ANNUAL REPORT
& ACCOUNTS
2014

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

Trust Bank Ltd.

Notice and Agenda of Annual General Meeting

Trust Bank Ltd.

Notice is hereby given that the Seventeenth Annual General Meeting of Trust Bank Limited will be held at the Kairaba Beach Hotel on 12th May 2015 at 3.00 p.m. for the following purposes:

Ordinary Business

Ordinary Resolutions

1. To receive and adopt the Annual Report and Consolidated Accounts for the year ended 31st December 2014;
2. To declare Dividends;
3. To re-elect Directors:
   a. Mr. Edward Graham
   b. Mr. Franklin Hayford
   c. Mr. Mustapha 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.

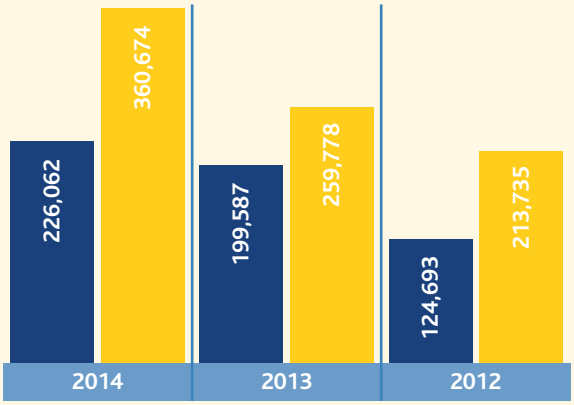
Proxy

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

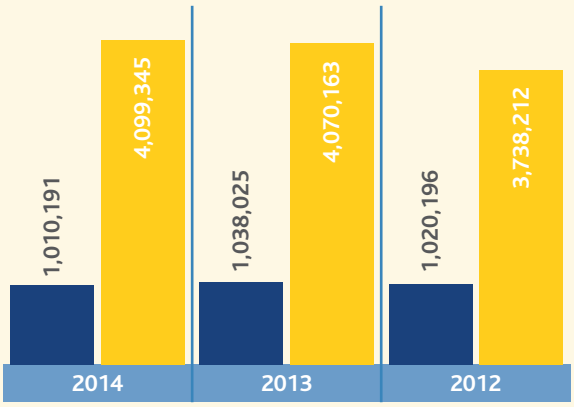
Trust Bank Ltd.



Profit before tax

Net interest income

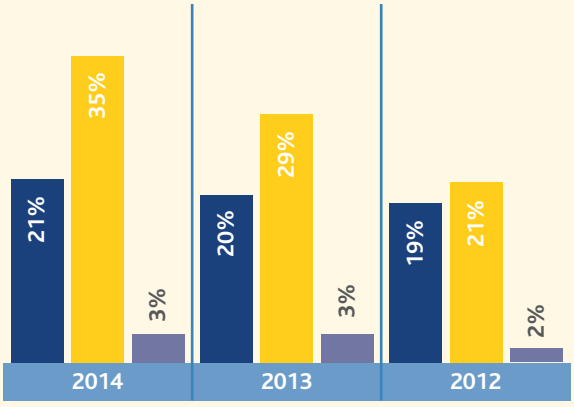
The Bank	2014	2013	2012
Profit before tax (D.000)	**226,062**	199,587	124,693
Net Interest income (D.000)	**360,674**	259,778	213,735
Operating expenses (D.000)	**(355,459)**	(309,945)	(259,288)
Impairment (D.000)	**16,516**	(141)	(8,661)



Loans and advances

Deposits

The Bank	2014	2013	2012
Total Assets (D.000)	**4,662,239**	4,629,850	4,211,828
Loans and advances (D.000)	**1,010,191**	1,038,025	1,020,196
Customer deposits (D.000)	**4,099,345**	4,070,163	3,738,212
Equity (D.000)	**457,225**	406,123	367,839

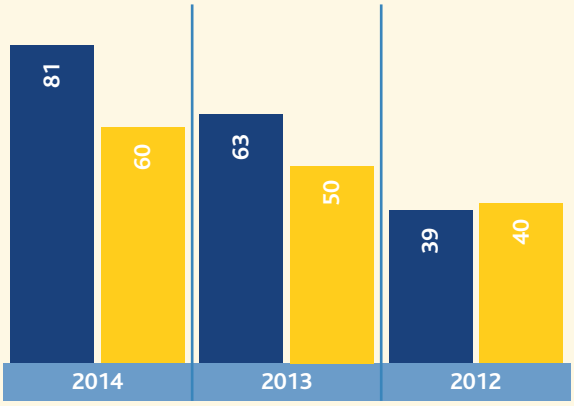


Capital adequacy

Return on equity

Return on assets

The Bank	2014	2013	2012
Return on assets	**3%**	3%	2%
Return on equity	**35%**	29%	21%
Capital Adequacy	**21%**	20%	19%



Earnings per share (in bututs)

Dividend per share (total in bututs)

The Bank	2014	2013	2012
Liquidity	**72%**	71%	70%
Non performing loan ratio	**2%**	1%	3%
Earnings per share (in bututs)	**81**	63	39
Dividend per share (total in bututs)	**60**	50	40

Statement from the Chairman

Trust Bank Ltd.

Dear Shareholders,

I am delighted to once again present to you your Bank's Annual Report for the year ended 31st December 2014.

The year 2014 saw your bank sustain its earnings growth for the third consecutive year despite a challenging operating environment. Your bank continues to consolidate its stature as the leading bank in the country across all noted key performance indicators, namely; total assets, deposit base and of course profitability.

Economic Environment

The global economy remained subdued in 2014 owing to continued weakness in advanced economies with the exception of the United States. The growth outturn for 2014 remained thus flat at 3.3 per cent. The latest projections from the International Monetary Fund's World Economic Outlook report place global growth for 2015 and 2016 at 3.5 percent and 3.7 percent respectively a downward revision of 0.3 percent from the forecast that was given in October 2014. The downward revision was induced by the expected softness in China, Russia, Japan and the Euro zone as well as weaker growth in some oil exporting countries given the unprecedented drop in crude oil prices, which have fallen in excess of 55 percent since September 2014 to the current level of US$43.46 per barrel.

Growth in emerging markets and Sub-Saharan Africa declined in 2014 by 30 and 40 basis points respectively from the levels recorded in 2013 to 4.4 percent and 4.8 percent respectively. Growth in emerging markets is expected to decline by a further 0.1 percentage point before rebounding in 2016, while Sub-Saharan Africa is expected to grow slightly in 2015 to 4.9 percent and more markedly in 2016 by 5.2 percent. Growth in our Region is expected to be driven by infrastructure investment, increased agricultural production and an ever-expanding services sector. Key downside risks however, include the trailing effects of the Ebola epidemic, increased terrorists activities in the region especially Boko Haram in Nigeria and the neighboring countries, lower commodity prices and a volatile global economic and financial environment. Given the heavy dependence on primary commodities by key economies in the Region, the decline in commodity prices in particular may pose a major challenge to key economies in the West African sub-region in particular those that are especially dependent on oil. Given the growing linkages between The Gambia and key countries in the Region, with Nigeria deserving a special mention in this regard, this development may hold some significant negative ramifications for The Gambia.

On the local front, The Gambia's economic history has been characterized by intermittent periods of growth mixed with economic challenges. The downturns have generally been induced by fiscal imbalances and balance of payment shocks often resulting in the country being bailed out by the IMF. Since 1984 The Gambia has been in 8 different IMF programs, the most recent signed in May 2012 for a three-year Extended Credit Facility (ECF) of SDR 19 million. The corresponding macroeconomic policy framework and structural agenda supported by the ECF is geared towards addressing risks arising from the government's heavy debt burden, especially the high cost and rollover risk of domestic debt. Agreed policy measures include:

- Gradually reducing the fiscal deficit to between 1.5 and 2 per cent of GDP per year starting in 2014 so that government's net domestic borrowing falls to 0.5percent of GDP by 2015.

- Pursuing a comprehensive tax reform over the medium term – including introduction of a value-added tax (VAT) – to rebuild revenues and improve competitiveness by strengthening revenue administration.
- Strengthening budget procedures and expenditure control.
- Improving debt management.

After making a recovery from the fiscal overruns and balance of payment challenges in 2013, the perennial problem reared its head again in 2014. A decline of 22 percent in agricultural production, and the negative impact of the Ebola outbreak, in the sub-region, on the tourism sector put further strain on our foreign exchange resources. On the fiscal front, spending overruns by the central government meant that the overall budget was in deficit to the tune of 12.6 percent. These challenges have weighed down growth and depressed the local currency forcing the central bank to still maintain the tight monetary policy footing that it started since May 2013. The current environment of high interest rates, expected fiscal consolidation and the uncertainty around the recovery of the tourism sector will further weigh on growth in 2015. However, the decline in international crude oil prices may bring some relief to The Gambia as we import over $100 million of crude annually. The eventual net benefits of this remains uncertain given the increasing international grain prices, which may offset any gains and the potential for diminished investment from Nigeria, and the outlook for bilateral support from advanced economies, given their continued economic challenges.

Banking Industry in The Gambia

There were 12 Banks operating in our market in 2014. The industry remains sound and adequately capitalized. The industry's risk weighted capital adequacy ratio averaged 30 per cent in 2014, well above the statutory minimum of 10 percent. This metric along with an average liquidity ratio of 85 percent in 2014, also well above the statutory requirement of 30 percent, are indicative of the deepening trend of the under leveraging of the balance sheets of banks in the country. Hence, even though total industry assets increased by 16.4 percent to GMD16.8 million, total loans and advances, which accounts for 22.1 percent of total industry assets, declined by 10.4 percent to GMD5.4 billion, with the private sector taking most of the brunt due to crowding out by public sector. Private sector lending declined by 9 percent over the course of 2014.

