ANNUAL REPORT 2013

tbl Trust Bank Ltd.

PROUDLY GAMBIAN

Our mission is to be the leading bank in The Gambia by operating a profitable banking institution, which meets the needs of all local, international, corporate and individual clients and returns excellent results to our shareholders.

To achieve this, we shall continue to set new standards by delivering quality services and innovative products with an inspired team dedicated to serving our Customers, Environment and Community at large in the most caring manner.

THE BANK THAT CARES

CONTENTS

NOTICE AND AGENDA OF ANNUAL GENERAL MEETING

Notice is hereby given that the Sixteenth Annual General Meeting of Trust Bank Limited will be held at the Kairaba Beach Hotel on 4th June 2014 at 3.00 p.m. for the following purposes:

Ordinary Business

Ordinary Resolutions

1. To receive and adopt the Annual Report and Accounts for the year ended 31st December 2013;
2. To declare Dividends;
3. To re-elect Directors:
   a. Mr. Kenneth Ofori-Atta
   b. Mrs. Angela Andrews-Njie
4. To approve the remuneration of Directors;
5. To appoint the Auditors of the Bank until the Conclusion of the next Annual General Meeting;
6. To authorize the Board to determine the remuneration of the Auditors;
7. To transact any other business appropriate to be dealt with at any Annual General Meeting.

Special Business

Special Resolutions

8. To approve the circulation of the Notice of General Meetings, Profit & Loss Accounts, Balance Sheet, Reports and any other relevant information by print or electronic means.

Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A blank proxy is attached to the Annual Report.

Mrs. Njilan Senghore - Njie
Board Secretary

FINANCIAL HIGHLIGHTS

STATEMENT OF COMPREHENSIVE INCOME

	2013	2012	*2013 vs 2012*
			% change
Profit before tax (D.000)	**187,340**	124,693	***50%***
Net Interest income (D.000)	**259,778**	213,735	***22%***
Operating expenses (D.000)	**(309,945)**	(259,288)	***20%***
Impairment (D.000)	**1,970**	(8,661)	***123%***

STATEMENT OF FINANCIAL POSITION

	2013	2012	*2013 vs 2012*
			% change
Total Assets (D.000)	**4,629,850**	4,211,828	***10%***
Loans and advances (D.000)	**1,038,025**	1,020,196	***2%***
Customer deposits (D.000)	**4,070,163**	3,738,212	***9%***
Equity (D.000)	**406,123**	367,839	***10%***

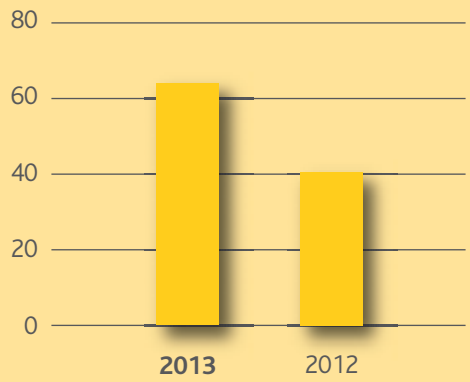
PERFORMANCE RATIOS

	2013	2012	*2013 vs 2012*
			% change
Return on assets	**3%**	2%	***1%***
Return on equity	**31%**	21%	***10%***
Capital Adequacy	**20%**	19%	***1%***
Liquidity	**71%**	70%	***1%***
Non performing loan ratio	**1%**	3%	***–2%***
Earnings per share (in bututs)	**63**	39	***62%***
Dividend per share (total in bututs)	**50**	40	***25%***

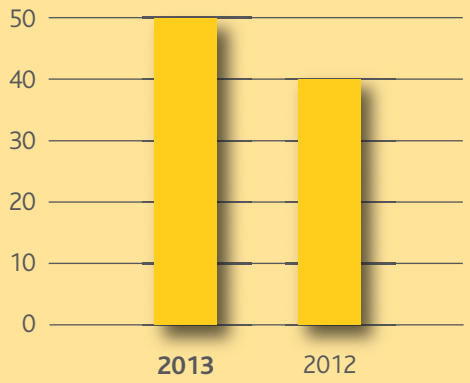
NON FINANCIAL DATA

	2013	2012	*2013 vs 2012*
			% change
Number of branches	**17**	17	***0%***
Number of employees	**337**	307	***10%***
Number of shareholders	**1,018**	1,015	***0.3%***

Earnings per share (in bututs)



Dividend per share (total in bututs)



STATEMENT FROM THE CHAIRMAN

Dear Shareholders,

I am delighted to once again present to you your Bank's Annual Report for the year ended 31st December 2013. The year 2013 will hopefully be remembered as one of the years of superior financial achievements by your Bank as we continued to lead the industry with our impressive earnings momentum.

Economic Environment

The year 2013 continued to experience sluggish world growth – a carryover from 2012. The International Monetary Fund estimated that world output growth was at a subdued 2.9% compared to its initial projection of 3.3% despite the resolution of large threats such as the U.S. fiscal cliff in 2012.

Growth in 2014 is projected at 3.6% which again shows a decline from the initial projection of 4%. The global outlook reflects a variety of prospects for the main economies as follows:

- The U.S. economy has continued to recover. However plans to commence tapering of their program of monetary stimulus have been put on hold in the face of renewed fiscal risks, other domestic news and collateral impact on emerging markets and also the developed economies. The Federal Open Market committee therefore decided to maintain the current level of stimulus, pending further review.
- Europe appears to be out of its recession but is still growing more slowly than projected at the beginning of the year.
- Japan seems to be responding well to policy stimulus but could still lose momentum in 2014 as the stimulus wanes. Meanwhile China and other emerging market economies have become increasingly important to the global economy.
- The near term economic outlook for the Middle East and North Africa regions have weakened. In the oil importing countries, many of which are Arab countries with governments in transition, regional conflict, heightened political tensions and delays in reforms continue to weigh down on growth.
- In sub-Saharan Africa, global headwinds have moderately lowered growth but the pace is expected to pick up in 2014. Strong investment demand continues to support growth in most of the region. The main near term risks which threaten the economic outlook for the region are, further deceleration in global growth, home grown risks such as domestic unrest and capital flow reversal. South Africa and some frontier markets such as Ghana, Nigeria and even our very own country The Gambia, could be vulnerable to a persistent, broad based and protracted reversal of financial capital flows that could follow tightening of global monetary conditions.

Banking Industry in The Gambia

During the year 2013, the number of Banks –12 – which continued to operate in the market remained unchanged. The industry remains sound and adequately capitalized. The regulatory burden over the financial services industry continues to receive maximum attention. The Central Bank of The Gambia (CBG)

has, at various intervals during the year, tightened its monetary policy stance in a bid to restore confidence in the local currency– the Dalasi, following its continuous depreciation. The policy rate which was 12% at the beginning of the year 2013, was increased to 14% in May 2013, 18% in June 2013 and then to 20% in August 2013. The cash reserve requirement ratio was also increased from 12% to 15%. During the second quarter of 2013, The Central Bank further gave directives for the reduction of the overall net foreign currency open positions of banks to be reduced from 25% to 15% of capital and the individual foreign currency net open position from 15% to 10%.

To address the problem of delinquent credit facilities and improve the credit environment, the CBG installed a more robust credit reference software application system, which became operational in July 2013. Moreover, a Bill for an Act to make provision for the creation of security interests over moveable assets, the establishment of a "Security Interests on Moveable Assets (Collateral) Register" is expected to be considered by the National Assembly. The new data submission and off site supervision system (V-RegCoss) is also now operational and has greatly improved data quality and data integrity from the Banking industry.

The year 2013 also heralded the adoption of International Financial Reporting Standards (IFRSs) as the primary financial reporting framework by all the 12 Commercial Banks in the country. Up to 31 December 2012, Banks prepared their financial statements in accordance with Generally Accepted Accounting Standards. Although the move to IFRS significantly changes the timing of earnings recognition in financial results and may result in greater earnings volatility in the future, it does not have an impact on business fundamentals, the development of our growth strategies and our capital management policies. In accordance with the requirements of IFRS, revised results for the year 2012 and a reconciliation showing key changes to the 2012 profit and loss account are shown in these accounts.

Trust Bank's Performance

In an increasingly competitive market where customers are able to exercise choice among many providers, we believe that shareholder value creation should be closely linked to customer value creation. It is only by meeting our customers' needs that we will win the right to a bigger share of their business. This is why over the last few years, we have introduced various measures to address the significant external challenges of competition (12 local banks) and regulation and these have certainly improved the outlook of our Bank as evidenced by these results that we are presenting here today.

In 2013, we grew net interest income by 22% from D214Million in 2012 to D260Million in 2013 and profit before tax by 50% from D125Million in 2012 to D187Million in 2013. Our balance sheet has also become more robust; total assets grew by 10% from D4.2 Billion to D4.6 Billion while customer deposits grew by 9% from D3.7 Billion to D4.1 Billion. I also proudly announce that our Non Performing Loan (NPL) ratio is now down to 1%. This ratio was at an all time high of 18% in 2007 and we have been on a quest to work it down over the last few years. As a result of our desire to become a more responsible lender, our employees have been trained to offer the necessary advice and support to help customers manage their borrowing; today this has yielded favorable results for both improved profitability and also a much healthier balance sheet.

Continuing to grow a successful business is the best way for our Bank to create value for all its stakeholders and contribute to the wider economy. The following credentials are perhaps adequate testimony to the achievement of our objectives. We are a major employer in the banking industry with 337 employees. In 2013, salaries, pension contributions and other staff costs totaled over D127 Million. Over D65 Million was paid to government in corporate taxes alone. We hold the most deposits which account for 27% of total deposits mobilized by the industry; we are the biggest lenders with our loan book accounting for 18% of total credit extended by the industry; we are once again the most profitable bank in the industry and we have the largest balance sheet.

Your Bank, thanks to the staff, has made significant and impressive progress. We shall continue to push for even stronger results and growth. We, however, fully appreciate and understand that we can only achieve these by aggressively investing in our business in the areas of technology, infrastructure and human capital. Well done to Management and staff.

Share Price Performance

Trading in Trust Bank Shares on the Ghana Stock Exchange continued to be minimal. The Share price was maintained at Ghana Cedis 0.35 (D5.60).

Dividends

To further underscore our commitment to maximize shareholder value, the Board is recommending a final dividend of 25 bututs per share which brings the total dividend to 50 bututs per share for the financial year 2013. The Board's decision took cognizance of the Central Bank requirement to transfer 25% of our profits to Reserves. The final dividend of 25 bututs represents a payout of D50 Million but in line with IFRS, a provision for this has not been made in these financial statements.

Equity Investments

Bayba Financial Services Ltd, the Bank's wholly owned subsidiary completed its third year of operation in December 2013. It is with pleasure that I announce that Bayba has once again delivered another superior performance. Profit after tax for 2013 was D23M compared to a profit of D9M in the previous year. Dividends of D4.5M were paid to the bank from the financial results of 2012 and it is expected that a payout ratio of at least 50% on profit after tax will also be made this year.

The Bank also received dividends of D1.2 Million from its investment with International Bank of Liberia.

In the year 2013, the Bank acquired a 10% stake in Women's World Banking Ghana Limited. It is the Board's view that robust organic growth from the Bank's core banking activities alone will be challenging and that strategic diversification into other markets will enhance the earnings capability of the Bank. Your Bank is now in Liberia and Ghana.

Human Resources

Achieving our vision of being the best financial services company in The Gambia depends on our ability to create a high performance culture and this in turn requires committed, professional and motivated staff.

The Bank could not have made such significant progress over the years without our team and I am extremely proud of everyone who is part of the Trust Bank team. You are the Bank's ambassadors and you have represented the Bank extremely well over the years. We are a service oriented company and improved levels of customer service will no doubt lead to improved performance. The Board recognizes that in return, we need to provide all employees with the opportunity to learn, develop and to fulfill their potential. We shall continue to do this.

We once again give a special mention to our training partners Ghana Commercial Bank in Accra, Ghana International Bank in London and The Gambia Bankers Association in Banjul for the special contribution they make towards sustaining the quality and professionalism of our staff and ultimately our bottom line.

Corporate Social Responsibility (CSR)

We believe that corporate responsibility, built around the creation of employee motivation, customer satisfaction and brand loyalty, has a major part to play in supporting our business strategy. Our commitment to corporate social responsibility helps promote trust in the Trust Bank brand and has been instrumental in reinforcing customer loyalty and advocacy. Trust Bank is rooted in local communities throughout The Gambia and we take our responsibilities to those communities very seriously. By investing in the communities that we operate, we not only create economic value but also make a positive social contribution.

In addition to our financial contribution, we recognize that it is our long term interest to help improve the social and commercial fabric of local communities where we operate. We have the largest CSR budget in the industry and in 2013; we spent over D4.5M in various sectors but mainly in health, education and sports.

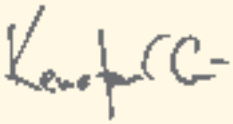
Outlook

The Banking sector, under the leadership of the Central Bank of The Gambia, continues to seek alignment with international best practices. As a result, policy stances and implementation challenges will generally affect the operating environment. However, your Bank is in great hands. The Board, Management and Staff are well placed to continue to deliver sustainable earnings growth and satisfactory balance sheet strength and efficiency. Let me take this opportunity to again thank the Management and Staff, and my colleague Board members for their dedication, perseverance and the creation of an ennobling work environment.

Our resolve to ensure that Trust Bank remains the leading financial institution remains firmly in focus.

I pray that God, in his infinite mercies continues to guide us along the path of triumph. May our efforts and hard work be rewarded with growth and success.

Thank you and God bless.



Ken Ofori-Atta
Chairman
March 2014

MANAGING DIRECTOR'S REVIEW

Dear Shareholders,

The year 2013 was a good year for the Bank. We made significant progress in delivering a strong financial performance as well as strengthening the platform for the future.

Operating environment

Although the Gambian economy did not go into a recession in the aftermath of the global financial crisis, there was still some spill over effect of the turbulence it generated. Economic growth was further hurt by the crop harvest failure of 2011 which led to a drop in government revenues. However, over the last few years, prudent monetary policies have helped the Gambia to contain inflation and strengthen growth rates.

