# ANNUAL REPORT 2015


tbl Trust Bank Ltd.

PROUDLY GAMBIAN

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

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

tbl **Trust Bank Ltd.**

THE BANK THAT CARES

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tbl Trust Bank Ltd.

# Notice and Agenda of Annual General Meeting

Notice is hereby given that the Eighteenth Annual General Meeting of Trust Bank Limited will be held at the Kairaba Beach Hotel on 12th May 2016 at 3.00 p.m. for the following purposes:

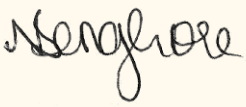
## ORDINARY BUSINESS

### Ordinary Resolutions

1. To receive and adopt the Annual Report and Consolidated Accounts for the year ended 31st December 2015;
2. To declare Dividends;
3. To re-elect Directors:
   a. Mr. Ken Ofori-Atta
   b. Mr. Abdoulie Cham
   c. Mrs. Angela Andrews-Njie
4. To approve the remuneration of Directors;
5. To appoint the Auditors of the Bank until the conclusion of the next Annual General Meeting;
6. To authorize the Board to determine the remuneration of the Auditors;
7. To transact any other business appropriate to be dealt with at any Annual General Meeting.

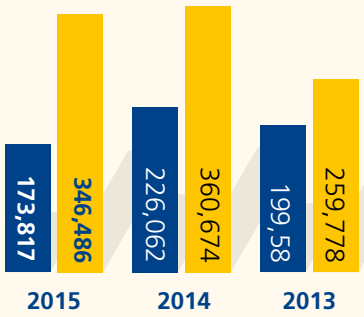
## PROXY

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.



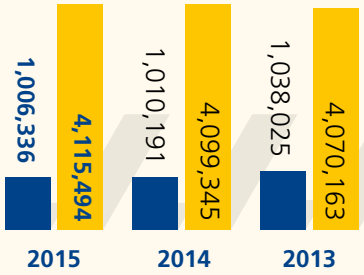
**Mrs. Njilan Senghore - Njie**
**Board Secretary**

# Financial Highlights



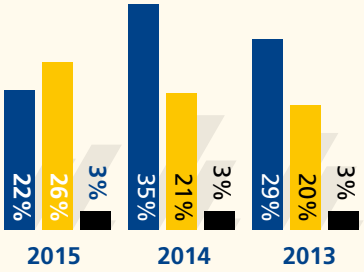

Profit before tax
Net interest income

| The Bank | 2015 | 2014 | 2013 |
|---|---|---|---|
| Profit before tax (D.000) | **173,817** | 226,062 | 199,58 |
| Net Interest income (D.000) | **346,486** | 360,674 | 259,778 |
| Operating expenses (D.000) | **(388,800)** | (355,459) | (309,945) |
| Impairment (D.000) | **5,018** | 16,516 | (141) |



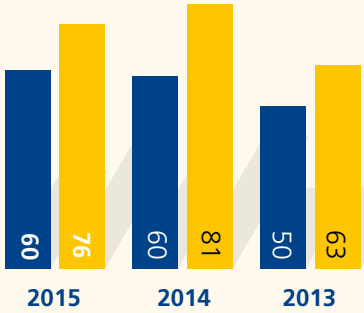

Loans and balances
Deposits

| The Bank | 2015 | 2014 | 2013 |
|---|---|---|---|
| Total Assets (D.000) | **4,904,308** | 4,662,239 | 4,629,850 |
| Loans and advances (D.000) | **1,006,336** | 1,010,191 | 1,038,025 |
| Customer deposits (D.000) | **4,115,494** | 4,099,345 | 4,070,163 |
| Equity (D.000) | **702,299** | 457,225 | 406,123 |




Return on equity
Capital adequacy
Return on assets

| The Bank | 2015 | 2014 | 2013 |
|---|---|---|---|
| Return on assets | **3%** | 3% | 3% |
| Return on equity | **22%** | 35% | 29% |
| Capital Adequacy | **26%** | 21% | 20% |




Dividend per share (in bututs)
Earnings per share (iin bututs)

| The Bank | 2015 | 2014 | 2013 |
|---|---|---|---|
| Liquidity | **70%** | 72% | 71% |
| Non performing loan ratio | **4%** | 2% | 1% |
| Earnings per share (in bututs) | **76** | 81 | 63 |
| Dividend per share (total in bututs) | **60** | 60 | 50 |





# Statement from the Chairman



## Dear Shareholders,

**I am delighted to once again present to you our Bank's performance for the year ended 31st December 2015. This reporting period, I must admit has been a difficult operating environment and the gods did not smile kindly on the economy. Our Balance Sheet held but we had to counter with a lower level of profitability in 2015.**

## Economic Environment

The global economic environment continues to be uncertain. According to the International Monetary Fund (IMF), global output for 2015 is estimated at 3.1 percent, lower than the 3.4 percent recorded in 2014. Growth in the advanced economies is estimated to have expanded from 1.8 percent in 2014 to 1.9 percent in 2015, driven largely by the United States which recorded an estimated growth rate of 2.5 percent in 2015, a slight improvement over the 2.4 percent recorded in 2014. Growth in the Euro zone is projected at 1.5 percent, up from the 0.9 percent recorded in 2014, mainly on account of quantitative easing policies and lower commodity prices, especially oil. Almost a decade after the financial crisis, the global economic recovery still remains muddled. The talk of secular stagnation (a condition of prolonged periods of negligible or no growth) in the advanced economies, especially in Europe is increasingly dominating the debates of leading economists. Thus economic actors, especially countries with important economic linkages with European countries may need to adapt to this 'new normal' of perpetually declining growth in the advanced economies.

Growth in emerging market and developing economies—while still accounting for over 70 percent of global growth—declined for the fifth consecutive year from 4.6 percent in 2014 to 4 percent in 2015, with growth in Sub-Saharan Africa in particular declining more steeply from 5 percent to 3.5 percent (over the respective period). Three key issues seem to have been a drag for growth and will continue to accentuate the global outlook: (1) the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services, (2) lower prices for energy and other commodities, and (3) a gradual tightening in monetary policy in the United States which will suppress investments and investment expectations in developing and emerging markets.

On the local front, the Gambia Bureau of Statistics is yet to report the real GDP growth figures for 2015, but expectations are that it will be a significant improvement over the revised outturn of 0.9 percent recorded in 2014 with growth expected to be supported by strong recovery in tourism and agriculture. Estimates by the IMF in its latest country report of September 2015 forecasted a growth rate of 4.7 percent for 2015. However, despite the expected rebound in growth in 2015, the economy still faces significant headwinds owing to a number of macroeconomic imbalances: a high interest rate environment, which in turn discourages credit expansion to the real economy.

The Central Bank of The Gambia estimates that the overall fiscal balance for 2015 amounted to a deficit of 7.6 percent of GDP, which is still quite high but none the less impressive as it improved from 2014's deficit of 9.7 percent of GDP. In addition the current account deficit

increased from USD81.8 million in 2014 to USD115.2million in 2015, thus putting further strain on the country's ability to finance these twin deficits. Policy choices have resulted in a weakened Dalasis and interest rates hikes across all maturities.

## Banking Industry in The Gambia

The banking industry remains remarkably sound and well capitalized with capital adequacy ratios improving to 32.6 percent in 2015 from 2014's level of 30 percent, which is well above the statutory minimum of 10 percent. Industry wide non-performing loans expectantly increased from 7.2 percent in 2014 to 9.2 percent in 2015 but have not threatened the overall health of the sector due to the high capital adequacy ratios in the sector.

The main take away from the performance of the sector in 2015 was that the Commercial Banks lending remains highly conservative in extending credit to private sector operators, thus potentially contracting economic activity. This is reflected in the sector wide liquidity ratio, which increased from 85 percent in 2014 to 93 percent and the continued decline in private sector credit, which declined by 8.5 percent in 2015. This was also reflected in the steep decline in the composition of gross loans and advances to total assets from 22.1 percent in 2014 to 16.7 percent in 2015. Thus even though total industry assets grew by 3.8 percent to GMD29.3 billion, this growth was mostly driven by investments by the commercial banks in Government of The Gambia Securities. The growing lack of appetite for lending by banks has created a disincentive for them to seek out more deposits, which may help to explain why total industry wide deposit liabilities decreased by 1.9 percent in 2015 to GMD16.5 billion.

The macroeconomic environment which has helped to support a situation of high interest rates has undoubtedly played a part in dampening credit growth. There are a number of other structural issues such as inadequate credit reference services, challenges in foreclosing on collateral amongst others, which also hinder credit growth. The Central Bank of The Gambia is actively working with the industry to counter some of these challenges and the recent coming on stream of the Collateral Registry is a positive step in this regard. It is hoped that an improved macroeconomic environment and other structural reforms in the sector will help to reverse the declining trend in private sector lending.

## Trust Bank's Performance

In 2015, the Group's financial performance dipped, which is reflective of the relatively difficult environment, which we anticipated last year. Net interest income declined by 1% from GMD363 million to GMD358 million and profit after tax by 13% from GMD179 million to GMD155 million. The Group's balance sheet on the other hand, witnessed some growth over the review period, with total assets growing by 5% to GMD4.9 billion, while total customer deposits increased marginally to GMD4.12 billion from GMD4.09 billion. Despite the decline in the Group's performance in 2015, the Bank still holds a significant market share in industry profitability (28%), assets (17%) and customer deposits (25%).

