry and Fisheries] building (May 2018)**
- **Paramaribo at the Ministry of Trade, Industry & Tourism in cooperation with VSB Young Management (August 2018)**
- **Paramaribo at the Ministry of Trade, Industry & Tourism (November 2018)**

Mini Seminar “Islamic Banking & Finance” in cooperation with the Association of Economists in Suriname (VES).

The Association of Economists in Suriname (VES) organized a mini seminar on the theme of Islamic Banking & Finance, on 5 November 2018, to inform the private sector companies about the possibilities that Islamic Banking & Finance has to offer. The speakers at this mini-seminar were Mr. Ahmed bin Abdul Khalid, ICD Head Regional in Malaysia and Mr. Rosli bin Hamat, Vice President Investments Serba Dinamik. Both gentlemen indicated how Islamic Finance works in practice and what it can mean for Suriname. Trustbank Amanah CEO Maureen Badjoeri briefly addressed the audience at the start of the program. “A strong private sector is important in achieving sustainable economic development in a country,” said CEO Maureen Badjoeri.

Corporate Social Responsibility (CSR)

Trustbank Amanah is committed to investing in the future and in social engagement. Trustbank Amanah wishes to express this in part through sponsorship and donations. The idea and vision behind this is to make a valuable contribution to society wherever possible and to enter into long-term relationships with its customers, future customers, relations and employees. This can be confirmed by the CSR activities in the reporting year.

• Education

To support the importance of education in order to contribute to both personal and social development, Trustbank Amanah sponsored the prize for the best thesis, which was proclaimed by the Association of Economists in Suriname (VES) in the reporting year. Every year, the VES highlights high-quality “economics” master’s theses. From the submitted theses, the best thesis writer is chosen as the winner. The winner is rewarded with a sum of US \$ 1,000 sponsored by Trustbank Amanah.



Best thesis winner 2017 of the VES

• Social institutions

Indonesian Day for Charity

In the reporting year, Trustbank Amanah provided financial support to the women’s organization Dharma Wanita Persatuan, which is affiliated with the Embassy of the Republic of Indonesia in Suriname. This support serves as a contribution to organizing the Indonesian Day for Charity event. This event is held annually for the benefit of social institutions or individuals. With this Trustbank Amanah tries to contribute to meeting the needs of social institutions or individuals.

• BOX Challenge

Trustbank Amanah and its employees jointly contributed to the “BOX CHALLENGE”. This challenge was one of the activities of St. [foundation] SU AID, in the course of which funds were raised for the restart of the St. Voor het Kind [Foundation for Children] (Stichting STIVOKI). The employees participated in a spontaneous internal collection campaign, with the collected amount being doubled by the organization and transferred to Stichting SU AID. With this gesture, we would like to make a substantial contribution to this wonderful initiative, so that the children are warmly sheltered again and the feeling of having a home is revived.

- **Support to entrepreneurship**
VHJI-Entrepreneurs Trade Show (VEB)

Micro-entrepreneurs, Small & Medium Enterprises are crucial for the economic and social development of emerging markets. They play an important role in economies by creating jobs and generating income, promoting economic growth, social stability and contributing to the development of a dynamic private sector. With Islamic Banking, Trustbank Amanah tries to offer the alternative to achieve the above. In this context, Trustbank Amanah has made a crucial contribution to helping organize the VHJI Entrepreneurs Trade Show (VEB). This Trade Show was held by the Vereniging Herdenking Javaanse Immigratie (VHJI) [Association for the Commemoration of Javanese Immigration] with the aim of offering a platform to starting and young entrepreneurs to present their product to the general public. Various starting and young entrepreneurs made good use of this opportunity.

- **Award Best Entrepreneur**

One of the basic aspects within a company is knowing which direction the entrepreneur wants to go with the company and to manage, control and monitor the administrative part. Knowledge development is one of the requirements for the further growth and expansion of the company. During the VEB, 3 young entrepreneurs were chosen as the best entrepreneur. These were eligible for a prize package, of which Trustbank Amanah was one of the sponsors. Trustbank Amanah has offered the “My Business Year” training course as a prize. The entrepreneurs became acquainted with various topics and successfully completed this training course.