The Central Bank is taking active steps to promote more private sector lending by addressing structural challenges that have long been an impediment for credit growth; notably by actively encouraging better credit reference services and by promoting a Bill which will allow for the creation of security interests over moveable assets. We expect this Bill to be considered by the National Assembly sometime in 2015. These steps and the anticipated easing of the monetary tightening cycle should put greater pressure on bank margins going forward, which should help to distinguish banks that have better service delivery and loan underwriting standards going forward.

Trust Bank's Performance

Given that we anticipate an ever-increasing competitive market where customers are able to exercise more informed choice among many providers, we will continue to strive to create value for shareholders by responding more creatively to our customers. This strategy has thus far proven very fruitful as your bank has over the last 3 years, consistently improved its performance across all metrics, and importantly, increased returns to shareholders in the form of higher dividends in each of these last 3 years.

In 2014, we grew the Group's net interest income by 39% from D260 million in 2013 to D363 million and profit after tax by 23% from D146 million in 2013 to D179 million. Our balance sheet has also become more robust; total assets grew by 1% from D4.3 billion to D4.7 billion while customer deposits also grew by 1% over the course of 2014 to D4.1 billion. Our Non-Performing Loan (NPL) ratio slightly increased to 2% in 2014 from the 1% recorded in 2013. In furtherance of the goal to maintain a healthy balance sheet, your Bank revamped its credit risk management procedures in 2014, which should help to cement the new era of low loan provisions.

Your Bank, thanks to its management and staff, has again delivered an outstanding set of results. Let us hereby congratulate Management and staff.

Dividends

Your Bank continues to substantially strengthen its capital position while at the same time maximizing shareholder value. The Board is recommending a final dividend of 30 bututs per share, which brings the total dividend to 60 bututs per share for the financial year 2014. The final dividend represents a payout of D120 million compared to a payout of D100 million for the 2013 financial year.

Equity Investments

Bayba Financial Services Ltd, the Bank's wholly owned subsidiary completed its fourth year of operation in December 2014. Bayba has once again delivered another strong performance. Profit after tax for 2014 was D28million compared to a profit of D23 million in the previous year. Dividends of D12million were paid to the Bank from the financial results of 2013 and it is expected that a payout ratio of at least 50% on profit after tax will also be made this year.

Being a wholly owned subsidiary, you will notice that for this year, the Bank has prepared consolidated financial statements which give the combined positions of The Bank and Bayba after the elimination of all intergroup transactions.

Human Resources

Our staff continues to demonstrate their commitment to achieving long-term success for the Bank. The consistency, rigor, dedication and loyalty that they continue to give to your Bank on a daily basis is humbling and a great source of pride for me and to my fellow Directors. What remains uppermost in our minds as the Directors of this great Institution is to ensure that they are competitively remunerated and consistently trained so that they can continue to deliver the kind of results we have come to expect from them.

Please allow me to give special mention to members of our team who retired this year. Haddy Sarr and Aminatta Sowe, we thank you for your many years of dedicated service and we wish you many years of blissful retirement.

Corporate Social Responsibility (CSR)

The term "Proudly Gambian" is not just a catch phrase or a marketing gimmick that we use. We attach great importance to supporting our communities and we believe that the positive role we play in the Society has been well acknowledged and also well rewarded.

We have over the years demonstrated through a variety of initiatives, our commitment to improving the lives of Gambians regardless of whether or not they do business with us. We continue to be the largest institutional investors in our community through worthy interventions especially in the areas of health, sports and education.

The Managing Director's statement highlights our various areas of intervention in the year 2014. The fact remains therefore that our commitment to help The Gambia and Gambians to prosper will always be articulated by our deeds and not just our words.

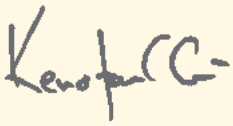
Outlook

The Banking sector will come under greater pressure to drive down intermediation margins while also operating in what we anticipate to be a challenging economic environment over the medium term given the outlook for both the local and global economy. However, your Bank is in great hands and its performance over the last 3 years in what has been a tough environment is strong confirmation of this. The Board, Management and Staff are well placed to continue to deliver the kind of results that our Shareholders have come to expect. Let me take this opportunity to again thank every member of the Trust Bank family for their commitment to championing excellence.

Our resolve to ensure that Trust Bank remains the leading financial institution in The Gambia while gradually building a regional footprint remains our jealously guarded focus. Your Bank will continue to champion the best of The Gambia both locally and internationally.

I pray for our continued health, success and growth. May the eternal God remain our refuge, and His everlasting arms see us through the year 2015 and beyond.

Thank you and may God continue to bless you.



Ken Ofori-Atta
Chairman
March 2015

Managing Director's Review

Trust Bank Ltd.

Dear Shareholders,

The year 2014 was another good year for the Bank. We delivered strong financial results for the third consecutive year, which is remarkable given that it has been achieved during a period of great economic turmoil both internationally and locally.

Operating environment

Over the last four years, The Gambia has witnessed some significant economic headwinds in part due to the spillover effects of challenges in advanced economies since the onset of the global financial crisis (lower bilateral support) and poor harvests (2012 and 2014). This has challenged government finances and resultantly weakened the local currency, and brought about heightened inflationary pressures, even though inflation is still well anchored below single digits. These challenges have resulted in a choppy economic growth over the period and a tightening of the monetary screws which has seen the Central Bank of the Gambia's policy rate peak to 22%.

The Banking sector continued to be stable, sound and satisfactorily capitalized to absorb shocks. Although this is indicative of a healthy banking system, it also points to a trend of lower private sector lending by Deposit Money Banks, which have instead increasingly opted to finance the Government of The Gambia by parking a lot of funds into treasury bills. The Central Bank is playing a very active role in helping to remedy this situation by enhancing the regulatory and supervisory framework of the banking system with the aim of reducing the cost of financial intermediation. These initiatives along with the possible plateauing of interest rates in the country should help to refocus bank activities on private sector lending. Your bank has proven capabilities in this regard, which should help to further distinguish it from the competition.

Your Bank's Performance

Our 2014 results continue to show the effects of the progress that we have made over the past few years in improving our efficiency, our underwriting standards and our treasury management system. The overall effect is that for the third year in a row, we have managed to increase our net earnings and maintained a strong and consistent growth in our balance sheet.

In the income statement, the Group's performance, which comprises of the Consolidated results of the Bank and its wholly owned subsidiary Bayba Financial Services Company Ltd, show a growth in net interest income of 39% from D260 million in 2013 to D363 million in 2014. Total operating income increased by 11% from D551 million to D609 million, while total expenses including loan loss provisions increased by 10% from D321 million to D352 million. These combined, resulted in a growth in pre-tax profits of 11% from D231 million to D257 million.

On the statement of financial position, the Group continued on its quest to improve the quality of its credit portfolio. Despite a reduction of about 1% in gross Loans and Advances, we continued to showcase our commitment to financing bankable projects as evidenced by the fact that we did not pare down loans much and although lending in the industry as a whole declined by 10.4% our gross loan book still shows a one percentage point increase in the Bank's market share of loans and advances, which now stands at 20%. Despite our measured approach

to growing our risk assets, total assets grew by 1% from D4.6 billion to D4.7 billion, with the bulk of this growth resulting from technology improvements and the improvement of our branch network.

The Bank was also successful in attracting new deposits as customer deposits grew by 1% in 2014 to D4.1 billion. Of even greater importance however, was the marked improvement your Bank made in managing its deposit mix and pricing its deposits. This was a key factor in explaining the strong growth in net interest income and reflective of the efficiency gains that I mentioned earlier. This improvement can be attributed to the improved treasury management system that your bank started to implement three years ago, which is arguably beginning to bear fruit.

We also substantially strengthened our capital position, comprised entirely of tier 1 capital. This position was completely driven by profit generation. The Group's funding structure and liquidity positions also remained very robust throughout the year.

Other key performance indicators for 2014 which again buttress the Bank's improved performance, are indicators with a direct bearing on shareholder welfare. Return on equity improved from 29% to 35% while earnings per share and dividends per share improved from 63 bututs to 81 bututs and 50 bututs to 60 bututs respectively.

I am also happy to report that in the year 2014, we completed an upgrade of our core banking system to Oracle Flexcube Universal Banking software version 12.0.2.2.1 with many new features with which your Bank can leverage and deliver world class banking products and services. We also automated the International Financial Reporting Standards (IFRS) reporting process and interfaced the Central Bank of The Gambia V-RegCoss regulatory reporting system with our core banking system. All of these are geared towards making your Bank more efficient and we are confident that with these world class systems and software, we will be better equipped to raise the Bank's standards and performance.

Dear Shareholders, I think it is safe to say that we have made significant progress in our mission of being the leading bank in The Gambia. The results we are presenting here today reflect our strong performance in a core market with has very modest growth prospects and therefore serves as testimony to our progress in our mission.

Human Resources

As our Chairman aptly stated, our staff are the pillars of our success. They have over the years, and with their dedication and tenacity, built long term partnerships with our customers that are the driving force of the Group's brand. It is indeed an honor to lead the management and staff of our noble institution, who continue to play such a pivotal role in successfully steering the affairs of the Group towards our goal. To my team, I shall continue to say thank you over and over again. Our mission and our vision are only attainable because of your hard work and your love for this Institution. We remain committed to attracting, retaining and developing our people to provide them with the skills to perform their role but we know that without the added impetus of the love and pride we share in making our homegrown Bank the leaders in our industry, our success might not have reached this level.