We also constructed 2 new state of the art branches; one at Westfield to replace our Westfield branch to help ease congestion in the banking hall, and a second branch at a new location in Brusubi. In 2015, we continued with the upgrade of our core banking software, Flexcube, which will help to improve efficiency of the Bank's operations and processes and also enhance our clients' capacity for full remote access to their accounts for their banking transactions online.

I would like to congratulate management and staff for navigating the rough seas and sustaining the Bank's competitive position.

## Dividends

The Board is recommending a final dividend of 40 bututs per share, which brings the total dividend to 60 bututs per share for the financial year 2015. The final dividend represents a payout of GMD 120 million equal to the payout in the 2014 financial year.

## Equity Investments

Bayba Financial Services Ltd, the Bank's wholly owned subsidiary completed its fifth year of operations in December 2015. Bayba's performance in 2015 has seen a significant decline primarily due to the challenges in the foreign exchange market. Profit after tax for 2015 was GMD 16 million compared to a profit of GMD 28 million in the previous year. A dividend of GMD 14 million was paid to the Bank from the financial results of 2014 while a dividend of D15 million was paid to the Bank in 2015.

In 2015, the Bank also acquired a majority stake of 60% in Home Finance Company (HFC) Ltd. The group results include the consolidation of HFC's results which include a profit after tax figure of D0.6 Million and total assets of D38 Million.

## Human Resources

The Group strives to develop its personnel through in-house and external development courses. We would like to report that of





the 29 members of staff currently sponsored to undergo the Association of Chartered Institute of Bankers qualification which commenced in 2011, four are currently undertaking the final level and upon successful completion this year, will represent the first Chartered Bankers to be graduated by the Gambia Bankers Association.

We are also proud of our staff who graduated with various Bachelor's degrees and professional qualifications from other institutions over the course of the year 2015.

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

Our staff continue to be the cornerstone of our Group's strategy for long-term success and we aim to engender real participation from each employee at all levels of our business.

Please allow me to give special mention to members of our team who retired this year. Mr. Ndambou Touray and Mr. Kebba Darboe, we thank you for your many years of dedicated service and we wish you many years of productive, healthy and joyous retirement.

## Corporate Social Responsibility (CSR)

Your Bank continues to be at the forefront of its Corporate Social responsibility and as such dedicates significant time and resources to supporting the communities where we operate and the country at large.

We contribute to the wellbeing of society at large by supporting education, health, sports, environmental and cultural projects. The Managing Director's statement highlights our various areas of intervention in the year 2015.

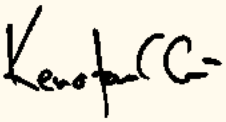
## Outlook

The Banking sector will come under greater pressure to increase our lending to the private sector. This will be against the backdrop of what we anticipate to be a challenging economic environment in 2016. However, your Bank is in great hands and its performance over the last 5 years in particular is a strong indication that we can weather the storm. We, The Board, Management and Staff reiterate our cardinal commitment to drive growth and performance, improve shareholder value, and also to enhance customer experience in doing business with us.

Let me take this opportunity to again thank everyone of you who I know believes in the Trust Bank brand! We value your business, we value your support and we value your commitment to this Bank as a shareholder.

I pray for your continued health, success and growth. May the eternal God remain our refuge, and His everlasting arms see us through the year 2016 and beyond.

Thank you and may God continue to bless you.



**Ken Ofori-Atta**
**Chairman**
March 2016



# Managing Director's Review



## Dear Shareholders,

**The year 2015 was a challenging year for the Bank, given the increasingly difficult local and international economic environment and local market dynamics. The Bank had anticipated such an environment and as such had budgeted for a lower performance as compared to the remarkable performance recorded in 2014. Nonetheless 2015 was a relatively good year for the Bank in so far as we managed to still deliver one of our strongest performances yet.**

## Operating Environment

The local economic environment continues to be uncertain despite the anticipated rebound in the tourism and agriculture sectors, which should buoy growth going forward. However continued fiscal imbalances and weakness in the external sector, over the course of the year 2015, means that the near and medium term outlook is still patchy. These downside risks have helped to support the continued high interest rate environment that has seen the yields on government treasuries peak to 5 year highs across all maturities. The decision by the CBG to maintain its policy rate at 23 percent at its last meeting in February 2016 despite easing inflation expectations is ample evidence that macroeconomic risk are still biased to the downside.

The Banking sector continued to be stable, sound and satisfactorily capitalized to absorb shocks. The risk weighted capital adequacy ratio remained in excess of 30% for the industry, well above the statutory requirement of 10%. The high interest rate environment provides a further disincentive for banks to lend, thus accentuating the declining trend in private sector lending. This does not augur well for the sector as it is an environment that does not allow for banks to distinguish themselves from the competition through superior underwriting and origination practices, which your Bank has excelled in over the past few years. Hence going forward, a more supportive macroeconomic environment, in so far as it can help support the downward movement in interest rates, will be a necessary condition to reposition the industry on a growth path. The silver lining from recent developments however is that interest rates seem to have plateaued, which means that with more policy support, they could start trending downwards again. However, this may not be a short-term adjustment but rather one that may take place over the medium term. I would like to assure you that your Bank is well positioned to sustain its performance under the current environment and profit from any growth opportunities that may avail themselves with an improving economic environment.

## Your Bank's Performance

Our performance in 2015 shows that net interest income declined from GMD361 million in 2014 to GMD346 million in 2015. Total operating income declined by 1.3% from GMD565 million in 2014 to GMD558 million in 2015, while total expenses including loan loss provisions increased by 13% from GMD339 million to GMD384 million over the same period. These combined, resulted in a decline in pre-tax profits of 23% from GMD226 million to GMD174 million.

On the statement of financial position, the quality of our credit portfolio continues to be preserved through a combination of decelerating growth in loans as well as a more systematic credit assessment and approval process. Despite this outturn, your Bank is still committed to financing bankable projects where available. Our primary objective is to grow with quality and will continue to strive to maintain impaired assets to the minimum possible level.

The Bank's deposit liabilities grew by 1% to GMD4.13 billion, which went against the industry trend, which saw industry wide deposits decline. The relatively stronger growth in the Bank's deposit liabilities compared to its remunerated assets explains the decline in net interest income over the period, which is deviation from the standards that we target for ourselves. However, sometimes some of these one-off transactions are required to secure key customer relationships even if they come at an immediate cost to better position the Bank to be able to secure tactical assets that may have a higher payoff over the medium to long-term.

Despite the Bank's lower level of profitability in 2015, our capital base continues to be strengthened through underlying profit generation.



The Bank continued to reap great rewards on its strategic investments both locally and internationally as the Chairman aptly summarized and we expect the payoff on these investments to increase over the medium to long-term. In 2015, we acquired majority interest in Home Finance Company (Gambia) Ltd which is in line with the Bank's existing business strategy and future plans with respect to property development and long term mortgage financing. We also acquired a 25% stake in Enterprise Life Assurance Company Ltd. The Board believes that diversification into other areas in the financial sector will help the Group to improve its earnings capacity.

The results we are presenting here today show the effects of the Bank's strategy of sustaining its performance in the face of industry wide decline and maintaining its market share across all key performance metrics. This strategic footing is in large part, testament to the significant progress that we have made over the past few years in improving our efficiency, reducing risk, improving our underwriting standards and our treasury management system.

The management of the Bank feels great satisfaction as these results indicate further strengthening of the Bank's strategic position despite the lower levels of profitability recorded. This position has been achieved through the implementation of the strategic direction for the Bank set by the Board, of which a new year 5 year version was approved in 2015. We believe that this visionary leadership that has seen the Bank maintain its competitive position in a market replete with international players with bigger international clout, will continue to anchor the Bank's performance over the long-term.

## Human Resources

It remains a very tremendous honour and privilege to lead the staff of our noble institution. I have a team comprised of people with the right values and capabilities and each person, in their own way, has supported me in successfully steering the affairs of the Bank in a rather uncertain environment. I say it once again; the success of your Bank over the last few years has, in no small measure, been due to its staff. I thank you for continually displaying an unbending commitment to excellence in your duties. I assure you of the Bank's commitment to nurture your talent and passion for this Bank and develop you into true future leaders who will drive the Bank to higher heights.

Our Human Resources philosophy will continue to revolve around thorough training and mentoring of you, our most important resources.

## Corporate Social Responsibilities

The Bank is committed to its tag line of being "Proudly Gambian" and as such remains committed to seeing its successes permeate to the society and country as a whole.

The Bank has been fulfilling its social responsibilities by actively participating in activities aimed at humanitarian causes mainly in the areas of education, healthcare, social services and disaster recovery.

Some of the activities that Bank supported in 2015 under its CSR program include renovation works at the main referral hospital's (EFSTH) Sanatorium, maintenance works and purchase of medical supplies for the Tanka Tanka Psychiatric hospital, donations to the Farafenni hospital maternity ward, Leman street clinic, Bansang hospital and Basse Health Center. All in all, we spent over D1.2Million in the health sector. In sports, we supported activities in football, cycling, cricket, basketball amongst many others to the tune of D300,000 while in education, we have continued to hold our yearly excellence in the millennium awards to honour the top ten outstanding students in the grade 9 examinations. We have also continued to support a large number of schools by sponsoring prizes at their various speech and prize giving days and in addition, we sponsored the prizes during the "Call to the Bar" ceremony for new lawyers. In total, we spent D1Million in the education sector. We also rehabilated the Wassu Stone Circles which have become largely associated with our brand due to our shared characteristics of being truly Gambian. Overall, your Bank has spent over D3.5Million on various CSR activities for the year 2015.