Trustbank Amanah has also donated / sponsored various organizations to further implement the Corporate Social Responsibility policy.

Practical training in Islamic Banking & Finance

In the reporting year, Trustbank Amanah further explored Islamic Banking & Finance. In this context, Sr. Relationship Manager and Sr. ERM officer traveled together with Trustbank Amanah CEO, July 2018, to Malaysia for a 3 day training. The training was followed at Maybank Islamic, the largest Islamic financial institution in Malaysia and the region. The purpose of the training is to develop knowledge and gain practical experience regarding Islamic Banking & Finance in order to transfer and implement it within Trustbank Amanah. The training was completed successfully.



Trustbank Amanah & Maybank Islam team

Occupation modern branch in Paramaribo-Center

After stopping its services for almost a year and a half in its branch at the Dr. Sophie Redmondstraat no. 93 due to construction work, Trustbank Amanah occupied its new building in August 2018. The construction of the modern and customer-friendly branch took around seven months. With this centrally located branch, Trustbank Amanah brings its services and products closer to its clients.



Trustbank Amanah Center

Preparation for implementation of digital [online] banking

In the rapidly changing globalizing world, online banking is an indispensable phenomenon. Trustbank Amanah started the preparation phase in the last quarter of the reporting year to make banking pleasant and efficient by adding internet and mobile banking to its product range. The aim is to realize this in 2019.

A word of thanks

The Management Board thanks the Shariah Supervisory Board and the Board of Supervisory Directors for their support. A special word of thanks goes to all managers and employees who played a crucial role during the continuation of the transformation process in 2018. We thank all our customers for their trust in us.

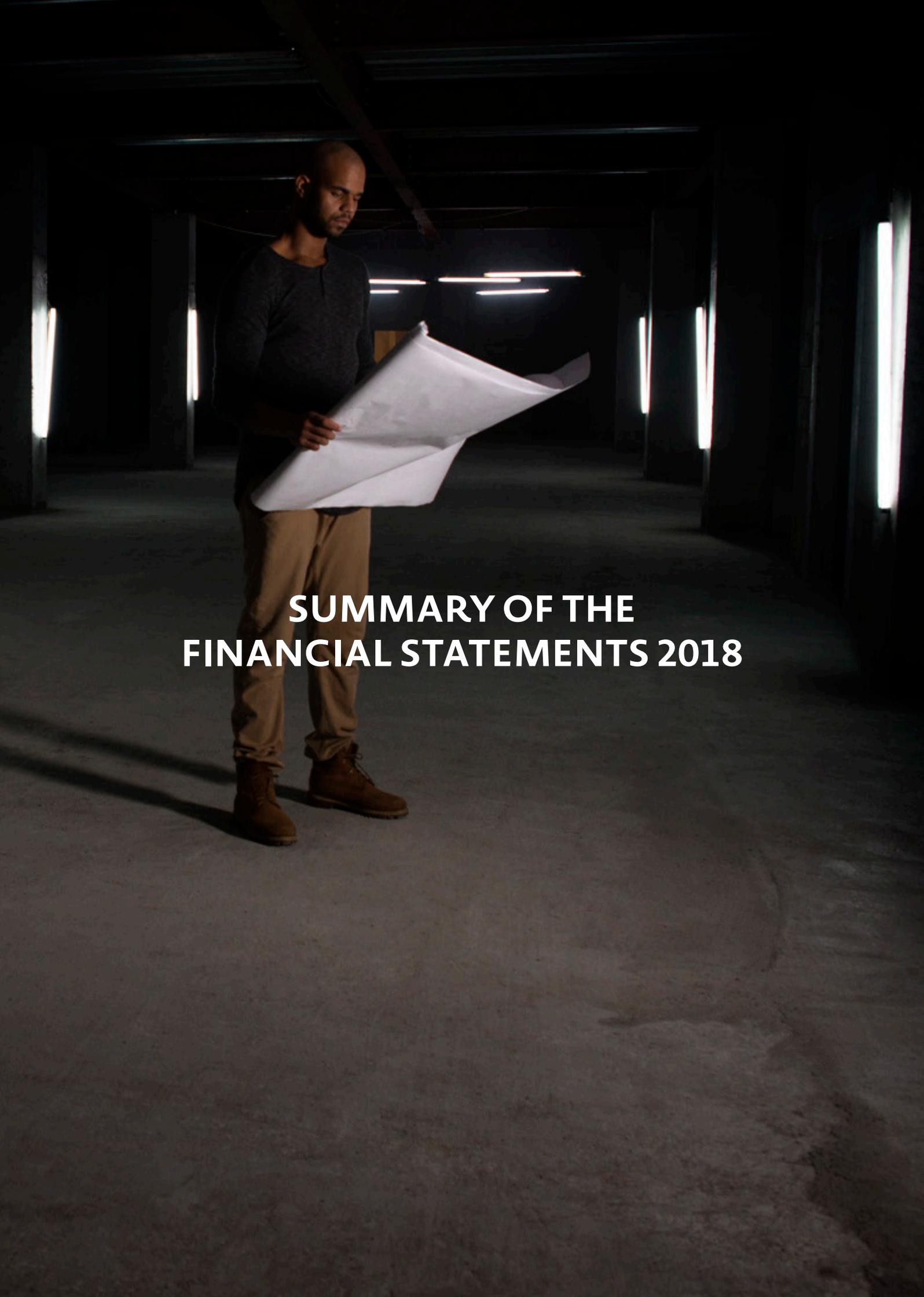
Finatrust, de Trustbank N.V. d.b.a. Trustbank Amanah.