The Banking sector continued to be stable, sound and satisfactorily capitalized to absorb shocks. The risk weighted capital adequacy ratio remained well above the statutory requirement of 10%. The Central Bank of The Gambia continues to focus on enhancing the regulatory and supervisory framework of the banking system with the aim of reducing the cost of financial intermediation.

Your Bank's Performance

The results we are presenting here today show the effects of the progress that we have made over the past few years in improving our efficiency and reducing risk.

I proudly report a healthy growth in our business with improvements in all key parameters during the financial year 2013. I however wish to point out that comparative information for the year 2012 has been restated to take into account the requirements of the new financial reporting framework, International Financial Reporting Standards (IFRSs). These new reporting standards have been implemented with effect from 1 January 2012 and the opening balance sheet (statement of financial position) has been adjusted accordingly.

In the income statement, your Bank achieved a growth in net interest income by 22% from D214 Million to D260 Million. Total operating income increased by 26% from D393 Million to D495M, while total expenses including loan loss provisions increased by 15% from D267 Million to D308 Million. These combined, resulted in a growth in pre-tax profits by 50% from D124 Million to D187 Million.

On the statement of financial position, the bank succeeded in improving the quality of its credit portfolio. This was accomplished by a decelerating growth in loans as well as a more systematic control of non performing loans. The demand for bank credit remains high although the bank's appetite is still subdued with a loan to deposit ratio of about 30%. Our primary objective is to grow with quality. We aim to maintain impaired assets to the minimum possible level.

In the area of liquidity management, your Bank maintained one of the highest liquidity levels in the industry. These high liquidity levels allowed for the unconstrained expansion of our lending to our clients whenever the need arose.

The Bank was also successful in attracting new deposits. A growth rate of 9% was achieved with an increase from D3.7 Billion to D4.1 Billion.

Our capital base continues to be strengthened through underlying profit generation.

Overall, total assets grew by 10% from D4.2 Billion to D4.6 Billion.

Our key performance indicators for 2013 all reflect our improved performance. Return on assets improved from 2% to 3%, Return on equity improved from 21% to 31%, Earnings per share improved from 37 bututs to 61 bututs and Dividend per share improved from 40 bututs to 50 bututs.

In addition to our organic growth, the Bank completed another strategic alliance with Women's World Banking Ghana Ltd, which is expected to further strengthen the Bank's position in the West African region.

The management of the Bank feels great satisfaction as these results indicate further strengthening of the Bank's strategic position. This position has been achieved through a visionary and strategic model of pursuit and perseverance which we will jealously guard with continued prudence and proactive vigilance.

Human Resources

It has been a tremendous honour and privilege to lead the dedicated group of people that comprise the Trust Bank team. The success of your bank in the financial year 2013 is the aggregate of the tenacity, loyalty and commitment of our staff. I would like to thank every member of the team for the dedication and consistency which has no doubt significantly contributed to the growth and progress of the Bank.

Our Human Resources philosophy will continue to revolve around recognizing and enhancing the inherent human potential in every employee through training and mentoring.

Corporate Social Responsibilities

As the homegrown Bank, we can never forget that it is our responsibility to make a real contribution to economic and social development of the community in which we operate, and that our ability to do so is fundamental to our success in delivering sustainable value to our shareholders. The Bank has been fulfilling its social responsibilities by actively participating in activities aimed at humanitarian causes mainly in the areas of education, healthcare, social services and disaster recovery. In 2013, in partnership with Social Security and Housing Finance Corporation, we repaired the link road between the RVTH Sanatorium and the main highway at a total cost of D2.7 Million. Also in support of the health sector we donated 6 computers to Bwiam hospital and helped with the refurbishment and maintenance of the Leman Street Clinic. You might recall that in the year 2005 we undertook a major refurbishment of the Clinic. We also made a donation of D150,000 to the Farafenni Hospital for the purchase of hospital supplies. In the area of education, we awarded laptops and monetary prizes to the top ten outstanding students in the West African Grade 9 examinations, donated D100,000 to The Gambia Senior Secondary School and awarded prizes to many other schools during their speech and prize giving ceremonies. We also donated D150,000 to the National Disaster Management Association as our contribution towards helping victims of flood, fire and other disasters. Overall in 2013, we spent over D4.5M in these various sectors.

Outlook

Our objective remains the same. We want to make this Bank a great place for our people to work, a great place for our esteemed customers to do business and provide a great return on the investment of our shareholders.

We remain cautiously optimistic that the lessons we have learned over the years will place us in good stead to capitalize upon emerging opportunities in the coming years and beyond in order to achieve this vision.

The Bank's robust position combined with the Management's ambitious targets with regard to the execution of our corporate plan allows us to feel confident about this institution's successful future progress.

Acknowledgements

I would like to take this opportunity to thank all stakeholders for the various roles they have played in making us who we are today:

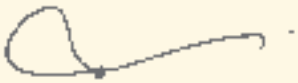
To the members of the Board for their valuable support and guidance.

To our regulators the Central Bank of The Gambia for their prudent counsel. We have continued to engage actively with them during the year on a number of issues and we will continue to work together to ensure that we have a strong and stable banking system for the benefit of the banking public and the wider economy.

To our shareholders and customers for the confidence and faith reposed in us. We are deeply appreciative of your unwavering support and this will continue to motivate us to do better.

To the Trust Bank team I would like to once more express my appreciation for your dedication, commitment and valuable contribution towards the building of this strong and vibrant organization.

It is my sincere hope and belief that we can continue to build and strengthen our relationships with all stakeholders in the years ahead. I enjoin you to continue to provide us with your prayers, advice, support and encouragement.



Pa Macoumba Njie
March 2014

GENERAL INFORMATION

Directors	Mr. Ken Ofori-Atta	*Chairman*
	Mr. Pa Macoumba Njie	*Managing Director*
	Mr. Abdoulie Cham	*Member*
	Mr. Franklin Hayford	*Member*
	Mrs. Angela Andrews-Njie	*Member*
	Mr. Mustapha Njie	*Member*
	Mr. Momar Samba	*Member*
	Mr. Edward Graham	*Member*
Company Secretary	Mrs. Njilan Senghore Njie	
Auditors	PKF Accountants and business advisers 33 Bijilo Layout Annex Kombo North, The Gambia	
Registered Office	Trust Bank Limited 3/4 Ecowas Avenue Banjul, The Gambia	
Solicitors	Mrs. Mary Abdoulie Samba 29 Independence Drive Banjul, The Gambia	
Registrars	Merchant Bank Limited 57 Examination Loop, North Ridge Accra, Ghana	
Bankers	BMCE Bank International France	Ghana Commercial Bank Ghana
	Central Bank of The Gambia The Gambia	Ghana International Bank UK
	Commerzbank AG Germany	Skandinaviska Ensklilda Banken Sweden
	Credit Suisse Zurich	Unicredito Italiano Italy
	Den Danske Bank Denmark	United Bank for Africa USA
	Den Norske Bank Norway	
	Ecobank Senegal	
	Fortis Bank Belgium	

"The ten recipients of the Trust Bank Excellence in the Millennium Awards 2014 with The Minister of Basic and Secondary Education, invited guests and Trust Bank officials"

DIRECTORS' REPORT

The Directors present the audited financial statements and corporate results of Trust Bank Limited (The Gambia) for the year ended 31st December 2013.

Statement of Directors' Responsibilities

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

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

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

Principal Activities of the Company

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

Results

The results of the company are as detailed in the accompanying financial statements.

The Directors have recommended a final dividend of D0.25 per ordinary share for the year ended 2013. The final dividend of D0.25 per share together with the interim dividend paid of D0.25 per share, gives a total dividend of D0.50 for the year.

Fixed Assets

Tangible fixed assets are as detailed in note 19 of the financial statements. There has not been any permanent diminution in the value of the fixed assets and as a result a provision has not been deemed necessary.

Employees

The number of employees and the costs associated with these employees is as detailed in note 9.

Donations

During the year the company made charitable donations amounting to D4,557,455 (2012 :D4,572,285)

Directors and their Interests

The Directors who held office during the year are as shown on page 11. The directors retiring by rotation in accordance with Article 98 of the Articles of Association are Mr. Ken Ofori-Atta and Mrs. Angela Andrews-Njie. Being eligible, Mr. Ken Ofori-Atta and Mrs. Angela Andrews-Njie offer themselves for re-election.

The following Directors who held office during the year had beneficial financial interest in the shares of the company as detailed below. There have been no changes between the year end and the date of this report.

	Number of Shares held	
	31-Dec-13	31-Dec-12
Mr. Pa Macoumba Njie	**1,161,813**	1,066,973
Mr. Mustapha Njie	**66,667**	66,667
Mrs. Angela Andrews-Njie	**33,333**	33,333
Mr. Franklin Hayford	**14,620**	14,620
	1,276,433	1,181,593

Gorporate Governance

The company's board consists of eight members, seven of whom are non executive Directors. The board meets every quarter to review strategic matters relating to the operations of the Bank. The management team meets weekly to review progress made in implementing strategy. A credit committee consisting of senior management meets to review credit applications.

Governance Committee

A corporate governance sub committee has also been established which examines all compliance issues with both local and international legislation, regulations, and best practices which impact on the bank. The members of this committee are as follows:

- Mrs. Angela Andrews-Njie *Chairperson*
- Mr. Ken Ofori-Atta *Member*
- Mr. Momar Samba *Member*

Additionally, in line with good corporate governance practice the board has the under mentioned committees consisting of Non Executive Directors and one Executive Director (The Managing Director):

Audit Committee

This committee has the responsibility to review and make recommendations to the Board on all matters relating to audit and financial control and reporting processes. The members are:

- Mr. Franklin A Hayford *Chairman*
- Mr. Abdoulie Cham *Member*
- Mrs. Angela Andrews Njie *Member*

Strategy Committee

This committee gives strategic direction for the attainment of Trust Bank Limited's corporate vision and objectives aimed at maximizing shareholder value through growth and development. The members are:

- Mr. Ken Ofori-Atta *Chairman*
- Mr. Mustapha Njie *Member*
- Mr. Pa Macoumba Njie *Co-opted Member*

Remuneration Committee

This committee has the responsibility to determine the remuneration of Executive Management and set criteria for determining general staff remuneration. The members are:

- Mr. Ken Ofori Atta *Chairman*
- Mr. Edward Graham *Member*
- Mr. Franklin Hayford *Member*

Infrastructure Development Committee

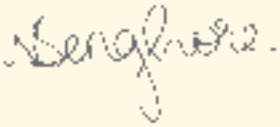
This committee is responsible for all major construction works and projects undertaken by the bank. The members are:

- Mr. Mustapha Njie *Chairman*
- Mr. Edward Graham *Member*
- Mr. Pa Macoumba Njie *Co-opted Member*

Auditors

The auditors, PKF, having indicated their willingness, will be proposed for re-appointment in accordance with Section 342(2c) of the Companies Act 2013.

By order of the Board of Directors



Company Secretary
Date: 24th March 2014

INDEPENDENT AUDITORS' REPORT

To the Members of Trust Bank Gambia Limited

We have audited the accompanying financial statements of Trust Bank Gambia Limited, which comprise the statement of financial position as at 31st December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards, the Companies Act 2013 and the Banking Act 2009. This responsibility includes maintaining internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies that are consistent with International Financial Reporting Standards, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by the directors, as well as evaluating the overall presentation of the financial statement.

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

Opinion

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

PKF

PKF
Accountants and business advisers
Registered Auditors
Bijilo
The Gambia

Date: 24th March 2014

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Notes	**31-Dec-13 D'000**	31-Dec-12 D'000
Interest and similar income	*5*	**466,740**	411,096
Interest and similar expense	*5*	**(206,962)**	(197,361)
Net Interest Income		**259,778**	213,735
Fees and commission income	*6*	**135,083**	103,234
Fees and commission expense	*6*	**(3,170)**	(1,389)
Net fee and commission income		**131,913**	101,845
Net trading income	*7*	**88,544**	71,041
Other operating income	*8*	**15,080**	6,021
Operating income		**495,315**	392,642
Net impairment loss on financial asset	*16*	**1,970**	(8,661)
Personnel expenses	*9*	**(127,091)**	(107,102)
Depreciation and amortization	*19,20*	**(44,676)**	(41,218)
Other expenses	*10*	**(138,178)**	(110,968)
		(307,975)	(267,949)
Profit before income tax		**187,340**	124,693
Income tax expense	*11*	**(73,414)**	(57,150)
Profit for the year		**113,926**	67,543
Other comprehensive income, net of income tax			
Foreign currency translation difference for foreign operations		**14,358**	11,173
Net loss on fair value of investments in treasury bills		**(2,111)**	(809)
Other comprehensive income for the year (net of tax)		**12,247**	10,364
Total comprehensive income for the year		**126,173**	77,907
Profit attributable to equity holders of the Bank		**113,926**	67,543
Total comprehensive income attributable to equity holders of the Bank		**126,173**	77,907
Basic/diluted earnings per share (Bututs)	*12*	**63**	39

The accompanying notes are an integral part of the financial statements

STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2013

	Notes	**31-Dec-13 D'000**	31-Dec-12 D'000	01-Jan-12 D'000
ASSETS				
Cash and cash equivalents	*14*	**1,209,181**	913,824	573,323
Trading assets	*15*	**1,673,571**	1,676,204	1,356,335
Loans and advances to customers	*16*	**1,038,025**	1,020,196	1,196,248
Investment in subsidiary	*17*	**8,500**	8,500	8,500
Investment in other equity securities	*18*	**72,662**	51,995	51,995
Property, plant and equipment	*19*	**377,873**	317,445	258,129
Intangible assets	*20*	**17,962**	25,083	20,467
Other assets	*22*	**232,076**	198,581	547,355
TOTAL ASSETS		**4,629,850**	4,211,828	4,012,352
LIABILITIES				
Deposits from Banks	*23*	**15,782**	6,308	2,459
Deposits from Customers	*24*	**4,070,163**	3,738,212	3,544,824
Current tax liabilities	*11*	**23,875**	4,960	7,410
Deferred tax liabilities	*21*	**39,832**	31,934	24,288
Employee benefit obligations		**2,967**	2,063	1,353
Other liabilities	*25*	**71,108**	60,512	62,895
Total liabilities		**4,223,727**	3,843,989	3,643,229
EQUITY				
Stated capital	*26*	**200,000**	200,000	200,000
Income surplus		**96,372**	89,273	84,326
Statutory reserves		**99,209**	67,666	48,189
Fair value reserve		**6,186**	4,075	3,266
Credit risk reserve		**4,356**	6,825	33,342
Total equity attributable to equity holders of the Bank		**406,123**	367,839	369,123
TOTAL LIABILITIES AND EQUITY		**4,629,850**	4,211,828	4,012,352