Allow me also to say thank you to my Directors. Your stewardship and guidance is invaluable. The strong capabilities, diligence and support of all those that surround me from the board, staff, customers to shareholders is the reason why I have been able to steer the affairs of the Bank in this direction so I am truly humbled and grateful.

Corporate Social Responsibilities

As the sole homegrown bank in a market otherwise comprised of international players, we can never forget that it is our responsibility to ensure our success permeates to the society and country as a whole.

As always, your Bank continued to fulfill its social responsibilities by actively participating in activities aimed at worthy causes in the areas of education, healthcare, social services and disaster recovery.

In 2014, we continued our trend of donating to health centers and hospitals for the procurement of critical medical supplies and the creation of enabling environments to facilitate the recovery of patients. In the education sector, we continued to offer prizes at various speech and prize giving days including a donation of over D100,000 for the convocation to the Gambian Bar. We donated D200,000 to Armitage and Saint Augustine's Senior Secondary Schools for the procurement of science reagents to facilitate practical experience for science students. We donated D50,000 to the Saint John's School for the deaf to facilitate the transport needs of students and we donated laptops and cash prizes to the ten most deserving students in the WASCCE grade 9 examinations. In the Sports sector, we donated D100,000 to the Ministry of Youths and Sports in support of their "sports for health" initiative. These are just examples of our various initiatives and interventions in the year 2014. Overall, we spent over D2.5M assisting various sectors and causes.

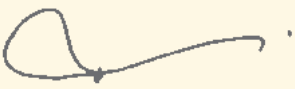
Outlook

Our mission is to sustain our earnings momentum and the growth in other key indicators, including generating increasing returns to our esteemed shareholders. We are confident that our track record in navigating the relatively constrained operating environment over the last 3 years will see us through any future challenges while positioning us to take advantage of all future opportunities.

There is still a lot of work to be done and we therefore cannot be complacent. We operate in a highly competitive market where customers are benefitting from a range of products and services from a wide choice of providers. Our continued success therefore is based on our ability to rise to the challenges that will continue to emerge and the changing needs of our customers. I am confident however, that with the strides made thus far and with the support of all our stakeholders, we can build on the momentum to ensure that we thrust on our ability to generate strong and sustainable returns for our shareholders.

Dear Stakeholders, before I conclude, allow me to once again thank you all for your patronage, support, guidance and your prayers.

Thank you.



Pa Macoumba Njie
March 2015

General Information

Trust Bank Ltd.

Directors	Mr. Ken Ofori-Atta	*Chairman*
	Mr. Pa Macoumba Njie	*Managing Director*
	Mr. Abdoulie Cham	*Member*
	Mr. Edward Graham	*Member*
	Mr. Franklin Hayford	*Member*
	Mrs. Angela Andrews-Njie	*Member*
	Mr. Mustapha Njie	*Member*
	Mr. Momar Samba	*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	Universal Merchant Bank Limited 57 Examination Loop, North Ridge Accra, Ghana	
Bankers	BMCE Bank International France	Ecobank Senegal
	Bank of Beirut London	Fortis Bank Belgium
	Central Bank of The Gambia The Gambia	Ghana Commercial Bank Ghana
	Commerzbank AG Germany	Ghana International Bank UK
	Credit Suisse Zurich	Skandinaviska Ensklilda Banken Sweden
	Den Danske Bank Denmark	Unicredito Italiano Italy
	Den Norske Bank Norway	United Bank for Africa USA

Directors' Report

The Directors present the audited consolidated financial statements and corporate results of the Trust Bank Limited Group for the year ended 31st December 2014.

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 for the Year and Dividends

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

The Directors have recommended a final dividend of D0.30 per ordinary share for the year ended 2014. The final dividend of D0.30 per share together with the interim dividend paid of D0.30 per share, gives a total dividend of D0.60 for the year.

Significant Changes in 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 D2,524,258 (2013 :D4,557,455)

Directors and their Interest

The Directors who held office during the year are as shown on page 9. The directors retiring by rotation in accordance with Article 98 of the Articles of Association are Mr. Mustapha Njie, Mr. Franklin Hayford and Mr. Edward Graham. Being eligible, Mr. Mustapha Njie, Mr. Franklin Hayford and Mr. Edward Graham 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-14	31-Dec-13
Mr. Pa Macoumba Njie	**1,186,033**	1,161,813
Mr. Mustapha Njie	**66,667**	66,667
Mrs. Angela Andrews-Njie	**33,333**	33,333
Mr. Franklin Hayford	**14,620**	14,620
	1,300,653	1,276,433

Corporate 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

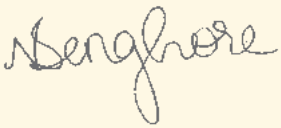
This committee is responsible for all major construction works and projects undertaken by the bank. The members are:

- 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 2015

Independent Auditors' Report

Trust Bank Ltd.

To the Members of Trust Bank Limited Group

We have audited the accompanying consolidated financial statements of Trust Bank Limited and its subsidiary, which comprise the consolidated statement of financial position as at 31st December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the financial statements

The Directors are responsible for the preparation and the fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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 consolidated financial statements give a true and fair view of the financial position of Trust Bank Limited and its subsidiary as of 31st December 2014, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Reporting Standards and have been properly prepared in accordance with the requirements of the Companies Act 2013 and the Banking Act 2009.

Donald Charles Kaye
For and on behalf of PKF
Accountants and business advisers
Registered Auditors
Bijilo
The Gambia

Date: 24th March 2015

Consolidated Statement of Comprehensive Income

Trust Bank Ltd.

For the year ended 31 December 2014

		The Group		The Bank	
	Notes	**31-Dec-14 D'000**	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Interest and similar income	*5*	**558,035**	466,872	**556,327**	466,740
Interest and similar expense	*5*	**(195,030)**	(206,623)	**(195,653)**	(206,962)
Net Interest Income		**363,005**	260,249	**360,674**	259,778
Fees and commission income	*6*	**135,538**	146,525	**125,524**	135,083
Fees and commission expense	*6*	**(2,877)**	(3,293)	**(2,894)**	(3,170)
Net fee and commission income		**132,661**	143,232	**122,630**	131,913
Net trading income	*7*	**103,962**	136,381	**62,550**	102,902
Other operating income	*8*	**8,920**	11,255	**19,151**	15,080
Operating income		**608,548**	551,117	**565,005**	509,673
Net impairment gain/(loss) on financial assets	*16*	**16,505**	(143)	**16,516**	(141)
Personnel expenses	*9*	**(147,589)**	(130,711)	**(143,652)**	(127,091)
Depreciation and amortization	*19,20*	**(47,112)**	(45,069)	**(46,438)**	(44,676)
Other expenses	*10*	**(173,442)**	(144,662)	**(165,369)**	(138,178)
		(351,638)	(320,585)	**(338,943)**	(310,086)
Profit before income tax		**256,910**	230,532	**226,062**	199,587
Income tax expense	*11*	**(78,076)**	(84,477)	**(64,960)**	(73,414)
Profit for the year		**178,834**	146,055	**161,102**	126,173
Other comprehensive income, net of income tax					
Foreign currency translation difference		**–**	–	**–**	–
Net loss on fair value of AFS FIs		**–**	–	**–**	–
Other comprehensive income for the year (net of tax)		**–**	–	**–**	–
Total comprehensive income for the year		**178,834**	146,055	**161,102**	126,173
Profit attributable to equity holders of the Bank		**178,834**	146,055	**161,102**	126,173
Total comprehensive income attributable to equity holders of the Bank		**178,834**	146,055	**161,102**	126,173
Basic/diluted earnings per share (Bututs)	*12*	**89**	73	**81**	63

The accompanying notes are an integral part of the financial statements

Consolidated Statement of Financial Position

Trust Bank Ltd.

For the year ended 31 December 2014

		The Group		The Bank	
	Notes	**31-Dec-14 D'000**	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
ASSETS					
Cash and cash equivalents	*14*	**1,330,547**	1,231,453	**1,313,456**	1,209,181
Trading assets	*15*	**1,650,205**	1,680,293	**1,639,352**	1,673,571
Loans and advances to customers	*16*	**1,010,903**	1,034,937	**1,010,191**	1,038,025
Investment in subsidiary	*17*	**–**	–	**8,500**	8,500
Investment in other equity securities	*18*	**78,722**	72,662	**78,722**	72,662
Property, plant and equipment	*19*	**412,682**	380,480	**407,987**	377,873
Intangible assets	*20*	**95,382**	18,413	**95,023**	17,962
Other assets	*22*	**128,482**	243,103	**109,008**	232,076
TOTAL ASSETS		**4,706,923**	4,661,341	**4,662,239**	4,629,850
LIABILITIES					
Deposits from Banks	*23*	**4,160**	15,782	**4,160**	15,782
Deposits from Customers	*24*	**4,092,148**	4,059,583	**4,099,345**	4,070,163
Current tax liabilities	*11*	**4,443**	30,274	**2,502**	23,875
Deferred tax liabilities	*21*	**37,290**	39,832	**37,290**	39,832
Employee benefit obligations		**3,003**	2,967	**3,003**	2,967
Other liabilities	*25*	**61,133**	75,228	**58,714**	71,108
Total liabilities		**4,202,177**	4,223,666	**4,205,014**	4,223,727
EQUITY					
Stated capital	*26*	**200,000**	200,000	**200,000**	200,000
Income surplus		**165,261**	127,924	**117,740**	96,372
Statutory reserves		**139,485**	99,209	**139,485**	99,209
Fair value reserve		**–**	6,186	**–**	6,186
Credit risk reserve		**–**	4,356	**–**	4,356
Total equity attributable to equity holders of the Group		**504,746**	437,675	**457,225**	406,123
TOTAL LIABILITIES AND EQUITY		**4,706,923**	4,661,341	**4,662,239**	4,629,850

These financial statements were approved by the Board of Directors on 24th March 2015, and were signed on its behalf by:

Chairman

Director

Managing Director

Secretary

The accompanying notes are an integral part of the financial statements

Consolidated Statement of Changes in Equity

Trust Bank Ltd.