Paramaribo, 23 April 2019

CEO Mr. Maureen Badjoeri

CFO Eduard Kidjo MSc

Acting CCO Rick Soedamah MBA

A man in a dark, industrial-style room is holding a large, white sheet of paper, possibly a blueprint or financial statement. He is wearing a dark long-sleeved shirt, tan pants, and brown boots. The room is dimly lit with vertical light strips on the walls and horizontal light strips in the background. The overall atmosphere is professional and focused.

**SUMMARY OF THE
FINANCIAL STATEMENTS 2018**

SUMMARY OF THE FINANCIAL STATEMENTS 2018

BALANS PER 31 DECEMBER 2018 (VÓÓR WINSTBESTEMMING)

	Note	12/31/2018		12/31/2017	
		SRD	SRD	SRD	SRD
ACTIVA					
Cash resources	6		27,176,666		39,217,906
Loans and advances to credit institutions	7		25,961,466		57,003,442
Loans and advances to customers	8		175,546,028		161,794,879
Securities	9		85,508		241,613
Treasury bills	10		104,085,993		14,370,762
Investments	11		15,578,195		21,395,453
Intangible fixed assets	12		6,035,117		4,321,971
Operating assets	13				
Land		1,071,575		1,071,575	
Buildings		6,591,026		1,826,208	
Office furniture and equipment		795,215		173,506	
Office machines		1,377		12,111	
Vehicles		58,398		145,645	
Work in progress		-		3,375,236	
Buildings bought		2,042,580		2,042,580	
			10,560,171		8,646,861
Other current assets	14		111,485		90,458
Prepayments and accrued income	15		4,749,508		12,485,800
			369,890,137		319,569,145