These financial statements were approved by the Board of Directors on 24th March 2014, and were signed on its behalf by:

Chairman

Director

Managing Director

Secretary

The accompanying notes are an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2013

	Attributable to equity holders of the Bank					
	Stated capital D'000	Statutory reserve D'000	Fair value reserve D'000	Credit risk reserve D'000	Income surplus D'000	Total equity D'000
At 1 January 2012	200,000	48,189	3,266	33,342	84,326	**369,123**
Net income for the year	–	–	–	–	77,907	**77,907**
Transfer from credit risk reserve	–	–	–	(26,517)	26,517	**–**
Transfer to statutory reserve	–	19,477	–	–	(19,477)	**–**
Dividend paid to equity holders	–	–	–	–	(80,000)	**(80,000)**
Fair value reserve (available for sale financial asset)	–	–	809	–	–	**809**
At 1 January 2013	200,000	67,666	4,075	6,825	89,273	**367,839**
Net income for the year	–	–	–	–	126,173	**126,173**
Transfer from credit risk reserve	–	–	–	(2,469)	2,469	**–**
Transfer to statutory reserve	–	31,543	–	–	(31,543)	**–**
Dividend paid to equity holders	–	–	–	–	(90,000)	**(90,000)**
Fair value reserve (available for sale financial asset)	–	–	2,111	–	–	**2,111**
At 31 December 2013	**200,000**	**99,209**	**6,186**	**4,356**	**96,372**	**406,123**

The accompanying notes are an integral part of the financial statements

STATEMENT OF CASHFLOWS

For the year ended 31 December 2013

	Notes	31-Dec-13 D'000	31-Dec-12 D'000
CASHFLOWS FROM OPERATING ACTIVITIES			
Profit for the year before taxes		**187,340**	124,693
Adjustments to reconcile profit before taxes to net cash provided by operating activities:			
Depreciation and amortization	*19,20*	**44,676**	41,218
Net impairment loss on financial assets	*16*	**(1,970)**	8,661
Net interest income		**(259,778)**	(213,735)
Profit on sale of assets		**(1,681)**	(90)
		(31,413)	(39,253)
Changes in trading assets		**2,633**	(319,869)
Changes in loans and advances to customers		**(15,859)**	167,391
Changes in other assets		**(33,495)**	348,774
Changes in deposits from banks		**9,474**	3,849
Changes in deposits from customers		**331,951**	193,388
Changes in other liabilities and provisions		**11,500**	(1,673)
		274,791	352,607
Interest and dividends received		**466,740**	411,096
Interest paid		**(206,962)**	(197,361)
Income tax paid		**(46,601)**	(51,954)
Net cash used in operating activities		**487,968**	514,388
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities		**(20,667)**	–
Purchase of property and equipment	*19*	**(95,987)**	(96,598)
Proceeds from the sale of property and equipment		**1,799**	423
Purchase of intangible assets	*20*	**(2,114)**	(8,885)
Net cash used in investing activities		**(116,969)**	(105,060)
CASHFLOWS FROM FINANCING ACTIVITIES			
Dividends paid	*26*	**(90,000)**	(80,000)
Net cash used in investing activities		**(90,000)**	(80,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**280,999**	329,328
Cash and cash equivalents at beginning of the year		**913,824**	573,323
Effects of exchange rate fluctuations on cash held		**14,358**	11,173
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER 2013		**1,209,181**	913,824

The accompanying notes are an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

1. Reporting entity

Trust Bank Limited ("the Bank") was established in July 1997 and is domiciled in The Gambia. The address of the Bank's registered office is: 3–4 ECOWAS Avenue, Banjul, The Gambia.

The principal activities of the Bank are as follows:

- receiving deposits;
- provision of loans;
- system of payments and clearing;
- dealing in financial instruments of the money market in the Gambia and in foreign currencies exchange services;
- managing clients' receivables and securities on clients' accounts including consulting service (portfolio management);
- providing banking information;
- performing mortgage activities;

Operating income was mainly generated from the provision of banking services in the Gambia. The Bank considers that its products and services arise from one segment of business – the provision of banking and related services.

The Bank's shareholders as a percentage of subscribed registered capital is as follows:

	2013	2012
Social Security & Housing Finance Corporation	36.98%	36.98%
Databank of Ghana	22.12%	22.12%
Others	40.90%	40.90%

The Bank's ordinary shares are publicly traded on the Ghana Stock Exchange.

The Bank performs its activities in the Gambia through its 17 branches as follows:

- Banjul
- Bakau
- Serrekunda
- Kololi
- Bundung
- Yundum
- Brikama
- Farafenni
- Sinchu
- Basse
- Soma
- Bakoteh
- Lamin
- Barra
- Latrikunda
- Serrekunda Saho kunda
- Serrekunda Market

2. Basis of preparation

2.1 Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and current interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These are the first financial statements of the Company prepared in accordance with IFRS and IFRS 1 First time adoption of IFRS has been applied.

The disclosures required by IFRS 1 "First-time Adoption of International Financial Reporting Standards" concerning the transition from accounting in accordance with local GAAP to IFRS are given in Note 33.

The financial statements were approved by the Board of Directors on 24th March 2014.

2.2 Basis of measurement

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

- financial instruments at fair value through profit or loss are measured at fair value;
- available for sale financial assets are measured at fair value;
- investment property is measured at fair value;
- property, plant and equipment revalued to reflect the fair value used as deemed costs under IFRS 1.

The financial statements are presented in Dalasi currency which represents the functional currency of the Bank, being the currency of the economic environment in which the Bank operates. The financial statements are rounded to the nearest thousand.

2.3 Use of estimates and judgements

The presentation of financial statements in conformity with IFRS requires the preparation of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and future changes in the economic conditions, business strategies, regulatory requirements, accounting rules or/and other factors could subsequently result in a change in estimates that could have a material impact on the reported financial position and results of operations. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that the directors have made in the process of applying the Bank's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Provisioning for incurred credit losses and identified contingencies involve many uncertainties about the outcome of

- those risks and require the management of the Bank to make many subjective judgements in estimating the loss amounts.
- The income taxes rules and regulations have recently experienced significant changes; there is no major historical precedent and interpretation judgement with respect to the extensive and complex issue affecting the banking sector.
- The Bank has performed a revaluation of its administrative building and related leasehold land on the basis of an independent appraisal report for the purpose of using fair value as deemed costs under the allowed option in IFRS 1 for first time adopters of IFRS. The remaining useful life of the building was not changed. The assessment of the useful life and the fair value of the building and related leasehold land involve the judgment of the technical experts. The revaluation of the building and related leasehold land has resulted in an increase in the value of the assets and a corresponding increase in equity. The estimates used in the revaluation model are based upon an expert independent valuation report. The resulting reported amounts for these assets and the related revaluation reserve do not necessarily represent values at which these assets could or would be sold. There are inherent uncertainties about future business conditions, changes in the economy and the competitive environment for real estate that could require future adjustments to the estimated life of the building which could potentially result in material changes in reported financial position and profit.

3 Significant accounting policies

a. Interest Income and Expense

Interest revenue is generally recognised when future economic benefits of the underlying assets will flow to the organisation and it can be reliably measured. It is income derived from use of an entity's assets and hence the interest is mostly dependent on the underlying agreement.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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

Interest income and expense presented in the income statement include:

- Interest on financial assets and liabilities at amortised cost on an effective interest rate basis
- Interest on available for sale investment securities on an effective interest basis

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

Fair value changes for other financial assets and liabilities carried at fair value through profit or loss, are presented in net income on other financial instruments carried at fair value in the income statement.

b. Foreign currency transactions

Transactions in currencies other than Dalasi are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognized directly in equity.

c. Fees and commissions income/expense

Fees and commissions income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management fees, placement fees and brokerage fees are recognised as the related services are performed. When a loan commitment is not expected to result in the draw down of a

loan, loan commitment fees are recognised on a straight line basis over the commitment period.

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

d. Net trading income

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

e. Income tax

Income taxes are calculated in accordance with the provisions of the Income and Value Added Tax Act. 2012 as enacted in the tax legislation in the Gambia. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

f. Deferred tax

Deferred income tax is provided, using the balance sheet liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities.

The Bank recognises corporate income tax and deferred tax on the balance sheet as "Income tax assets" or "Income tax liabilities" as appropriate.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

g. Financial assets

(i) Recognition

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

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

(ii) De-recognition

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

(iii) Offsetting

Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the Bank has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

(iv) Amortised cost measurement

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

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

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

This category comprises two sub categories; financial assets classified as held for trading and financial assets designated at fair value through profit or loss upon initial recognition.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if part of a portfolio of identified financial instruments for which there is evidence of recent actual patterns of short term profit taking.

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets.

For all other financial instruments, fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models.

(vi) Loans and receivables

Loans and receivables represent non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Interest income is recognised by applying the effective interest rate.

(vii) Loan collateral

In terms of handling collateral, the Bank places great emphasis mainly on the valuation and revaluation of real estates, determination of collateral acceptability for the purposes of credit risk mitigation and collateral enforcement, should the client be in default.

The Bank mainly accepts the following types of collateral:

- Financial collateral,
- Real estates,
- Receivables.

The value of pledged collateral is determined on a case-by-case basis for each type of collateral depending on the type of collateral and transaction, and individual risk characteristics.

(viii) Held-to-maturity investments

Instruments with fixed or determinable payments and fixed maturity dates that the Bank has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Repurchased bills and Bills discounted are recognised as Held-to-maturity investments and are recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Bank from classifying investment securities as held-to-maturity for the current and the following two financial years. Interest income and discounts and premiums on held-to-maturity securities are accrued on a daily basis and recognised as "Interest and similar income" in the income statement.

(ix) Available for Sale financial assets (AFS)

The AFS portfolio includes the Bank's investments in other entities, with a share of less than 20% of share capital and voting rights. The portfolio is measured at cost less impairment provisions, which are recognised as "Net profit (loss) from available-for-sale financial instruments" in the income statement, as their market price in an active market cannot be reliably measured.

The portfolio mainly includes shares in privately held companies for which no market exist. The Bank does not expect selling or otherwise disposing of its share holdings in the near future. For companies against which bankruptcy proceedings are underway, 100% provisions are created and the participation shares will be written off after the completion of the bankruptcy proceedings.

Equity investments made to Home Finance Company, International Bank of Liberia, Bayba Financial Services and Women's World Banking (Ghana) are classified as AFS and recorded at their nominal amounts as these equity investments are not publicly traded and the Bank has assessed that there is no reasonable basis for estimating their fair values.

Dividends on these equity instruments are recognised in the profit or loss when the Bank's right to receive the dividends is established.

(x) Impairment of financial assets

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

The Bank considers evidence of impairment at both an individual and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried out at amortised cost) with similar risk characteristics.

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

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

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.
- the disappearance of an active market for security

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised on the unimpaired portion through unwinding of the discount.

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

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

In respect of Available For Sale equity securities, impairment losses previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

(xi) Provisions for loan impairment

The provision for possible loan losses is calculated to reduce loans to their recoverable amount representing expected future cash flows discounted to the present value using the original effective interest rate implicit in the loan at inception or the fair value of the related collateral. Specific provisions for identified potential losses on loans are assessed with reference to the credit standing and financial performance of the borrower and considering collateral.

Loans and advances to corporate customers are generally individually significant and are analysed on an individual basis. The Bank adjusts the value of a corporate receivable if there is a reason to believe that the receivable demonstrates characteristics leading to the impairment of the receivable. These characteristics mainly include: overdue receivable, that the debtor is in bankruptcy or liquidation, if an identified fraud is associated with the receivable, if the receivable was restructured due to the fact that the debtor did not have sufficient funds to repay the receivable in line with the original repayment schedule, or if the Bank concludes – based on the regular monitoring of the client's financial position – that the client will be unable to fully repay the receivables.

The calculation of individual provisions is based on an estimate of expected cash flows reflecting estimated delinquency in loan repayments, as well as income from loan collateral. Impairment amount is determined by the difference between the loan's carrying amount and the net present value ("NPV") of the estimated cash flows, discounted by the loan's original effective interest rate. Individual provisions are recorded when there is objective evidence of loss event which occurred after initial recognition.

The Bank provides for a retail receivable if there is evidence of impairment of the receivable. If such evidence is identified, individual provisions are established.

For retail receivables, where no impairment was identified individually, portfolio-based provisions are created using a general provisioning percentage.

Collective portfolio provisions cover losses which were not identified individually; however, based on historical experience they were inherent to the portfolios as at the balance sheet date.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of claims with similar credit characteristic when there is objective evidence to suggest that they contain impaired claims, but the individual impaired items cannot yet be identified.

A component of collectively assessed allowances is for country risks. In assessing the need for collective loan allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modeled and to determine the required input parameters, based on historical experiences and current economic conditions. The accuracy of the allowances depends on how well these estimated future cash flows for specific counterparty allowances and the model assumptions and parameters are used in determining collective allowances.

Provisions for losses from loans to customers are charged as "Provisioning for impairment losses" in the income statement.

In line with the internal policy, according to a valid decision on ceasing the recovery of claims issued by the competent court, the Board of Directors of the Bank writes off its loans to customers against the recorded provision. Should the amount of receivable written-off exceed the amount of recorded provisions, the difference is recognised through the income statement. Receivables written off which are still in the collection process under the law are recorded in off-balance sheet accounts.

If, after the write off, the Bank collects further amounts from the client or obtains control of collateral worth more than earlier estimated, a recovery is recognised through the income statement.

h. Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, balances held with the Central Bank of the Gambia (CBG), including the compulsory minimum cash reserve requirement and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of its short term commitments.