## Outlook

The future of our industry is plagued with increasing concerns about our ability, in our region, to maintain international corresponding banking relationships. There are concerns about ample liquidity positions maintained by most banks and there are concerns too about rising lending rates and the adequacy of the pricing for risk, amongst other concerns. However, rest assured that we, at Trust Bank, are clear about our strategy and priorities.

We remain steadfast in our objective of making our brand more powerful by fulfilling our promise to all our stakeholders.

We remain cautiously optimistic that the lessons we have learnt over the years will help us to navigate the choppy waters in the horizon while strategically positioning the Bank to be a key anchor in the country's long-term development prospects.

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

## Acknowledgements

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

To the members of the Board, thank you for knowing when to challenge us and when to support us. Your robust level of governance has stood the Bank in good stead.

To our regulators, the Central Bank of The Gambia, thank you for maintaining an open door policy which allows for useful interactions in the shaping of our plans and activities.

To our shareholders and customers, thank you for your business, your trust and the confidence you have always reposed in us.

To the Trust Bank team I would like to once more express my appreciation for your professionalism, enthusiasm, commitment and valuable contribution towards the building of this strong and vibrant institution that we pray will live long past our children and grandchildren.

**Pa Macoumba Njie**
March 2016

# General Information



| | | |
|---|---|---|
| **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 (up to June 2015)* |
| | Mr. Saibatou Faal | *Member (from September 2015)* |
| **COMPANY SECRETARY** | Mrs. Njilan Senghore-Njie | |
| **AUDITORS** | PKF<br>Accountants and business advisers<br>33 Bijilo Layout Annex<br>Kombo North, The Gambia | |
| **REGISTERED OFFICE** | Trust Bank Limited<br>3/4 Ecowas Avenue<br>Banjul, The Gambia | |
| **SOLICITORS** | Mrs. Mary Abdoulie Samba<br>29 Independence Drive<br>Banjul, The Gambia | |
| **REGISTRARS** | Universal Merchant Bank Limited<br>57 Examination Loop, North Ridge<br>Accra, Ghana | |
| **BANKERS** | BMCE Bank International<br>France | Ghana Commercial Bank<br>Ghana |
| | Bank of Beirut<br>London | Ghana International Bank<br>UK |
| | Central Bank of The Gambia<br>The Gambia | Skandinaviska Ensklilda Banken<br>Sweden |
| | Den Danske Bank<br>Denmark | Unicredit<br>Italy |
| | Den Norske Bank<br>Norway | Unicredit<br>Germany |
| | Ecobank<br>Senegal | |



# Director's Report



The Directors present the audited consolidated financial statements and corporate results of the Trust Bank Limited Group for the year ended 31st December 2015.

## 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 D0.40 per ordinary share for the year ended 2015. The final dividend of D0.40 per share together with the interim dividend paid of D0.20 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 D3,526,821 (2014 :D2,524,258).

## Directors and their Interest

The Directors who held office during the year are as shown on page 5. The directors retiring by rotation in accordance with Article 98 of the Articles of Association are Mr. Ken Ofori-Atta, Mr. Abdoulie Cham and Mrs Angela Andrews-Njie. Being eligible, Mr. Ofori-Atta, Mr. Cham and Mrs. Andrews-Njie offer themselves for re-election.

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

| | Number of Shares held | |
|---|---|---|
| | **31-Dec-15** | **31-Dec-14** |
| Mr. Pa Macoumba Njie | 1,186,033 | 1,186,033 |
| 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** | **1,300,653** |

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

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

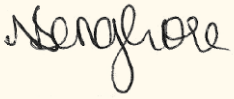
## Infrastructure Development Committee

- 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: 30th March 2016





# Independent Auditors' Report



## To the Members of Trust Bank Limited Group

We have audited the accompanying consolidated financial statements of Trust Bank Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31st December 2015, 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 2015, 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: 30th March 2016**

# Consolidated Statements of Comprehensive Income

**For the year ended 31 December 2015**

| | | The Group | | The Bank | |
|---|---|---|---|---|---|
| | | **31-Dec-15** | 31-Dec-14 | **31-Dec-15** | 31-Dec-14 |
| | *Notes* | **D'000** | D'000 | **D'000** | D'000 |
| Interest and similar income | *5* | **566,016** | 558,035 | **555,173** | 556,327 |
| Interest and similar expense | *5* | **(207,921)** | (195,030) | **(208,687)** | (195,653) |
| **Net Interest Income** | | **358,095** | 363,005 | **346,486** | 360,674 |
| Fees and commission income | *6* | **112,947** | 135,538 | **106,029** | 125,524 |
| Fees and commission expense | *6* | **(2,286)** | (2,877) | **(2,268)** | (2,894) |
| **Net fee and commission income** | | **110,661** | 132,661 | **103,761** | 122,630 |
| Gain from a bargain purchase | *29* | **9,797** | - | - | - |
| Net trading income | *7* | **100,392** | 103,962 | **75,686** | 62,550 |
| Other operating income | *8* | **7,146** | 8,920 | **31,666** | 19,151 |
| **Operating income** | | **586,091** | 608,548 | **557,599** | 565,005 |
| Net impairment loss on financial asset | *16* | **3,001** | 16,505 | **5,018** | 16,516 |
| Personnel expenses | *9* | **(164,718)** | (147,589) | **(158,575)** | (143,652) |
| Depreciation and amortization | *19,20* | **(70,407)** | (47,112) | **(69,111)** | (46,438) |
| Other expenses | *10* | **(170,046)** | (173,442) | **(161,114)** | (165,369) |
| | | **(402,170)** | (351,638) | **(383,782)** | (338,943) |
| **Profit before income tax** | | **183,921** | 256,910 | **173,817** | 226,062 |
| Income tax expense | *11* | **(29,421)** | (78,076) | **(21,756)** | (64,960) |
| **Profit for the year** | | **154,500** | 178,834 | **152,061** | 161,102 |
| **Other comprehensive income, net of income tax** | | | | | |
| Foreign currency translation difference | | - | - | - | - |
| Net gain/loss on fair value of AFS FIs | | - | - | - | - |
| Revaluation reserve | | **193,013** | - | **193,013** | - |
| **Other comprehensive income for the year** | | **193,013** | - | **193,013** | - |
| Total comprehensive income for the year | | **347,513** | 178,834 | **345,074** | 161,102 |
| Profit attributable to: | | | | | |
| Controlling equity holders of the Bank/Group | | **154,254** | 178,834 | **152,061** | 161,102 |
| Non controlling interest | | **246** | - | - | - |
| **Profit for the year** | | **154,500** | 178,834 | **152,061** | 161,102 |
| **Total comprehensive income attributable to:** | | | | | |
| Controlling equity holders of the Bank/Group | | **347,267** | 178,834 | **345,074** | 161,102 |
| Non controlling interest | | **246** | - | - | - |
| **Total comprehensive income for the year** | | **347,513** | 178,834 | **345,074** | 161,102 |
| Basic/diluted earnings per share (Bututs) | *12* | **77** | 89 | **76** | 81 |

*The accompanying notes are an integral part of the financial statements*

tbl Trust Bank Ltd.

# Consolidated Statement of Financial Position

**For the year ended 31 December 2015**

| | | The Group | | The Bank | |
|---|---|---|---|---|---|
| | | **31-Dec-15** | 31-Dec-14 | **31-Dec-15** | 31-Dec-14 |
| | *Notes* | **D'000** | D'000 | **D'000** | D'000 |
| **ASSETS** | | | | | |
| Cash and cash equivalents | *14* | **1,390,025** | 1,330,547 | **1,386,471** | 1,313,456 |
| Trading assets | *15* | **1,488,753** | 1,650,205 | **1,472,872** | 1,639,352 |
| Loans and advances to customers | *16* | **1,037,104** | 1,010,903 | **1,006,336** | 1,010,191 |
| Investment in subsidiary | *17* | **-** | - | **20,558** | 8,500 |
| Investment in other equity securities | *18* | **80,812** | 78,722 | **80,812** | 78,722 |
| Current tax | *11* | **5,961** | - | **6,537** | - |
| Property, plant and equipment | *19* | **690,884** | 412,682 | **685,743** | 407,987 |
| Intangible assets | *20* | **82,918** | 95,382 | **82,651** | 95,023 |
| Other assets | *22* | **168,913** | 128,482 | **162,328** | 109,008 |
| **TOTAL ASSETS** | | **4,945,370** | 4,706,923 | **4,904,308** | 4,662,239 |
| **LIABILITIES** | | | | | |
| Deposits from Banks | *23* | **12,228** | 4,160 | **12,228** | 4,160 |
| Deposits from Customers | *24* | **4,096,727** | 4,092,148 | **4,115,494** | 4,099,345 |
| Current tax | *11* | **-** | 4,443 | **-** | 2,502 |
| Deferred tax | *21* | **13,583** | 37,290 | **13,583** | 37,290 |
| Employee benefit obligations | | **3,545** | 3,003 | **3,545** | 3,003 |
| Other liabilities | *25* | **74,206** | 61,133 | **57,159** | 58,714 |
| **TOTAL LIABILITIES** | | **4,200,289** | 4,202,177 | **4,202,009** | 4,205,014 |
| **EQUITY** | | | | | |
| Stated capital | *26* | **200,000** | 200,000 | **200,000** | 200,000 |
| Income surplus | | **131,356** | 165,261 | **98,800** | 117,740 |
| Statutory reserves | | **200,000** | 139,485 | **200,000** | 139,485 |
| Revaluation reserve | | **193,013** | - | **193,013** | - |
| Fair value reserve | | **-** | - | **-** | - |
| Credit risk reserve | | **10,486** | - | **10,486** | - |
| Total equity attributable to equity holders of the Group | | **734,855** | 504,746 | **702,299** | 457,225 |
| Non Controlling interest | | **10,226** | - | **-** | - |
| **TOTAL LIABILITIES AND EQUITY** | | **4,945,370** | 4,706,923 | **4,904,308** | 4,662,239 |