	Note	12/31/2018		12/31/2017	
		SRD	SRD	SRD	SRD
LIABILITIES					
Amounts owed to customers	16		311,384,376		276,394,874
Other liabilities			-		248,853
Accrued expenses and deferred income	17				
Payable costs of amounts owed to customers	17.1	5,102,033		1,007,829	
Other accruals	17.2	27,923,289		18,119,060	
			33,025,322		19,126,889
Provision for deferred tax liabilities	18		3,314,929		3,314,929
Equity capital	19				
Share capital	19.1	104,250		104,25	
General reserve	19.2	19,568,768		18,371,055	
Reserve fund	19.3	197,989		197,989	
Revaluation	19.4	612,593		612,593	
reserve		1,681,910		1,197,713	
Result current year			22,165,510		20,483,600
			369,890,137		319,569,145

PROFIT AND LOSS ACCOUNT 2018

	Note	2018		2017	
		SRD	SRD	SRD	SRD
INCOME					
Financing income	20	31,235,636		28,681,430	
Costs of amounts owed to customers	21	18,706,090		14,940,247	
Financing result			12,529,546		13,741,183
Other income	22	9,437,856		5,075,731	
Result from financial transactions	23	-320,013		-301,378	
Commission	24	315,352		622,918	
Result from securities	25	-		-18,934	
			9,433,195		5,378,337
			21,962,741		19,119,520
EXPENSES					
Personnel expenses	26	9,075,381		7,454,994	
Other administrative expenses	27	9,311,248		11,159,067	
Depreciations	28	449,446		175,549	
Value adjustments to receivables and provisions for balance sheet liabilities	29	498,682		-1,530,866	
			19,334,757		17,258,744
Pre-tax profit			2,627,984		1,860,776
Income tax			-946,074		-663,063
Net profit			1,681,910		1,197,713

CASH FLOW STATEMENT 2018

	2018		2017	
	SRD	SRD	SRD	SRD
Cash flow from operational activities				
Net profit		1,681,910		1,197,713
Adjustments for:				
- Profit appropriation previous year (excl. addition general reserve)	-		-995,410	
- Depreciations on operating assets	449,446		175,541	
- Addition / release value adjustments to receivables	419,139		-1,824,362	
		868,585		-2,644,231
Cash flow from business operations		2,550,495		-1,446,518
Movements operating capital:				
Loans and advances to customers	-14,170,288		1,380,985	
Other current assets	-21,027		650,846	
Prepayments and accrued income	7,736,292		11,763,364	
Amounts owed to customers	34,989,502		22,962,249	
Other liabilities	-248,853		-109,547	
Accrued expenses and deferred income	13,898,433		-1,455,792	
		42,184,059		35,192,105
		44,734,554		33,745,587
Cash flow from investment activities				
Investments in operating assets	-2,397,568		-1,185,873	
Investments in intangible fixed assets	-1,713,146		-4,321,971	
Disinvestments operating assets	34,812		-	
Treasury bills	-89,715,231		390,35	
Investments	5,817,258		-19,801,106	
Securities	156,105		18,934	
		-87,817,770		-24,899,666
Net cash flow		-43,083,216		8,845,921
Opening balance cash resources and loans and advances to credit institutions		96,221,348		87,375,427
Closing balance cash resources and loans and advances to credit institutions		53,138,132		96,221,348

GENERAL EXPLANATORY NOTES

1. GENERAL

Formation and objects

Finatrust, de Trustbank N.V. has its registered office at the dr. Sophie Redmondstraat number 93. The company was officially formed on 30 August 1989. After amendments to the articles of association in 2014, the objects of the company are:

- a. managing movable and immovable property, securities and capital or capital assets;
- b. providing all forms of credits with the exception of overdraft facilities, with own funds or funds attracted from third parties, acquiring funds not immediately due and payable, including savings and term deposits and the associated services in the own national currency and foreign currency transactions;
- c. acting as administrator, trustee or executor, broker, and all forms of representation both in Suriname and abroad;
- d. providing all financial services permitted by operation of law;
- e. forming, co-forming or participating in and managing other companies irrespective of the objects of such company.

