

ANNUAL REPORT

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TRUSTBANK
AMANAH

ANNUAL REPORT 2017



TRUSTBANK
AMANAH



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INTRODUCTION

ABOUT US

Trustbank Amanah is the first full-fledged Islamic Bank in Suriname, the Caribbean and Latin America and will therefore play a prominent role as a link in the introduction of Islamic Finance within the region.

After 28 years of dedicated and loyal service to the Surinamese community as a conventional secondary bank, the Trustbank has changed its strategic policy and on 7 December 2017 it reached its most important milestone; the introduction of Trustbank Amanah, a full-fledged Islamic bank.

Prior to this, in 2015, the starting point was given for the conversion from conventional to Islamic banking. Its strategic partner in this is the Islamic Corporation for Development of the Private Sector (ICD), which is an operating unit of the Islamic Development Bank (ISDB). The conversion trajectory lasted two years and has a few milestones.

By offering this new way of banking, Trustbank Amanah hopes to open its doors to sustainable growth and the distribution of prosperity and thereby promote the economic stability of Suriname.

Trustbank Amanah also builds on the same foundation of the financial institution that was established when it was formed in 1989, developing, supporting and stimulating Small and Medium Enterprises (SME's). Furthermore, Trustbank Amanah will work for the development of the private sector and the strengthening of public-private partnerships.

The vision of Trustbank Amanah is focused on sustainable financial growth through ethical banking. This aims at ensuring sustainable economic growth and, in time, serving regional markets.

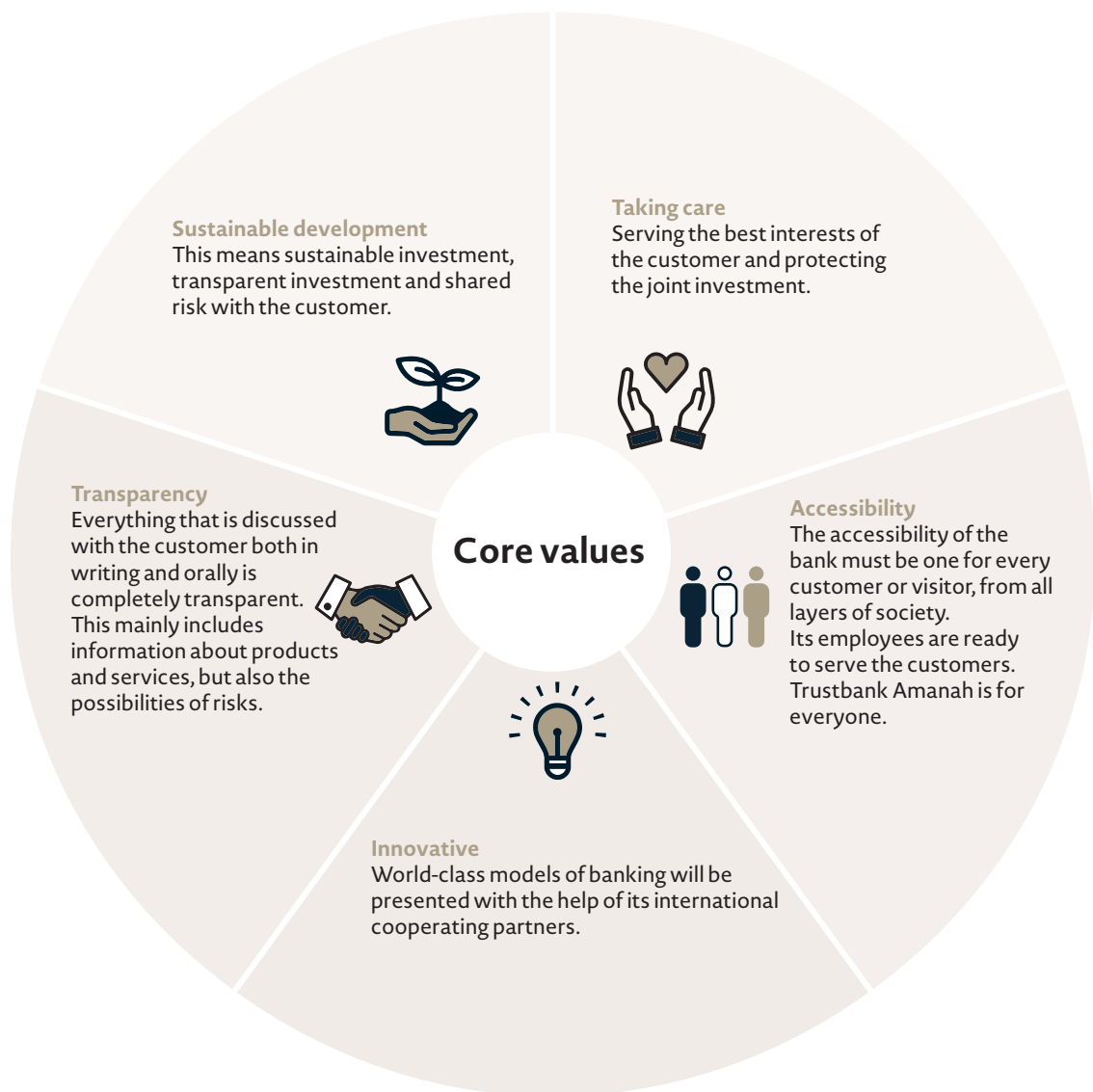
MISSION, VISION AND CORE VALUES

Mission

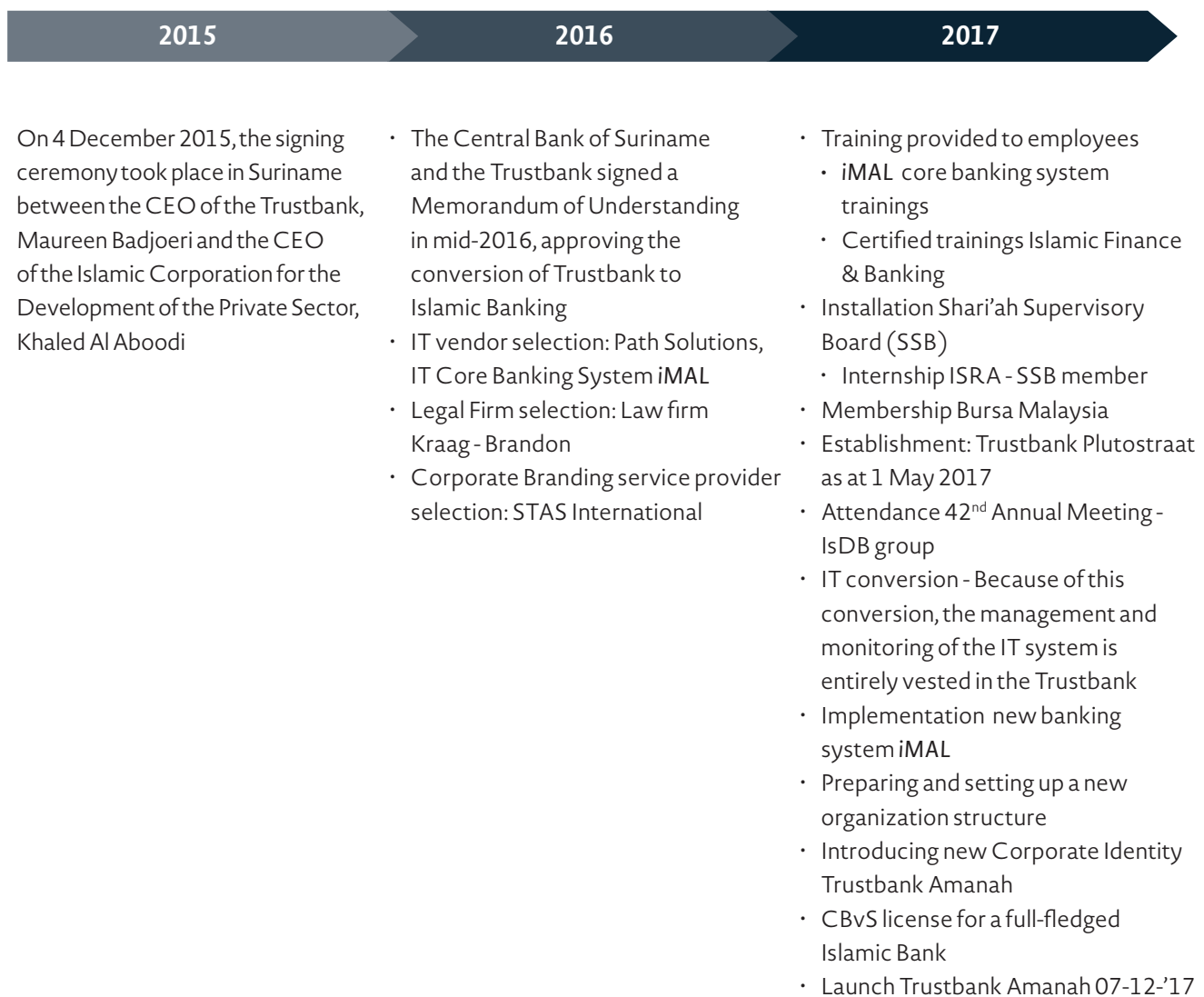
Ensuring the financial well-being of everyone.