These financial statements were approved by the Board of Directors on 30th March 2016, 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

**For the year ended 31 December 2015**



**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 | Revaluation reserve D'000 | Income surplus D'000 | Total equity D'000 |
| 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 1 January 2015 | 200,000 | 139,485 | - | - | - | 117,740 | **457,225** |
| Net income for the year | - | - | - | - | - | 152,061 | **152,061** |
| Transfer to credit risk reserve | - | - | - | 10,486 | - | (10,486) | - |
| Transfer from fair value reserve | - | - | - | - | - | - | - |
| Transfer to statutory reserve | - | 60,515 | - | - | - | (60,515) | - |
| Revaluation reserve | - | - | - | - | 193,013 | - | **193,013** |
| Dividend paid to equity holders | - | - | - | - | - | (100,000) | **(100,000)** |
| **At 31 December 2015** | **200,000** | **200,000** | **-** | **10,486** | **193,013** | **98,800** | **702,299** |

**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 | Revaluation reserve D'000 | Income surplus D'000 | Total equity D'000 |
| 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 1 January 2015 | 200,000 | 139,485 | - | - | - | 165,261 | **504,746** |
| Net income for the year | - | - | - | - | - | 154,500 | **154,500** |
| Transfer from credit risk reserve | - | - | - | 10,486 | - | (10,486) | - |
| Transfer from fair value reserve | - | - | - | - | - | - | - |
| Transfer to statutory reserve | - | 60,515 | - | - | - | (60,515) | - |
| Revaluation reserve | - | - | - | - | 193,013 | - | **193,013** |
| Transfer to Bayba Capital | - | - | - | - | - | (6,571) | **(6,571)** |
| HFC retained earnings at acquisition | - | - | - | - | - | (6,517) | **(6,517)** |
| Dividend paid to equity holders | - | - | - | - | - | (104,316) | **(104,316)** |
| **At 31 December 2015** | **200,000** | **200,000** | **-** | **10,486** | **193,013** | **131,356** | **734,855** |

*The accompanying notes are an integral part of the financial statements*

tbl Trust Bank Ltd.

# Consolidated Statement of Cashflows

**For the year ended 31 December 2015**

| | | The Group | | The Bank | |
|---|---|---|---|---|---|
| | *Notes* | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| **CASHFLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Profit for the year before taxes | | **183,921** | 256,910 | **173,817** | 226,062 |
| Adjustments to reconcile profit before taxes to net cash provided by operating activities: | | | | | |
| Depreciation and amortization | *19,20* | **70,407** | 47,112 | **69,111** | 46,438 |
| Net impairment loss on financial assets | *16* | **(3,001)** | (16,505) | **(5,018)** | (16,516) |
| Net interest income | | **(358,095)** | (363,005) | **(346,486)** | (360,674) |
| Profit on sale of assets | | **(1,898)** | (2,482) | **(1,917)** | (2,535) |
| Fixed assets written off | | **306** | - | - | - |
| | | **(108,36.50)** | (77,970) | **(110,493)** | (107,225) |
| Changes in trading assets | | **161,452** | 30,088 | **166,480** | 34,219 |
| Changes in loans and advances to customers | | **(23,200)** | 40,539 | **8,873** | 44,350 |
| Changes in other assets | | **(40,431)** | 114,621 | **(53,320)** | 123,068 |
| Changes in deposits from banks | | **8,068** | (11,622) | **8,068** | (11,622) |
| Changes in deposits from customers | | **4,579** | 32,565 | **16,149** | 29,182 |
| Changes in other liabilities and provisions | | **13,728** | (14,061) | **(1,013)** | (12,358) |
| | | **15,836** | 114,160 | **34,744** | 99,614 |
| Interest and dividends received | | **566,016** | 558,035 | **555,173** | 556,327 |
| Interest paid | | **(207,921)** | (195,030) | **(208,687)** | (195,653) |
| Income tax paid | | **(63,469)** | (106,449) | **(54,502)** | (88,875) |
| **Net cash used in operating activities** | | **310,462** | 370,716 | **326,728** | 371,413 |
| **CASHFLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Purchase of investment securities | | **(5,440)** | (6,060) | **(14,148)** | (6,060) |
| Purchase of property and equipment | *19* | **(131,547)** | (70,806) | **(129,865)** | (67,816) |
| Proceeds from the sale of property and equipment | | **2,451** | 3,538 | **2,432** | 3,269 |
| Purchase of intangible assets | *20* | **(12,132)** | (86,531) | **(12,132)** | (86,531) |
| **Net cash used in investing activities** | | **(146,668)** | (159,859) | **(153,713)** | (157,138) |
| **CASHFLOWS FROM FINANCING ACTIVITIES** | | | | | |
| Dividends paid | *26* | **(104,316)** | (111,763) | **(100,000)** | (110,000) |
| **Net cash used in investing activities** | | **(104,316)** | (111,763) | **(100,000)** | (110,000) |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | | **59,478** | 99,094 | **73,015** | 104,275 |
| Cash and cash equivalents at beginning of the year | | **1,330,547** | 1,231,453 | **1,313,456** | 1,209,181 |
| Effects of exchange rate fluctuations on cash held | | - | - | - | - |
| **CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2015** | | **1,390,025** | 1,330,547 | **1,386,471** | 1,313,456 |

*The accompanying notes are an integral part of the financial statements*

# Notes to the financial statements

**For the year ended 31 December 2015**

## 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:

| | 2015 | 2014 |
|---|---|---|
| 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 18 branches as follows:

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

The consolidated financial statements of the Group as at and for the year ended 31 December 2015 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 30th March 2016.

### 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 subsidiaries 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 | 5 |
| 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 2015 | 2014 |
|---|---|---|
| | D'000 | D'000 |
| **Individually impaired** | | |
| Grade 6: Impaired (loss) | 41,414 | 17,489 |
| Grade 7: Impaired (loss) | 5,220 | 8,470 |
| Grade 8: Impaired (doubtful) | 21,338 | 21,406 |
| Gross amount | 67,972 | 47,365 |
| Allowance for impairment | (29,126) | (25,293) |
| Carrying amount | 38,846 | 22,072 |
| **Collectively impaired** | | |
| Grade 1-3 Normal | 936,712 | 973,061 |
| Grade 4-5 Watch list | 37,602 | 21,783 |
| Gross amount | 974,314 | 994,844 |
| Allowance for impairment | (6,824) | (6,725) |
| Carrying amount | 967,490 | 988,119 |
| **Past due but not impaired** | | |
| Grade 1-3 Normal | - | - |
| Grade 4-5 Watch list | 37,602 | 21,783 |
| Carrying amount | 37,602 | 21,783 |
| **Past due comprises:** | | |
| 30-60 days | - | - |
| 60-90 days | - | - |
| 90-180 days | 19,592 | 8,042 |
| 180-360 days + | 18,010 | 13,741 |
| Carrying amount | 37,602 | 21,783 |
| **Neither past due nor impaired** | | |
| Grade 1-3 Normal | 936,712 | 973,061 |
| Grade 4-5 Watch list | - | - |
| Carrying amount | 936,712 | 973,061 |
| Includes loans with renegotiated terms | | |
| **Total carrying amount** | 1,006,336 | 1,010,191 |

### 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 | |
|---|---|---|
| | D'000 | D'000 |
| **31st December 2015** | **Gross** | **Net** |
| Grade 6: Individually impaired | **41,414** | **17,228** |
| Grade 7: Individually impaired | **5,220** | **2,026** |
| Grade 8: Individually impaired | **21,338** | **19,592** |
| **Total** | **67,972** | **38,846** |

| | Loans and advances to customers | |
|---|---|---|
| | D'000 | D'000 |
| **31st December 2014** | Gross | Net |
| 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 |

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 2015 or 2014.

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 | |
|---|---|---|
| | **2015** | 2014 |
| | **D'000** | D'000 |
| Against individually impaired | | |
| Property | **11,080** | - |
| Cash | - | - |
| Equity | - | - |
| Other | - | - |
| Against Collectively impaired | | |
| Property | **67,269** | 112,927 |
| Cash | **5,331** | - |
| Equity | - | - |
| Other | - | - |
| Against past due but not impaired | | |
| Property | **42,252** | 21,783 |
| Cash | **20,477** | - |
| Equity | - | - |
| Other | - | - |
| Against neither past due nor impaired | | |
| Property | **1,892,860** | 651,732 |
| Cash | **119,275** | 115,381 |
| Equity | **43,843** | 56,070 |
| Other | **237,400** | 477,600 |
| **Total** | **2,439,787** | 1,435,493 |





### 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 | |
|---|---|---|
| | **2015** | 2014 |
| **31st December 2015** | **D'000** | D'000 |
| Against individually impaired | | |
| Property | - | - |
| Cash | - | - |
| Equity | - | - |
| **Total** | **-** | **-** |

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 | |
|---|---|---|
| | **2015** | 2014 |
| **31st December 2015** | **D'000** | D'000 |
| Concentration by sector | | |
| Agriculture | **1,910** | 3,072 |
| Manufacturing | **4,640** | 4,021 |
| Service Industry | **118,796** | 148,807 |
| Mining | - | - |
| Other | **880,990** | 854,291 |
| **Total** | **1,006,336** | 1,010,191 |