Conversion to Islamic Banking

In 2015, the Trustbank took the strategic decision to convert from a conventional to an Islamic bank. The conversion process lasted 2 years and was implemented under the technical supervision of its strategic partner, ICD. On 4 December 2017, the Trustbank obtained a license from the Central Bank of Suriname to operate as a primary bank on the basis of Islamic principles. After the acquisition of its license from the Central Bank of Suriname, the launch of the first full-fledged Islamic Bank in Suriname and the region, Trustbank Amanah, took place on 7 December 2017.

2. GENERAL PRINCIPLES FOR PREPARING THE FINANCIAL STATEMENTS

General

The summary of the 2018 financial statements and the accompanying explanatory notes result from the financial statements 2018. The financial statements have been prepared in accordance with generally accepted accounting policies.

Comparison with the previous year

The accounting policies and determination of profit/loss applied, remained unchanged compared to the previous year. As a result of the conversion to Islamic Banking, the presentation of the interest income and interest expenses has been changed and is recognized as financing income and costs of amounts owed to customers in the summary of the financial statements.

Foreign currency translation

Functional and presentation currency

The items in the summary of the financial statements of the Bank are valued with due observance of the currency of the primary economic environment in which the entity operates (the functional currency). This summary of the financial statements have been prepared in Suriname Dollars (SRD), being the functional currency and the reporting currency of the Bank.

Monetary assets and liabilities denominated in foreign currency are translated on the reporting date at the exchange rate as quoted by the Central Bank of Suriname as at said date. The exchange differences arising from the translation are entered in the profit and loss account under the item "Result from financial transactions". Transactions in foreign currencies during the reporting period are recognized in the summary of the financial statements at the exchange rate at the time of settlement.

The exchange rates of the foreign currencies as at the reporting date are as follows:

	12/31/2018	12/31/2017
	SRD	SRD
US\$ 1	7,396	7,396
Euro 1	8,461	8,816

3. ACCOUNTING POLICIES FOR THE VALUATION OF ASSETS AND LIABILITIES

Cash resources

These relate to cash in hand with and amounts owed by the Central Bank of Suriname. The cash in hand and amounts receivable are valued at face value.

Loans and advances to credit institutions

These relate to deposits on current account with commercial banks. These have been valued at face value.

Loans and advances to customers

Unearned interest, a provision for bad debt risks and the interests of the non-performing loans have been deducted from the loans granted.

Securities

This item relates to shares in local companies, which are valued at market value. The possible increase / decrease is recognized in the profit and loss account. If no market value is available, they are valued at the net asset value.

Treasury bills

This item relates to investments in treasury bills with the Ministry of Finance. Valuation was done at face value.

Investments

This item relates to term deposits held with several financial and credit institutions. The investments have been valued at face value less provisions, if any.

Intangible fixed assets

The intangible fixed assets have been recognized at the acquisition value. Depreciation will be done after full implementation of the software.

Operating assets

Part of the tangible fixed assets has been recognized at acquisition value less the depreciations, which are calculated according to the straight-line method, based on the estimated economic life. The immovable property has been valued, based on the valuation performed in 2012 by an external expert.

The following depreciation percentages are used:

- Buildings	: 3% per year
- Renovation Nickerie building	: 33.33% per year
- Office furniture and equipment	: 33.33% per year
- Office machines	: 20% - 33.33% per year
- Vehicles	: 20% - 33.33% per year

Amounts owed to customers

These include liabilities in term deposits and savings accounts. They are valued at face value.

Provision for deferred tax liabilities

The provision is recognized at face value, based on the current tax rate. The deferred tax liability is formed for the difference between the result for accounting purposes and the taxable profit, which is mainly caused by creating tax provisions as well as the difference in fiscal and commercial accounting principles in respect of immovable property.

Other assets and liabilities

To the extent not stated otherwise above, the other assets and liabilities are valued at face value. If such is deemed necessary, a provision for bad debts is deducted from accounts receivable.

4. ACCOUNTING POLICIES FOR DETERMINING THE RESULT

The result is determined as the difference between the earned interest income and other income on the one hand, and the interest expenses and other expenses on the other hand. Profits are recognized in the period in which they are realized; losses as soon as these are foreseeable. Depreciation of operating assets is done, based on the acquisition value. Depreciations are done according to the straight-line method based on the estimated economic life. Income tax is calculated by applying the current rate on the result for accounting purposes over the reporting period.