Vision

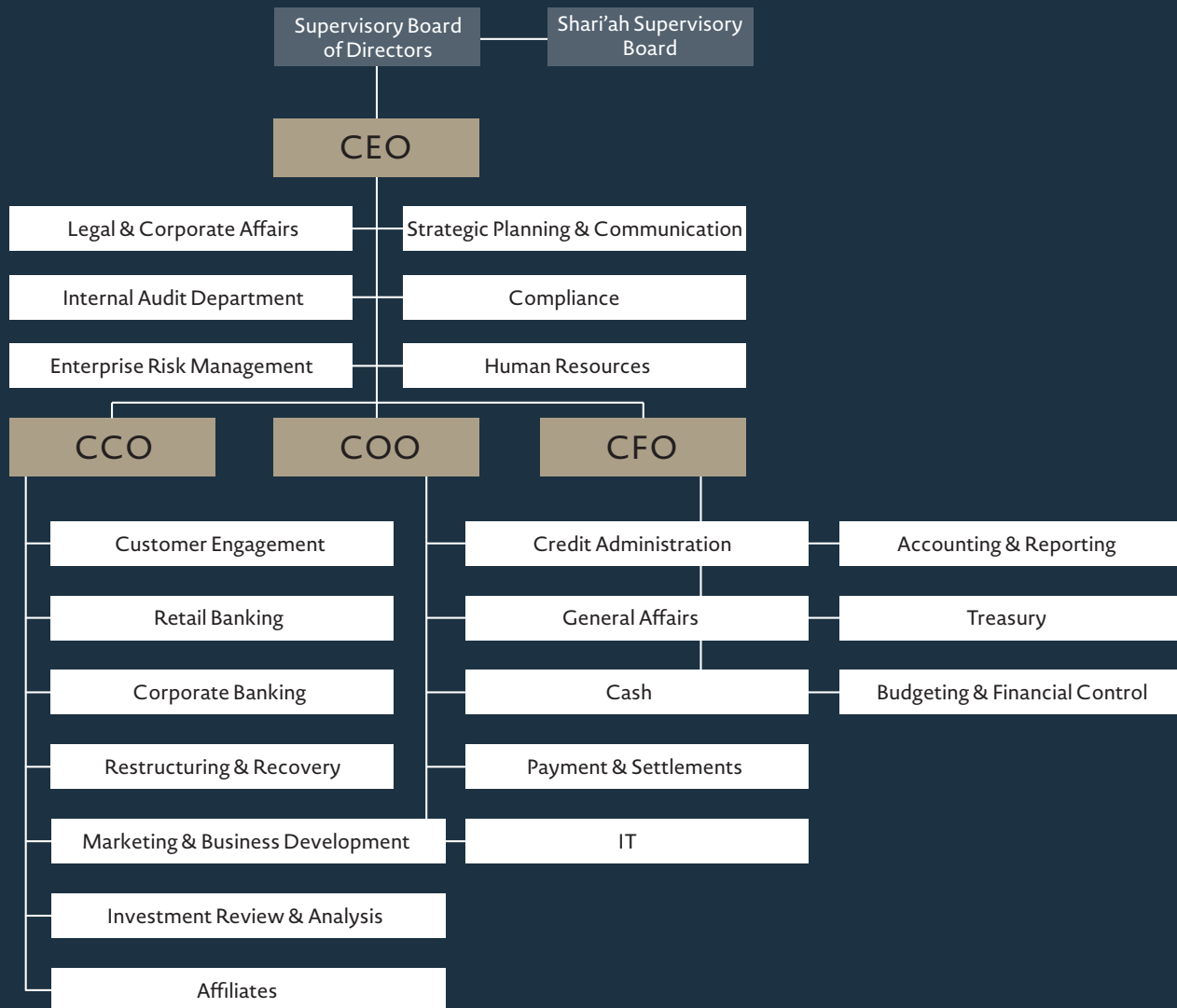
Sustainable growth through ethical banking.



MILESTONES OF THE CONVERSION PROCESS



ORGANIZATION CHART



COMPANY DEVELOPMENT

FINANCIAL DEVELOPMENTS

HISTORICAL OVERVIEW

Balance sheets as at 31 December

	31-12-2017	31-12-2016	31-12-2015	31-12-2014
	SRD	SRD	SRD	SRD
ASSETS				
Cash resources	39.217.906	21.638.030	32.993.066	12.616.675
Loans and advances to credit institutions	57.003.442	65.737.397	42.352.240	23.915.896
Loans and advances to customers	161.794.879	161.351.502	139.927.188	122.002.826
Securities	241.613	260.547	229.373	307.914
Treasury bills	14.370.762	14.761.112	2.450.690	9.643.806
Investments	21.395.453	1.594.347	437.580	6.101.000
Intangible fixed assets	4.321.971	-	28.896	57.783
Operating assets	8.646.861	7.636.529	4.007.085	4.094.870
Other current assets	90.458	741.304	-	61.719
Prepayments and accrued income	12.485.800	24.249.164	437.597	464.452
	319.569.145	297.969.932	222.863.715	179.266.941
LIABILITIES				
Amounts owed to customers	276.394.874	253.432.625	179.056.014	148.091.885
Other liabilities	248.853	358.400	327.500	317.250
Accrued expenses and deferred income	19.126.889	20.582.681	21.486.877	12.977.624
Provision for general bank risks	-	-	600.000	600.000
Provision for deferred tax liabilities	3.314.929	3.314.929	2.759.486	1.958.910
Equity capital	20.483.600	20.281.297	18.633.838	15.321.272
	319.569.145	297.969.932	222.863.715	179.266.941

Profit and Loss Account

	2017	2016	2015	2014
	SRD	SRD	SRD	SRD
INCOME				
Financing result	13.741.183	15.730.334	14.862.700	12.911.418
Other income	5.378.337	7.544.995	4.893.607	4.582.205
Total income	19.119.520	23.275.329	19.756.307	17.493.623
EXPENSES				
Personnel and other administrative expenses	18.614.061	14.395.838	9.438.911	7.581.092
Depreciations	175.549	281.971	327.157	321.100
Value adjustments to receivables and provisions for balance sheet liabilities	-1.530.866	3.458.753	2.718.907	2.691.241
Total expenses	17.258.744	18.136.562	12.484.975	10.593.433
Pre-tax profit	1.860.776	5.138.767	7.271.332	6.900.190
Income tax	-663.063	-1.820.733	-2.648.766	-2.500.289
Net-profit	1.197.713	3.318.034	4.622.566	4.399.901

Key indicators

	31-12-2017	31-12-2016
	SRD	SRD
Invested funds (loans and advances to customers)	166.310.943	167.567.569
Deposits and customer accounts (amounts owed to customers)	276.394.874	253.432.625
	%	%
Invested funds/deposits and customer accounts	60	66
Personnel expenses/total income	39	25
Operating expenses/total income	90	78
Operating result/total income	10	22
Pre-tax result/total income	10	22
Equity capital /total capital	6	7
Financing income/ average loans and advances to customers	18	21
Interest expenses/ average amounts owed to customers	6	7
Net financing margin (financing income/ average loans and advances to customers)	9	10
Net result/average equity capital	6	17
Net result/average total capital	-	1
Efficiency Ratio (Personnel and other administrative expenses/total income)	97	62



SHARI'AH SUPERVISORY BOARD

In accordance with the guidelines for Islamic Banking, a Shari'ah Supervisory Board (SSB) has also been installed within Trustbank Amanah. In compliance with the Shari'ah principles, the SSB supervises activities at both strategic and operational level.

The activities and composition are included in this annual report as an introduction to the Shari'ah Supervisory Board.

The Shari'ah Supervisory has carried out the following activities

- Advising the bank on matters related to Shari'ah in the business operations, to ensure that it always complies with the Shari'ah principles.
- Assessing and approving documentation, including policies, procedures, products, processes and systems.
- Producing shari'ah advices and reports on all requested issues as indicated by the bank.
- Producing shari'ah manuals, which serve as reference.
- Interactive sessions and periodic training for employees and management.



Assoc. Prof. Dr. Said Bouheraoua (Chairman)

Director of Research

International Shari'ah Research Academy for Islamic Finance Malaysia (ISRA)

Educational Qualifications

- Ph.D. in Islamic Law from International Islamic University Malaysia (IIUM) year 2002.
- Master in Quran and Sunnah from International Islamic University Malaysia (IIUM) in 1998.
- Bachelor's in Islamic Law from the University of Algiers (National Higher Institute of the Foundations of Religion). Year 1991
- Diploma in Human Sciences. International Islamic University Malaysia; 2007.

Continuous Educations and training

- FIDE Board of Directors Core Programme Module A&B, year 2015.
- ICLIF Shari'ah Leadership Programme (Banking Module), year 2015.
- Malaysian Director Academy (MINDA), Corporate Directors Advance Programme (CDAP), year 2015.
- ICLIF Shari'ah Leadership Programme (Takaful Module), year 2016.