## (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:

| | **2015** | 2014 |
|---|---|---|
| At 31 December | **70.0%** | 72.0% |
| Average for the period | **72.6%** | 69.2% |
| Maximum for the period | **74.8%** | 72.7% |
| Minimum for the period | **70.0%** | 67.2% |

### 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 | D'000 |
| **31st December 2015** | | | | | | |
| Deposits from Banks | 12,228 | 12,228 | 12,228 | - | - | - |
| Deposits from Customers | 4,115,494 | 4,115,494 | 3,593,616 | 221,622 | 300,256 | - |
| | **4,127,722** | **4,127,722** | **3,605,844** | **221,622** | **300,256** | **-** |
| **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** | **-** | **-** |

## (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 2015 and 2014 were as follows:

| | Net FX positions | |
|---|---|---|
| | **2015** | 2014 |
| | **D'000** | D'000 |
| EURO | **(2,340)** | 1,717 |
| USD | **(44,500)** | (61,206) |
| GBP | **48,074** | 315 |
| Other | **1,769** | 1,842 |
| **Total net FX balance sheet position** | **3,003** | (57,332) |

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 2015:





| | 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 | 42.00 | 44.10 | (2,340) | (4,914) |
| USD | 37.50 | 39.38 | (44,500) | (83,660) |
| GBP | 59.50 | 62.48 | 48,074 | 143,261 |
| **Total** | | | | **54,687** |

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)** |

## 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 2015** | | | | | | |
| Cash and cash equivalents | 1,386,471 | 1,386,471 | - | - | - | - |
| Loans/advances to customers | 1,006,336 | 271,274 | 62,799 | 260,097 | 401,985 | 10,181 |
| Investment securities | 1,472,872 | 412,637 | 765,165 | 348,663 | 233,617 | - |
| | 3,865,679 | 2,070,382 | 827,964 | 608,760 | 635,602 | 10,181 |
| Deposits from banks | 12,228 | 12,228 | - | - | - | - |
| Deposits from customers | 4,115,494 | 3,593,616 | 221,622 | 300,256 | - | - |
| | 4,127,722 | 3,605,844 | 221,622 | 300,256 | - | - |
| | **262,043** | **1,535,462** | **(606,342)** | **(308,504)** | **(635,602)** | **(10,181)** |
| **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)** |

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 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:

| | 2015 D'000 | 2014 D'000 |
|---|---|---|
| **Tier 1 capital** | | |
| Ordinary share capital | **200,000** | 200,000 |
| Statutory reserves | **200,000** | 139,485 |
| Retained earnings | **98,800** | 117,740 |
| **Total tier 1 capital** | **498,800** | 457,225 |
| Tier 2 capital | | |
| Revaluation reserve | **96,507** | - |
| **Total tier 2 capital** | **96,507** | - |
| Total regulatory capital | **595,307** | 457,225 |
| Risk weighted assets | | |
| Investment at bank | **1,141,308** | 985,562 |
| Retail bank, corporate bank and treasury | **1,178,370** | 1,166,051 |
| **Total risk weighed assets** | **2,319,678** | 2,151,613 |
| **Capital ratios** | | |
| Total regulatory capital expressed as a percentage of total risk weighted assets | **26%** | 21% |
| Total tier 1 capital expressed as a percentage of risk weighted assets | **22%** | 21% |

## 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 | Total carrying amount | Fair Value |
|---|---|---|---|---|---|---|---|---|
| **31st December 2015** | **D'000** | **D'000** | **D'000** | **D'000** | **D'000** | **D'000** | **D'000** | **D'000** |
| Cash and cash equivalents | 1,386,471 | - | - | - | - | - | **1,386,471** | **1,386,471** |
| Trading assets | - | - | - | - | 1,472,872 | - | **1,472,872** | **1,472,872** |
| Loans and advances | - | - | - | 1,006,336 | - | - | **1,006,336** | **1,006,336** |
| Investment in securities | | | | | 101,370 | | **101,370** | **101,370** |
| | 1,386,471 | - | - | 1,006,336 | 1,574,242 | - | **3,967,049** | **3,967,049** |
| Trading liabilities | | | | | | | | |
| Deposits from banks | - | - | - | - | - | 12,228 | **12,228** | **12,228** |
| Deposits from customers | - | - | - | - | - | 4,115,494 | **4,115,494** | **4,115,494** |
| | - | - | - | - | - | 4,127,722 | **4,127,722** | **4,127,722** |
| **31st December 2014** | | | | | | | | |
| 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, Non performing loans continue to be managed within acceptable levels. Although NPL ratio has increased from 2% to 4%, Net impairment charge shows a recovery of D3M. In addition, the account that was responsible for the increase in the ratio has been substantially recovered post balance sheet date. |
| **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 is managed on a short to medium term basis ensuring that cash flow demands can be met as and when required. | A substantial portion of the Bank'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 Bank 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's core banking system | is robust, 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 D1M as a result of failed internal processes but this has since been recovered in full. |

| | Narration | Key Mitigating actions | Commentary on current status |
|---|---|---|---|
| **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 Bank generally complied with regulatory requirements. |
| **Capital Management** | 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-15** | 31-Dec-14 | **31-Dec-15** | 31-Dec-14 |
| | **D'000** | D'000 | **D'000** | D'000 |
| Cash and cash equivalents | **9,366** | 7,396 | **9,366** | 7,036 |
| Loans and advances to customers | **208,524** | 266,390 | **202,425** | 266,439 |
| Investment securities | **348,126** | 284,249 | **343,382** | 282,852 |
| **Total interest income** | **566,016** | 558,035 | **555,173** | 556,327 |

Interest and similar expenses for the year ended consist of:

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15** | 31-Dec-14 | **31-Dec-15** | 31-Dec-14 |
| | **D'000** | D'000 | **D'000** | D'000 |
| Deposits from customers | **(206,713)** | (194,993) | **(207,479)** | (195,616) |
| Interbank placements | **(1,208)** | (37) | **(1,208)** | (37) |
| **Total interest expense** | **(207,921)** | (195,030) | **(208,687)** | (195,653) |
| **Net interest income** | **358,095** | 363,005 | **346,486** | 360,674 |

Included within various captions under interest income for the year ended 31 December 2015 is a total of D12.2M (2014: D10.9M) 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

Fees and commission income can be summarised as follows:

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Banking customer fees | **34,696** | 55,558 | **35,168** | 53,892 |
| Credit related fees | **13,909** | 15,661 | **13,847** | 15,661 |
| Foreign currency related fees and commissions | **57,150** | 54,193 | **49,822** | 45,845 |
| Commission on trade finance transactions | **7,192** | 10,126 | **7,192** | 10,126 |
| **Total fees and commission income** | **112,947** | 135,538 | **106,029** | 125,524 |
| **Fees and commission expense** | | | | |
| Interbank transaction fees | **(1,595)** | (2,708) | **(1,577)** | (2,725) |
| Foreign currency related fees | **(691)** | (169) | **(691)** | (169) |
| **Total fees and commission expense** | **(2,286)** | (2,877) | **(2,268)** | (2,894) |
| **Net fees and commission income** | **110,661** | 132,661 | **103,761** | 122,630 |

## 7. Net trading income

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Foreign exchange | **100,392** | 103,962 | **75,686** | 62,550 |
| **Net trading income** | **100,392** | 103,962 | **75,686** | 62,550 |

## 8. Other operating income

Other income can be summarized as follows:

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Sundry Income | **1,127** | 5,916 | **978** | 5,894 |
| Profit on sale of fixed assets | **1,898** | 2,482 | **1,917** | 2,535 |
| Rental income | **403** | 522 | **403** | 522 |
| Dividends received on equity investments | **3,718** | - | **28,368** | 10,200 |
| **Total other income** | **7,146** | 8,920 | **31,666** | 19,151 |

## 9. Personnel costs

Personnel costs can be summarized as follows:

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Salaries and allowances | **101,726** | 93,331 | **96,561** | 89,607 |
| Contributions to defined contribution plans | **17,853** | 16,041 | **17,525** | 15,894 |
| staff medical expenses | **7,117** | 6,799 | **7,004** | 6,799 |
| Other staff costs | **33,854** | 29,306 | **33,634** | 29,300 |
| Directors fees | **3,626** | 2,076 | **3,309** | 2,016 |
| Increase in liability for leave arrears | **542** | 36 | **542** | 36 |
| **Total personnel costs** | **164,718** | 147,589 | **158,575** | 143,652 |

The total number of employees as at 31 December 2015 was 347 of which 39 employees are directors and senior management of the Bank (2014: 357 and 30 respectively). Pursuant to The Gambian legal regulations, an employer is obliged to pay contributions to the Social Security and Housing Finance Corporation based on a percentage of basic salary. These expenses are charged to the income statement in the period in which the employee was entitled to salary.

The Bank contributes to a supplementary pension plan administered internally, based on the employment period of the employee. No liabilities arise to the Bank from the payment of pensions to employees in the future. Supplementary pension contribution expenses amounted to D5.8M as of 31 December 2015 (2014: D5.3M).