5. ACCOUNTING PRINCIPLES FOR PREPARING THE CASH FLOW STATEMENT

The cash flow statement has been prepared according to the indirect method, with a distinction being made between cash flows from operational activities, investments activities and financing activities.

EXPLANATORY NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2018

ASSETS

6. CASH RESOURCES

The supply of cash resources in Suriname currency and in foreign currency as well as the demand deposits with the Central Bank of Suriname, have been entered under the cash resources.

7. LOANS AND ADVANCES TO CREDIT INSTITUTIONS

These relate to deposits in current account with the commercial banks.

8. LOANS AND ADVANCES TO CUSTOMERS

Financing

Below a breakdown of this item:

	12/31/2018	12/31/2017
	SRD	SRD
Total portfolio	206,041,510	177,615,840
Less: interest on future terms	-25,191,031	-11,304,897
Face value	180,850,479	166,310,943
Less: interest non-performing loans	-594,294	-225,046
	180,256,185	166,085,897
Less: provision for value adjustments to receivables	-4,710,157	-4,291,018
Book value	175,546,028	161,794,879

9. SECURITIES

This item concerns shares in the financial institutions and other companies listed below

- De Surinaamsche Bank N.V.
- Self Reliance N.V.
- N.V. VSH Investment
- Hakrinbank N.V.
- Assuria N.V.
- Elgawa N.V.

10. TREASURY BILLS

This item amounts to SRD 104,085,993 and concerns seven (7) financing agreements with the Ministry of Finance.

11. INVESTMENTS

This item refers to the following:

11.1 FinaBank N.V. US\$ financing agreement

This item relates to a financing agreement with FinaBank N.V. of US \$ 2,000,000 which was reinvested in 2018 with a maturity of 12 months (from 8 October 2018 up to and including 8 October 2019) and a compensation percentage of 2.75% per annum.

11.2 Investments with third parties

This investment involves a total of 3 certificates for a total amount of US \$ 106,300. It concerns 3 certificates of US \$ 106,300 entered into in 2016. The maturity has been set at 3 years. The profit sharing is distributed on a quarterly basis.

12. INTANGIBLE FIXED ASSETS

In 2015, the Trustbank signed a cooperation agreement with the Islamic Corporation for the Development of the Private Sector, an operational unit of the Islamic Development Bank. As a result of this cooperation, as of 7 December 2017, the bank has meanwhile switched from traditional banking to Islamic banking. As a result thereof, the Trustbank has set up its IT-infrastructure for Islamic banking. In connection with this, investments were made in the 2017 and 2018 financial year, such as implementation software, Private Cloud Infrastructure and Oracle Database. As of the 2019 financial year depreciation will be done as a result of the full implementation.

13. OPERATING ASSETS

The operating assets concern tangible fixed assets such as land, buildings, office furniture and equipment and machines, vehicles as well as buildings bought.

13.1 Land

Land Chopinstraat

The purchase price of a purchased property is reclaimed, as there is a problem with the transfer of this property. This problem is due to a lack in the transfer between the two previous owners. The Trustbank has become the victim of this. The seller (counterparty) of the Trustbank has offered to settle the matter amicably and has already refunded part of the purchase price. However, the balance of the purchase price, including costs amounting to € 64,627, has not been paid despite repeated demands for payment and talks, which forced the Trustbank to institute legal proceedings. This case will be dealt with on December 10, 2018 and the result may be an interim judgment or a final judgment.

13.2 Work in progress

This item relates to investments in connection with a new branch of Finatrust (under construction) located on the Plutostraat, where the land has been leased by Finatrust. Finatrust has the beneficial ownership of the branch. From a legal point of view, the land (and therefore the building) does not belong to Finatrust. The investment in 2018 of SRD 820.407 concerns the costs relating to the construction of the building at the Plutostraat.