Working Position:

- Director at the International Shari'ah Research Academy for Islamic Finance (ISRA) and Associate Professor since 2017.
- Lecturer at Global University of Islamic Finance Malaysia. Since 2009.
- Independent and non-Executive Director, Affin Islamic Bank since 2014.
- Chairman of Shari'ah Committee of Affin Islamic Bank since March 2008.
- Member of Shari'ah Committee of MNRB Retakaful since April 2011.
- Member of Shari'ah Committee of the Central Bank of the Sultanate of Oman since January 2015.
- Registered Shari'ah Adviser with Securities Commission Malaysia since March 2012.
- Member of Shari'ah Committee of ISRA Consultancy institute. Since April 2011.
- Editor-in-chief of ISRA International Refereed Journal for Islamic Finance.



Ust. Stanley Soeropawiro MSc. (member)

Educational Qualifications

- Institute for the Arabic language, University of Medina, Saudi Arabia (Diploma).
- Faculty of Islamic Law, University of Medina, Saudi Arabia (BA degree).
- Postgraduate Leadership training, Muslim World League, Mecca, Saudi Arabia.
- Training Observer Independent Electoral Bureau.
- International Training Program on Human Capabilities (New Delhi, India).
- Training Intervention Domestic Violence (Ministry of Home Affairs/Women's Right Centre).
- Master in Education and Research for Sustainable Development (ADEK University of Suriname – MSc. degree)

Working Position

- Senior Policy Official Ministry of Home Affairs, responsible for the coordination of religious affairs.
- Secretary of the Commission for Evaluation of the Salary of Hindu- and Muslim clergy.

- Secretary Commission reorganization of Allowances.
- Senior Official in charge of the inspection of the Asian Marriage Law .
- Member Monitoring group Elections year 2000.
- Senior Policy Official in charge of Religious Affairs.
- Sworn translator in the Arabic Language.
- Head of the section Religious Affairs.
- Project coordinator of policy activities on religious affairs.
- Advises the Minister of Home Affairs on religious affairs.
- Member of the Commission Implementation of the new Marriage Law.
- Coordinator of the training of Marriage officials.
- Observer Independent Electoral Bureau.
- Chairman Commission Evaluation Allowance Marriage officials.
- Coordinator training of clergy in domestic violence.
- Participant at the Special Non Aligned Movement Ministerial Meeting on Interfaith dialogue and Cooperation for peace and development (Manila).
- Observer Independent Electoral Bureau.
- Shari'ah Advisor Sukuk issuance Intermed N.V.
- Policy Advisor on Religious Affairs Ministry of Home Affairs.
- Shari'ah Advisor Conversion Trustbank N.V.
- Edx Certificates in Islamic Finance and Banking and in Capital markets.
- Internship ISRA Malaysia (September – October).
- Member Shari'ah Supervisory Board Trustbank Amanah N.V.



Feroz Mohamed Shariff Ishaak LL.M (member)

Member appointed in 1991

Director Ishaak Law firm

Educational Qualifications

- 1993: Master of Laws (Anton de Kom University, Suriname).

Work positions

- 1988: Legal Staff (A.B. Hira Sing, Law firm, Suriname).
- 1993: Lawyer Intern (A.B. Hira Sing, Law firm, Suriname).
- 1991: Member of the Supervisory Board (Finatrust, de Trustbank N.V., Suriname).
- 1996: Lawyer (Ishaak, Law firm, Suriname).
- 2010: Member of the Supervisory Board (Finabank N.V., Suriname).

PRELIMINARY REPORT OF THE BOARD OF SUPERVISORY DIRECTORS

The year 2017 will bring the Trustbank into a further acceleration to realize the conversion of a conventional secondary bank into a full-fledged Islamic Bank.

On the instructions of the Board of Supervisory Directors and the Management Board, the conversion process is also monitored by a Project Management Office (PMO) consisting of external experts. This allowed the Trustbank staff and employees to fully focus on the business, the education in Islamic Banking & Finance, the implementation of the new banking products, processes and procedures in the new core banking system.

The PMO periodically reported to the Conversion Oversight Committee (COC), consisting of the Management Board and parts of the Board of Supervisory Directors. The COC was established to be able to take policy decisions so that the conversion process went smoothly.

Simultaneously with the conversion, the aim was also to achieve the following policy goals:

- Participation of ICD in the share capital of Trustbank;
- Giving substance to Corporate and investment banking;
- Alignment with international markets and institutions;
- Partnerships with foreign entities.

The ICD has already shown the intention to participate in the share capital of Trustbank Amanah. An international third party will also be approached to participate. For the Trustbank Amanah this means strengthening of capital, expertise and networks. This equity process will be finalized in 2018.

- In the second half of 2017, from a commercial point of view it was necessary to increase the Trustbank's earnings, as the conversion costs continued to rise. Extra attention was given to the development, coordination and assurance of a commercial pipeline, in which the Trustbank's offer to the market must be clear, in order to invest resources. Important conditions to achieve this goal are expanding the service structure, increasing the client base, increasing the level of knowledge and ongoing education, building contacts outside the own network, matching between the entrepreneurial world and what the bank offers. In 2018, the primary and investment banking activities will be further implemented.

- In order to make the transition to Islamic Banking, the current assets & liabilities had to be Shari'ah-compliant. In order to realize this, the bank has joined the Bursa Malaysia. As a result, the bank has a platform via the Bursa Malaysia to make products and services that are not asset-based Shari'ah-compliant.
- In order to raise capital, a joint venture is entered into with among others ICD for a Line of Finance. In the future, partnerships will be established with other international financial organizations.

The further financial pressure was felt in the bank's operational business, which shows a relapse. The deteriorated macro-economic situation has also had an impact on the quality of our financing portfolio and other ratios.

The costs, which mainly relate to the conversion to Trustbank Amanah, concern the design of the office building at the Plutostraat, Marketing & Communication and the ICT costs for the implementation of a new core banking system, iMAL of the IT provider, Path Solutions



Board of Supervisory Directors.

From left to right: Ing. H. Abas, Mr. F.M.S. Ishaak, Mr. S. Karijokromo- Ardjosoeiro, Mr. S. W. Kertoidjojo, Drs. R. A. Tjin Wong Joe

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. d/b/a Trustbank Amanah.

We had the balance sheet as at 31 December 2017, the profit and loss account for the 2017 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.

This adoption serves to discharge the Management Board for its management and the Board of Supervisory Directors for its supervision over the year 2017.

The pre-tax profit in 2017 amounts to SRD 1,860,776. After deduction of SRD 663,063 in income tax, a net profit remains of SRD 1,197,713.

Upon adopting the financial statements, the following is proposed with respect to the net profit. The bank's assets will be increased by, on the one hand, the participation of ICD and a third party in the share capital, and on the other hand, the bank's assets will be strengthened by adding the net profit for 2017. Based on this, the net profit 2017 amounting to SRD 1,197,713 will be added to the general reserve.

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 2017.

Paramaribo, April 2018
Board of Supervisory Directors,
S. Karijokromo-Ardjosoediro, LL.M. Chair
S. W. Kertoidjojo, LL.M.
F.M.S. Ishaak, LL.M.
Drs. R. A. Tjin Wong Joe
Ing. H. Abas

REPORT OF THE MANAGEMENT BOARD

1. GENERAL CONSIDERATION

The official launch of the first Islamic bank in Suriname on 07 December 2017 was without a doubt a historic moment in the 2017 reporting year, which is a special milestone for the Trustbank; at the same time also in the region and in Latin America as a whole.

The Trustbank has herewith taken the first initiative to introduce Islamic banking principles in the range of financial products and other services. With the expansion of the financial landscape, the focus is mainly on the business segment from micro-entrepreneurs to medium-sized companies.

In 2017 we were confronted with the continuing economic dip. In addition, production volumes dropped in terms of total GDP, which resulted in the decline of business activity within the entrepreneurial field. Nevertheless, the Trustbank succeeded in realizing the conversion process to a full-fledged Islamic bank.

In order to be able to offer the new bank products to the public, a completely new core banking system iMAL was implemented. This system supports Islamic banking and complies with international standards.

The entire conversion process did not take place without the necessary extra operating expenses for the bank. Apart from the fact that the pressure on total operating expenses increased by 29% compared to 2016, due to a sharp increase in the total personnel and other management costs (SRD 4.2 million), the total income of the bank fell by 18%. The decline in loans also caused this decline. This ultimately manifested itself in a reduced operating result of the bank equal to SRD 3.2 million before tax.

However, the other performance indicators, including the liquidity, profitability and solvency ratios, remained within the sound level. On the other hand, the efficiency ratio fell to 97%, mainly due to the strong increase in operating expenses during the conversion process.

Despite the developments outlined above, the bank has succeeded in continuing to guarantee the quality of its loan portfolio through a prudent credit acceptance policy, tight customer monitoring and debt collection procedures. The Non-Performing ratio remained at 5% at the end of December 2017, equal to the set standard..



CEO Maureen Badjoeri, LL.M.