Cash and cash equivalents for the purpose of cash flow statement preparation comprise cash held in local and foreign currencies, local and foreign bank deposits, and cash balances with the Central Bank of The Gambia except for the statutory minimum reserve. Cash equivalents include T-bills, demand deposits with other banks, and short-term government bonds.

i. Financial liabilities

The Bank has not classified any financial liabilities as financial liabilities at fair value through profit and loss. Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Such financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

De-recognition of financial liabilities

The Bank derecognises financial liabilities when, and only when, the Bank's obligations are discharged, cancelled or they expire.

j. Fair value of financial instruments

For the determination of a fair value of financial instruments, the following applies:

- Fair value of shares – the close price for the trading day on the given market is applied; if no close price of the trading day is known, the close price of the next trading day announced at the given stock exchange is applied.
- Fair value of shares and other equity interests in companies, the price of which is not listed on an active market and the fair value of which cannot be determined reliably, are recognised at cost less impairment.
- The fair value of government treasury bills is determined by discounting the face value to present value by the required proceeds on maturity.

Fair value hierarchy

IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorizes the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

If the inputs used to measure fair value are categorized into different levels of the fair value hierarchy, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement (based on the application of judgement).

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair

value whenever available, with limited exceptions.

If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example
  - interest rates and yield curves observable at commonly quoted intervals
  - implied volatilities
  - credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

k. Intangible Assets

Software license costs are recognized as intangible assets carried at cost less accumulated amortization. Software cost is amortized over a period of 4 years. However, purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Subsequent expenditure on software is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

l. Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. The cost of certain items of property, plant and equipment was determined by reference to a previous GAAP revaluation. The Bank elected to apply the optional exemption in IFRS 1 to use this previous revaluation as deemed cost at the date of transition.

Items of property, plant and equipment acquired prior to 31 December 2011 are stated in the statement of financial position at deemed costs, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is determined separately for each category of asset and is charged so as to write off the cost or valuation of the assets (other than land and items under construction) to their residual value over their estimated useful lives, using the straight-line method.

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

	Number of Years
Buildings	50
Furniture and equipment	5
Office machines	5
Computer equipment	5
Vehicles	3
Computer software	4
Right to use of Land	99

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

Properties in the course of construction for administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Bank's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent costs

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

reliably. The costs of the day to day servicing of property and equipment are recognised in profit or loss as incurred.

Impairment of property, plant and equipment and intangible assets

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

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

m. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both. The Bank does not hold any investment properties.

n. Employee benefits

The Bank operates a defined contribution plan for all employees. Under the plan, fixed contributions are paid into a separate entity and the Bank will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

o. Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

p. Basic and diluted earnings per share

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

q. Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Operations of the Bank are managed as one business with no distinct operating segments. Accordingly, no information is presented on segment reporting.

r. Dividend

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Bank and the amount of revenue can be measured reliably).

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

s. Bonds, guarantees and letters of credit

Bonds, guarantees and letters of credit are considered contingent liabilities and are disclosed unless the possibility of an outflow of resources involving economic benefits is remote.

4 Financial risk management

(a) Introduction and overview

Effective risk management is of critical importance and key to the delivery of sustainable returns for

shareholders. Risk taking is an inherent part of the Bank's business activities and is defined as the possibility of losing some or all of an original investment. Risk management systems and governance structures are designed to reduce earnings volatility and achieve an appropriate balance between risk and reward and increased profitability.

The main risks the Bank is exposed to are as follows:

- **Credit risk**
  this reflects the possible inability of a customer to meet his/her repayment obligations.
- **Liquidity risk**
  this reflects the inability to accommodate liability maturities and withdrawals, fund asset growth or meet contractual obligations.
- **Market risk**
  this reflects the risk of fluctuations in asset and commodity values caused by changes in market prices and yields and it includes foreign currency risk, interest rate risk and other price risks.
- **Operational risk**
  this reflects the potential loss result from inadequate or failed internal processes, systems, people, legal issues, external events and non compliance with regulatory issues. These are principal risks of the Bank. The notes to the financial statements presents information about the Bank's exposure to these risk, as well as their impact on earnings and capital.

Risk management framework

The Risk management framework consists of a comprehensive set of policies, procedures and processes designed to identify, measure, monitor, mitigate and report significant risk exposure in a consistent and effect manner across the Bank. The Board of Directors has established the Asset and Liability (ALCO), Audit, Credit and Risk Management committees which are responsible for developing and monitoring the Bank's risk management policies in their specified areas.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Audit committee is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Audit committee is assisted in these functions by the Internal Audit Department, Legal and Compliance Department. These departments undertake both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

The Credit committee oversees control and management of all policies, processes and procedures relating to the Bank's lending function. The scope of risks covered by this committee includes credit risk, concentration risk and country risk.

The Asset and liability committee (ALCO) is a decision making body for developing policies relating to all asset and liability management matters.

The Risk Management department is responsible for developing and monitoring the Bank's risk management policies and procedures over specified areas on a day to day basis. It reports to the Board on its activities through the Audit Committee.

(b) Credit risk

Credit risk is the risk of financial loss to the bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations to pay the bank in accordance with agreed terms. Credit risk is the most important risk for the bank's business and is attributed to both on balance sheet financial instruments such as loans, overdrafts, investments and credit equivalent amounts related to off balance sheet financial items.

Management of credit risk

For risk management purposes, the bank considers and consolidates all elements of credit risk exposure. Credit risk arising on trading securities is managed independently, but reported as a component of market risk exposure.

Credit risk is managed through a framework that sets out policies and procedures covering the identification, measurement and management of credit risk. The management of credit risk is delegated to the Credit committee whose goal is to enhance a strong credit culture by:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements;
- Establishing the authorization and structure for the approval and renewal of credit facilities. Authorization limits are allocated to branch and corporate officers. Larger facilities require approval by the head of the credit

committee or the Board of Directors as appropriate.

- Reviewing and assessing credit risk. The bank assesses all credit exposures in excess of designated limits prior to facilities being committed to customers. Renewals and reviews of facilities are subject to the same review process.
- Monitor credit concentration. Credit concentration is the risk of loss to the bank arising from an excessive concentration of exposure to a single counterparty, industry or sector. Large exposure limits have been established under the Central Bank of The Gambia's guidelines and concentration risk is monitored on an ongoing basis.
- Mitigate potential credit losses from any given account, customer or portfolio using a range of tools such as collateral. Risk mitigation policies determine the eligibility of collateral types.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product type.
- Providing advice, guidance, specialist skills and training to business units to promote best practice throughout the bank in the management of credit risk.

Exposure to credit risk	Loans and advances to customers 2013	Loans and advances to customers 2012
Individually impaired	**D'000**	D'000
Grade 6: Impaired (loss)	**11,774**	37,806
Grade 7: Impaired (loss)	**5,773**	4,154
Grade 8: Impaired (doubtful)	**26,924**	35,655
Gross amount	**44,471**	77,615
Allowance for impairment	**(34,694)**	(46,080)
Carrying amount	**9,777**	31,535
Collectively impaired		
Grade 1–3 Normal	**146,399**	106,678
Grade 4–5 Watch list	**47,989**	59,223
Gross amount	**194,388**	165,901
Allowance for impairment	**(1,943)**	(1,659)
Carrying amount	**192,445**	164,242
Past due but not impaired		
Grade 1–3 Normal	**47,989**	59,223
Grade 4–5 Watch list	**23,741**	63,433
Carrying amount	**71,730**	122,656
Past due comprises:		
30–60 days	**16,630**	49,244
60–90 days	**6,724**	5,294
90–180 days	**8,929**	4,975
180–360 days +	**39,447**	63,143
Carrying amount	**71,730**	122,656
Neither past due nor impaired		
Grade 1–3 Normal	**762,162**	699,780
Grade 4–5 Watch list	**1,911**	1,983
Carrying amount, includes loans with renegotiated terms	**764,073**	701,763
Total carrying amount	**1,038,025**	1,020,196

Impaired loans and securities

Impaired loans and securities are loans and securities for which the bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan/security agreements. Interest on these loans are calculated and treated on non-accrual basis and portions shall only be considered when payments (settlement) is made.

Past due or non performing but not impaired loans

Loans and securities where contractual interest or principal payments are past due or non performing are not treated as impaired when the discounted cash flows of the forced sale value of the collateral is estimated to be more than the loan.

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the bank has made concessions that it would not otherwise consider. The status or risk grade of a restructured facility does not change until there is evidence of performance over a reasonable period of time.

Allowances for impairment

The bank establishes an allowance for impairment losses that represents the estimate of incurred losses in the loan portfolios. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for groups of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

Set out below is an analysis of the gross and net (of allowance for impairment) amounts of individually impaired financial assets by risk grade.

Loans and advances

	Loans and advances to customers	
31st December 2013	**Gross D'000**	**Net D'000**
Grade 6: Individually impaired	**11,774**	**3,392**
Grade 7: Individually impaired	**5,773**	**3,842**
Grade 8: Individually impaired	**26,924**	**2,543**
Total	**44,471**	**9,777**

	Loans and advances to customers	
31st December 2012	**Gross D'000**	**Net D'000**
Grade 6: Individually impaired	**37,806**	**15,903**
Grade 7: Individually impaired	**4,154**	**3,420**
Grade 8: Individually impaired	**35,655**	**12,212**
Total	**77,615**	**31,535**

The bank holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. Collateral for loans and advances to banks is in the form of treasury bills. Collateral is not usually held against investment securities, and no such collateral was held at 31 December 2013 or 2012.

An estimate of the fair value of collateral and other security enhancements held against financial assets is shown below. Collateral values of impaired loans are at cash flows of the forced sale values less estimated costs of sale as discounted to present values.

	Loans and advances to customers	Loans and advances to customers
	2013 D'000	2012 D'000
Against individually impaired		
Property	5,968	101,909
Cash	103,841	3,420
Equity	–	–
Other	–	–
Against Collectively impaired		
Property	445,523	908,191
Cash	29,167	50,445
Equity	–	–
Other	–	–
Against past due but not impaired		
Property	50,700	50,700
Cash	–	–
Equity	–	–
Other	–	–
Against neither past due nor impaired		
Property	629,533	391,026
Cash	17,760	170,000
Equity	84,840	–
Other	496102	176,000
Total	**1,863,434**	1,851,691

Assets held for sale

The type and carrying amount of collateral that the bank has taken possession of in the period are measured at the lower of its carrying amount and fair value less costs to sell as stated below:

	Loans and advances to customers	Loans and advances to customers
	2013 D'000	2012 D'000
Against individually impaired		
Property	**19,122**	43,232
Cash	–	–
Equity	–	–
Total	**19,122**	43,232

The bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk at the reporting date is shown below:

	Loans and advances to customers	Loans and advances to customers
	2013	2012
Carrying amount		
	D'000	D'000
Concentration by sector		
Agriculture	**1,953**	148,366
Manufacturing	**6,348**	20,444
Service Industry	**701,739**	547,782
Mining	**50**	–
Other	**364,572**	351,343
Total	**1,074,662**	1,067,935

Settlement risk

The bank's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a counterparty to honour its obligations to deliver cash, securities or other assets as contractually agreed.

(c) Liquidity risk

Liquidity risk is the risk that the bank will encounter difficulty in meeting obligations from its financial liabilities as they fall due. The risks arise from mismatches in cash flows.

Management of liquidity risk

Liquidity risk means a risk of possible loss of the Bank's ability to fulfill its liabilities when they become due. The Bank wishes to maintain its solvency, i.e. the ability to meet its financial liabilities in a proper manner and in time, and to manage its assets and liabilities so as to ensure continuous liquidity. Liquidity management is the responsibility of the Assets and Liabilities Committee (ALCO) and the Treasury and Investment Banking Division. Regular meetings of ALCO are held on a weekly basis, during which the Bank's liquidity is evaluated and, subsequently, decisions are taken based on the current state of affairs.

The Bank's liabilities represent primarily deposits from customers. These amounts generally bear no specific maturity date and are payable on demand. The few customer deposits maintained on fixed terms all matures with a maximum period of one year. This means the undiscounted cash flows are not materially different from the discounted ones.

The Bank is exposed to daily calls on its available cash resources from current accounts, maturing deposits, loan draw downs and guarantees. The Bank does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Bank sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of interbank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

The Integrated Risk Management function monitors the Bank's liquidity on a daily basis and reports on its development. Information on the liquidity position is reported to ALCO on a weekly basis. The Asset and Liabilities Management function submits reports on the Bank's structure of assets and liabilities to ALCO for approval.

The Bank is obliged to perform its activities so as to ensure that at any time it meets the liquidity requirements of the Central Bank of The Gambia.

Exposure to liquidity risk

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

	2013	2012
At 31 December	**71.4%**	70.22%
Average for the period	**66.5%**	68.17%
Maximum for the period	**71.4%**	72.33%
Minimum for the period	**64.1%**	63.52%

Residual contractual maturities of financial liabilities

	Carrying amount	Gross nominal inflow/ outflow	Less than 1 month	3 months to 1 year	1-5 years	More than 5 years
	D'000	D'000	D'000	D'000	D'000	D'000
31st December 2013						
Deposits from Banks	15,782	–	15,782	–	–	–
Deposits from Customers	4,070,163	–	3,353,611	716,552	–	–
	4,085,945	**–**	**3,369,393**	**716,552**	**–**	**–**
31st December 2012						
Deposits from Banks	6,308	–	6,308	–	–	–
Deposits from Customers	3,738,212	–	2,899,583	838,629	–	–
	3,744,520	**–**	**2,905,891**	**838,629**	–	–

(d) Market risk

The Bank is exposed to market risks. Market risks result from open positions from transactions with interest rate, cross-currency and equity products that are subject to general and specific market changes. To assess the approximate level of market risks associated with the Bank's positions, and the expected maximum amount of potential losses, the Bank uses internal reports and models for individual types of risks faced by the Bank. The Bank uses a system of limits, the aim of which is to ensure that the level of risks the Bank is exposed to at any time does not exceed the level of risks the Bank is willing and able to take. These limits are monitored on a daily basis.

For risk management purposes, market risk is regarded as the risk of potential losses the Bank may incur due to unfavorable development in market rates and prices.

The Bank primarily faces the following market risks:

- Currency risk
- Interest rate risk

Sensitivity analysis of market risks

Sensitivity analysis reflects the implications on the Bank's profit/loss arising from the movements in market parameters (interest rates, exchange rates, share prices, etc.) by predetermined values. For monitoring and limiting of risk, the Bank uses 2% for interest rates, a 5% movement in exchange rates and 20% movement in share and commodity prices.