For the year ended 31 December 2014

The Bank	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 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 1 January 2014	200,000	99,209	6,186	4,356	96,372	**406,123**
Net income for the year	–	–	–	–	161,102	**161,102**
Transfer from credit risk reserve	–	–	–	(4,356)	4,356	**–**
Transfer from fair value reserve	–	–	(6,186)	–	6,186	**–**
Transfer to statutory reserve	–	40,276	–	–	(40,276)	**–**
Dividend paid to equity holders	–	–	–	–	(110,000)	**(110,000)**
At 31 December 2014	**200,000**	**139,485**	**–**	**–**	**117,740**	**457,225**

The Group	Attributable to equity holders of the Group					
	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 2013	200,000	67,666	4,075	6,825	101,587	**380,153**
Net income for the year	–	–	–	–	146,055	**146,055**
Transfer from credit risk reserve	–	–	–	(2,469)	2,469	**–**
Transfer to statutory reserve	–	31,543	–	–	(31,543)	**–**
Dividend paid to equity holders	–	–	–	–	(90,644)	**(90,644)**
Fair value reserve (available for sale financial asset)	–	–	2,111	–	–	**2,111**
At 1 January 2014	200,000	99,209	6,186	4,356	127,924	**437,675**
Net income for the year	–	–	–	–	178,834	**178,834**
Transfer from credit risk reserve	–	–	–	(4,356)	4,356	**–**
Transfer from fair value reserve	–	–	(6,186)	–	6,186	**–**
Transfer to statutory reserve	–	40,276	–	–	(40,276)	**–**
Dividend paid to equity holders	–	–	–	–	(111,763)	(111,763)
At 31 December 2014	**200,000**	**139,485**	**–**	**–**	**165,261**	**504,746**

The accompanying notes are an integral part of the financial statements

Consolidated Statement of Cashflows

Trust Bank Ltd.

For the year ended 31 December 2014

		The Group		The Bank	
	Notes	**31-Dec-14 D'000**	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
CASHFLOWS FROM OPERATING ACTIVITIES					
Profit for the year before taxes		**256,910**	230,532	**226,062**	199,587
Adjustments to reconcile profit before taxes to net cash provided by operating activities:					
Depreciation and amortization	*19,20*	**47,112**	45,069	**46,438**	44,676
Net impairment loss on financial assets	*16*	**(16,505)**	143	**(16,516)**	141
Movement in deferred taxation					
Net interest income		**(363,005)**	(260,249)	**(360,674)**	(259,778)
Profit on sale of assets		**(2,482)**	(1,651)	**(2,535)**	(1,681)
		(77,970)	13,844	**(107,225)**	(17,055)
Changes in trading assets		**30,088**	(2,343)	**34,219**	2,633
Changes in loans and advances to customers		**40,539**	(16,172)	**44,350**	(15,859)
Changes in other assets		**114,621**	(25,962)	**123,068**	(33,495)
Changes in deposits from banks		**(11,622)**	9,474	**(11,622)**	9,474
Changes in deposits from customers		**32,565**	331,951	**29,182**	331,951
Changes in other liabilities and provisions		**(14,061)**	(10,053)	**(12,358)**	11,500
		114,160	300,739	**99,614**	289,149
Interest and dividends received		**558,035**	466,872	**556,327**	466,740
Interest paid		**(195,030)**	(206,623)	**(195,653)**	(206,962)
Income tax paid		**(106,449)**	(53,406)	**(88,875)**	(46,601)
Net cash used in operating activities		**370,716**	507,582	**371,413**	502,326
CASHFLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities		**(6,060)**	(20,667)	**(6,060)**	(20,667)
Purchase of property and equipment	*19*	**(70,806)**	(97,752)	**(67,816)**	(95,987)
Proceeds from the sale of property and equipment		**3,538**	1,799	**3,269**	1,799
Purchase of intangible assets	*20*	**(86,531)**	(2,114)	**(86,531)**	(2,114)
Net cash used in investing activities		**(159,859)**	(118,734)	**(157,138)**	(116,969)
CASHFLOWS FROM FINANCING ACTIVITIES					
Dividends paid	*26*	**(111,763)**	(90,644)	**(110,000)**	(90,000)
Net cash used in investing activities		**(111,763)**	(90,644)	**(110,000)**	(90,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**99,094**	298,204	**104,275**	295,357
Cash and cash equivalents at beginning of the year		**1,231,453**	933,249	**1,209,181**	913,824
Effects of exchange rate fluctuations on cash held		**–**	–	**–**	–
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2014		**1,330,547**	1,231,453	**1,313,456**	1,209,181

The accompanying notes are an integral part of the financial statements

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:

	2014	2013
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
- Basse
- Soma
- Bakoteh
- Lamin
- Barra
- Latrikunda
- Brikama
- Farafenni
- Sinchu
- Serrekunda Saho kunda
- Serrekunda Market

The consolidated financial statements of the Group as at and for the year ended 31 December 2014 comprise the Bank and its subsidiaries (together referred to as the "Group"). The Group primarily is involved in Corporate and Retail Banking. It also engages in local and international money transfers through its subsidiary.

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").

Additional information required under the Companies Act (2013) and the Banking Act (2009) have been included, where appropriate.

The financial statements were approved by the Board of Directors on 24th March 2015.

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;
- assets and liabilities held for trading are measured at fair value.

2.3 Functional and presentation currency

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.

2.4 Use of estimates and judgments

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 judgments 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 recognized 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 judgments in estimating the loss amounts.
- The income taxes rules and regulations have recently experienced significant changes; there is no major historical precedent and interpretation judgment with respect to the extensive and complex issue affecting the banking sector.
- Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in the financial statements are described in Note 5.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements and have been applied consistently by Group entities.

a. Basis of consolidation

The financial statements of the subsidiary used to prepare the consolidated financial statements were prepared as of the Bank's reporting date.

(i) Subsidiaries

Subsidiaries are entities controlled by the Bank and include all entities over which the Bank has power to govern the financial and operating policies to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Bank controls another entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expense (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

b. Foreign currency

(i) 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. Interest Income and Expense

Interest revenue is generally recognized when future economic benefits of the underlying assets will flow to the organization 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 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 amortized 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.

d. 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 recognized 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 recognized 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.

e. Net trading income

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

f. Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognised directly in equity, in which case, it is recognised in equity.

(i) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

(ii) 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 recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

The Bank recognizes 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 recognized at the same time as the liability to pay the related dividend is recognized.

g. Financial assets

(i) Recognition

Loans and advances are recognized on the date that they are originated. Investments are recognized 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 derecognizes 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 recognizes 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 recognize the financial asset and also recognizes a collateralized 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 realize 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) Amortized cost measurement

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

The effective interest method is a method of calculating the amortized 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) 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 Group 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 amortized cost) with similar risk characteristics.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Group on terms that the Group would otherwise not consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

In assessing collective impairment, the Group uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' 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 the unwinding of the discount.

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit and loss account.

Impairment losses on Available For Sale investment securities are recognised by transferring the difference between the amortized acquisition cost and current fair value out of equity to profit or loss. When a subsequent event that can be related to the event causes the amount of impairment loss on an Available For Sale debt security to decrease, the impairment loss is reversed through profit and loss.

However, any subsequent recovery in the fair value of an impaired Available For Sale equity security is recognised directly to equity. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

h. 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.

i. Designation at fair value through profit and loss

The Group has designated financial assets and liabilities at fair value through profit or loss when either:

- the assets or liabilities are managed, evaluated and reported internally on a fair value basis;
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise, or
- the asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

Note 4(h) sets out the amount of each class of financial asset or liability that has been designated at fair value through profit or loss. A description of the basis for each designation is set out in the note for the relevant asset or liability class.

j. 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.

k. Trading assets and liabilities

Trading assets and liabilities are those assets and liabilities that the Bank or the Group acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short term profit or position taking.

Trading assets and liabilities are initially recognised and subsequently measured at fiar value in the statement of financial position with transaction costs taken directly to profit or loss. All changes in fair value are recognised as part of net trading income in profit or loss. Trading assets and liabilities are not reclassified subsequent to their initial recognition.

l. 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 recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate.

(i) 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.

m. Investment securities

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as either held to maturity, fair value through profit or loss, or available for sale.

(i) Held-to-maturity investments (HTM)

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.

IFRS 9 only considers fair value and amortised cost based on the business models for managing the financial asset and the contractual cash flow characteristics of the financial asset. Thus all Held to maturity assets are classified as amortised costs.

(ii) Available for Sale financial assets (AFS)

Available For Sale investments are non derivative investments that are not designated as another category of financial assets.