CFO Drs. Eduard Kidjo

2. THE MACROECONOMIC ENVIRONMENT CLIMATE

World: global economic activities continue to strengthen

Worldwide production grew by an estimated 3.7% in 2017, ½% higher than in 2016¹. The cyclical upturn that has been going on since mid-2016 was further strengthened. Some 120 economies, accounting for three-quarters of the global GDP, saw increasing growth in 2017, the most widely synchronized global growth acceleration since 2010. Under advanced economies, total growth was higher in 2017 than in the previous year, particularly in Germany, Japan, Korea and the United States. Major emerging markets and developing economies, including Brazil, China and South Africa, also realized stronger growth than previously expected.

Commodities and inflation

Improved global growth prospects, weather conditions in the United States, the extension of the OPEC + agreement to reduce oil production and geopolitical tensions in the Middle East have supported crude oil prices. These have increased by about 20% between the start of 2017 and December 2017 to more than \$ 60 per barrel. The rise in fuel prices increased the total inflation in advanced economies, but the inflation of core prices remained weak. Meanwhile, the gold price changed from \$ 1,130 per ounce at the beginning of 2017 to US \$ 1,306 per ounce (15% increase) at the end of the year, with a September peak of US \$ 1,346 per ounce.

Latin America and the Caribbean: recovery in progress

After disappointing growth in recent years, economic activity in Latin America and the Caribbean is on track to gradually recover in 2017-2018, as recessions in some countries - particularly Argentina and Brazil - are coming to an end. Domestic demand is gradually recovering, while the contribution of net exports to growth is decreasing, as real imports increase with higher domestic demand. The external environment provides support for this recovery, with an improved demand from partners (foreign) and supporting local financial conditions; however, Venezuela remains in a complete economic, humanitarian and political crisis without an end in sight. The region is expected to have grown by 1.2% in 2017 and has a growth forecast of 1.9% in 2018.

Caribbean: developments and prospects

The macroeconomic situation in the Caribbean remained vulnerable in 2017. Estimates suggest that average growth improved from -1.6% in 2016 to 0.6% in 2017. In the same period debt as a percentage of the GDP remained at 73% and the primary budget balance increased slightly from -1.6% to -1.4% of the GDP. The performance of countries that depend on commodities remains weak.

¹ <https://www.imf.org/-/media/Files/Publications/WEO/2018/Update/January/0118-Infographic.ashx>

Unlike tourism-dependent Caribbean countries, these countries have suffered from the fall in prices as a result of the end of the commodity cycle of the big world. In 2017, the estimated economic growth remains low (an average of -4.2% in 2016 and -0.3% in 2017), the primary budget deficit remains untenable (on average -6.5% of GDP in 2016 and -6% in 2017) and government debt increased (average 52.2% of GDP in 2016 and 54.6% in 2017).

Although Trinidad and Tobago could gradually adjust due to the existence of their Heritage Fund, the primary budget balance reached a level of -10.6% of the GDP in 2016, and it is expected that the situation in 2017 will remain just as weak, namely -10.2% of the GDP. On the other hand, Suriname, which has no fiscal buffer, had a primary budget balance of -5.5% of the GDP in 2016 and -3.8% in 2017. Guyana, where the primary budget balance was -0.2% of the GDP in 2015, took countercyclical tax measures, in the course of which the deficit on the primary budget balance for the period 2016-2018 was maintained between -3.5 and -4% of the GDP.

The growth prospects for 2017 for the Caribbean countries that depend on commodities vary from -3% in Trinidad and Tobago to -1% in Suriname and 3% in Guyana.

Suriname: The recession in Suriname continued in 2017

Real GDP is expected to have declined by around 1% in 2017, after a contraction of 10.5% in 2016 and 2.7% in 2015 (IMF 2017). From January-December 2017, the monthly inflation (year-on-year) fell from 48.7 to 9.2%.

The inflation rate rose from 3.6% in 2014 to 52% at the end of 2016. The peak in inflation was largely attributed to higher utility costs and exchange rate write-offs. The exchange rate has stabilized at about US \$ 1 / SRD 7.51 and decreases by 0.81% from January to December 2017.

Suriname has had sustained budget deficits since 2009, reaching a peak of 9.9% of GDP in 2015. For the period January-July 2017, the total budget deficit was estimated at 4.2% of the GDP, compared to 3.5% for the same period in 2016. The primary budget deficit was estimated at 6% of the GDP in 2016 and is expected to decrease to 2.5% in 2017 according to the Ministry of Finance (Table 2.1).

The current account returned to surplus in 2017

Central government revenue was estimated at US\$ 321.4 million for the first seven months of 2017. This was an increase of 26% compared to the same period in 2016. For the period January-July 2017, tax revenues accounted for 72.3% of government revenues, direct taxes contributed 57.4% and indirect taxes 42.6%. Mining revenues contributed the most to the improvement of government revenue: they rose by 106% in 2017 to US\$ 84.9 million, compared to US \$ 41.3 million in the same period last year. The income from non-mining also increased by 10% in the comparable period.

Suriname has recorded current account deficits since 2013, with the largest deficit of 16.4% of the GDP in 2015. In the first half of 2017, a current account surplus was realized of US \$ 91.9 million (equivalent to 2.5% of the GDP in 2016) compared with a deficit of US \$ 38.2 million for the same period in the previous year.

The current account surplus was mainly due to a positive trade balance for goods, as exports increased by 40% and imports fell by 5%. The IMF has predicted that by the end of 2017 the current account balance will improve to around 9.3% of the GDP. International reserves increased to US\$ 411.4 million at the end of 2017 (corresponding to a coverage of approximately 2.8 months of imports).

Suriname was in the 165th place of 190 countries in the Doing Business Report 2018 of the World Bank.

This ranking reflected the performance of Suriname on various indicators that assess the convenience of doing business within countries. Suriname ruled in some areas, such as dealing with building permits, obtaining electricity and resolving insolvency.

In relation to the Caribbean, Suriname performs worse as regards lending, protecting minority investors, registering a home, obtaining electricity, starting a business and enforcing contracts. In 2017 there were 2894 new registrations in the trade register and 824 depreciations as a result of closures. Most depreciations were from companies that were confronted with increasing uncertainty in the business climate, declining profits and higher costs for living.

The Ministry of Trade, Industry and Tourism is working with stakeholders on a roadmap to improve the business climate and increase productivity. The main focus is currently on issues related to 'credit facilities', 'business start-ups' and 'contract enforcement'.

Prospects: strict reforms are needed

Despite the commitment on the part of the authorities to implement additional structural tax reforms, Suriname faces challenges in the form of institutional constraints, which may limit the government's ability to implement an extensive reform agenda. The deterioration in debt sustainability is due to a shift in the composition of debt to more expensive sources of funding.

The share of non-concessional loans in external markets increased to 43% of the total foreign debt in 2017 of 4% in 2014. The increase in non-concessional external loans reflects the global bond issuance of US\$ 550 million in October 2016. Although more than half of the proceeds were lent to the state-owned company Staatsolie, they are ultimately an obligation of the government of Suriname and are included in the total government debt.

Meanwhile, domestic short-term liabilities, mainly Treasury bills, rose to 5.0% of the GDP in June 2017, from 4.2% of the GDP at the end of 2016. Credit rating agency Moody's Investor Services warned in November 2017 about a reduction of the creditworthiness of Suriname due to the prevailing fiscal pressure and the limited borrowing capacity. Although the introduction of VAT in the middle of 2018 will increase the tax capacity of the government by 10-15%, the higher expected result will still not be sufficient to balance the increasing pressure of interest payments. If purchasing power deteriorates at the start of VAT, the GDP, which is expected to grow only reluctantly in 2018 at around half a percent, will experience downward pressure.

Table 2.1: Macro-economic key indicators

(Percentage-wise movements, unless mentioned otherwise)

	2014	2015	2016	2017
Real Domestic Product	1	- 2	-10	-1
Consumer price index	4	25	55	9
Money supply	5	8	33	29
Loans to the private sector	9	8	1	
<i>Dollarization (in % of the total)</i>				
-Lending operations	33	39	30	
-Deposits	53	58	68	
Public Finance Deficit (in % GDP)	(5)	(8)	(10)	(7)
National Debt (in % GDP)	42	50	60	67
International reserves (in months of import)	3	2	3	3

Source: Central Bank of Suriname, Moody's Investor Services, provisional figures and own estimates.