13.3 Buildings bought

This item relates to buildings that have been purchased at the auction. These immovable properties are held for sale. Accordingly these are not written down.

14. OTHER CURRENT ASSETS

This item concerns the personnel advances. With regard to the personnel advances, no financing fee is charged. Payment takes place through deductions from the salary on a monthly basis.

15. PREPAYMENTS AND ACCRUED INCOME

This concerns amounts still to be received from investments in treasury bills, income tax to be claimed, insurance premiums, advanced health insurance costs to personnel and other.

LIABILITIES

16. AMOUNTS OWED TO CUSTOMERS

Below a breakdown of this item:

	12/31/2018	12/31/2017
	SRD	SRD
Term deposits	178,625,621	152,579,913
Savings accounts	122,965,623	123,814,961
Current accounts	9,793,132	-
	311,384,376	276,394,874

Term deposits

This item relates to outstanding term deposits:

- US \$ and Euro term deposits with a maturity ranging from 1 year to 5 years;
- SRD term deposits with a maturity ranging from 6 months to 5 years;
- An interest rate between 2.10% and 3.50% per year applies to the US\$ term deposits;
- An interest rate applies between 0.80% and 2.25% per year to the EURO term deposits;
- An interest rate between 10.75% and 15.75% per year applies to SRD term deposits;
- the costs due over the reporting period are included under the item "Accrued expenses and deferred income".

Savings accounts

As at year-end 2018, the following interest rates applied:

- for SRD savings 6%;
- for US\$ savings 0.60%;
- for Euro savings 0.40%.

17. ACCRUED EXPENSES AND DEFERRED INCOME

17.1 Payable costs of amounts owed to customers

This item includes payable costs on account of funds made available by third parties in the form of investments.

17.2 Other accruals

This includes loans to be paid out, charity fund, payroll tax and AOV contribution, pending payments, deposit rent safe deposit box and other.

18. PROVISION DEFERRED TAX LIABILITIES

The provision for deferred tax liabilities partly relates to an obligation arising from the difference in valuation of part of tangible fixed assets as a result of the applied revaluation. The provision is recognized at face value, based on the current tax rate. The provision for deferred tax liabilities partly also relates to the difference between the commercial result and taxable profit as a result of several tax provisions. Some tax provisions are made, which from a commercial point of view cannot be taken into account yet.

The cumulative difference between the income tax payable calculated over the commercial result and the payable income tax calculated over the taxable profit up to and including the financial year 2015, has also been included in the provision for deferred tax liabilities.

19. EQUITY CAPITAL

19.1 Share capital

The authorized capital amounts to five hundred thousand Surinamese dollars (SRD 500,000).

This is divided into fifty thousand (50,000) registered shares each with a nominal value of ten Surinamese dollars (SRD 10). These are numbered consecutively from one (1) up to and including fifty thousand (50,000). Ten thousand four hundred and twenty-five (10,425) shares of the authorized capital have been issued, all of which have been paid up in cash.

19.2 General reserve

Pursuant to the provisions as set out in the articles of association of the company, the appropriation of the annual result is determined by the General Meeting of Shareholders.

19.3 Reserve fund

This is a fund under the articles of association and is intended for social purposes.

19.4 Revaluation reserve

Revaluations are recognized under the revaluation reserve net of deferred taxes.

Finatrust, de Trustbank N.V. d.b.a. Trustbank Amanah

EXPLANATORY NOTES TO THE PROFIT AND LOSS ACCOUNT 2018

FINANCING RESULT

This item includes the advantageous difference between the financing income, investments and other lending operations and the costs of debts on the other hand.

22. OTHER INCOME

This item mainly concerns the insurance deductible, mudarib fees, costs of administration passed on, risk premiums and other income,

23. RESULT FROM FINANCIAL TRANSACTIONS

This includes exchange differences arising from the conversion of monetary assets and liabilities denominated in foreign currencies as at the reporting date.