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 recognized 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, Women's World Banking (Ghana) and Gamswitch Company Ltd 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 recognized in the profit or loss when the Bank's right to receive the dividends is established.

n. 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. Purchased softeare that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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.

o. Intangible Assets

An intangible asset is generally considered as an identifiable non monetary asset without physical substance. It is distinguished from goodwill based on the identifiability concept. It is recognised when future economic benefits will flow to the Group and it can be reliably measured. The useful life may be finite or indefinite depending on the nature and legal framework underpinning the transaction. Impairment assessment is made of all indefinite intangibles at each reporting date and the appropriate adjustments made.

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.

p. Impairment of non financial assets

The carrying amounts of the Group's non financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of goodwill is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a

pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

q. Credit Risk Reserve

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

r. 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.

s. 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.

t. 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.

u. 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.

v. 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.

w. Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported on the balance sheet when there is a legally enforceable right of set off and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

x. 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.

y. Comparatives

Except where a standard or interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Comparative figures have been adjusted to conform to changes in presentation in the current year.

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 2014	Loans and advances to customers 2013
Individually impaired	**D'000**	D'000
Grade 6: Impaired (loss)	**17,489**	11,774
Grade 7: Impaired (loss)	**8,470**	5,773
Grade 8: Impaired (doubtful)	**21,406**	26,924
Gross amount	**47,365**	44,471
Allowance for impairment	**(25,293)**	(34,694)
Carrying amount	**22,072**	9,777
Collectively impaired		
Grade 1–3 Normal	**973,061**	958,461
Grade 4–5 Watch list	**21,783**	71,730
Gross amount	**994,844**	1,030,191
Allowance for impairment	**(6,725)**	(1,943)
Carrying amount	**988,119**	1,028,248
Past due but not impaired		
Grade 1–3 Normal	**–**	47,989
Grade 4–5 Watch list	**21,783**	23,741
Carrying amount	**21,783**	71,730
Past due comprises:		
30–60 days	**–**	16,630
60–90 days	**–**	6,724
90–180 days	**8,042**	8,929
180–360 days +	**13,741**	39,447
Carrying amount	**21,783**	71,730
Neither past due nor impaired		
Grade 1–3 Normal	**973,061**	762,162
Grade 4–5 Watch list	**–**	1,911
Carrying amount Includes loans with renegotiated terms	**973,061**	764,073
Total carrying amount	**1,010,191**	1,038,025

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 2014	**Gross D'000**	**Net D'000**
Grade 6: Individually impaired	**17,489**	**2,404**
Grade 7: Individually impaired	**8,470**	**5,700**
Grade 8: Individually impaired	**21,406**	**13,968**
Total	**47,365**	**22,072**

	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**

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 2014 or 2013.

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	
	2014 D'000	**2013 D'000**
Against individually impaired		
Property	**–**	5,968
Cash	**–**	103,841
Equity	**–**	–
Other	**–**	–
Against Collectively impaired		
Property	**112,927**	445,523
Cash	**–**	29,167
Equity	**–**	–
Other	**–**	–
Against past due but not impaired		
Property	**21,783**	50,700
Cash	**–**	–
Equity	**–**	–
Other	**–**	–
Against neither past due nor impaired		
Property	**651,732**	629,533
Cash	**115,381**	17,760
Equity	**56,070**	84,840
Other	**477,600**	496,102
Total	**1,435,493**	1,863,434

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 2014 D'000	Loans and advances to customers 2013 D'000
Against individually impaired		
Property	–	19,122
Cash	–	–
Equity	–	–
Total	–	19,122

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 2014 D'000	Loans and advances to customers 2013 D'000
Carrying amount		
Concentration by sector		
Agriculture	**3,072**	1,953
Manufacturing	**4,021**	6,348
Service Industry	**148,807**	701,739
Mining	**–**	50
Other	**854,291**	333,674
Total	**1,010,191**	1,043,764

(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:

	2014	2013
At 31 December	**72.0%**	71.4%
Average for the period	**69.2%**	66.5%
Maximum for the period	**72.7%**	71.4%
Minimum for the period	**67.2%**	64.1%

Residual contractual maturities of financial liabilities

	Carrying amount	Gross nominal inflow/ outflow	Less than 1 month	1 month to 3 months	3 months to 1 year	1–5 years
	D'000	D'000	D'000	D'000	D'000	D000
31st December 2014						
Deposits from Banks	4,160	4,160	4,160	–	–	–
Deposits from Customers	4,099,345	4,099,345	3,525,201	574,144	–	–
	4,103,505	**4,103,505**	**3,529,361**	**574,144**	**–**	**–**
31st December 2013						
Deposits from Banks	15,782	15,782	15,782	–	–	–
Deposits from Customers	4,070,163	4,021,969	3,353,611	668,358	–	–
	4,085,945	**4,037,751**	**3,369,393**	**668,358**	**–**	**–**

(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 2014 and 2013 were as follows:

	Net FX positions	
	2014 D'000	2013 D'000
EURO	**1,717**	(16,479)
USD	**(61,206)**	(46,570)
GBP	**315**	1,702
Other	**1,842**	1,819
Total net FX balance sheet position	**(57,332)**	(59,528)

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 2014:

	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	56.25	59.06	1,717	4,825
USD	44.50	46.73	(61,206)	(136,489)
GBP	70.00	73.50	315	1,103
Total				**(130,562)**

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	56.25	59.06	(16,479)	(46,306)
USD	44.50	46.73	(46,570)	(103,851)
GBP	70.00	73.50	1,702	5,957
Total				**(144,200)**

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 D'000	Less than 3 months D'000	3–6 months D'000	6 to 12 months D'000	1–5 years D'000	More than 5 years D'000
31st December 2014						
Cash and cash equivalents	1,313,456	1,313,456	–	–	–	–
Loans/advances to customers	1,010,191	368,535	52,283	571,547	7,505	9,667
Investment securities	1,639,352	174,436	842,305	622,611	–	–
	3,962,999	1,856,427	894,588	1,194,158	7,505	9,667
Deposits from banks	4,160	4,160	–	–	–	–
Deposits from customers	4,099,345	3,416,915	393,267	289,163	–	–
	4,103,505	3,421,075	393,267	289,163	–	–
	(140,506)	**(1,564,648)**	**501,321**	**904,995**	**7,505**	**9,667**
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	1,086,366.00	720,074	661,297.00	445,405	9,291.00
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**

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:

	2014 D'000	2013 D'000
Tier 1 capital		
Ordinary share capital	**200,000**	200,000
Statutory reserves	**139,485**	99,209
Retained earnings	**117,740**	96,372
Total tier 1 capital	**457,225**	395,581
Tier 2 capital		
Fair value reserve for available for sale equity securities	**–**	–
Total tier 2 capital	**–**	–
Total regulatory capital	**457,225**	395,581
Risk weighted assets		
Investment at bank	**985,562**	877,092
Retail bank, corporate bank and treasury	**1,166,051**	1,133,440
Total risk weighed assets	**2,151,613**	2,010,532
Capital ratios		
Total regulatory capital expressed as a percentage of total risk weighted assets	**21%**	20%
Total tier 1 capital expressed as a percentage of risk weighted assets	**21%**	20%

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 2014	**D'000**	**D'000**	**D'000**	**D'000**	**D'000**	**D'000**	**D'000**	**D'000**
Cash and cash equivalents	1,313,456	–	–	–	–	–	**1,313,456**	**1,313,456**
Trading assets	–	–	–	–	1,639,352	–	**1,639,352**	**1,639,352**
Loans and advances	–	–	–	1,010,191	–	–	**1,010,191**	**1,010,191**
Investment in securities	–	–	–	–	87,222	–	**87,222**	**87,222**
	1,313,456	–	–	1,010,191	1,726,574	–	**4,050,221**	**4,050,221**
Trading liabilities								
Deposits from banks	–	–	–	–	–	4,160	**4,160**	**4,160**
Deposits from customers	–	–	–	–	–	4,099,345	**4,099,345**	**4,099,345**
	–	–	–	–	–	4,103,505	**4,103,505**	**4,103,505**
31st December 2013								
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**

(i) Risk Overview

	Narration	Key Mitigating actions	Commentary on current status
Principal Risks	As a provider of credit facilities to customers, any adverse changes in the economy or market in which the Group operates, or the credit quality and behavior of borrowers would reduce the value of the Group's assets and increase the allowances for impairment losses, thereby impacting profitability.	Credit policies incorporate prudent lending guidelines, oversight board control on risk appetite	Through effective risk management, we have seen sustained improvements in credit quality and reduction in impairments. Although NPL ratio has increased from 1% to 2%, Net impairment charge has improved from a loss of D141,000 to a recovery of D16M.
Liquidity Risk	The primary objective of liquidity risk management is to provide a planning mechanism for unanticipated changes in the demand or needs for liquidity created by customer behavior or abnormal market conditions.	The ALCO committee emphasizes the maximization and preservation of customer deposits and other funding sources. ALCO monitors deposit rates, levels, trends and significant changes. Liquidity	A substantial portion of the Group's assets are funded by customer deposits widely diversified by type and maturity. Lending is fully funded by Deposits, usually in the same currency and a loan to deposit ratio of not more than 50% is maintained. The Group also maintains significant levels of Treasury Bills with widely diversified maturity periods. These provide a large pool of primary assets to meet cash outflows. The Bank's liquidity ratio has, on average, remained around 70%.
Market Risk	The Group faces a number of market risks including interest rate risk and foreign exchange risks. The Bank's exposure to market risk arises principally from customer driven transactions.	Market Risk is managed by the Bank's Retail and Corporate units both of which are supervised by ALCO to ensure that all regulatory ratios are met.	The Bank has throughout the year maintained an FX exposure position of ±10% to guard against adverse movements in FX rates. The ALCO committee has also maintained oversight over interest rate gaps by ensuring appropriate match between assets and liabilities.
Operational Risk	The Group faces a number of key operational risks including fraud losses and failings in customer processes. The availability, resilience and security of the core IT systems is the most significant.	Operational Risk is inherent in the Group's business activities and is managed through an overall framework designed to balance strong corporate oversight with independent risk management.	The Bank upgraded its core banking system during the year. It also continues to ensure systems are resilient, readily available and secure from cyber attacks. There were no IT related frauds or attacks committed in the year. However, the Bank suffered from staff related fraudulent activities amounting to D4M as a result of failed internal processes which have since been addressed.
Compliance and Regulatory Risk	This includes the Risk of non compliance with regulatory requirements.	This risk is managed by the Group's Compliance Department. They are responsible for establishing and maintaining the appropriate framework of Compliance policies and procedures.	The Group generally complied with regulatory requirements.