3. THE FINANCIAL DEVELOPMENT OF THE BANK

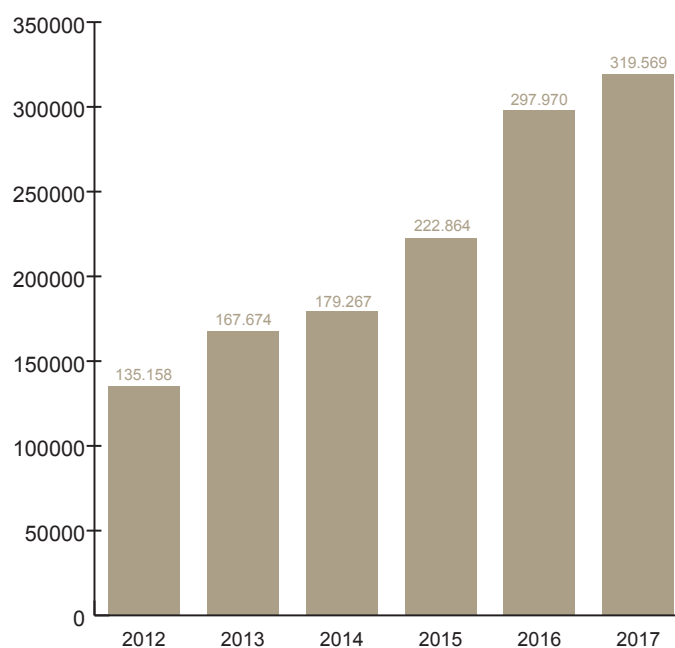
The bank continues to grow despite a less favourable environmental climate

In the year under review, we succeeded in further increasing the balance sheet total by 7% to SRD 320 million, after this total had already increased by 34% in 2016 (see diagram 3.1). Further growth came about despite the existing competition on the deposit market and economic deprivation. The result of financial transactions comprises exchange differences arising from the translation of monetary assets and liabilities expressed in foreign currency per reporting date. Personnel costs increased by SRD 1.6 million compared to the previous fiscal year. The increase is mainly due to the recruitment of more employees, an inflation adjustment of 10% and an increase in the costs of old-age provisions.

Other administrative expenses increased by SRD 2.6 million compared to 2016. The increase is mainly due to the conversion costs associated with the proposed collaboration between Finatrust and the Islamic Corporation for the Development of the Private Sector (ICD).

The average balances of the funds entrusted to us increased further by 23%; these funds amounted to SRD 265 million at year-end 2017. This in itself satisfactory result is indicative of the confidence that customers place in the bank. The average balances of the savings accounts increased by 15% to SRD 125 million and the term deposits even increased by 31% to SRD 140 million from SRD 109 million and 107 million respectively in 2016.

Diagram 3.1:
Balance sheet total of the Trustbank
x SRD 1.000

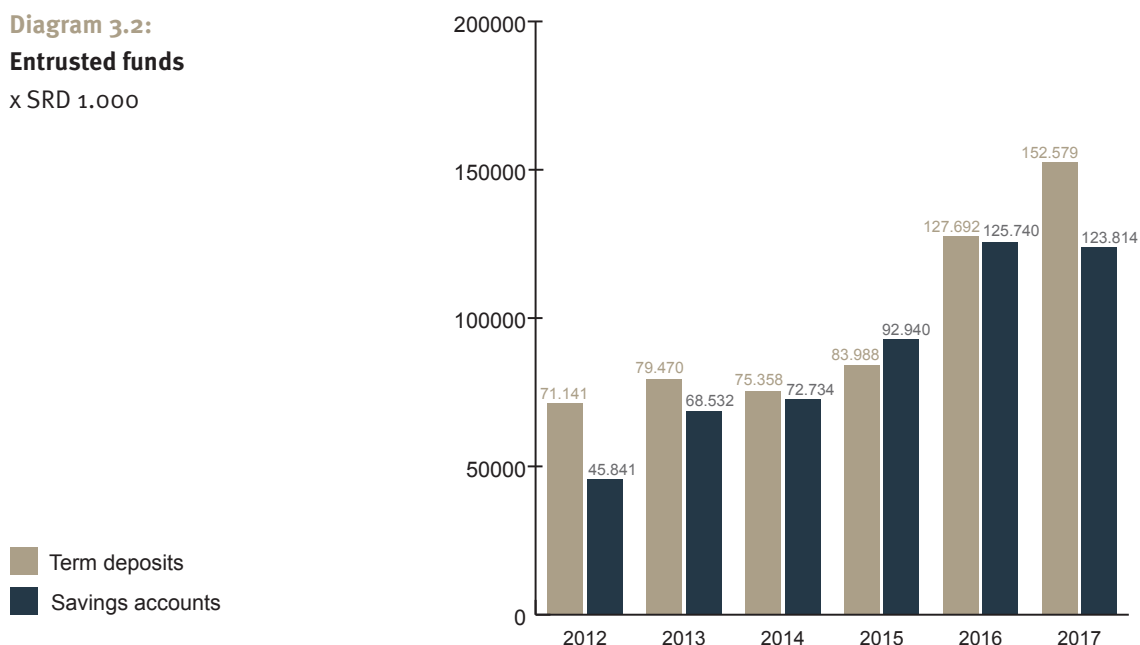


This satisfactory outcome is an indication of the confidence that customers have in the bank. The result of financial transactions includes exchange differences arising from the translation of monetary assets and liabilities denominated in foreign currencies. The formal short-term savings amounted to 6% for SRD savings, between 0.50% for US\$ savings and 0.60% for Euro savings deposits. The maturity of the term deposits was between 6 months and 5 years, while the compensation varied between 11% and 16% for the SRD. For the US \$ denominated term deposits with a maturity of between 1 and 5 years, the compensation varied between 2.35 and 4%, while this percentage for Euro-denominated certificates was between 0.80% and 2.50%.

The entrusted funds increased on balance to SRD 276 million and were mainly used to provide financing to customers. Partly due to repayments of existing customers, the receivables from customers (excluding receivables and provision for impairments) increased on balance to SRD 178 million. This growth, however, was less pronounced than in the previous year, as a result of which the ratio of the allocated funds slightly decreased by 6% to 60% compared to the funds entrusted.

The financing result decreased by 13% compared to 2016 to SRD 14 million, mainly due to the reduced financing income of SRD 3 million (overdue financing and aging of the financing portfolio).

Diagram 3.2:
Entrusted funds
x SRD 1.000



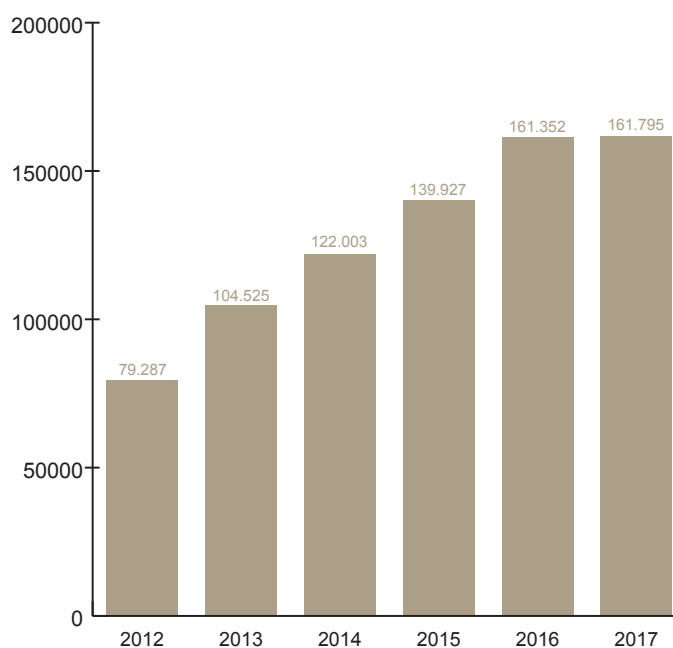
During the past year, the policy focused on the more prudent management of temporary surpluses of cash. As a result, financing income decreased by 8% to SRD 29 million. On the other hand, the pursuit of further control of the costs of attracted capital led to a desired decrease in the costs of amounts owed to customers of 4% to SRD 14 million. Accordingly, on balance the financial results decreased by SRD 2.0 million or by 13% to SRD 14 million or 72% of the total income (see diagram 3.4).

Other income sources increased by 9% to SRD 5.1 million, mainly due to the provision of additional services related to lending to our customers. The balance sheet value of the securities held, decreased in 2017 partly due to the negative economic sentiment from SRD 260 thousand in 2016, to SRD 242 thousand.

On the expense side of the profit and loss account, total administrative expenses increased by 29% to SRD 19 million, mainly due to the conversion costs related to the proposed collaboration between Finatrust and the Islamic Corporation for the Development of the Private Sector (ICD).

The development of the income and expenses as outlined, resulted in a decrease of the pre-tax operating result from 64% to SRD 3.3 million compared to 22% in 2016. After deduction of taxes, this net result amounts to SRD 1.2 million.