## 10. General and administration expenses

General and administration expenses can be summarized as follows:

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Advert/publicity | **11,035** | 14,004 | **8,551** | 11,678 |
| Audit fees | **1,165** | 933 | **800** | 735 |
| Consultancy fees | **519** | 358 | **519** | 358 |
| Electricity and water | **10,260** | 8,324 | **9,801** | 8,008 |
| Entertainment expenses | - | 24 | - | 24 |
| Insurance premium | **7,066** | 5,731 | **6,881** | 5,609 |
| Legal and professional fees | **1,470** | 1,537 | **1,355** | 1,537 |
| Losses and charge offs | **836** | 9,798 | **629** | 8,870 |
| Motor vehicle expenses | **8,395** | 7,829 | **7,888** | 7,417 |
| National education levy | **80** | 50 | **50** | 50 |
| Other office expenses | **5,340** | 5,951 | **5,006** | 5,198 |
| Postage and DHL | **171** | 185 | **164** | 175 |
| Printing and stationery | **10,114** | 10,773 | **9,512** | 10,041 |
| Rent and rates | **3,132** | 3,089 | **2,132** | 2,275 |
| Repairs and maintenance property/equipment | **18,863** | 26,332 | **18,503** | 25,970 |
| Security | **5,838** | 5,208 | **5,455** | 4,911 |
| Software and Hardware maintenance | **56,409** | 44,927 | **55,726** | 44,416 |
| Staff training | **12,579** | 13,635 | **12,425** | 13,635 |
| Stock exchange expenses | **566** | 646 | **566** | 646 |
| Subscriptions and donations | **4,630** | 3,641 | **4,485** | 3,583 |
| Telephone/Telex/Swift | **5,399** | 4,113 | **5,139** | 4,012 |
| Trade license | **3,959** | 3,893 | **3,830** | 3,831 |
| Travel cost | **2,220** | 2,461 | **1,697** | 2,390 |
| **Total general and administration expenses** | **170,046** | 173,442 | **161,114** | 165,369 |

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-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Current tax expense | **55,195** | 80,618 | **47,572** | 67,502 |
| Overprovision in prior year | **(2,067)** | - | **(2,109)** | - |
| | **53,128** | 80,618 | **45,463** | 67,502 |
| Deferred tax expense | | | | |
| Origination/reversal of temporary differences | **(23,707)** | (2,542) | **(23,707)** | (2,542) |
| **Total income tax** | **29,421** | 78,076 | **21,756** | 64,960 |

Legal entities in the Gambia must individually report taxable income and remit corporate income taxes thereon to the appropriate authorities. In 2015 the corporate income tax rate amounted to 31% (2014: 32%).

### Reconciliation of effect tax rate

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| **Profit before income tax** | **183,921** | 256,910 | **173,817** | 226,062 |
| Income tax using enacted corporation tax rate | **57,016** | 82,211 | **53,883** | 72,340 |
| Non deductible expenses | **17,866** | 14,844 | **17,766** | 14,612 |
| Capital Allowances | **(24,173)** | (19,717) | **(24,077)** | (19,450) |
| Over provided in prior year | - | - | **(2,109)** | - |
| **Total income tax expense in income statement** | **50,708** | 77,339 | **45,463** | 67,502 |
| | | | | |
| **Reconciliation of effective tax rate** | | % | | % |
| Domestic tax rate | **31.00** | 32.00 | **31.00** | 32.00 |
| Non deductible expenses | **9.71** | 5.78 | **10.22** | 6.46 |
| Capital Allowances | **(13.14)** | (7.67) | **(13.85)** | (8.60) |
| Over provided in prior year | - | - | **(1.21)** | - |
| **Total income tax expense in income statement** | **27.58** | 30.11 | **26.16** | 29.86 |

### Income tax (asset)/liability

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Balance at the beginning of the year | **4,443** | 30,274 | **2,502** | 23,875 |
| Adjustment | **(63)** | - | - | - |
| Current tax expense | **53,128** | 80,618 | **45,463** | 67,502 |
| Tax paid during the year | **(63,469)** | (106,449) | **(54,502)** | (88,875) |
| **Tax (asset)/ liability at the end of the year** | **(5,961)** | 4,443 | **(6,537)** | 2,502 |

Deferred tax assets and liabilities as of 31 December 2015 and as of 31 December 2014 relate to the following items:

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Opening balance | **37,290** | 39,832 | **37,290** | 39,832 |
| Charged to income (non current tangible assets) | **(23,707)** | (2,542) | **(23,707)** | (2,542) |
| **Tax liability at the end of the year** | **13,583** | 37,290 | **13,583** | 37,290 |

## 12. Earnings per share

The calculation of basic earnings per share at 31 December 2015 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-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Profit attributable to ordinary shareholders | **154,500** | 178,834 | **152,061** | 161,102 |
| Weighted average number of ordinary shares | **200,000** | 200,000 | **200,000** | 200,000 |
| **Earnings per ordinary share (dalasis)** | **0.77** | 0.89 | **0.76** | 0.81 |

## Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2015 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-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Profit attributable to ord. shareholders (diluted) | **154,500** | 178,834 | **152,061** | 161,102 |
| Weighted average no. of ord. shares (diluted) | **200,000** | 200,000 | **200,000** | 200,000 |
| **Earnings per ordinary share (dalasis)** | **0.77** | 0.89 | **0.76** | 0.81 |

## 13. Dividend per share

At the Annual General Meeting to be held in April 2016, a final dividend in respect of the year ended 31 December 2015 of D0.40 (2014: D0.30) for every ordinary share will be proposed. An interim dividend of D0.20 (2014: D0.30) for every ordinary share was declared and paid during the year. This will bring the total dividend for the year to D0.60 (2014: D0.60).

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

## 14. Cash and cash equivalents

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Cash and balances with banks | **589,321** | 580,808 | **586,767** | 570,708 |
| Unrestricted balances with the Central Bank | **654,704** | 451,135 | **654,704** | 451,135 |
| Treasury bills with maturity periods of < 3 months | **136,000** | 228,604 | **135,000** | 221,613 |
| Money market placements | **10,000** | 70,000 | **10,000** | 70,000 |
| **Total cash and cash equivalents** | **1,390,025** | 1,330,547 | **1,386,471** | 1,313,456 |

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-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Treasury Bills | **1,490,116** | 1,651,451 | **1,474,235** | 1,640,587 |
| Less portfolio allowances for impairment | **(1,363)** | (1,246) | **(1,363)** | (1,235) |
| **Total trading assets** | **1,488,753** | 1,650,205 | **1,472,872** | 1,639,352 |

## 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-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Loans | **505,399** | 643,643 | **472,614** | 642,931 |
| Overdrafts | **282,462** | 399,276 | **282,462** | 399,276 |
| Government bonds | **287,210** | - | **287,210** | - |
| **Total loans and advances at amortised cost** | **1,075,071** | 1,042,919 | **1,042,286** | 1,042,207 |
| Less: | | | | |
| Individual allowance for impairment | **(31,143)** | (25,301) | **(29,126)** | (25,301) |
| Collective allowance for impairment | **(6,824)** | (6,715) | **(6,824)** | (6,715) |
| **Total loans and advances** | **1,037,104** | 1,010,903 | **1,006,336** | 1,010,191 |

An analysis of loans by customer group is as follows:

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Corporate Clients | **825,230** | 865,062 | **825,230** | 865,062 |
| Retail Clients | **249,841** | 177,857 | **217,056** | 177,145 |
| **Total loans and advances** | **1,075,071** | 1,042,919 | **1,042,286** | 1,042,207 |

## Allowance for impairment

The movement in individual allowances for impairment is as follows:

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Balance at the beginning of the year | **25,301** | 34,694 | **25,301** | 34,694 |
| Impairment loss for the year | | | | |
| Charge for the year | **(4,473)** | (22,523) | **(6,490)** | (22,523) |
| Recoveries | **16,610** | 23,966 | **16,610** | 23,966 |
| Write offs | **(6,295)** | (10,836) | **(6,295)** | (10,836) |
| **Balance at the end of the year** | **31,143** | 25,301 | **29,126** | 25,301 |

The movement in collective allowances for impairment is as follows:

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Balance at the beginning of the year | **6,715** | 1,943 | **6,715** | 1,943 |
| Impairment loss for the year | | | | |
| Charge for the year | **109** | 4,772 | **109** | 4,772 |
| **Balance at the end of the year** | **6,824** | 6,715 | **6,824** | 6,715 |
| **Portfolio allowance for treasury bill investments** | **1,363** | 1,246 | **1,363** | 1,235 |
| **Total impairment charge** | **(3,001)** | (16,505) | **(5,018)** | (16,516) |

## 17. Investment in subsidiaries

| | | The Group | | The Bank | |
|---|---|---|---|---|---|
| | **% of ordinary shares** | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Bayba Financial Services Limited | **100%** | - | - | **8,500** | 8,500 |
| Home Finance Company Gambia Ltd | **60%** | - | - | **12,058** | - |
| **As at 31 December** | | - | - | **20,558** | 8,500 |

## 18. Investment in other equity securities

| | | The Group | | The Bank | |
|---|---|---|---|---|---|
| | **% of ordinary shares** | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Home Finance Company Gambia Ltd | 10% | - | 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 | **6,060** | 6,060 |
| Enterprise Life Assurance Company | 25% | **5,440** | - | **5,440** | - |
| **As at 31 December** | | **80,812** | 78,722 | **80,812** | 78,722 |

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-14 | 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 | - | (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** |
| Additions | 96,385 | 375 | 3,931 | 11,875 | 17,299 | 129,865 | 131,547 |
| Transfers | (13,919) | 13,126 | 93 | 700 | - | - | - |
| Revaluation | - | 160,649 | - | - | - | 160,649 | 160,649 |
| Disposal/write offs | - | - | (274) | (2,458) | (9,087) | (11,819) | (10,228) |
| **At 31-Dec-15** | **141,155** | **462,280** | **47,234** | **218,741** | **51,724** | **921,134** | **930,016** |
| **Depreciation** | | | | | | | |
| At 01-Jan-14 | - | (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 |
| Disposals | - | - | 53 | 84 | 4,990 | 5,127 | 5,220 |
| **At 31-Dec-14** | **-** | **(35,572)** | **(29,181)** | **(145,037)** | **(24,662)** | **(234,452)** | **(235,366)** |
| Depreciation expense | - | (7,106) | (5,044) | (20,752) | (11,705) | (44,607) | (45,811) |
| Revaluation | - | 32,364 | - | - | - | 32,364 | 32,364 |
| Disposal/write offs | - | - | 206 | 2,458 | 8,640 | 11,304 | 9,681 |
| **At 31-Dec-15** | **-** | **(10,314)** | **(34,019)** | **(163,331)** | **(27,727)** | **(235,391)** | **(239,132)** |
| **Carrying amount** | | | | | | | |
| At 31-Dec-14 | 58,689 | 252,558 | 14,303 | 63,587 | 18,850 | 407,987 | 412,682 |
| **At 31-Dec-15** | **141,155** | **451,966** | **13,215** | **55,410** | **23,997** | **685,743** | **690,884** |

A professional valuer, Francis Thomas Jones Associates, revalued the bank's freehold and leasehold properties on an open market basis. The resulting surplus of D193 Million which is comprised of the adjustments of D160.6M and D32.3M shown above was transferred to a revaluation reserve account as shown in the statement of financial position.