These movements represent management's assessment of the reasonably possible change in foreign exchange and interest rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

Currency risk

Currency risk represents the potentiality of loss resulting from unfavorable movements in foreign currency exchange rates. The Bank controls this risk by the determination and monitoring of open position limits.

Open currency positions are subject to real-time monitoring through the banking information system. Limits for these positions are set in line with the CBG guidelines. Data on the Bank currency positions and on the Bank's compliance with the limits set by CBG are reported on a weekly basis.

The Bank's foreign exchange balance as of 31 December 2013 and 2012 were as follows:

	Net FX positions	
	2013 D'000	2012 D'000
EURO	**(16,479)**	(808)
USD	**(46,570)**	27,031
GBP	**1,702**	1,303
Other	**1,819**	2,851
Total net FX balance sheet position	**(59,528)**	30,377

Change in the present value of assets and liabilities of the Bank following the movements in exchange rates of the selected currencies to the detriment of the Bank as of 31 December 2013:

	Present value of exchange rate	Exchange rate in sensitivity scenario	Bank's position in respective currency	Bank's loss in respective scenario
				D'000
EURO	52.15	54.76	(16,479)	(42,969)
USD	39.00	40.95	(46,570)	(90,812)
GBP	64.00	67.20	1,702	5,446
Total				**(128,334)**

Change in the present value of assets and liabilities of the Bank following the movements in exchange rates of the selected currencies to the detriment of the Bank as of 31 December 2012:

	Present value of exchange rate	Exchange rate in sensitivity scenario	Bank's position in respective currency	Bank's loss in respective scenario
				D'000
EURO	44.00	46.20	(808)	(1,778)
USD	34.30	36.02	27,031	46,358
GBP	54.25	56.96	1,303	3,534
Total				**48,115**

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The length of time for which the rate of interest is fixed on a financial instrument therefore indicates to what extent it is exposed to interest rate risk.

Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

The ALCO is the monitoring body for compliance with these limits and is assisted by Risk management in its day to day monitoring activities. A summary of the bank's interest rate gap position on non trading portfolios is as follows:

	Carrying amount	Less than 3 months	3-6 months	6 to 12 months	1-5 years	More than 5 years
	D'000	D'000	D'000	D'000	D'000	D'000
31st December 2013						
Cash and cash equivalents	1,209,181	–	–	–	–	–
Loans/advances to customers	1,020,707	530,600	7,749	27,662	445,405	9,291
Investment securities	1,901,726	555,766	712,325	633,635	–	–
	4,131,614	1,086,366	720,074	661,297	445,405	9,291
Deposits from banks	15,782	15,782	–	–	–	–
Deposits from customers	4,070,163	3,353,611	280,396	436,156	–	–
	4,085,945	3,369,393	280,396	436,156	–	–
	45,669	**(2,283,027)**	**439,678**	**225,141**	**445,405**	**9,291**
31st December 2012						
Cash and cash equivalents	913,824	–	–	–	–	–
Loans/advances to customers	1,002,878	666,494	5,821	24,092	297,351	9,120
Investment securities	1,954,617	714,677	550,120	689,820	–	–
	3,871,319	1,381,171.00	555,941	713,912.00	297,351	9,120.00
Deposits from banks	6,308	–	–	–	–	–
Deposits from customers	3,738,212	2,899,583	545,796	292,833	–	–
	3,744,520	2,899,583	545,796	292,833	–	–
	126,799	**(1,518,412)**	**10,145**	**421,079**	**297,351**	**9,120**

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in yield curves worldwide and a 50 bp rise or fall in the greater than 12 month portion of all yield curves.

Overall non trading interest rate risk positions are managed by Assets and Liabilities Management, which uses investment securities, advances to banks and deposits from banks to manage the overall position arising from the bank's non trading activities.

Exposure to other market risks – non trading portfolios

The Bank is not exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Bank does not actively trade these investments.

(e) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. As in the case of other types of risks, operational risk is managed by applying the standard principle including the separation of functions in risk management and controlling.

The Bank puts the accent on process quality improvement and operational risk mitigation actions.

The essential assumption of set goals is based on operational risk awareness and operational risk bank culture.

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

- requirements for appropriate segregation of duties, including the independent authorization of transactions.
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements

- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

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

The Bank is also active in preparing Business Continuity plans. The plans aim at minimizing impacts of unexpected events on the Bank's operation. The next objective of the Bank is to implement an advanced operational risk management model.

(f) Other risks

Simultaneously, in terms of implementation of internal process of capital adequacy determination, the Bank monitors and develops quantification and management methods aimed at other risks, in particular:

- Strategic risk;
- Reputation risk;
- Other risks factors.

Trust Bank has prepared itself to fulfill requirements subject to the capital adequacy with special emphasis on the fulfillment of local legislative requirements as per the Banking Act 2009 and other directives of the Central Bank of the Gambia.

The Bank is embarking on projects designed to ensure the most accurate assessment and proper management of credit, market, and operation risks. The achievement of this objective is based, among others, on the appropriate collection and archiving of all comprehensive data or potential comprehensive data, on the development of a reliable measurement methodology for individual types of risks, on the maintenance of effective and well-developed processes for the prudent management of individual types of risks, on the maintenance of quality and secure IT systems for the automation of processes, data collection, data analysis, calculations, and provisions.

(g) Capital management

Regulatory capital

The Central Bank of The Gambia sets and monitors capital requirements for the bank as a whole.

In implementing current capital requirements, The Central Bank of The Gambia requires the bank to maintain a prescribed ratio of total capital to total risk weighted assets. The bank calculates requirements for market risk in its trading portfolios based upon the bank's VaR models and uses its internal gradings as the basis for risk weightings for credit risk. The bank is also required to maintain a credible capital plan to ensure that capital level of the bank is maintained in consonance with the bank's risk appetite.

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

- Tier 1 capital, which includes ordinary share capital, share premium, retained earnings, translation reserve and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities, and the elements of the fair value reserve relating to unrealised gains on equity instruments classified as available for sale.

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

Risk weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off balance sheet exposures.

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

The bank has complied with all externally imposed capital requirements throughout the period.

There has been no material change in the bank's management of capital during the period.

The bank's regulatory capital position at 31 December was as follows:

	2013 D'000	2012 D'000
Tier 1 capital		
Ordinary share capital	**200,000**	200,000
Statutory reserves	**99,209**	67,666
Retained earnings	**96,372**	89,273
Total tier 1 capital	**395,581**	356,939
Tier 2 capital		
Fair value reserve for available for sale equity securities	**–**	–
Total tier 2 capital	**–**	–
Total regulatory capital	**395,581**	356,939
Risk weighted assets		
Investment at bank	**877,092**	771,032
Retail bank, corporate bank and treasury	**1,133,440**	1,141,928
Total risk weighed assets	**2,010,532**	1,912,960
Capital ratios		
Total regulatory capital expressed as a percentage of total risk weighted assets	**20%**	19%
Total tier 1 capital expressed as a percentage of risk weighted assets	**20%**	19%

Capital allocation

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

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

(h) Financial assets and liabilities

Accounting classifications and fair values

The table below sets out the Bank's classification of each class of financial assets and liabilities, and their fair value (excluding accrued interest).

	Designated at fair value	Trading	Held to Maturity	Loans and receivables	Available for sale	Other amortised cost	Total carrying amount	Fair value
31st December 2013	**D'000**	**D'000**	**D'000**	**D'000**	**D'000**	**D'000**	**D'000**	**D'000**
Cash and cash equivalents	1,209,181	–	–	–	–	–	**1,209,181**	**1,209,181**
Trading assets	–	–	–	–	1,679,757	–	**1,679,757**	**1,673,571**
Loans and advances	–	–	–	1,038,025	–	–	**1,038,025**	**1,038,025**
Investment in securities	–	–	–		81,162	–	**81,162**	**81,162**
	1,209,181	–	–	1,038,025	1,760,919	–	**4,008,125**	**4,001,939**
Trading liabilities								
Deposits from banks	15,782	–	–	–	–	–	**15,782**	**15,782**
Deposits from customers	4,070,163	–	–	–	–	–	**4,070,163**	**4,070,163**
	4,085,945	–	–	–	–	–	**4,085,945**	**4,085,945**
31st December 2012								
Cash and cash equivalents	913,824	–	–	–	–	–	**913,824**	**913,824**
Trading assets	–	–	–	–	1,680,279	–	**1,680,279**	**1,676,204**
Loans and advances	–	–	–	1,020,196	–	–	**1,020,196**	**1,020,196**
Investment in securities	–	–	–	–	60,495	–	**60,495**	**60,495**
	913,824	–	–	1,020,196	1,740,774	–	**3,674,794**	**3,670,719**
Trading liabilities								
Deposits from banks	6,308	–	–	–	–	–	**6,308**	**6,308**
Deposits from customers	3,738,212	–	–	–	–	–	**3,738,212**	**3,738,212**
	3,744,520	–	–	–	–	–	**3,744,520**	**3,744,520**

5. Interest income and expense

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

	2013 D'000	2012 D'000
Cash and cash equivalents	**1,794**	952
Loans and advances to customers	**246,656**	200,664
Investment securities	**218,290**	209,480
Total interest income	**466,740**	411,096

Interest and similar expenses for the year ended consist of:

	2013 D'000	2012 D'000
Deposits from customers	**(206,962)**	(197,361)
Total interest expense	**(206,962)**	(197,361)
Net interest income	**259,778**	213,735

Included within various captions under interest income for the year ended 31 December 2013 is a total of D38.8M (2012: D26.3M) accrued on impaired financial assets.

There is no component of interest income and expense reported above that relate to financial assets or liabilities carried at fair value through profit or loss.

6. Net fee and commission income

Fees and commission income

	2013 D'000	2012 D'000
Fees and commission income can be summarised as follows:		
Banking customer fees	**44,209**	32,995
Credit related fees	**17,723**	14,051
Foreign currency related fees and commissions	**49,679**	36,427
Brokerage fees – Tbills	**2,232**	1,288
Commission on trade finance transactions	**13,702**	8,621
Other	**7,538**	9,852
Total fees and commission income	**135,083**	103,234
Fees and commission expense		
Interbank transaction fees	**(2,989)**	(1,232)
Foreign currency related fees	**(181)**	(157)
Total fees and commission expense	**(3,170)**	(1,389)
Net fees and commission income	**131,913**	101,845

7. Net trading income

	2013 D'000	2012 D'000
Foreign exchange	**88,544**	71,041
Net trading income	**88,544**	71,041

8. Other operating income

Other income can be summarized as follows:

	2013 D'000	2012 D'000
Sundry Income	**7,763**	3,682
Profit on sale of fixed assets	**1,681**	90
Rental income	**574**	214
Interest received on short term investments	**5,062**	2,035
Total other income	**15,080**	6,021

9. Personnel costs

Personnel costs can be summarized as follows:

	2013 D'000	2012 D'000
Salaries and allowances	**78,072**	70,183
Contributions to defined contribution plans	**9,288**	8,242
Staff medical expenses	**5,664**	5,634
Other staff costs	**31,601**	20,667
Directors fees	**1,562**	1,666
Increase in liability for leave arrears	**904**	710
	127,091	107,102

The total number of employees as at 31 December 2013 was 337 of which 31 employees are directors and senior management of the Bank (2012: 277 and 30 respectively). Pursuant to The Gambian legal regulations, an employer is obliged to pay contributions to the Social Security and Housing Finance Corporation based on a percentage of basic salary. These expenses are charged to the income statement in the period in which the employee was entitled to salary.

The Bank contributes to a supplementary pension plan administered internally, based on the employment period of the employee. No liabilities arise to the Bank from the payment of pensions to employees in the future. Supplementary pension contribution expenses amounted to D4.5M as of 31 December 2013 (2012: D3.8M).

10. General and administration expenses

General and administration expenses can be summarized as follows:

	2013 D'000	2012 D'000
Advert/publicity	**9,952**	10,000
Audit fees	**558**	558
Consultancy fees	**553**	(1,359)
Electricity	**8,668**	7,913
Entertainment expenses	**123**	543
Insurance premium	**4,912**	4,111
Legal and professional fees	**1,020**	1,102
Losses and charge offs	**6**	(767)
Motor vehicle expenses	**6,693**	5,032
National education levy	**50**	50
Other office expenses	**4,657**	3,803
Postage and DHL	**354**	610
Printing and stationery	**9,152**	8,167
Rent and rates	**2,344**	2,077
Repairs and maintenance property and equipment	**19,071**	14,921
Security	**4,739**	3,934
Software and Hardware maintenance	**34,682**	27,723
Staff training	**14,458**	8,087
Stock exchange expenses	**595**	715
Subscriptions and donations	**5,427**	5,303
Telephone/Telex/Swift	**5,127**	3,684
Trade license	**3,330**	3,000
Travel cost	**1,707**	1,761
	138,178	110,968

Administrative costs associated with IT increased due to projects being performed in the Bank. The most important include the implementation of Flex cube (the core banking system) upgrade requirements.

11. Income taxes

Income tax expense

	2013 D'000	2012 D'000
Current tax expense	**62,112**	49,504
Adjustments for prior years	**3,404**	–
	65,516	49,504
Deferred tax expense		
Origination and reversal of temporary differences	**7,898**	7,646
Total income tax	**73,414**	57,150

Legal entities in the Gambia must individually report taxable income and remit corporate income taxes thereon to the appropriate authorities. In 2013 the corporate income tax rate amounted to 32% (2012: 32%).