Diagram 3.3:
Development of the financing portfolio
x SRD 1.000



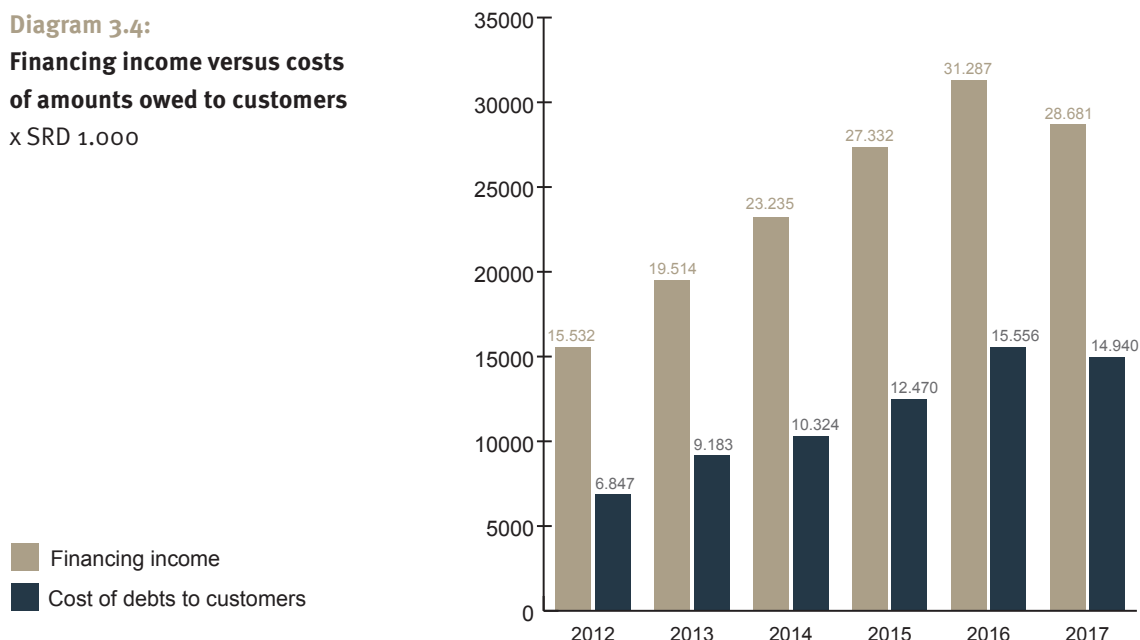
This led to a sharp decline in the efficiency ratio by 35% to 97%. The ratio reflects the ratio between the total operating expenses (excluding provision for credit risks) and the total income. The deterioration of this ratio is indicative of the increased management costs of operations in the year under review.

Furthermore, the profitability on average equity decreased by 11% to 6%, because the growth in total assets exceeded the increase in the after-tax result. Profitability on total assets (before profit appropriation) fell below 1%.

Due to the faster growth of the balance sheet total compared to the operating result achieved, the solvency of the bank has somewhat decreased, but remained within the applicable standards.

The capital ratio, which represents the ratio between equity (before profit appropriation) and balance sheet total, declined by 1% to 6%. This is the result of an increase in equity from SRD 200 thousand or 1%, to SRD 20 million, while the balance sheet total as mentioned above increased by SRD 22 million or 7% to SRD 320 million. The BIS ratio, defined as the ratio between equity and the sum of the risk-weighted assets, also increased marginally by 0.2% to 10.5%.

Diagram 3.4:
Financing income versus costs
of amounts owed to customers
 x SRD 1.000



4. OPERATIONAL MANAGEMENT



Official part during the launch of Trustbank Amanah

HOOGTEPUNT: LAUNCH TRUSTBANK AMANAH

For the Trustbank the year 2017 was characterized by the realization of the strategic goal; the conversion from conventional secondary banking to primary Islamic banking. The priority was in strengthening and developing both the banking system and the employees. The strategic goal was realized after 2 years of intensive preparation, dedication of the total Trustbank team, technical support from our strategic partner ICD and collaborations with external actors.

The launch of Trustbank Amanah, the first full-fledged Islamic bank in Suriname and the region, took place on December 7, 2017 with great public interest.

For this occasion, our strategic partner the ICD was represented by the Director Advisory, Mrs. Nida Raza and Program Manager Islamic Financial Institutions, Mr. Mohammed Mannai. The prominent attendees also included members of the National Assembly, the Council of Ministers, the President of the Central Bank of Suriname, directors and representatives of other financial institutions.

The official part included a recitation of a verse from the Koran, speeches from speakers including Trustbank Amanah CEO Mrs. Maureen Badjoeri, ICD director advisory Mrs. Nida Raza, president of the Central Bank of Suriname Mr. Glenn Gersie and the Minister of Finance also Governor of the IsDB in Suriname, Mr. Gilmore Thread. The opening act was performed by the President of the Central Bank of Suriname and the CEO of Trustbank Amanah.

After the official launch, MOUs were signed with the permanent secretaries of the Ministry of Trade, Industry and Tourism and the Suriname Trade and Industry Association (VSB – Dutch abbreviation), which includes the intention to promote, support and develop the SMEs through joint ventures.



The launch of Trustbank Amanah was officially ushered in with the TV commercial. The opening act, with the press of a button, was done by the President of the Central Bank of Suriname Glenn Gersie and Trustbank Amanah CEO Maureen Badjoeri.



Trustbank Amanah cake was sliced by CEO Maureen Badjoeri and Director Advisory Nida Raza



Signing Memorandum of Understanding



CEO Maureen Badjoeri gives a short explanation about the design and meaning of the new logo

Shari'ah Supervisory Board

One of the milestones in the conversion process is the installation of the Shari'ah Supervisory Board (SSB) in July of the year under review. It is international practice that financial products and services within Islamic banking are assessed by Shari'ah experts.

Stanley Soeropawiro, Shari'ah expert of the SSB, did an internship at the International Shari'ah Research Academy for Islamic Finance (ISRA) in Malaysia, in the period September through November 2017. The goal of this internship was to gain knowledge, skills of and insight into the work environment. In addition, it was possible to gain insight into the culture and practices of the Islamic financial sector.

42nd annual meeting IsDB Group

At the invitation of the Islamic Development Bank (ISDB), the Trustbank attended the 42nd annual meeting of the IsDB in Jeddah, from 4 to 8 May 2017. At this meeting, the delegation held discussions to achieve the set objectives.

Accounting & Reporting

Within the framework of the conversion process, the employees of the Accounting & Reporting department followed a series of accounting training in January 2017 with the aim of developing skills in the use of the new account applications.

The launch of Trustbank Amanah entailed the introduction of the new core banking system, which means that the introduction and processing of transactions takes place through new account applications.

IT system

In the year under review, Trustbank experienced a very intensive period in the field of IT. The IT conversion took place prior to the implementation of the new core banking system, iMAL. Thanks to this conversion, the management and monitoring of the IT system is entirely vested in the Trustbank.

In addition, the employees (system users) followed various training courses, including:

- Customer Service Management (CSM)
- Facility Management System (FMS)
- Islamic Investment System (IIS)
- System Administration And Database System (SADS)
- Profit Calculation System (PCS)
- Accounting
- Provision

Compliance

The compliance department ensures that laws and regulations are complied with within the business operations of Trustbank Amanah. Every year, various training courses are followed.

In 2017 they participated in the following trainings:

- Corporate Governance
- Compliance in the business community
- Introduction into Financial Ethics

Enterprise Risk Management

In 2017, ERM committed itself to the IT Conversion in the form of attending the various sessions and trainings of all applications, support in the analysis and the build-up phase and, in particular, giving substance to the role of UAT Coordinator. Furthermore, ERM also contributed to TBA's Membership for Bursa Malaysia and the switch from FinaBank to Datasur Network.

Human Resources

The Human Resources department focused mainly on the conversion of Trustbank to Trustbank Amanah, in particular on the development in the area of Islamic Banking & Finance and the need of the existing human resources, the preparation of a new institutional structure and the organization thereof.

It was also important that the employees were informed in the meantime about the progress of the conversion.

The main activities that took place from HR were:

- Team building sessions with all employees and managers;
- The delivery of a blueprint from Trustbank Amanah as the primary bank, including the new organizational structure with associated departmental charters;
- Certified training in: Islamic Finance & Banking;
- Training and sessions related to the new Islamic banking products and services;
- Recruitment and selection for institutional strengthening;
- Preparation sessions for the launch and the introductory and information fair of Trustbank Amanah.



Employees celebrating their anniversaries

Persons celebrating their anniversaries

In the year under review, Trustbank paid tribute to eight persons celebrating long-term loyal service varying between 10 and 15 years.

Employees

As at 31 December 2017 the workforce included 65 employees, 25 male and 40 female employees. In the year under review employees left employment and new employees were recruited.

The recruitment and selection mainly focused on candidates with the necessary skills and competences to further support the conversion process. In addition, the Trustbank was able to accommodate interns and holiday jobbers in 2017.



Introduction and Information Fair in Ballroom Torarica

Marketing & Communication

The year 2017 was striking as regards marketing & communication. With the conversion from conventional banking to Islamic Banking, the corporate identity of Trustbank has also undergone a transformation. The corporate identity, the logo, and the name have a different expression in relation to the red-gray colours and the arc in the well-known Trustbank logo. With the launch on 7 December 2017, the community became acquainted with this new corporate identity. This was done through Trustbank Amanah TV and radio commercial productions and various promotional items.

Following the launch of Trustbank Amanah, people were introduced to the new products and services during the one-day meeting and information fair in Royal Ballroom Torarica.

Internally, the department has ensured optimal information provision with regard to the conversion process. The important internal communication activities that were held in collaboration with the HR department were:

- Update on the conversion and kick-off workforce assessment, at Berg & Dal.
- Communication sessions.
- Internal newsletter.

Corporate Social Responsibility

Despite the intensity of the work during the conversion process, Trustbank has tried to contribute to some social activities through donations:

- Contributions to housing construction in Mariëburg, Commewijne intended for visually impaired brothers.
- Indonesian day for Charity.

Establishments

Trustbank Amanah has four branch offices, three of which are in Paramaribo and one in Nickerie. It is worth noting that its branch office at the Dr. Sophie Redmondstraat has been closed from April 2017, due to construction work. In this context, the employees of Paramaribo have been accommodated at the branch offices Aida/Chopinstraat 1 and Plutostraat 116. The completion of the new building is scheduled for mid-2018.