## 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-14 | 105,602 | **105,602** | **106,214** |
| Additions | 86,531 | **86,531** | **86,531** |
| **At 31-Dec-14** | **192,133** | **192,133** | **192,745** |
| Additions | 12,132 | **12,132** | **12,132** |
| **At 31-Dec-15** | **204,265** | **204,265** | **204,877** |
| **Accumulated amortisation** | | | |
| At 01-Jan-14 | (87,640) | **(87,640)** | **(87,801)** |
| Amortisation expense | (9,470) | **(9,470)** | **(9,562)** |
| **At 31-Dec-14** | **(97,110)** | **(97,110)** | **(97,363)** |
| Amortisation expense | (24,504) | **(24,504)** | **(24,596)** |
| **At 31-Dec-15** | **(121,614)** | **(121,614)** | **(121,959)** |
| **Carrying amount** | | | |
| At 31-Dec-14 | 95,023 | 95,023 | 95,382 |
| **At 31-Dec-15** | **82,651** | **82,651** | **82,918** |

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-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Property, plant, equipment and software | **13,583** | 37,290 | **13,583** | 37,290 |
| **Net tax assets** | **13,583** | 37,290 | **13,583** | 37,290 |

### Movements during the year

| 2015 | Opening D'000 | Recognised in P/L D'000 | Recognised in equity D'000 | Closing D'000 |
|---|---|---|---|---|
| Property, plant, equipment and software | 37,290 | (23,707) | - | **13,583** |
| | **37,290** | **(23,707)** | - | **13,583** |

### 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** |





## 22. Other assets

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Bills discounted | **76,834** | 19,562 | **76,834** | 19,562 |
| Prepayments | **19,544** | 9,272 | **19,519** | 8,547 |
| Western Union clearing | **23** | 1,782 | **23** | 1,782 |
| Stationery Stock | **10,569** | 11,040 | **10,357** | 11,025 |
| Others | **61,943** | 86,826 | **55,595** | 68,092 |
| | **168,913** | 128,482 | **162,328** | 109,008 |

## 23. Deposits from banks

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Money market deposits | 12,228 | 4,160 | **12,228** | 4,160 |
| **Total deposits from banks** | **12,228** | 4,160 | **12,228** | 4,160 |

## 24. Deposits from customers

Deposits from customers by product group are as follows:

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Time deposits | **633,515** | 683,876 | **642,876** | 687,076 |
| Current accounts | **1,088,191** | 1,105,286 | **1,093,291** | 1,105,695 |
| Savings accounts | **2,375,021** | 2,302,986 | **2,379,327** | 2,306,574 |
| **Total deposits from customers** | **4,096,727** | 4,092,148 | **4,115,494** | 4,099,345 |

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-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Other creditors and accruals | **74,206** | 61,133 | **57,159** | 58,714 |
| **Other liabilities** | **74,206** | 61,133 | **57,159** | 58,714 |

## 26. Statement of changes in equity

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 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 (2014: 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-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Provisions as per Prudential Guidelines | **30,207** | 30,207 | **46,436** | 30,207 |
| Provisions as per IAS 39 | **(35,950)** | (32,026) | **(35,950)** | (32,026) |
| | **(5,743)** | (1,819) | **10,486** | (1,819) |

### Dividends

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

| | **2015 D'000** | **2014 D'000** |
|---|---|---|
| D0.20 per ordinary share (2014:D0.30) | **40,000** | 60,000 |
| | **40,000** | 60,000 |

After 31 December 2015, the following dividends were proposed by the directors in respect of 2015. The dividends have not been provided for and there are no income tax consequences.

| | **2015 D'000** | **2014 D'000** |
|---|---|---|
| D0.40 per ordinary share (2014: D0.30) | **80,000** | 60,000 |
| | **80,000** | 60,000 |

## 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-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Bonds and guarantees | **272,579** | 133,922 | **272,579** | 133,922 |
| Letters of credit, acceptances and other documentary credits | **1,397** | 56,155 | **1,397** | 56,155 |
| | **273,976** | 190,077 | **273,976** | 190,077 |





### Derivatives/Commitments

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

### Nature of contingent liabilities

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

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

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

## 28. Other contingencies

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

## 29. Significant subsidiaries

| | | Country of incorporation | Ownership interest |
|---|---|---|---|
| | | 2015 | 2014 |
| Bayba Financial Services Limited | The Gambia | **100%** | 100% |
| Home Finance Company Limited | The Gambia | **60%** | 10% |

Bayba Financial Services Ltd and Home Finance Company Ltd operate accounts with the bank. Interest accrues on these accounts and placements are at normal commercial rates.

Gain on bargain purchase resulted from the value of the identifiable net assets exceeding the value of the purchase consideration of our subsidiary Home Finance Company Ltd.

## 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-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Gross amount at 1 January | **34,926** | 74,242 | **34,926** | 74,242 |
| Interest charged | **5,692** | 13,477 | **5,692** | 13,477 |
| Loan disbursed | **1,519** | 500 | **1,519** | 500 |
| Cash received | **(25,974)** | (53,728) | **(25,974)** | (53,728) |
| Net movement in overdraft balances | **(377)** | 435 | **(377)** | 435 |
| **Net amount at 31 December** | **15,786** | 34,926 | **15,786** | 34,926 |

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 Nil (2014: D4 Million).

Impairment losses of Nil have been recorded against balances outstanding from Directors (2014: D3.2 Million).

Included within loans and advances as at 31st December 2015 is Nil (2014: Nil) due from our subsidiaries. Interest and charges received on advances granted during the year amounted to D0.019 Million (2014: D0.049 Million).

Included in deposits as at 31st December is D18.7 Million (2014: D7.1 Million) due to our subsidiary companies. Interest paid on these deposits during the year amounted to D0.766 Million (2014: D0.623 Million).

### Loans and advances to employees

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Balance at 1 January | **30,996** | 27,888 | **28,629** | 27,176 |
| Loans advanced during the year | **23,748** | 16,883 | **22,698** | 16,282 |
| Loan repayments received | **(18,883)** | (15,430) | **(17,972)** | (14,829) |
| **Balance at 31 December** | **35,861** | 29,341 | **33,355** | 28,629 |

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 D0.336 Million have been recorded against balances outstanding from Staff (2014: D0.038Million)

Key management personnel compensation for the period comprised:

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Directors board fees | **2,840** | 1,584 | **2,606** | 1,584 |
| Directors sitting fees | **772** | 492 | **703** | 432 |
| Senior Management salaries | **8,948** | 8,763 | **8,330** | 8,213 |
| Senior Management pension contributions | **2,044** | 1,928 | **1,759** | 1,807 |
| | **14,604** | 12,767 | **13,398** | 12,036 |

## 31. Penalties

There were no penalty charges imposed by the Central Bank and other Regulatory bodies during the year (2014: Nil)

## 32. 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.

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

### Standard issued but not yet effective

**IFRS 9 Financial instruments**

The version of IFRS 9 issued in 2014 supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted.

*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 (2014) 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.

*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 15 Revenue from contracts with customers**

IFRS 15 was issued in May 2014 and applies to an annual reporting period beginning on or after 1 January 2018.

*Key requirements*

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five step model to be applied to all contracts with customers.

*Transition*

The standard should be applied in an entity's IFRS financial statements for annual reporting periods beginning on or after 1 January 2018. Earlier application is permitted. An entity that chooses to apply IFRS 15 earlier than 1 January 2018 should disclose this fact in its relevant financial statements.

When applying IFRS 15, entities should apply the standard in full for the current period, including retrospective application to all contracts that were not yet complete at the beginning of that period. In respect of prior periods, the transition guidance allows an option to either apply IFRS 15 in full to prior periods or retain prior period figures as reported under the previous standards, recognising the cumulative effect of applying IFRS 15 as an adjustment to the opening balance of equity as at the date of initial application.

*Impact*

Almost all entities that generate revenue will be affected by the issue of this new standard as it may result in substantial changes to the timing and measurement of revenue recognition and introduces significantly revised disclosure requirements.

## Amendments to standards

*Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations*

The interpretations committee recommended to the IASB that new guidance, as part of a limited scope project, was developed on IFRS 11 on accounting for the acquisition of an interest in a joint operation, in circumstances in which the activity of the joint operation constitutes a business as defined in IFRS 3 (a joint operation that is a business) on the basis of the business combinations guidance in IFRS 3 and other IFRSs.