24. COMMISSION

This item relates to insurances commission, handling fee and compensation commission.

25. RESULT FROM SECURITIES

This includes unrealized market price differences.

EXPENSES

26. PERSONNEL EXPENSES

This includes salaries, social expenses and other personnel expenses.

27. OTHER ADMINISTRATIVE EXPENSES

This item includes office costs, costs of accommodation and general costs.

28. DEPRECIATIONS

This item includes the following depreciation costs:

- Buildings
- Office furniture and equipment
- Office machines
- Vehicles

29. Value adjustments to receivables and provisions for balance sheet liabilities

	2018	2017
	SRD	SRD
Addition provision for value adjustments to receivables	498,682	-1,530,866

OTHER INFORMATION

EVENT AFTER BALANCE SHEET DATE

Trustbank Amanah and the Islamic Corporation for the Development of the private sector (ICD) intend to increase the capital of Trustbank Amanah. The possibilities to that effect are being worked out.

With effect from the Act of 24 September 2017, laying down rules regarding the financial statements and amendments to the Commercial Code and the Cooperative Associations Act or the Financial Statements Act, based on this Act, Trustbank Amanah falls under the definition of public interest organizations. This means that in the financial year 2020 Trustbank Amanah must comply with the reporting standard: International Financial Reporting Standards.

Finatrust, de Trustbank N.V. d.b.a. Trustbank Amanah

INDEPENDENT AUDITOR'S REPORT

To: the Board of Supervisory Directors of
Finatrust, de Trustbank N.V. d.b.a. Trustbank Amanah

Our opinion

The summary of the financial statements 2018 (hereinafter “the summarized financial statements”) of Finatrust, de Trustbank N.V. d.b.a. Trustbank Amanah in Paramaribo, as included on pages 37 up to and including 48, is derived from the audited financial statements 2018 of Finatrust, de Trustbank N.V. d.b.a. Trustbank Amanah. In our opinion, the enclosed summarized financial statements are consistent in all material respects with the audited financial statements 2018 of Finatrust, de Trustbank N.V. d.b.a. Trustbank Amanah based on the principles as described in the explanatory notes.

Summarized financial statements

The summarized financial statements do not contain all the explanatory notes that are required on the basis of generally accepted accounting principles. Taking cognizance of the summarized financial statements and our auditor’s report thereto may therefore not replace taking cognizance of the audited financial statements of Finatrust, de Trustbank N.V. d.b.a. Trustbank Amanah and our auditor’s report thereto. The summarized financial statements and the audited financial statements do not include a statement of events that have taken place since the date of our auditor’s report of 27 June 2019.

The audited financial statements and our auditor’s report

We have issued an unqualified audit opinion on the audited financial statements 2018 of Finatrust, de Trustbank N.V. d.b.a. Trustbank Amanah in our auditor’s report of 27 June 2019.

Responsibilities of the Management Board and the Supervisory Committee for the summarized financial statements

The Management Board is responsible for preparing the summarized financial statements based on the principles described in the explanatory notes.

The Board of Supervisory Directors is responsible for supervising the process of financial reporting of the company.

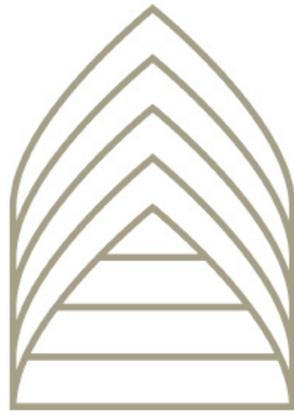
Our responsibilities

Our responsibility is to express an opinion on whether the summarized financial statements are consistent in all material respects with the audited financial statements based on our work performed in accordance with the International Standard on Auditing 810 ‘Assignments to report on summarized financial statements’.

Paramaribo, 25 September 2019

Tjong A Hung Accountants N.V.

M.S.A. Tjong A Hung RA MSc
Partner



TRUSTBANK
AMANAH

CONFIDENCE IS THE KEY