Acknowledgement

The Management Board thanks the Board of Supervisory Directors for its support. A special word of thanks goes to the managers and the other employees for their dedication in 2017, which was essential for a successful conversion. We also thank our customers for the trust placed in the bank.

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

Paramaribo, April 30 2018

CEO, Mw. Mr. M. Badjoeri

CFO, Dhr. Drs. E. Kidjo



From left to right: Jim Rasam (project director), minister Gillmore Hoefdraad (Minister of Finance and Governor of the IsDB in Suriname), Maureen Badjoeri (CEO Trustbank Amanah), Nida Raza (director advisory ICD), Glenn Gersie (President of the Central Bank of Suriname).

FINANCIAL STATEMENTS 2017

BALANCE SHEET AS AT 31 DECEMBER 2017 (BEFORE PROFIT APPROPRIATION)

	Note	31-12-2017		31-12-2016	
		SRD	SRD	SRD	SRD
ASSETS					
Cash resources	6		39,217,906		21,638,030
Loans and advances to credit institutions	7		57,003,442		65,737,397
Loans and advances to customers	8		161,794,879		161,351,502
Securities	9		241,613		260,547
Treasury bills	10		14,370,762		14,761,112
Investments	11		21,395,453		1,594,347
Intangible fixed assets	12		4,321,971		-
Operating assets	13				
Land		1,071,575		1,071,575	
Buildings		1,826,208		1,851,240	
Renovation Nickerie building		-		722	
Office furniture and equip-ment		173,506		30,042	
Office machines		12,111		28,167	
Vehicles		145,645		111,692	
Work in progress		3,375,236		2,613,911	
Buildings purchased		2,042,580		1,929,180	
			8,646,861		7,636,529
Other current assets	14		90,458		741,304
Prepayments and accrued income	15		12,485,800		24,249,164
			319,569,145		297,969,932

	Note	31-12-2017		31-12-2016	
		SRD	SRD	SRD	SRD
LIABILITIES					
Amounts owed to customers	16		276.394.874		253.432.625
Other liabilities			248.853		358.400
Accruals and deferred income	17				
Payable costs amounts owed to customers	17.1	1.007.829		4.694.536	
Other accruals	17.2	18.119.060		15.888.145	
			19.126.889		20.582.681
Provision for deferred tax liabilities	18		3.314.929		3.314.929
Equity capital	19				
Share capital	19.1	104.250		104.250	
General reserve	19.2	18.371.055		16.048.431	
Reserve fund	19.3	197.989		197.989	
Revaluation reserve	19.4	612.593		612.593	
Result current year		1.197.713		3.318.034	
			20.483.600		20.281.297
			319.569.145		297.969.932

PROFIT AND LOSS ACCOUNT OVER 2017

	Note	2017		2016	
		SRD	SRD	SRD	SRD
INCOME					
Financing income	20	28.681.430		31.286.752	
Costs of amounts owed to customers	21	14.940.247		15.556.418	
Financing result			13.741.183		15.730.334
Other income	22	5.075.731		4.659.481	
Result from financial transactions	23	-301.378		2.137.835	
Commission	24	622.918		666.505	
Result from securities	25	-18.934		81.174	
			5.378.337		7.544.995
			19.119.520		23.275.329
EXPENSES					
Personnel costs	26	7.454.994		5.848.979	
Other administrative costs	27	11.159.067		8.546.859	
Depreciations	28	175.549		281.971	
Value adjustments to receivables and provisions for balance sheet liabilities	29	-1.530.866		3.458.753	
			17.258.744		18.136.562
Pre-tax profit			1.860.776		5.138.767
Income tax			-663.063		-1.820.733
Net-profit			1.197.713		3.318.034

CASH FLOW STATEMENT 2017

	2017		2016	
	SRD	SRD	SRD	SRD
Cash flow from operational activities				
Net- profit		1.197.713		3.318.034
Adjustments for:				
- Profit appropriation previous year (excl. addition general reserve)	-995.410		-1.433.600	
- Depreciations op operating assets	175.541		253.075	
- Depreciations op software	-		28.896	
- Addition/release value adjustments to receivables	-1.824.362		-230.683	
		-2.644.231		-1.382.312
Cash flow from business operations		-1.446.518		1.935.722
Movements operating capital				
Loans and advances to customers	1.380.985		-21.193.631	
Other current assets	650.846		-741.304	
Prepayments and accrued income	11.763.364		-23.811.567	
Amounts owed to customers	22.962.249		67.874.846	
Other liabilities	-109.547		30.900	
Provision for general bank risks	-		-600.000	
Provision for deferred tax liabilities	-		555.443	
Accruals and deferred income	-1.455.792		5.597.569	
		35.192.105		27.712.256
		33.745.587		29.647.978
Cash flow from investment activities				
Revaluation reserve	-		-236.975	
Investments in operating assets	-1.185.873		-4.371.757	
Investments in intangible fixed assets	-4.321.971		-	
Disinvestment operating assets	-		489.238	
Treasury bills	390.350		-12.310.422	
Investments	-19.801.106		-1.156.767	
Securities	18.934		-31.174	
		-24.899.666		-17.617.857
Net cash flow		8.845.921		12.030.121
Opening balance cash resources and loans and advances to credit institutions		87.375.427		75.345.306
Closing balance cash resources and loans and advances to credit institutions		96.221.348		87.375.427

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 SUMMARIZED FINANCIAL STATEMENTS

Accounting system

The summary of the 2017 financial statements and the accompanying explanatory notes result from the financial statements 2017. 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 are recognized as financing income and costs of amounts owed to customers in the financial statements.

Foreign currency translation

Functional and presentation currency

The items in 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). These 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 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:

	31-12-2017	31-12-2016
	SRD	SRD
US\$ 1	7,396	7,354
Euro 1	8,816	7,687

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 fittings	: 33,33% per year
Office equipment	: 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

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. Below a breakdown of this item:

	<u>31-12-2017</u>	<u>31-12-2016</u>
	SRD	SRD
Cash resources	39.217.906	21.638.030

7. LOANS AND ADVANCES TO CREDIT INSTITUTIONS

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

Below follows a breakdown:

	<u>31-12-2017</u>	<u>31-12-2016</u>
	SRD	SRD
Loans and advances to credit institutions	57.003.442	65.737.397

8. LOANS AND ADVANCES TO CUSTOMERS

Financing

Below follows a breakdown of this item:

	31-12-2017	31-12-2016
	SRD	SRD
Total portfolio	177.615.840	179.879.472
Less: interest on future terms	-11.304.897	-12.311.903
Face value	166.310.943	167.567.569
Less: interest non-performing loans	-225.046	-100.687
	166.085.897	167.466.882
Less: provision value adjustments receivables	-4.291.018	-6.115.380
Book value	161.794.879	161.351.502

9. SECURITIES

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

Below follows a breakdown hereof:

	Number	Face value per share	Face value	Rate	Balance sheet value 31-12-2017
De Surinaamsche Bank N.V.	4073	0,10	407,30	47,75	194.486
Self Reliance N.V.	520	0,01	5,20	62,40	32.448
N.V. VSH Investment	100	0,01	1,00	72,00	7.200
Hakrinbank N.V.	10	0,15	1,50	408,00	4.080
Assuria N.V.	20	0,10	2,00	94,20	1.884
Elgawa N.V.	10	10,00	100,00	151,50	1.515
					241.613

The movements may be represented as follows:

	31-12-2017	31-12-2016
	SRD	SRD
Opening balance	260.547	229.373
Sale DSB-shares	-	-52.000
Purchase shares with Hakrinbank N.V.	-	2.000
Unrealized share price differences	-18.934	81.174
Balance sheet value as at	241.613	260.547

10. TREASURY BILLS

This item amounts to SRD 14,370,762 and concerns one (1) investment in treasury bills at the Ministry of Finance of US \$ 1,926,190 for the maturity of one year with a compensation percentage of 5% per year.

11. INVESTMENTS

11.1 FinaBank N.V. US\$ term deposit

This item concerns a term deposit at FinaBank N.V. of US \$ 2,000,000 with a maturity of 12 months and an interest rate of 4% per year.

11.2 FinaBank N.V. SRD term deposits

This item concerns a term deposit at FinaBank N.V. of SRD 5,000,000 with a maturity of 6 months and an interest rate of 16% per year.

11.3 Investments with third parties

This investment involves a total of 12 certificates for a total amount of US\$ 216,800. It concerns 7 certificates of US\$ 110,500 entered into in 2015 and 3 certificates of US\$ 106,300 entered into in 2016. The maturity has been set at 3 years. The profit sharing is to be distributed on a quarterly basis.

12. INTANGIBLE FIXED ASSETS

	Implementation Software	Private Cloud Infrastructure	Oracle Database and Application server licenses	Total
	SRD	SRD	SRD	SRD
1 January 2017				
Acquisition value	-	-	-	-
Depreciations	-	-	-	-
Book value	-	-	-	-
Movements				
Investments	3.359.713	515.985	446.273	4.321.971
Depreciations	-	-	-	-
	3.359.713	515.985	446.273	4.321.971
31 December 2017				
Acquisition value	3.359.713	515.985	446.273	4.321.971
Depreciations	-	-	-	-
Book value	3.359.713	515.985	446.273	4.321.971

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 financial year which have been included in the statement of movements.