Accounting for acquisitions of interests in joint operations (amendments to IFRS 11) was issued in May 2014 and effective for annual periods beginning on or after 1 January 2016.

The amendments apply retrospectively to acquisitions of interests in joint operations in which the activities of joint operations constitute businesses, as defined in IFRS 3, for those acquisitions occurring from the beginning of the first period in which the amendments apply. Amounts recognised for acquisitions of interests in joint operations occurring in prior periods are not adjusted.

*Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortisation*

The committee considered a request to clarify the meaning of the term "consumption of the expected future economic benefits embodied in the asset" when determining the appropriate amortisation method for intangible assets under IAS 38 intangible assets. The specific request related to the amortisation of service concession arrangements within the scope of IFRIC 12 Service Concession Arrangements.

Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38) was issued in May 2014 and is effective for annual periods beginning on or after 1 January 2016.

*Amendments to IAS 1 Presentation of Financial statements*

The IASB formally added a short term initiative on disclosure to its work program to explore opportunities to see how those applying IFRS can improve and simplify disclosures within existing disclosure requirements.

Disclosure initiatives (amendments to IAS 1) was published in December 2014 and is effective for annual periods beginning on or after 1 January 2016 with early adoption permitted.

## 33. Value Added Statement for the year ended 31 December 2015

| | The Group | | The Bank | |
|---|---|---|---|---|
| | **31-Dec-15 D'000** | 31-Dec-14 D'000 | **31-Dec-15 D'000** | 31-Dec-14 D'000 |
| Interest earned and other operating income | **779,355** | 797,535 | **736,888** | 744,401 |
| Direct cost of services | **(210,207)** | (197,907) | **(210,955)** | (198,547) |
| Value added by banking services | **569,148** | 599,628 | **525,933** | 545,854 |
| Non banking income | **7,146** | 8,920 | **31,666** | 19,151 |
| Impairments | **3,001** | 16,505 | **5,018** | 16,516 |
| **Value added** | **579,295** | 625,053 | **562,617** | 581,521 |
| Distributed as follows: | | | | |
| **To employees:** | | | | |
| Directors (without executives) | **3,626** | 2,076 | **3,309** | 2,016 |
| Executive Management | **10,992** | 10,691 | **10,089** | 10,020 |
| Other Employees | **150,100** | 134,822 | **145,177** | 131,616 |
| **To Government:** | | | | |
| Income Tax | **53,128** | 80,618 | **45,463** | 67,502 |
| **To providers of capital:** | | | | |
| Dividends to Shareholders | **104,316** | 111,763 | **100,000** | 110,000 |
| **To expansion and growth:** | | | | |
| Depreciation and amortisation | **70,407** | 47,112 | **69,111** | 46,438 |
| Retained earnings | **131,356** | 165,261 | **98,800** | 117,740 |





# Shareholding

**as at 31 December 2015**



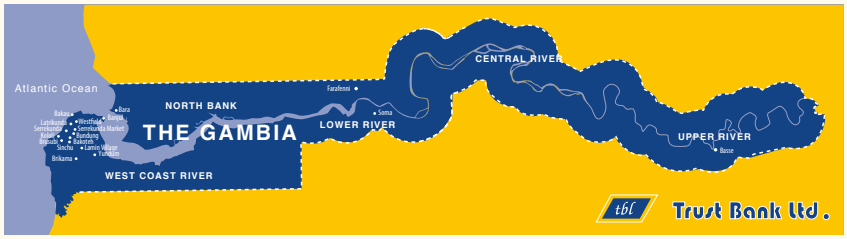
| Category | No of Shareholders | No. of Issued Shares | % holding |
|---|---|---|---|
| 2 - 5,000 | 629 | 821,143 | 0.41% |
| 5,001 -10,000 | 88 | 655,078 | 0.33% |
| 10,001 - 50,000 | 144 | 3,713,612 | 1.86% |
| 50,001 -100,000 | 82 | 6,304,573 | 3.15% |
| 100,001 - 500,000 | 52 | 10,637,425 | 5.32% |
| Over 500,000 | 22 | 177,868,169 | 88.93% |
| **Total** | **1,017** | **200,000,000** | **100.00%** |

| Names | No of Shares | % Holding |
|---|---|---|
| Social Security and Housing Finance Corporation | 73,969,253.00 | 36.98% |
| Databank Securities Ltd | 44,239,999.95 | 22.12% |
| Trust Bank Employee | 17,805,237.00 | 8.90% |
| Ventures & Acquisitions Ltd | 11,790,073.32 | 5.90% |
| Gambia Ports Authority | 11,156,506.66 | 5.58% |
| Gambia Electrical Co. | 4,600,000.00 | 2.30% |
| DSL Trading Portfolio | 2,238,867.00 | 1.12% |
| Njie Pa M.M | 1,186,033.00 | 0.59% |
| Krohne Fund LP | 1,135,900.00 | 0.57% |
| Hobeika Charbel | 1,086,667.00 | 0.54% |
| Bendavia Travel Agency Ltd | 1,000,000.00 | 0.50% |
| Aziz Micheal A | 833,333.33 | 0.42% |
| Banna Antione | 833,333.33 | 0.42% |
| Rajwani Nandkishore | 833,333.33 | 0.42% |
| Ardy Sarge | 700,000.00 | 0.35% |
| West African Examination Council | 700,000.00 | 0.35% |
| Saho Dodou K. | 696,666.67 | 0.35% |
| Quantum Net Ltd | 666,666.67 | 0.33% |
| Taf Holding Co. Ltd | 666,666.67 | 0.33% |
| Equity Focus Company Ltd | 592,834.00 | 0.30% |
| Others | 23,268,629 | 11.63% |
| | **200,000,000** | |

# Where to find us

**as at 31 December 2015**

## 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 (Western Region)
Tel: 4483418
Fax: 4483439

## BRUSUBI
Coastal Road
Opposite Africmed Clinic
Tel: 8807474/8200984

## BUNDUNG
Bundung Highway
Tel: 4379313
Fax: 4379314

## FARAFENNI
Farafenni (North Bank Division)
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



**Bank of Beirut**
London, UK
BIC: BRBAGB2L

**Unicredit Bank AG**
Munich, Germany
BIC: HYVEDEMM

**Den Norske Bank**
Oslo, Norway
BIC: DNBANOKK

**Skandinaviska Ensklilda Banken**
Stockholm, Sweden
BIC: ESSESESS

**Ecobank Senegal**
Dakar, Senegal
BIC: ECOCSNDA

**BMCE Bank Int'l**
Paris, France
BIC: MEDTGB2L

**Ghana Int'l Bank of London UK**
BIC: GHIBGB2L

**Ghana Commercial Bank**
Accra, Ghana
BIC: GHCBGHAC

**Den Danske Bank**
Copenhagen, Denmark
BIC: DABADKKK

**Unicredit**
Milan, Italy
BIC: UNCRITMM

# Profile of Directors

## Mr. Ken Ofori-Atta – Chairman

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

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

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

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

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

## Mr. Pa Macoumba Njie – Managing Director

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

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

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

## Mr. Franklin Hayford – Director

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

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

He joined the Board in September 2000.

## Mr. Mustapha Njie – Director

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

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

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

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

## Mr. Saibatou Faal – Director

Mr. Saibatou Faal is currently the Deputy Managing Director of Social Security and Housing Finance Corporation (SSHFC), a position he has held since November 2011. He has worked in various capacities at the SSHFC since 1982.

He has an Msc in Actual Science from the University of Lausanne, Switzerland and a Bachelors of Business Administration Degree from the Georgia State University, Atlanta, USA. Mr. Faal also has various certificates and diplomas in other disciplines.

He was on the Trust Bank board between 2001 and 2006 when he resigned to pursue his Masters Degree. He rejoined the Board in December 2009 until October 2011. Mr. Faal has been nominated back to the Board following the retirement of Mr. Momar Samba from the services of SSHFC.

## Mr. Edward Graham

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

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

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

## Mr. Abdoulie Cham – Director

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

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

He joined the board in June 2011.

## Mrs. Angela Andrews Njie – Director

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

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

She joined the Board in May 2002.

# Resolutions



**To: All Members of Trust Bank Limited**

THE EIGHTEENTH ANNUAL GENERAL MEETING OF TRUST BANK LIMITED TO BE HELD AT KAIRABA BEACH HOTEL ON 12TH MAY 2016 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 2015.

   The Board proposes that the Directors Report and Consolidated Statement of Financial Position as at 31st December 2015 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 40 bututs (Forty bututs) per share for the year ended 31 December 2015.

3. To re-elect Directors

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

   Mr. Ken Ofori-Atta

   Mr. Abdoulie Cham

   Mrs. Angela Andrews-Njie

   The Board proposes that the above be re-elected.

4. To approve Directors Fees.

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

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

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

**BOARD OF DIRECTORS**

**30th March 2016**

# Proxy Form

FOR TBL'S USE ONLY

PROXY FOR THE ANNUAL GENERAL MEETING
TO BE HELD ON 12TH MAY 2016

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 12th May, 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 2015. | | |
| **2.** To Declare Dividends. | | |
| **3.** To re-elect Directors (Mr. Ken Ofori-Atta, Mr. Abdoulie Cham and Mrs. Angela Andrews-Njie) | | |
| **4.** To Approve the remuneration of Directors | | |
| **5.** To appoint the Auditors of the Bank until the conclusion of the next Annual General Meeting | | |
| **6.** To authorize the Board to determine the remuneration of Auditors | | |

Signature

Date

2016

**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.