	Narration	Key Mitigating actions	Commentary on current status
Capital Management	The Group's policy is to maintain a strong capital base so as to maintain investor and market confidence and sustain future development of the Business.	Capital Adequacy and the use of regulatory capital are monitored daily by management. The required information is filed with the Central Bank on a monthly basis. The Central Bank requires all banks to hold a minimum regulatory capital of D200 Million and maintain a ratio of total regulatory capital to risk weighted assets plus risk weighted off-balance sheet assets above a required minimum of 10%.	The Bank complied with the statutory capital requirements throughout the period. Share Capital was D200M throughout the year and the capital adequacy ratio was maintained at an average level of 20%.

5. *Interest income and expense*

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

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Cash and cash equivalents	**7,396**	2,060	**7,036**	1,794
Loans and advances to customers	**266,390**	246,448	**266,439**	246,656
Investment securities	**284,249**	218,364	**282,852**	218,290
Total interest income	**558,035**	466,872	**556,327**	466,740

Interest and similar expenses for the year ended consist of:

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Deposits from customers	**(194,993)**	(206,623)	**(195,616)**	(206,962)
Interbank placements	**(37)**	–	**(37)**	–
Total interest expense	**(195,030)**	(206,623)	**(195,653)**	(206,962)
Net interest income	**363,005**	260,249	**360,674**	259,778

Included within various captions under interest income for the year ended 31 December 2014 is a total of D10.9M (2013: D38.8M) 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

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Fees and commission income can be summarised as follows:				
Banking customer fees	**48,122**	43,768	**48,589**	44,209
Credit related fees	**15,661**	17,723	**15,661**	17,723
Foreign currency related fees and commissions	**54,193**	61,562	**45,845**	49,679
Brokerage fees – Tbills	**–**	2,232	**–**	2,232
Commission on trade finance transactions	**10,126**	13,702	**10,126**	13,702
Other	**7,436**	7,538	**5,303**	7,538
Total fees and commission income	**135,538**	146,525	**125,524**	135,083
Fees and commission expense				
Interbank transaction fees	**(2,708)**	(3,112)	**(2,725)**	(2,989)
Foreign currency related fees	**(169)**	(181)	**(169)**	(181)
Total fees and commission expense	**(2,877)**	(3,293)	**(2,894)**	(3,170)
Net fees and commission income	**132,661**	143,232	**122,630**	131,913

7. Net trading income

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Foreign exchange	**103,962**	136,381	**62,550**	102,902
Net trading income	**103,962**	136,381	**62,550**	102,902

8. Other operating income

Other income can be summarized as follows:

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Sundry Income	**5,916**	7,763	**5,894**	7,763
Profit on sale of fixed assets	**2,482**	1,681	**2,535**	1,681
Rental income	**522**	574	**522**	574
Dividends received on equity investments	**–**	1,237	**10,200**	5,062
Total other income	**8,920**	11,255	**19,151**	15,080

9. Personnel costs

Personnel costs can be summarized as follows:

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Salaries and allowances	**93,331**	81,494	**89,607**	78,072
Contributions to defined contribution plans	**10,241**	9,418	**10,094**	9,288
staff medical expenses	**6,799**	5,664	**6,799**	5,664
Other staff costs	**35,106**	31,653	**35,100**	31,601
Directors fees	**2,076**	1,578	**2,016**	1,562
Increase in liability for leave arrears	**36**	904	**36**	904
Total personnel costs	**147,589**	130,711	**143,652**	127,091

The total number of employees as at 31 December 2014 was 357 of which 30 employees are directors and senior management of the Bank (2013: 337 and 31 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 D5.3M as of 31 December 2014 (2013: D4.5M).

10. General and administration expenses

General and administration expenses can be summarized as follows:

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Advert/publicity	**14,004**	12,040	**11,678**	9,952
Audit fees	**933**	730	**735**	558
Consultancy fees	**358**	553	**358**	553
Electricity	**8,324**	8,913	**8,008**	8,668
Entertainment expenses	**24**	123	**24**	123
Insurance premium	**5,731**	4,995	**5,609**	4,912
Legal and professional fees	**1,537**	1,020	**1,537**	1,020
Losses and charge offs	**9,798**	311	**8,870**	6
Motor vehicle expenses	**7,829**	6,972	**7,417**	6,693
National education levy	**50**	50	**50**	50
Other office expenses	**5,951**	5,129	**5,198**	4,657
Postage and DHL	**185**	357	**175**	354
Printing and stationery	**10,773**	9,985	**10,041**	9,152
Rent and rates	**3,089**	3,081	**2,275**	2,344
Repairs and maintenance property/equipment	**26,332**	19,388	**25,970**	19,071
Security	**5,208**	4,809	**4,911**	4,739
Software and Hardware maintenance	**44,927**	35,022	**44,416**	34,682
Staff training	**13,635**	14,458	**13,635**	14,458
Stock exchange expenses	**646**	595	**646**	595
Subscriptions and donations	**3,641**	5,495	**3,583**	5,427
Telephone/Telex/Swift	**4,113**	5,275	**4,012**	5,127
Trade license	**3,893**	3,375	**3,831**	3,330
Travel cost	**2,461**	1,986	**2,390**	1,707
Total general and admin expenses	**173,442**	144,662	**165,369**	138,178

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

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Current tax expense	**80,618**	73,175	**67,502**	62,112
Adjustments for prior years	**–**	3,404	**–**	3,404
	80,618	76,579	**67,502**	65,516
Deferred tax expense				
Origination/reversal of temporary differences	**(2,542)**	7,898	**(2,542)**	7,898
Total income tax	**78,076**	84,477	**64,960**	73,414

Legal entities in the Gambia must individually report taxable income and remit corporate income taxes thereon to the appropriate authorities. In 2014 the corporate income tax rate amounted to 32% (2013: 32%).

Reconciliation of effect tax rate

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Profit before income tax	**256,910**	230,532	**226,062**	199,587
Income tax using enacted corporation tax rate	**82,211**	73,770	**72,340**	59,949
Non deductible expenses	**14,844**	16,649	**14,612**	16,508
Tax exempt income	**(19,717)**	(14,561)	**(19,450)**	(14,345)
under provided in prior years	**–**	3,404	**–**	3,404
Total income tax expense in income statement	**77,338**	79,262	**67,502**	65,516
Reconciliation of effective tax rate			**%**	%
Domestic tax rate	**32.00**	32.00	**32.00**	32.00
Non deductible expenses	**5.78**	7.22	**6.46**	8.27
Tax exempt income	**(7.67)**	(6.32)	**(8.60)**	(7.19)
Under provided in prior years	**–**	1.48	**–**	1.71
Total income tax expense in income statement	**30.11**	34.38	**29.86**	34.79

Income tax liability

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Balance at the beginning of the year	**30,274**	7,101	**23,875**	4,960
Current tax expense	**80,618**	76,579	**67,502**	65,516
Tax paid during the year	**(106,449)**	(53,406)	**(88,875)**	(46,601)
Tax liability at the end of the year	**4,443**	30,274	**2,502**	23,875

Deferred tax assets and liabilities as of 31 December 2014 and as of 31 December 2013 relate to the following items:

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Opening balance	**39,832**	31,934	**39,832**	31,934
Charged to income (non current tangible assets)	**(2,542)**	7,898	**(2,542)**	7,898
Tax liability at the end of the year	**37,290**	39,832	**37,290**	39,832

12. Earnings per share

The calculation of basic earnings per share at 31 December 2014 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding as shown below:

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Profit attributable to ordinary shareholders	**178,834**	146,055	**161,102**	126,173
Weighted average number of ordinary shares	**200,000**	200,000	**200,000**	200,000
Earnings per ordinary share (dalasis)	**0.89**	0.73	**0.81**	0.63

Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2014 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:

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Profit attributable to ord. shareholders (diluted)	**178,834**	146,055	**161,102**	126,173
Weighted average no. of ord. shares (diluted)	**200,000**	200,000	**200,000**	200,000
Earnings per ordinary share (dalasis)	**0.89**	0.73	**0.81**	0.63

13. Dividend per share

At the Annual General Meeting to be held in May 2015, a final dividend in respect of the year ended 31 December 2014 of D0.30 (2013: D0.25) for every ordinary share is to be proposed. An interim dividend of D0.30 (2013: D0.25) for every ordinary share was declared and paid during the year. This will bring the total dividend for the year to D0.60 (2013: D0.50).