Reconciliation of effect tax rate

	2013 D'000	2012 D'000
Profit before income tax	**187,340**	124,693
Income tax using the enacted corporation tax rate	**59,949**	39,902
Non deductible expenses	**16,508**	18,371
Tax exempt income	**(14,344)**	(15,274)
under provided in prior years	**3,404**	6,506
Total income tax expense in income statement	**65,516**	49,504

Reconciliation of effective tax rate	%	%
Domestic tax rate	**32.00**	32.00
Non deductible expenses	**8.81**	14.73
Tax exempt income	**(7.66)**	(12.25)
Under provided in prior years	**1.82**	5.22
Total income tax expense in income statement	**34.97**	39.70

Income tax liability

	2013 D'000	2012 D'000
Balance at the beginning of the year	**4,960**	7,410
Current tax expense	**65,516**	49,504
Tax paid during the year	**(46,601)**	(51,954)
Tax liability at the end of the year	**23,875**	4,960

Deferred tax assets and liabilities as of 31 December 2013 and as of 31 December 2012 relate to the following items:

	2013 D'000	2012 D'000
Opening balance	**31,934**	24,288
Charged to income (non current tangible assets)	**7,898**	7,646
Tax liability at the end of the year	**39,832**	31,934

12. Earnings per share

The calculation of basic earnings per share at 31 December 2013 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding as shown below:

	2013 D'000	2012 D'000
Profit attributable to ordinary shareholders	**126,173**	77,907
Weighted average number of ordinary shares	**200,000**	200,000
Earnings per ordinary share (face value in dalasis)	**0.63**	0.39

Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2013 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares as shown below:

	2013 D'000	2012 D'000
Profit attributable to ordinary shareholders (diluted)	**126,173**	77,907
Weighted average number of ordinary shares (diluted)	**200,000**	200,000
Earnings per ordinary share (face value in butut)	**0.63**	0.39

13. Dividend per share

At the Annual General Meeting to be held on the 4th June 2014, a final dividend in respect of the year ended 31 December 2013 of D0.25 (2012: D0.20) for every ordinary share is to be proposed. An interim dividend of D0.25 (2012: D0.20) for every ordinary share was declared and paid during the year. This will bring the total dividend for the year to D0.50 (2012: D0.40).

Payment of dividends is subject to withholding tax at the rate of 15%.

14. Cash and cash equivalents

	2013 D'000	2012 D'000
Cash and balances with banks	**652,143**	475,901
Unrestricted balances with the Central Bank	**256,856**	152,169
Treasury bills with maturity periods of less than 3 months	**241,682**	285,754
Money market placements	**58,500**	–
	1,209,181	913,824

The minimum obligatory reserve is maintained as a non interest bearing deposit under the regulations of the Central Bank of The Gambia. The amount of the reserve depends on the level of deposits accepted by the Bank. The Bank's ability to withdraw the reserve is not restricted by statutory legislation but will be subject to the payment of a penalty.

15. Trading assets and liabilities

	2013 D'000	2012 D'000
Treasury Bills	**1,673,571**	1,676,204
	1,673,571	1,676,204

16. Loans and advances to customers at amortised cost

An analysis of loans and advances to customers is as follows:

	2013 D'000	2012 D'000
Loans	**484,828**	337,650
Overdrafts	**589,834**	730,285
Total loans and advances at amortised cost	**1,074,662**	1,067,935
Less:		
Individual allowance for impairment	**(34,694)**	(46,080)
Collective allowance for impairment	**(1,943)**	(1,659)
	1,038,025	1,020,196

An analysis of loans by customer group is as follows:

	2013 D'000	2012 D'000
Corporate Clients	**571,705**	451,705
Retail Clients	**502,957**	616,230
Total	**1,074,662**	1,067,935

Allowance for impairment

The movement in individual allowances for impairment is as follows:

	2013 D'000	2012 D'000
Balance at the beginning of the year	**46,080**	48,927
Impairment loss for the year		
Charge for the year	**(2,254)**	9,282
Recoveries	**16,236**	27,075
Write offs	**(25,368)**	(39,204)
Balance at the end of the year	**34,694**	46,080

The movement in collective allowances for impairment is as follows:

	2013 D'000	2012 D'000
Balance at the beginning of the year	**1,659**	2,280
Impairment loss for the year		
Charge for the year	**284**	(621)
Balance at the end of the year	**1,943**	1,659
Total impairment charge	**(1,970)**	8,661

17. Investment in subsidiary

	% of ordinary shares	2013 D'000	2012 D'000
Bayba Financial Services Limited		**8,500**	8,500
As at 31 December		**8,500**	8,500

18. Investment in other equity securities

	% of ordinary shares	2013 D'000	2012 D'000
Home Finance Company Gambia Ltd	10%	**3,350**	3,350
International Bank of Liberia Ltd	12.97%	**48,645**	48,645
Women's World Banking Ghana Ltd	10%	**20,667**	–
As at 31 December		**72,662**	51,995

These equity investments were not recorded at fair value as they do not represent listed investments and the directors of the bank have concluded that there are no alternative reliable basis for determining their fair values.

19. Property, plant and equipment

	Work in Progress	Land and buildings	Furniture & Fittings	Machines & equipment	Motor vehicles	**Total**
	D'000	**D'000**	**D'000**	**D'000**	**D'000**	**D'000**
Cost or fair value as deemed						
At 01-Jan-12	12,915	195,840	26,185	134,552	29,060	**398,552**
Additions	45,295	47,006	1,062	389	2,846	**96,598**
Transfers	(40,496)	24,183	2,168	14,145	–	**–**
Disposal	–	–	–	–	(1,235)	**(1,235)**
At 31-Dec-12	**17,714**	**267,029**	**29,415**	**149,086**	**30,671**	**493,915**
Additions	67,457	45	5,986	5,818	16,681	**95,987**
Transfers	(36,716)	20,688	2,654	12,849	525	**–**
Disposal	–	–	–	(120)	(9,269)	**(9,389)**
At 31-Dec-13	**48,455**	**287,762**	**38,055**	**167,633**	**38,608**	**580,513**
Accumulated depreciation and impairment						
At 01-Jan-12	–	(16,749)	(17,957)	(90,153)	(15,564)	**(140,423)**
Depreciation expense	–	(5,262)	(2,904)	(22,106)	(6,677)	**(36,949)**
Disposals	–	–	–	–	902	**902**
At 31-Dec-12	**–**	**(22,011)**	**(20,861)**	**(112,259)**	**(21,339)**	**(176,470)**
Depreciation expense	–	(6,401)	(3,687)	(16,833)	(8,520)	**(35,441)**
Disposals	–	–	–	2	9,269	**9,271**
At 31-Dec-13	**–**	**(28,412)**	**(24,548)**	**(129,090)**	**(20,590)**	**(202,640)**
Carrying amount						
At 31-Dec-12	17,714	245,018	8,554	36,827	9,332	317,445
At 31-Dec-13	**48,455**	**259,350**	**13,507**	**38,543**	**18,018**	**377,873**

Premises have been re-valued as at the date of transition to IFRS. The fair value of these premises now represent the deemed costs. The valuation was performed by an independent appraiser, Francis Thomas Jones Associates.

20. Intangible assets

	Purchased software D'000	Total D'000
At 01-Jan-12	94,603	**94,603**
Additions	8,885	**8,885**
At 31-Dec-12	**103,488**	**103,488**
Additions	2,114	**2,114**
At 31-Dec-13	**105,602**	**105,602**
Accumulated amortisation		
At 01-Jan-12	(74,136)	**(74,136)**
Amortisation expense	(4,269)	**(4,269)**
At 31-Dec-12	**(78,405)**	**(78,405)**
Amortisation expense	(9,235)	**(9,235)**
At 31-Dec-13	**(87,640)**	**(87,640)**
Carrying amount		
At 31-Dec-12	25,083	25,083
At 31-Dec-13	**17,962**	**17,962**

Intangible assets represent licences for computer software.

21. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2013 D'000	2012 D'000
Property, plant, equipment and software	**39,832**	31,934
Net tax assets	**39,832**	31,934

Movements during the year 2013

	Opening	Recognised in P/L	Recognised in equity	Closing
	D'000	D'000	D'000	D'000
Property, plant, equipment and software	31,934	7,898	–	**39,832**
	31,934	**7,898**	–	**39,832**

Movements during the year 2012

	Opening	Recognised in P/L	Recognised in equity	Closing
	D'000	D'000	D'000	D'000
Property, plant, equipment and software	24,288	7,646	–	**31,934**
	24,288	**7,646**	–	**31,934**

22. Other assets

	2013 D'000	2012 D'000
Bills discounted	**140,000**	105,000
Prepayments	**15,960**	14,660
Western Union clearing	**2,610**	9,509
Stationery Stock	**12,364**	8,062
Others	**61,142**	61,350
	232,076	198,581

23. Deposits from banks

	2013 D'000	2012 D'000
Money market deposits	**15,782**	6,308
	15,782	6,308

24. Deposits from customers

Deposits from customers by product group are as follows:

	2013 D'000	2012 D'000
Time deposits	**825,178**	965,452
Current accounts	**1,184,915**	904,386
Savings accounts	**2,060,070**	1,868,374
	4,070,163	3,738,212

The amounts shown as deposits above are all current. The Bank does not hold deposits to be settled after 12 months.

25. Other liabilities

	2013 D'000	2012 D'000
Other creditors and accruals	**71,108**	60,512
	71,108	60,512

26. Statement of changes in equity

Share capital

	2013	2012
On issue at 1 January	**200,000**	200,000
Exercise of options	**–**	–
On issue at 31 December	**200,000**	200,000

Share capital consists of 200 Million ordinary shares with a fair value of D1 each (2012: 200M ordinary shares of D1 each). The structure of shareholders is included in the "General Information" section.

Description of rights:

Each holder of the equity share is the Company's shareholder. Each shareholder enjoys its fundamental shareholder rights resulting from the Bank's Articles, namely:

- The right to share in the Company's profit (dividend), based on the proportion of total face value of their shares to the total face value of all shareholders;
- The right to attend the General Meeting, vote at the General Meeting, ask for information thereon and explanations regarding the Company's issues and/or issues concerning the controlled entities and related to the agenda of the General Meeting, make motions at the General Meeting;
- The right to share in the liquidation balance. Each holder of preferred shares enjoys similar rights; the only difference is that the preferred shares are not equipped with the right of voting at a General Meeting, except for cases for which the law assigns voting power to such shares. Preferred shares are assigned a preferential right applicable to dividends, i.e. if the Company generates minimum net profit equal to the number of issued preferred shares, a minimum dividend of D1 per preferred share will be paid to the preferred shares holders.

Equity shares are publicly traded on the securities market, while preferred shares are non-publicly traded.

Statutory reserves

This represents amounts set aside as a non-distributable reserve from annual profits in accordance with Section 19 of the Banking Act 2009, Guideline 3.

Credit risk reserve

Credit risk reserve represents the amount required to meet the Central Bank of The Gambia guidelines for allowances on impairment. This is not distributable and represents the excess of loan provisions computed in accordance with the Central Bank of The Gambia prudential guidelines over the impairment of loans and advances arrived at in accordance with IAS39.

Reconciliation between IAS 39 and the Prudential Guidelines

	2013 D'000	2012 D'000
Provisions as per Prudential Guidelines	**40,993**	54,564
Provisions as per IAS 39 (Individual and collective)	**(36,637)**	(47,739)
	4,356	6,825

Dividends

The following dividends were declared and paid by the Bank for the year ended 31 December:

	2013 D'000	2012 D'000
D0.25 per ordinary share (2012:D0.20)	**50,000**	40,000
	50,000	40,000

After 31 December 2013, the following dividends were proposed by the directors in respect of 2013. The dividends have not been provided for and there are no income tax consequences.

	2013 D'000	2012 D'000
D0.25 per ordinary share (2012:D0.20)	**50,000**	40,000
	50,000	40,000

27. Off-balance sheet contingencies and commitments

In the ordinary course of business, the bank conducts business involving guarantees, acceptances and performance bonds. These facilities are offset by corresponding obligations of third parties. At the year end, the contingencies were as follows:

	2013 D'000	2012 D'000
Bonds and guarantees	**71,757**	53,082
Letters of credit, acceptances and other documentary credits	**5,253**	152,092
	77,010	205,174

Derivatives/Commitments

The bank does not engage in any derivative financial instruments to hedge risk exposures for any purpose.

Nature of contingent liabilities

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

Letters of credit commit the bank to make payments to third parties, on production of documents, which are subsequently reimbursed by customers.

An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer. The bank expects most acceptances to be presented and reimbursement by the customer is almost immediate.

28. Other contingencies

In the ordinary course of business, the Bank is subject to legal actions and complaints. Based on legal advice, the Directors do not expect the ultimate liability, if any, arising from such actions or complaints to have a material effect on the financial situation or the results of the future operations of the Bank.

29. Significant subsidiaries

Country of incorporation	Ownership interest		
		2013	2012
Bayba Financial Services Limited	The Gambia	**100%**	100%

Bayba operates a current account with the bank. Interest accrues on Bayba's accounts and placements at normal commercial rates.

30. Related parties

Transactions with key management personnel

Key management personnel and their immediate relatives have transacted with the bank during the period as follows:

	2013 D'000	2012 D'000
Loans and overdrafts to Directors and companies they have equity in	**53,499**	143,380
Interest charged	**11,575**	1,495
Loans disbursed	**45**	–
Cash received	**(44,208)**	(78,058)
Net movement in overdraft balances	**53,331**	(13,318)
Net amount at 31 December	**74,242**	53,499

For Directors and companies in which they have equity in, interest rates charged on balances outstanding are the same as that which would be charged in an arm's length transaction. However, interest has been suspended for restructured accounts amounting to D20 Million (2012: D53.4 Million).

Impairment losses of D4 Million have been recorded against balances outstanding from Directors (2012: D4.2 Million).

Included within loans and advances as at 31st December 2013 is D3.8 Million (2012: Nil) due from Bayba Financial Services Ltd, a subsidiary company. Interest and charges received on these advances during the year amounted to D0.25 Million (2012: D0.28 Million).

Included in deposits as at 31st December is D10.5 Million (2012: D10.6 Million) due to a subsidiary company, Bayba Financial Services Ltd. Interest paid on these deposits during the year amounted to D0.339 Million (2012: D0.098 Million).

Loans and advances to employees

	2013 D'000	2012 D'000
Balance at 1 January	**22,197**	19,787
Loans advanced during the year	**18,195**	13,806
Loan repayments received	**(13,216)**	(11,396)
Balance at 31 December	**27,176**	22,197

For Senior Management and all other staff, interest rates charged on balances outstanding are a quarter of the rates that would be charged in an arm's length transaction.

Impairment losses of D0.33 Million have been recorded against balances outstanding from Staff (2012: D0.33Million)

Key management personnel compensation for the period comprised:

	2013 D'000	2012 D'000
Directors board fees	**1,272**	1,224
Directors sitting fees	**290**	442
Senior Management salaries	**6,540**	6,365
Senior Management pension contributions	**1,442**	1,371
	9,544	9,402

31. Events after statement of financial position date

The Bank has no events after the financial position date which would materially impact on its financial position or results.