13. OPERATING ASSETS

The movements in the operating assets have been summarized in the following table:

	Land	Buildings	Renovation building Nickerie	Office furniture and equipment	Office furniture and equipment	Vehicles	Work in progress	Buildings purchased	Total
	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD
1 January 2017									
Acquisition value/ current value	1.071.575	2.320.299	150.671	255.934	387.100	997.879	2.613.911	1.929.180	9.726.549
Depreciations	-	-469.059	-149.949	-225.892	-358.933	-886.187	-	-	-2.090.020
Book value	1.071.575	1.851.240	722	30.042	28.167	111.692	2.613.911	1.929.180	7.636.529
Movements									
Investments	-	45.663	-	164.784	-	100.701	761.325	113.400	1.185.873
Depreciations	-	-70.695	-722	-21.320	-16.056	-66.748	-	-	-175.541
	-	-25.032	-722	143.464	-16.056	33.953	761.325	113.400	1.010.332
31 December 2017									
Acquisition value/ current value	1.071.575	2.365.962	150.671	420.718	387.100	1.098.580	3.375.236	2.042.580	10.912.422
Depreciations	-	-539.754	-150.671	-247.212	-374.989	-952.935	-	-	-2.265.561
Book value	1.071.575	1.826.208	-	173.506	12.111	145.645	3.375.236	2.042.580	8.646.861

14. OTHER CURRENT ASSETS

Below a breakdown of this item:

	31-12-2017	31-12-2016
	SRD	SRD
Employee advances	90.458	95.958
Loans and advances to third parties	-	645.346
	90.458	741.304

15. PREPAYMENTS AND ACCRUED INCOME

Below a breakdown of this item:

	31-12-2017	31-12-2016
	SRD	SRD
Receivable amounts from investments in treasury bills	10.639.945	18.422.639
Receivable income tax	774.459	-
Receivable amounts from investments	406.813	6.705
Receivable insurance premiums from customers	314.050	197.267
Advanced health insurance employees	172.418	168.121
Receivable management fee MKP	69.356	176.412
Deposit rent building Plutostraat	58.952	58.832
Receivable amounts from investments at Hakrinbank N.V.	-	3.677.000
Costs passed on to third parties	-	52.052
Receivable amounts from Finabank for settlement credit Global cars	-	1.402.816
Other	49.807	87.320
	12.485.800	24.249.164

LIABILITIES

16. AMOUNTS OWED TO CUSTOMERS

Below a breakdown of this item:

	31-12-2017	31-12-2016
	SRD	SRD
Term deposits	152.579.913	127.692.068
Savings accounts	123.814.961	125.740.557
	276.394.874	253.432.625

Term deposits

This item concerns 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;
- for the US \$ term deposits an interest rate applies between 2.35% and 4.00% per year;
- for the EURO term deposits an interest rate applies between 0.80% and 2.50% per year;
- for the SRD term deposits an interest rate applies between 11% and 16% per year;
- the costs payable for the reporting period has been included under the item “accruals and deferred income”

Savings accounts

The interest rate as at 31 December 2017 amounted to:

- for SRD savings balances 6%
- for US \$ savings balances between 0.50%
- for the Euro savings balances 0.60%.

17. ACCRUALS 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.

Below a breakdown of this item:

	31-12-2017	31-12-2016
	SRD	SRD
Payable costs on term deposits	710.474	4.694.536
Payable costs on savings account	297.355	-
	1.007.829	4.694.536

17.2 Other accruals

Below a breakdown of this item:

	31-12-2016	31-12-2015
	SRD	SRD
Payable loans	8.836.383	8.790.452
Payable interest matured term deposits	6.100.830	4.530.180
Amounts payable and to be settled with clients	554.139	450.016
Costs payable for clothing employees	185.705	-
Payable training costs employees	207.088	-
Payments in progress	1.311.729	659.910
Payment to be settled from investments	286.526	-
Payable wage tax and AOV (old age pension) contribution	229.408	190.253
Professional fees	142.811	151.233
Risk reserve for amounts owed to customers	120.735	-
Income tax	-	870.414
Payable consultancy fee	57.128	24.906
Payable to Low Income Shelter Program/MKP	-	102.009
Deposit rent safety deposit box	34.391	33.093
Payable medical fund	31.235	59.312
Payable pension contribution	17.299	-
Matured deposits	-	7.978
Payable turnover tax	3.622	5.527
Insurance premium received in advance	-	2.637
Other	31	10.225
	18.119.060	15.888.145

18. PROVISION FOR 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.

Statement of movements

	31-12-2017	31-12-2016
	SRD	SRD
Opening balance	3.314.929	2.759.486
Allocation as a result of the difference between commercial and taxable profit	-	555.443
Closing balance	3.314.929	3.314.929

19. EQUITY

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

	31-12-2017	31-12-2016
	SRD	SRD
Opening balance	16.048.431	12.859.465
Addition from result previous year	2.322.624	3.188.966
Closing balance	18.371.055	16.048.431

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 in the revaluation reserve net of deferred taxes.

EXPLANATORY NOTES TO THE PROFIT AND LOSS ACCOUNT OVER 2017

FINANCING RESULT

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

	31-12-2017		31-12-2016	
	SRD	SRD	SRD	SRD
Financing result		13.741.183		15.730.334

22. OTHER INCOME

This item mainly concerns the insurance deductible, risk premiums from the financing and other income.

	31-12-2017		31-12-2016	
	SRD	SRD	SRD	SRD
Other income		3.314.929		2.759.486

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

Below a breakdown of this item:

	2017	2016
	SRD	SRD
Commission insurances	234.198	290.802
Handling fee	262.344	248.740
Compensation commission	126.376	126.963
	622.918	666.505

25. RESULT FROM SECURITIES

Below a breakdown of this item:

	2017	2016
	SRD	SRD
Unrealized market price differences	-18.934	81.174

EXPENSES

26. PERSONNEL COSTS

This item includes salaries, social expenses and other personnel costs.

	2017	2016
	SRD	SRD
Personnel costs	7.454.994	5.848.979

27. OTHER ADMINISTRATIVE COSTS

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

	2017	2016
	SRD	SRD
Office costs	2.648.689	2.339.256
Costs of accommodation	2.186.259	1.767.785
General costs	6.324.119	4.439.818
Total other administrative costs	11.159.067	8.546.859

28. DEPRECIATIONS

	2017	2016
	SRD	SRD
Buildings	70.695	69.609
Renovation building Nickerie	722	50.219
Office furniture and equipment	21.320	29.510
Office machines	16.056	35.900
Vehicles	66.748	67.837
Software	8	28.896
	175.549	281.971

29. VALUE ADJUSTMENTS TO RECEIVABLES AND PROVISIONS FOR BALANCE SHEET LIABILITIES

Hieronder zijn de salarissen, sociale lasten en overige personeelskosten opgenomen.

	2017	2016
	SRD	SRD
Addition provision value adjustments to receivables	-1.530.866	3.458.753
	-1.530.866	3.458.753

OTHER DATA

PROFIT APPROPRIATION

Regulation pursuant to the articles of association on the appropriation of the result

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

Appropriation of the result over the financial year 2017

The net profit for the financial year 2017 amounted to SRD 1,197,713. The Board of Supervisory Directors recommends adding the net profit of SRD 1,197,713 to the equity under the item "general reserve".

	2017	2016
	SRD	SRD
Net profit	1.197.713	3.318.034
Less: dividend to be distributed	-	-995.410
Addition general reserve	1.197.713	2.322.624

REPORT OF THE INDEPENDENT AUDITOR

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

Opinion

The summary financial statement for 2017 (hereafter 'the summary financial statements') Trustbank Amanah in Paramaribo, which is stated on pages 40 till 64, are derived from the audited financial statements 2017 of Trustbank Amanah.

In our opinion the accompanying summary financial statements are consistent, in all material aspects, with the audited financial statements 2017 Trustbank Amanah based on the principles as described in the notes.

Summary financial statements

The summary financial statements do not contain all the explanations that are required on a general basis accepted accounting policies. The knowledge of the summary financial statements and our auditor's report can therefore not replace the take note of the audited financial statements of Trustbank Amanah and our auditor's report. The summary financial statements and the audited financial statements do not contain representations of events that have taken place since the date of our audit statement of 26 April 2018.

The audited financial statements and our auditor's report

We have issued an approving opinion with the audited financial statements 2017 of Trustbank Amanah in our auditor's report of 26 April 2018.

Responsibilities of the Executive Board and the Supervisory Board for the summary financial statements.

The executive board is responsible for the preparation of the summary financial statements based on principles as described in the notes.

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

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material aspects, with the audited financial statement based on our procedures, in accordance with International Standard on Auditing 810. 'Assignments to report on summary financial statements'.

Paramaribo, May 25, 2018
Tjong A Hung Accountants N.V.

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



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