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

14. Cash and cash equivalents

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Cash and balances with banks	**580,808**	674,415	**570,708**	652,143
Unrestricted balances with the Central Bank	**451,135**	256,856	**451,135**	256,856
Treasury bills with maturity periods of > 3 months	**228,604**	241,682	**221,613**	241,682
Money market placements	**70,000**	58,500	**70,000**	58,500
Total cash and cash equivalents	**1,330,547**	1,231,453	**1,313,456**	1,209,181

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

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Treasury Bills	**1,651,451**	1,682,406	**1,640,587**	1,675,682
Less portfolio allowances for impairment	**(1,246)**	(2,113)	**(1,235)**	(2,111)
Total trading assets	**1,650,205**	1,680,293	**1,639,352**	1,673,571

16. *Loans and advances to customers at amortised cost*

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

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Loans	**643,643**	485,540	**642,931**	484,828
Overdrafts	**399,276**	586,034	**399,276**	589,834
Total loans and advances at amortised cost	**1,042,919**	1,071,574	**1,042,207**	1,074,662
Less:				
Individual allowance for impairment	**(25,301)**	(34,694)	**(25,301)**	(34,694)
Collective allowance for impairment	**(6,715)**	(1,943)	**(6,715)**	(1,943)
Total loans and advances	**1,010,903**	1,034,937	**1,010,191**	1,038,025

An analysis of loans by customer group is as follows:

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Corporate Clients	**865,062**	571,705	**865,062**	571,705
Retail Clients	**177,857**	499,869	**177,145**	502,957
Total loans and advances	**1,042,919**	1,071,574	**1,042,207**	1,074,662

Allowance for impairment

The movement in individual allowances for impairment is as follows:

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Balance at the beginning of the year	**34,694**	46,080	**34,694**	46,080
Impairment loss for the year				
Charge for the year	**(22,523)**	(2,254)	**(22,523)**	(2,254)
Recoveries	**23,966**	16,236	**23,966**	16,236
Write offs	**(10,836)**	(25,368)	**(10,836)**	(25,368)
Balance at the end of the year	**25,301**	34,694	**25,301**	34,694

The movement in collective allowances for impairment is as follows:

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Balance at the beginning of the year	**1,943**	1,659	**1,943**	1,659
Impairment loss for the year				
Charge for the year	**4,772**	284	**4,772**	284
Balance at the end of the year	**6,715**	1,943	**6,715**	1,943
Portfolio allowance for treasury bill investments	**1,246**	2,113	**1,235**	2,111
Total impairment charge	**(16,505)**	143	**(16,516)**	141

17. *Investment in subsidiary*

		The Group		The Bank	
	% of ordinary shares	**31-Dec-14 D'000**	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Bayba Financial Services Limited	**100%**	–	–	**8,500**	8,500
As at 31 December		–	–	**8,500**	8,500

18. Investment in other equity securities

	% of ordinary shares	The Group 31-Dec-14 D'000	The Group 31-Dec-13 D'000	The Bank 31-Dec-14 D'000	The Bank 31-Dec-13 D'000
Home Finance Company Gambia Ltd	10%	3,350	3,350	3,350	3,350
International Bank of Liberia Ltd	12.97%	48,645	48,645	48,645	48,645
Women's World Banking Ghana Ltd	10%	20,667	20,667	20,667	20,667
Gamswitch Company Ltd	5%	6,060	–	6,060	–
As at 31 December		78,722	72,662	78,722	72,662

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

The Group and The Bank	Work in Progress D'000	Land and buildings D'000	Furniture & Fittings D'000	Machines & equipment D'000	Motor vehicles D'000	Total The Bank D'000	Total The Group D'000
Cost							
At 01-Jan-13	17,714	267,029	29,415	149,086	30,671	**493,915**	**495,226**
Additions	67,457	45	5,986	5,818	16,681	**95,987**	**97,752**
Transfers	(36,716)	20,688	2,654	12,849	525	**–**	**–**
Disposal	–	–	–	(120)	(9,269)	**(9,389)**	**(9,432)**
At 31-Dec-13	**48,455**	**287,762**	**38,055**	**167,633**	**38,608**	**580,513**	**583,546**
Additions	39,894	424	5,275	12,300	9,923	**67,816**	**70,806**
Transfers	(29,660)	–	567	29,093	–	**–**	**–**
Adjustment	–	–	–	–	(29)	**(29)**	**(29)**
Disposal/write offs	–	(56)	(413)	(402)	(4,990)	**(5,861)**	**(6,275)**
At 31-Dec-14	**58,689**	**288,130**	**43,484**	**208,624**	**43,512**	**642,439**	**648,048**
Depreciation							
At 01-Jan-13	–	(22,011)	(20,861)	(112,259)	(21,339)	**(176,470)**	**(176,606)**
Depreciation expense	–	(6,401)	(3,687)	(16,833)	(8,520)	**(35,441)**	**(35,743)**
Disposals	–	–	–	2	9,269	**9,271**	**9,284**
At 31-Dec-13	**–**	**(28,412)**	**(24,548)**	**(129,090)**	**(20,590)**	**(202,640)**	**(203,065)**
Depreciation expense	–	(7,160)	(4,686)	(16,031)	(9,091)	**(36,968)**	**(37,550)**
Adjustment		–	–	–	29	**29**	**29**
Disposal/write offs	–	–	53	84	4,990	**5,127**	**5,220**
At 31-Dec-14	**–**	**(35,572)**	**(29,181)**	**(145,037)**	**(24,662)**	**(234,452)**	**(235,366)**
Carrying amount							
At 31-Dec-13	48,455	259,350	13,507	38,543	18,018	**377,873**	**380,480**
At 31-Dec-14	**58,689**	**252,558**	**14,303**	**63,587**	**18,850**	**407,987**	**412,682**

20. Intangible assets

The Group and The Bank	Purchased software D'000	Total The Bank D'000	Total The Group D'000
At 01-Jan-13	103,488	**103,488**	**104,100**
Additions	2,114	**2,114**	**2,114**
At 31-Dec-13	**105,602**	**105,602**	**106,214**
Additions	86,531	**86,531**	**86,531**
At 31-Dec-14	**192,133**	**192,133**	**192,745**
Accumulated amortisation			
At 01-Jan-13	(78,405)	**(78,405)**	**(78,474)**
Amortisation expense	(9,235)	**(9,235)**	**(9,327)**
At 31-Dec-13	**(87,640)**	**(87,640)**	**(87,801)**
Amortisation expense	(9,470)	**(9,470)**	**(9,562)**
At 31-Dec-14	**(97,110)**	**(97,110)**	**(97,363)**
Carrying amount			
At 31-Dec-13	17,962	17,962	18,413
At 31-Dec-14	**95,023**	**95,023**	**95,382**

Intangible assets represent licences for computer software.

21. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Property, plant, equipment and software	**37,290**	39,832	**37,290**	39,832
Net tax assets	**37,290**	39,832	**37,290**	39,832

Movements during the year

2014	Opening D'000	Recognised in P/L D'000	Recognised in equity D'000	Closing D'000
Property, plant, equipment and software	39,832	(2,542)	–	37,290
	39,832	**(2,542)**	**–**	**37,290**

Movements during the year

2013	Opening D'000	Recognised in P/L D'000	Recognised in equity D'000	Closing D'000
Property, plant, equipment and software	31,934	7,898	–	39,832
	31,934	**7,898**	**–**	**39,832**

22. Other assets

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Bills discounted	**19,562**	140,000	**19,562**	140,000
Prepayments	**9,272**	15,960	**8,547**	15,960
Western Union clearing	**1,782**	2,610	**1,782**	2,610
Stationery Stock	**11,040**	12,384	**11,025**	12,364
Others	**86,826**	72,149	**68,092**	61,142
	128,482	243,103	**109,008**	232,076

23. Deposits from banks

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Money market deposits	**4,160**	15,782	**4,160**	15,782
Total deposits from banks	**4,160**	15,782	**4,160**	15,782

24. Deposits from customers

Deposits from customers by product group are as follows:

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Time deposits	**683,876**	824,608	**687,076**	825,178
Current accounts	**1,105,286**	1,184,914	**1,105,695**	1,184,915
Savings accounts	**2,302,986**	2,050,061	**2,306,574**	2,060,070
Total deposits from customers	**4,092,148**	4,059,583	**4,099,345**	4,070,163

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

25. Other liabilities

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Other creditors and accruals	**61,133**	75,228	**58,714**	71,108
Other liabilities	**61,133**	75,228	**58,714**	71,108

26. Statement of changes in equity

Share capital

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
On issue at 1 January	**200,000**	200,000	**200,000**	200,000
Exercise of options	**–**	–	**–**	–
On issue at 31 December	**200,000**	200,000	**200,000**	200,000

Share capital consists of 200 Million ordinary shares with a fair value of D1 each (2013: 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

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Provisions as per Prudential Guidelines	**30,207**	40,993	**30,207**	40,993
Provisions as per IAS 39	**(32,026)**	(36,637)	**(32,026)**	(36,637)
	(1,819)	4,356	**(1,819)**	4,356

Dividends

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

	2014 D'000	**2013 D'000**
D0.30 per ordinary share (2013:D0.25)	**60,000**	50,000
	60,000	50,000

After 31 December 2014, the following dividends were proposed by the directors in respect of 2014. The dividends have not been provided for and there are no income tax consequences.