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

Standard issued but not yet effective

IFRS 9 Financial instruments

IFRS 9, as issued, reflects the first phase of IASB's work thought the adoption date is subject to the recently issued Exposure Draft on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS39. The standard was initially effective for annual periods beginning on or after 1st January 2013, but amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures issued in December 2011, moved the mandatory effective date to 1st January 2015. In subsequent phases, the Board will address impairment and hedge accounting.

IAS 32 Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 31

These amendments clarify the meaning of "currently has a legally enforceable right to set off". It will be necessary to assess the impact to the Bank by reviewing settlement procedures and legal documentation to ensure that offsetting is still possible in cases where it has been achieved in the past. In certain cases, offsetting may no longer be achieved. In other cases, contracts may have been renegotiated. The requirement that the right to set off be available for all counter parties to the netting agreement may prove to be a challenge for contracts when only one party has the right to offset in the event of default.

The amendments also clarify the application of the IAS 31 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. Offsetting on the grounds of simultaneous settlement is particulary relevant for bank as to where it engages in large numbers of sale and repurchase transactions. Currently transactions settled through clearing house systems, deemed to achieve simultaneous settlement. While many settlement systems are expected to meet the new criteria, some may not. Any changes in offsetting are expected to impact leverage ratios, regulatory capital requirements, and so on. As the impact of adoption depends on the bank's examination of the operational procedures applied by the central clearing house and settlement system it deals with to determine if they meet the new criteria, it is not practical to quantify the effects.

These amendments become effective for annual periods beginning on or after 1st January 2014.

Recoverable amount disclosure for non financial assets

Recoverable amount disclosures for non financial assets (Amendments to IAS 36) was issued in May 2013. The amendments require the disclosure of information about the recoverable amount of impaired assets. If that amount is based on fair value less costs of disposal, additional information about fair value measurement is required. In additional if recoverable amount of impaired assets based on fair value less costs of disposal was measured using a present value technique, the amendments also require the disclosure of the discount rates that have been used in the current and previous measurements. These amendments are required to be applied for annual periods beginning on or after 1st January 2014.

IFRIC 21 Levies

IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets on the accounting for levies imposed by Government. IAS 37 sets out criteria for recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past even (known as an obligating event). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods beginning on or after 1st January 2014 but earlier adoption is permitted.

33. Transition to IFRS

As stated in note 3.1, these are the Bank's first IFRS annual financial statements. The Bank has applied IFRS 1 in preparing these financial statements and the accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 December 2013, the comparative information presented in these financial statements for the year ended 31 December 2012, and in the preparation of an opening IFRS statement of financial position at 1 January 2012 (the date of the bank's transition to IFRS).

In preparing its opening statement of financial position, the Bank has adjusted amounts reported previously in financial statements prepared in accordance with Generally Accepted Accounting Principles ("Local GAAP""). An explanation of how the transition

from Local GAAP to IFRS has affected the Bank's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

In preparing this financial statements in accordance with IFRS 1, the Bank has applied the mandatory exceptions from full retrospective application of IFRS. The optional exemptions from full retrospective application selected by the Bank are summarised below.

Explanation of transition to IFRS

Mandatory exceptions from full retrospective application followed by the Bank

Derecognition of financial assets and liabilities exception

Financial assets and liabilities derecognised before 1 January 2012 are not re-recognised under IFRS.

Classification and measurement of financial assets exception:

The assessment of whether the Bank's financial assets meet the requirements to be measured at amortised costs, as set out in IAS 39, was performed at 1st January 2012.

Estimates exception

Estimates under IFRS at 1st January 2012 should be consistent with estimates made for the same under Local GAAP, unless there is evidence that those estimates were in error.

The Bank applied the following optional exemptions from retrospective application

Fair value measurement of financial asset or liabilities at initial recognition

The Bank has elected to apply the exemption on "day 1" gain or loss recognition requirements per IAS 39 for financial instruments recorded at fair value. As a result of applying this exemption, the Bank applies the "day 1" gain or loss recognition requirements in IAS 39 prospectively to transactions entered into after 1 January 2012.

Reconciliation of net profit for the year ended 31 December 2012 is as follows:

	Local GAAP D'000	Adjustments D'000	IFRS D'000
Interest and similar income	**403,482**	7,614	**411,096**
Interest and similar expense	**(197,361)**	–	**(197,361)**
Net Interest Income	**206,121**	7,614	**213,735**
Fees and commission income	**102,214**	1,020	**103,234**
Fees and commission expense	**(1,389)**	–	**(1,389)**
Net fee and commission income	**100,825**	1,020	**101,845**
Net trading income	**82,214**	(11,173)	**71,041**
Net income from other financial instruments carried at fair value	**–**	–	**–**
Other operating income	**34,384**	28,363	**6,021**
Other income	**–**	–	**–**
Operating income	**423,544**	30,902	**392,642**
Net impairment loss on financial asset	**(7,950)**	(711)	**(8,661)**
Personnel expenses	**(104,020)**	(3,082)	**(107,102)**
Depreciation and amortisation	**(38,701)**	(2,517)	**(41,218)**
Other expenses	**(113,903)**	2,935	**(110,968)**
Profit before income tax	**158,970**	(34,277)	**124,693**
Income tax expense	**(49,504)**	(7,646)	**(57,150)**
Profit for the year	**109,466**	(41,923)	**67,543**
Other comprehensive income, net of income tax			
Foreign currency translation difference for foreign operations	–	11,173	**11,173**
Net loss on fair value of investment in treasury bills	–	809	**(809)**
Other comprehensive income for the period (net of tax)			**10,364**
Total comprehensive income for the period	**109,466**	(31,559)	**77,907**

(a) IFRS requires financial assets carried at amortised cost to be measured using the effective interest method. Under previous GAAP accrued interest was recognised as a separate asset, resulting in the gross disclosure of the underlying asset. The effect of applying the effective interest method resulted in a reclassification from other assets to:

	31-Dec-12 D'000	1-Jan-12 D'000
Loans and advances to customers	**7,107**	10,463
	7,107	10,463

In addition, interest relating to accrued interest payable was transferred from other liabilities to:

	31-Dec-12 D'000	1-Jan-12 D'000
Deposits from customers	**69,862**	55,878
	69,862	55,878

Furthermore, under the previous GAAP, the amortised cost is calculated by amortising the unearned discount/premium on a debt instrument to income statement on a straight line basis, whereas under IFRS the unearned discount/premium are recognised as part of the instruments by applying the effective interest rate. The effect of applying the effective interest method resulted in a reclassification of unearned discount/premium from other assets or other liabilities as part of the debt instrument.

(b) The effective interest rate calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate. Under Local GAAP interest income and expense are recognised in accordance with terms of the related instrument on an accrual basis and the related fees are earned in one period. The effect of applying the effective interest method resulted in a reclassification of D5.1 Million for the bank (which represents a reasonable estimate of unearned portion) from fees and commission income for the year ended 31 December 2012 (1 January 2012: D6.6 Million) to deferred income for the income that has not been earned.

(c) For the periods presented in this reconciliation, interest and similar income on impaired loans and advances to customers suspended under Local GAAP was recognised under IFRS, resulting in an increase in interest income (retained earnings for 1 January 2012) as follows.

	31-Dec-12 D'000	1-Jan-12 D'000
Interest in suspense	**11,569**	17,318
	11,569	17,318

Under previous GAAP, loans and advances are measured at cost net of impairment losses. A specific provision for loan impairment is established to provide for management's estimate of credit losses as soon as the recovery of an exposure is identified as doubtful. This provision is made for each account that is not performing in accordance with the terms of the Prudential Guidelines. Also a general reserve of at least 1% is made for all performing accounts to recognise losses in respect of risks inherent in any credit portfolio.

Under IFRS incurred loss model, an impairment loss can only be recognised if there is objective evidence that a loss has occurred after the initial recognition before the reporting date.

The difference in the measure basis of impairment loss between IFRS incurred loss model and the local GAAP Prudential Guidelines (Guideline 6) resulted in a transfer of D6.8 Million for 31st December 2012 (1 January 2012 D33.3 Million). In line with the regulatory requirement, this reduction in impairment loss for 1 January 2012 was transferred from retained earnings to a non distributable reserve called Credit Risk Reserve.

(d) Under Local GAAP treasury bills were separately disclosed as a line item on the face of the statement of financial position as treasury bills and are stated at face value. Treasury bills portfolio has been reclassified into available-for-sale securities and were measured according to IAS 39 classification and measurement basis.

(e) Under Local GAAP, investment securities were either classified as short-term or long-term investments. Short-term investments are investments that are held temporarily in place of cash and which can be converted into cash when current financing needs make such conversion desirable. These investments are measured at net realisable value and gain/loss on revaluation is credited/charged to profit or loss during the period. Long-term investments are investments held by management over a long period of time to earn income. This may include debt and equities carried at cost less impairments.

IFRS requires financial assets to either be classified as loans and receivables, held to maturity, fair value through profit or loss or available for sale. For financial assets measured at fair value (including derivatives), gains and losses are recognised in profit or loss.

(f) Under the Local GAAP revaluation was carried out for some items of property, plants and equipment (PPE) which resulted in a revaluation surplus in reserves. On transitioning to IFRS, the Bank elected the cost model to account for its items of PPE and the revaluation reserve was reclassified to retained earnings. This resulted in an amount of D70.5 million being transferred from revaluation reserve to retained earnings as at 1 January 2012. No amount existed for subsequent periods.

(g) The bank provides concessionary loans at below market rate to employees. These loans are recorded at amortised cost based on the contractual terms under Local GAAP. On transitioning to IFRS, these loans were fair valued on initial recognition. The difference between the fair value and contractual value is included in other assets as a prepaid expense and amortised over the expected repayment period of the loan.

(h) The effect of deferred tax on financial instruments per IFRS

Reconciliation of statement of financial position:

	31-Dec-12			1-Jan-12		
	GAAP	Adjustment	IFRS	GAAP	Adjustment	IFRS
ASSETS	**D'000**	**D'000**	**D'000**	**D'000**	**D'000**	**D'000**
Cash and cash equivalents	686,486	*227,338*	913,824	827,188	*(253,865)*	573,323
Trading assets	2,097,575	*(421,371)*	1,676,204	1,627,005	*(270,670)*	1,356,335
Loans/advances to customers	988,829	*31,367*	1,020,196	1,143,760	*52,488*	1,196,248
Investment in subsidiaries	8,500	–	8,500	8,500	–	8,500
Investment in other equity securities	51,995	–	51,995	51,995	–	51,995
Property, plant and equipment	338,986	*(21,541)*	317,445	272,905	*(14,776)*	258,129
Intangible assets	–	*25,083*	25,083	–	*20,467*	20,467
Other assets	215,342	*(16,761)*	198,581	145,805	*401,550*	547,355
TOTAL ASSETS	4,387,713	*(175,885)*	4,211,828	4,077,158	*(64,806)*	4,012,352
LIABILITIES						
Deposits from Banks	–	*6,308*	6,308	–	*2,459*	2,459
Due to other banks	58,416	*(58,416)*	–	35,514	*(35,514)*	–
Deposits from Customers	3,688,642	*49,570*	3,738,212	3,477,421	*67,403*	3,544,824
Current tax liabilities	4,960	–	4,960	7,410	–	7,410
Deferred tax liabilities	–	*31,934*	31,934	–	*24,288*	24,288
Dividends payable	41,539	*(41,539)*	–	43,657	*(43,657)*	–
Employee benefit obligations	–	*2,063*	2,063	–	*1,353*	1,353
Other liabilities	191,630	*(131,118)*	60,512	192,091	*(129,196)*	62,895
Total liabilities	3,985,187	*(141,198)*	3,843,989	3,756,093	*(112,864)*	3,643,229
EQUITY						
Stated capital	200,000	–	200,000	200,000	–	200,000
Income surplus	4,387	*84,886*	89,273	2,288	*82,038*	84,326
Statutory reserves	75,556	*(7,890)*	67,666	48,189	–	48,189
Revaluation reserve	70,588	*(70,588)*	–	70,588	*(70,588)*	–
Credit risk reserve	–	*(6,825)*	6,825	–	*33,342*	33,342
Total equity attributable to equity holders of the Bank	350,531	*(417)*	363,764	321,065	*44,792*	365,857
TOTAL LIABILITIES & EQUITY	4,335,718	*(141,615)*	4,207,753	4,077,158	*(68,072)*	4,009,086

Notes to the reconciliation of equity and profit

Explanation of material adjustments to the cash flow statement

Under IFRS, only call deposits, treasury bills and short term investments that are readily convertible to a known amount of cash and subject to insignificant risks of changes in value due to the short term maturities thereof (three months or less from the date of acquisition) are classified as cash and cash equivalents.

Under Local GAAP, cash and cash equivalents include notes and coins on hand, balances held with Central Bank and highly liquid financial assets with maturities less than three months. Under IFRS, only treasury bills with a maturity of three months or less (excluding those pledged as collaterals) are classified as cash and cash equivalents in the cash flow statements.

On transitioning to IFRS, the net effect of IFRS on the cash flow statements are as follows.

	31-Dec-12 D'000	1-Jan-12 D'000
Net effect of IFRS on cash and cash equivalents	**227,338**	(253,865)
Net effect on IFRS on cash generated from/used in operations	**258,741**	(82,750)
	486,079	(336,615)

SHAREHOLDING

Category	No of Shareholders	No. of Issued Shares	% holding
2–5,000	605	842,635	0.42%
5,001–10,000	100	741,877	0.37%
10,001–50,000	154	3,879,559	1.94%
50,001–100,000	87	6,652,893	3.33%
100,001–500,000	50	10,229,854	5.11%
Over 500,000	22	177,653,182	88.83%
Total	1,018	200,000,000	100.00%

Names	No of Shares	% Holding
SSHFC	73,969,253	36.98%
Databank Securities Ltd	44,240,000	22.12%
Trust Bank Employee	17,195,238	8.60%
Ventures & Acquisitions Ltd	11,790,073	5.90%
Gambia Ports Authority	11,156,507	5.58%
Gambia Electrical Co.	4,600,000	2.30%
DSL Trading Portfolio	2,238,867	1.12%
SCBN/EPACK Investment Fund	1,542,966	0.77%
Njie Pa M.M	1,161,813	0.58%
Hobeika Charbel	1,066,667	0.53%
Bendavia Travel Agency Ltd	1,000,000	0.50%
Aziz Micheal A	833,333	0.42%
Banna Antione	833,333	0.42%
Rajwani Nandkishore	833,333	0.42%
West African Examination Council	700,000	0.35%
Saho Dodou K.	696,667	0.35%
Bai Matarr O. Drammeh	666,667	0.33%
Quantum Net Ltd	666,667	0.33%
Taf Holding Co. Ltd	666,667	0.33%
Ardy Sarge	628,333	0.31%
	176,486,383	

WHERE TO FIND US

HEAD OFFICE
3/4 Ecowas Avenue
P O Box 1018
Banjul
Tel: 220-4225777/8/9
Fax: 220-4225781

AIRPORT
Banjul International Airport
Yundum
Tel: 4472915
Fax: 4472916

BAKAU
Sait Matty Road
Bakau, Cape St. Mary
Tel: 4495486/4494542
Fax: 4496229

BAKOTEH
Tipper Garage
Bakoteh
Tel: 4466378
Fax: 4466373

BANJUL
3 / 4 Ecowas Avenue
P. O. Box 1018
Banjul
Tel: 4225777/8/9
Fax: 4225781

BARRA
Barra (North Bank Region)
Tel: 5710408
Fax: 5710407

BASSE
Basse (Upper River Region)
Tel: 5668907
Fax: 5668318

BRIKAMA
Brikama (West Coast Region)
Tel: 4483418
Fax: 4483439

BUNDUNG
Bundung Highway
Tel: 4379313
Fax: 4379314

FARAFENNI
Farafenni (North Bank Region)
Tel: 5735238
Fax: 5735007

KOLOLI
Badala Highway
Tel: 4465303
Fax: 4465304

LAMIN
Lamin Highway
Tel: 4474091
Fax: 4474062

LATRIKUNDA SABIJI
Serrekunda
Tel: 4391780
Fax: 4398524

SERREKUNDA
Mosque Road
Tel: 4399540
Fax: 4399541

SERREKUNDA
Saho Kunda
Tel: 4374076
Fax: 4374075

SERREKUNDA
Westfield Junction
Kanifing
Tel: 4398042/4390156
Fax: 4398039

SINCHU
Opposite Old Yundum Police Station
Tel: 8907058
Fax: 8200998

SOMA
Soma (Lower River Region)
Tel: 5531629
Fax: 5531636

CORRESPONDENT BANKS

BMCE BANK INT'L

39-41 RUE CAMBON
75001 PARIS
BIC: MEDTGB2L

COMMERZ BANK AG

FRANKFURT/MAIN, GERMANY
BIC: COBADEFF

CREDIT SUISSE

CH-8070 ZURICH
SWITZERLAND
BIC: CRESCHZZ8OA

DEN DANSKE BANK

COPENHAGEN, DENMARK
BIC: DABADKKK

DEN NORSKE BANK

OSLO, NORWAY
BIC: DNBANOKK

ECOBANK SENEGAL

DAKAR, SENEGAL
BIC: ECOCSNDA

FORTIS BAK SA NV

BRUSSELS, BELGIUM
BIC: GEBABEBB36A

GHANA COMMERCIAL BANK

ACCRA
BIC: GHCBGHAC

GHANA INT BANK PLC

67 CHEAPSIDE,
REGINA HOUSE
LONDON, EC2V 6AZ
BIC: GHIBGB2L

SKANDINAVISKA ENSKLILDA BANKEN

STOCKHOLM, SWEDEN
BIC: ESSESESS

UNICREDIT

MILAN, ITALY
BIC: UNCRITMM

UNICREDIT BANK AG

MUENCHEN DE
BIC: HYVEDEMM

UNITED BANK FOR AFRICA PLC

USA
BIC: UNAFNGLA

PROFILE OF DIRECTORS

Mr. Ken Ofori-Atta – Chairman

Mr. Ken Ofori-Atta is the Chairman of Databank and its Co-founder. He was the Executive Chairman from 1990 until his retirement on February 14, 2012. Databank has been awarded numerous professional, social and leadership awards during his incumbency including being awarded the 2007 Most Respected Company in Ghana.

Ken is a Director of two publicly listed companies: Enterprise Insurance Company Limited, and Trust Bank of the Gambia of which he is Chairman. He is a Director at the International Bank of Liberia and is also a Board Member of the Acumen Fund, a global Private Equity Social Investment Fund in New York and Chairman of AAF SME Fund LLC, a US$ 30M private equity for SME agribusiness in Africa with offices in Accra, Douala and Johannesburg.

Ken has keen interest in education. He is on the Boards of New York University in Ghana, Central University College, University College of Agriculture and Environmental Studies. He is also Chairman of the College of Agriculture and Consumer Science of the University of Ghana; and a member of the President's Council on International Activities of Yale University. He is Co-founder of the Africa Leadership Initiative of the Aspen Global Leadership Network and a Henry Crown Fellow of the Aspen Institute.

Prior to co-founding Databank, Ken worked at Morgan Stanley and Salomon Brothers on Wall Street in New York. Ken went to Achimota School in Accra, Ghana; he has a BA in Economics from Columbia University in New York and an MBA from the Yale School of Management. Ken was honoured as a Donaldson Fellow at Yale University in 2010 and a John Jay Fellow at Columbia University in 2011. He was twice honoured by PWC Ghana as one of the Most Respected CEOs in Ghana.

He is married to Dr. Angela Lamensdorf Ofori-Atta (a Clinical Psychologist at the University of Ghana Medical School). They are practicing Christians and have three children. They live in Accra.

Mr. Pa Macoumba Njie – Managing Director

Mr. Pa Macoumba M. Njie joined the erstwhile Gambia Commercial and Development Bank (GCDB) straight out of High School and worked there up until the time he left for the United States to further his studies. While in the United States, he worked in the Consumer Loan Department of the First American Bank and in 1982, he returned home to rejoin GCDB where he worked his way up the ranks from a Credit officer to Commercial Manager. Between 1992 and 1997 he worked his way up from Operations Manager at Meriden BIAO Bank to Executive Director and then played a leading role in the privatization of Trust Bank Limited. Mr. Njie was appointed Acting Managing Director of Trust Bank Ltd. in 1997 and then confirmed as Managing Director in 2000, a position he still holds.

He holds a B.A in Business Administration from Howard University in the USA and an M.A in Business Economics from Essex University in the UK. Mr. Njie also has rich and diverse training in a variety of Banking and related courses across the world.

He has served as a Board Member of Meridien Bank Sierra Leone, Gambia Chamber of Commerce and Industry and is currently the Chairman of the Board of Home Finance Company (The Gambia) Ltd. He currently also serves as the Chairman of the Gambia Banker's Association and is a Director on the Board of International Bank of Liberia. Mr. Njie received the Gambia Chamber of Commerce Banker of the year Award in 2001 and in 2002 was appointed a Notary Public. In 2006, he was appointed to the National Order of the Republic of The Gambia (RGM) by His Excellency The President of the Republic of The Gambia.

Mr. Franklin Hayford – Director

Mr. Hayford is an Executive Director of Databank Financial Services Ltd., Accra, Ghana. Mr. Hayford is also the Resident Director of Databank Securities Ltd, The Gambia. Mr. Hayford has over the years been very active in private business in The Gambia, holding different managerial positions in a number of companies. He is also the local (Gambian) representative of a number of International Institutions.

Mr. Hayford holds a BSc degree in Management Sciences from the University of Manchester in U.K.

He joined the Board in September 2000.

Mr. Mustapha Njie – Director

Mr. Njie owns and manages Gambia's leading indigenous construction company TAF CONSTRUCTION LIMITED, which was incorporated in January 1990. After a decade, he consolidated Taf Construction with all his other operations to form TAF HOLDING CO. LTD.

The Gambia Chamber of Commerce and Industry decorated him with the coveted award of Business Man of the Year 1992/93" and 2004. In 1998, he was honoured with the European Council Global Business Award. Again in November 2004, he received a dual award: Best Small, Medium Micro Enterprise Award in Africa and Honorary Doctorate Degree (PhD) in Global Enterprise Management.

He was also decorated with Insignia of Member of The Republic of The Gambia (MRG) by His Excellency, The President of The Republic of The Gambia.

Mr. Njie was appointed to the Board in September 2000.

Mr. Momar Samba – Director

Mr. Samba is a Chartered Accountant by profession and is a member of the Association of Accounting Technicians (MAAT) and Fellow of the Association of Chartered Certified Accountants (FCCA). He also has a Masters degree in Audit Management and Consultancy.

Mr. Samba has held various top Finance positions at the Social Security and Housing Finance Corporation and has held the position of Director of Internal Control since 2005.

Mr. Samba joined the Board on 1 May 2007.

Mr. Edward Graham

Mr. Graham joined Social Security and Housing Finance Corporation (SSHFC) as an Accountant in 1987 and worked his way up to his current position of Managing Director.

In 1986, he obtained a Higher National Certificate in Accounting from Aberdeen Scotland and in 1999 he graduated as a member of the Chartered Institute of Management Accountants (ACMA). Mr. Graham has also attended short term training courses in Information Systems Development, Financial Administration of Security Schemes and Corporate Governance courses. In April 2000, he was attached to the Housing Finance Company of Kenya to understudy the administration of housing project loans. In 2007, he obtained a Master of Business Administration Degree from the University of Sunderland, U.K. Currently, he is a Fellow of the Chartered Institute of Management Accountants (FCMA) and a Fellow of the Chartered Institute of Managers (FCMI).

He first joined the Trust Bank Board in January 2005 until December 2010 when he left Social Security and Housing Finance Corporation. He rejoined SSHFC in September 2012 and was re-nominated back to the Trust Bank Board in January 2013.

Mr. Abdoulie Cham – Director

Mr. Cham has worked at Social Security and Housing Finance Corporation since 1982 rising through the ranks from Accounts Clerks, Cashier, and Accounting Assistant to his current position as Director of Finance and Investment, a position he assumed in the year 2011.

Mr. Cham obtained a Bachelor of Science Degree in Accounting from the University of Hull in the United Kingdom in the year 2006. He has benefited from numerous courses and programs for which he has obtained certificates and diplomas in various fields of study.

He joined the board in June 2011.

Mrs. Angela Andrews Njie – Director

Mrs. Andrews-Njie is a Co-founder, Director and Company Secretary of West African Tours Ltd, a company founded in 1987. Prior to this, she worked for the Gamnor Group (The Gambia), CT Bowering (London) and British Aluminum. Since 1993, she has also undertaken short term consultancies for a number of Institutions including an assignment at Tanzania's Civil Training Center on behalf of the Commonwealth Secretariat, and an audit assignment in collaboration with Coopers & Lybrand Dieye under the direction of the World Bank. She also served as Executive Board Member of the Chamber of Commerce and Industry in The Gambia.

Mrs. Andrews-Njie graduated from the London School of Accounting as an ACIS (Chartered Institute of Secretaries) Graduate and an ACMA (Chartered Institute of Management Accountants) Graduate in 1981 and 1983 respectively. Prior to that, she obtained a Diploma in Administration from Hull College in 1979. In 2004, she obtained an MBA in International Business from the University of Birmingham.

She joined the Board in May 2002.

RESOLUTIONS

To: *All Members of Trust Bank Limited*

THE SIXTEENTH ANNUAL GENERAL MEETING OF TRUST BANK LIMITED TO BE HELD AT KAIRABA BEACH HOTEL ON 4th JUNE 2014 AT 3.00 PM.

The Board of Directors will be proposing the following resolutions, which would be put to the Annual General Meeting:

ORDINARY RESOLUTIONS

1. To receive and adopt the Annual Report and Accounts for the year ended 31st December 2013.

   The Board proposes that the Directors Report and Statement of Financial Position as at 31st December 2013 together with the Statement of Comprehensive Income for the year ended on that date submitted to the meeting be received and adopted.

2. To Declare Dividends

   The Board has recommended a final dividend of 25 bututs (Twenty five bututs) per share for the year ended 31 December 2013.

3. To re-elect Directors

   The following Directors who will be retiring and being eligible have offered themselves for re-election:

   Mr. Ken Ofori-Atta

   Mrs. Angela Andrews-Njie

   The Board proposes that the above be re-elected.

4. To approve Directors Fees.

5. To appoint the Auditors of the Bank until the conclusion of the next annual General Meeting (AGM). The Board proposes that PKF be appointed Auditors until the conclusion of the next AGM.

6. To authorize the Board to determine remuneration of Auditors.

7. To approve the circulation of the Notice of General Meetings, Profit & Loss Accounts, Balance Sheet, Reports and any other relevant information by print or electronic means.

8. To transact any other business appropriate to be dealt with at an Annual General Meeting.

BOARD OF DIRECTORS
24th March 2014

Trust Bank Ltd.

PROXY FORM

FOR TBL'S USE ONLY

PROXY FOR THE ANNUAL GENERAL MEETING TO BE HELD ON 4th JUNE 2014

I/We

being a member/members of the above named company, hereby appoint

The Chairman of the Meeting*

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 4th June, 2014, and at any adjournment thereof.

I/WE DESIRE FOR THE PROXY TO BE USED AS FOLLOWS	FOR	AGAINST
1. To receive and adopt the Annual Report and Accounts for the year ended 31st December 2013.		
2. To Declare Dividends.		
3. To re-elect Directors (Mr. Ken Ofori-Atta and Mrs. Angela Andrews-Njie)		
4. To Approve the remuneration of Directors		
5. To appoint the Auditors of the Bank until the conclusion of the next Annual General Meeting		
6. To authorize the Board to determine the remuneration of Auditors		
7. To approve the circulation of the Notice of General Meetings, Profit & Loss Accounts, Balance Sheet, Reports and any other relevant information by print or electronic means.		

Signature: Date

2014

Note

(i) This proxy should be returned so as to arrive at the Registered Office of the Company, 3-4 ECOWAS Avenue, Banjul, not later than 48 hours before the time appointed for the Meeting.

(ii)* A member who wishes to appoint his own proxy should insert the name of his proxy in the blank space provided and delete the Chairman of the meeting.

(ii) A proxy need not necessarily be a member of the Company.

(iii) Any alteration to this form must be initialed by the appointer.

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