	2014 D'000	**2013 D'000**
D0.30 per ordinary share (2013: D0.25)	**60,000**	50,000
	60,000	50,000

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:

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Bonds and guarantees	**133,922**	71,757	**133,922**	71,757
Letters of credit, acceptances and other documentary credits	**56,155**	5,253	**56,155**	5,253
	190,077	77,010	**190,077**	77,010

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

		Ownership interest	
	Country of incorporation	2014	2013
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:

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Gross amount at 1 January	**74,242**	53,499	**74,242**	53,499
Interest charged	**13,477**	11,575	**13,477**	11,575
Loan disbursed	**500**	45	**500**	45
Cash received	**(53,728)**	(44,208)	**(53,728)**	(44,208)
Net movement in overdraft balances	**435**	53,331	**435**	53,331
Net amount at 31 December	**34,926**	74,242	**34,926**	74,242

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 non performing accounts amounting to D4 Million (2013: D20 Million).

Impairment losses of D3.2 Million have been recorded against balances outstanding from Directors (2013: D4 Million).

Included within loans and advances as at 31st December 2014 is Nil (2013: 3.8Million) due from Bayba Financial Services Ltd, a subsidiary company. Interest and charges received on advances granted during the year amounted to D0.049 Million (2013: D0.25 Million).

Included in deposits as at 31st December is D7.1 Million (2013: D10.5 Million) due to a subsidiary company, Bayba Financial Services Ltd. Interest paid on these deposits during the year amounted to D0.623 Million (2013: D0.339 Million).

Loans and advances to employees

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Balance at 1 January	**27,888**	22,597	**27,176**	22,197
Loans advanced during the year	**16,883**	18,990	**16,282**	18,195
Loan repayments received	**(15,430)**	(13,699)	**(14,829)**	(13,216)
Balance at 31 December	**29,341**	27,888	**28,629**	27,176

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 D0.038 Million have been recorded against balances outstanding from Staff (2013: D0.033Million)

Key management personnel compensation for the period comprised:

	The Group		The Bank	
	31-Dec-14 D'000	31-Dec-13 D'000	**31-Dec-14 D'000**	31-Dec-13 D'000
Directors board fees	**1,584**	1,272	**1,584**	1,272
Directors sitting fees	**492**	306	**432**	290
Senior Management salaries	**8,763**	6,540	**8,213**	6,540
Senior Management pension contributions	**1,928**	1,442	**1,807**	1,442
	12,767	9,560	**12,036**	9,544

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

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

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

Key requirements:

Classification and measurement of financial assets

- All financial assets are measured at fair value on initial recognition. Debt instruments may be subsequently measured at amortised cost, if the fair value option (FVO) is not invoked, and:
  - (i) The asset is held within a business model that has the objective to hold the assets to collect the contractual cashflows.
  - (ii) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.
- All other debt instruments are subsequently measured at fair value.
- Equity instruments are measured at fair value through either other comprehensive income (OCI) or profit or loss. Entities have an irrevocable choice to recognise changes in the fair value of non trading instruments either in OCI or profit or loss by instrument. However, equity instruments held for trading must be measured at fair value through profit or loss.

Classification and measurement of financial liabilities

- For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss.
- All other IAS 39 classification and measurement requirements for financial liabilities have been carried forward into IFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.
- Hedge accounting

  Hedge effectiveness testing must be done prospectively and can be qualitative, depending on the complexity of the hedge
- A risk component of a financial or non-financial instrument may be designated as the hedged item if the risk component is separately identifiable and reliably measureable

Transition

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

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

Impact

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

IFRS 14 Regulatory Deferral Accounts

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

Key requirements

IFRS 14 allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting

policies for regulatory deferral account balances upon its first time adoption of IFRS. Existing IFRS preparers are prohibited from applying this standard. Also, an entity whose current GAAP does not allow the recognition of rate-regulated assets and liabilities, or that has not adopted such policy under its current GAAP, would not be allowed to recognise them on first time application of IFRS.

Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate regulation and the effects of that rate regulation on its financial statements.

Transition

IFRS 14 is applied retrospectively. Early application is permitted and must be disclosed.

Impact

IFRS 14 provides first-time adopters of IFRS with relief from derecognising rate-regulated assets and liabilities until a comprehensive project on accounting for such assets and liabilities is completed by the IASB. The comprehensive rate-regulated activities project is on the IASB's active agenda.

33. Value Added Statement for the year ended 31 December 2014

Value Added Statement

	The Group		The Bank	
	31-Dec-14	31-Dec-13	**31-Dec-14**	31-Dec-13
Interest earned and other operating income	**797,535**	749,778	**744,401**	704,725
Direct cost of services	**(197,907)**	(209,916)	**(198,547)**	(210,132)
Value added by banking services	**599,628**	539,862	**545,854**	494,593
Non banking income	**8,920**	11,255	**19,151**	15,080
Impairments	**16,505**	(143)	**16,516**	(141)
Value added	**625,053**	550,974	**581,521**	509,532
Distributed as follows:				
To employees:				
Directors (without executives)	**2,076**	1,578	**2,016**	1,562
Executive Management	**10,691**	7,982	**10,020**	7,982
Other Employees	**134,822**	121,151	**131,616**	117,547
To Government:				
Income Tax	**80,618**	76,579	**67,502**	65,516
To providers of capital:				
Dividends to Shareholders	**111,763**	90,644	**110,000**	90,000
To expansion and growth:				
Depreciation and amortisation	**47,112**	45,069	**46,438**	44,676
Retained earnings	**165,261**	127,924	**117,740**	96,372

Shareholding

as at 31 December 2014

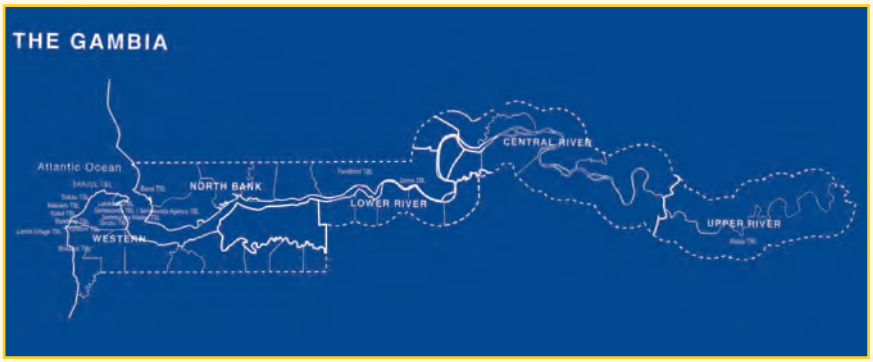
Trust Bank Ltd.

Category	No of Shareholders	No. of Issued Shares	% holding
2–5,000	625	827,198	0.41%
5,001–10,000	91	673,676	0.34%
10,001–50,000	146	3,758,078	1.88%
50,001–100,000	85	6,535,560	3.27%
100,001–500,000	51	10,426,452	5.21%
Over 500,000	23	177,779,036	88.89%
Total	**1,021**	**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	17,170,238	8.59%
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%
Njie Pa M.M	1,186,033	0.59%
Hobeika Charbel	1,066,667	0.53%
SCBN/EPACK Investment Fund	1,028,566	0.51%
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%
Ardy Sarge	673,333	0.34%
Bai Matarr O. Drammeh	666,667	0.33%
Quantum Net Ltd	666,667	0.33%
Taf Holding Co. Ltd	666,667	0.33%
	176,016,203	

Where to find us

Trust Bank Ltd.



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

Trust Bank Ltd.

Bank of Beirut

London, UK
BIC: BRBAGB2L
BNP Paribas SA
Paris, France
BIC: BNPAFRPP

BMCE Bank Int'l

Paris, France
BIC: MEDTGB2L

Commerz Bank AG

Frankfurt/Main, Germany
BIC: COBADEFF

Credit Suisse

CH-8070 Zurich
Switzerland
BIC: CRESCHZZ8OA

Bank of Beirut

London, UK
BIC: BRBAGB2L
BNP Paribas SA
Paris, France
BIC: BNPAFRPP

BMCE BANK INT'L

Paris, France
BIC: MEDTGB2L

Commerz Bank AG

Frankfurt/Main, Germany
BIC: COBADEFF

CREDIT SUISSE

CH-8070 Zurich
Switzerland
BIC: CRESCHZZ8OA

Skandinaviska Ensklilda Banken

Stockholm, Sweden
BIC: ESSESESS

Unicredit

Milan, Italy
BIC: UNCRITMM

Unicredit Bank AG

Munich, Germany
BIC: HYVEDEMM

United Bank for Africa PLC

USA
BIC: UNAFNGLA

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. Edward Graham – Director

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.

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.

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.

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.

Resolutions

Trust Bank Ltd.

To: *All Members of Trust Bank Limited*

THE SEVENTEENTH ANNUAL GENERAL MEETING OF TRUST BANK LIMITED TO BE HELD AT KAIRABA BEACH HOTEL ON 12TH MAY 2015 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 Consolidated Accounts for the year ended 31st December 2014.

   The Board proposes that the Directors Report and Consolidated Statement of Financial Position as at 31st December 2014 together with the Consolidated 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 30 bututs (Thirty bututs) per share for the year ended 31 December 2014.

3. To re-elect Directors

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

   Mr. Edward Graham

   Mr. Franklin Hayford

   Mr. Mustapha 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 transact any other business appropriate to be dealt with at an Annual General Meeting.

BOARD OF DIRECTORS
24th March 2015

Proxy Form

Trust Bank Ltd.

FOR TBL'S USE ONLY

PROXY FORM

PROXY FOR THE ANNUAL GENERAL MEETING TO BE HELD ON 12th MAY 2015

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 14th May 2015, 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 Consolidated Accounts for the year ended 31st December 2014.		
2. To Declare Dividends.		
3. To re-elect Directors (Mr. Edward Graham, Mr. Franklin Hayford and Mr. Mustapha 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		

Signature:

Date

2015

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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