

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUST BANK GAMBIA LIMITED

We have audited the accompanying financial statements of Trust Bank Gambia Limited, which comprise the balance sheet as at 31st December 2012, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

## ● Directors' Responsibility for the financial statements

The directors are responsible for the preparation and the fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles, the Companies Act 1955 and the Banking Act 2009. This responsibility includes maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies that are consistent with Generally Accepted Accounting Principles; and making accounting estimates that are reasonable in the circumstances.

## ● Auditor's Responsibility

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

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

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

## ● Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as of 31st December 2012, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles and have been properly prepared in accordance with the requirements of the Companies Act 1955 and the Banking Act 2009.



**PKF**  
**Accountants and business advisers**  
Registered Auditors  
Bijilo  
The Gambia

Date: 23rd February 2013

# PROFIT AND LOSS ACCOUNT

*For the year ended 31 December 2012*

	Notes	31-Dec-12 D'000	31-Dec-11 D'000
Interest income	2.	403,482	389,944
Interest expense	3.	(197,361)	(188,396)
<b>Net interest income</b>		<b>206,121</b>	<b>201,548</b>
Fees and commission income		102,214	94,181
Foreign exchange revenue		82,214	77,920
Other revenue		34,384	61,224
		<b>218,812</b>	<b>233,325</b>
<b>Total operating revenue less interest expense</b>		<b>424,933</b>	<b>434,873</b>
Personnel cost	4.	(104,020)	(88,318)
General and administration cost		(115,292)	(115,972)
Depreciation and amortisation		(38,701)	(41,625)
		<b>(258,013)</b>	<b>(245,915)</b>
<b>Operating profit</b>		<b>166,920</b>	<b>188,958</b>
Provision for credit losses	10a.	(7,950)	(23,108)
<b>Profit before tax</b>	5.	<b>158,970</b>	<b>165,850</b>
Income tax expense	6.	(49,504)	(55,775)
<b>Profit for the year</b>		<b>109,466</b>	<b>110,075</b>
Basic earnings per share (bututs)	7b.	55	55
Diluted earnings per share (bututs)	7b.	55	55
Total dividend per share for the year (bututs)		40	40

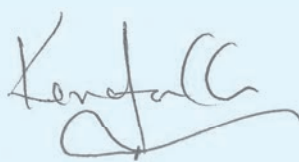
*The notes on pages 21 to 29 form an integral part of these financial statements.*

# BALANCE SHEET

As at 31 December 2012

	Notes	31-Dec-12 D'000	31-Dec-11 D'000
<b>ASSETS</b>			
Cash and bank balances	8.	686,486	827,188
Investments	9.	2,106,075	1,687,500
Loans and advances	10.	988,829	1,143,760
Other assets	12.	215,342	145,805
Tangible fixed assets	13.	338,986	272,905
<b>TOTAL ASSETS</b>		<b>4,335,718</b>	<b>4,077,158</b>
<b>LIABILITIES</b>			
Deposits	14.	3,688,642	3,477,421
Due to other banks	15.	58,416	35,514
Taxation	6a.	4,960	7,410
Dividends payable	7a.	41,539	43,657
Other liabilities	16.	191,630	192,091
		<b>3,985,187</b>	<b>3,756,093</b>
<b>EQUITY AND RESERVES</b>			
Issued share capital	17.	200,000	200,000
Statutory reserves		75,556	48,189
Revaluation reserve		70,588	70,588
Profit and loss reserve		4,387	2,288
		<b>350,531</b>	<b>321,065</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,335,718</b>	<b>4,077,158</b>

These financial statements were approved by the Board of Directors on 22nd February 2013, and were signed on its behalf by:



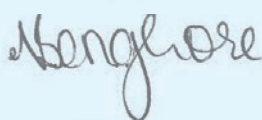
Chairman



Managing Director



Director



Secretary

The notes on pages 21 to 29 form an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

*For the year ended 31 December 2012*

	Called up issued share capital D000.	Statutory Reserve D000.	Profit & Loss account D000.	Revaluation Reserve D000.	Total D000.
At 1 January 2012	200,000	48,189	2,288	70,588	<b>321,065</b>
Profit for the year	–	–	109,466	–	<b>109,466</b>
Transfers	–	27,367	(27,367)	–	–
Dividends paid & proposed	–	–	(80,000)	–	<b>(80,000)</b>
<b>At 31 December 2012</b>	<b>200,000</b>	<b>75,556</b>	<b>4,387</b>	<b>70,588</b>	<b>350,531</b>

Central Bank of the Gambia requires all licensed commercial banks that do not meet the minimum capital and statutory ratio of 1:1 to transfer 25% of their annual profits to statutory reserve. Since the augmentation of share capital to meet the 31st December 2012 minimum capital requirement of D200 Million, the Bank's ratio is no longer 1:1. Accordingly, an amount of D27.3 Million (2011: D27.5 Million) has been transferred this year in accordance with this guideline.

*The notes on pages 21 to 29 form an integral part of these financial statements.*

# CASH FLOW STATEMENT

For the year ended 31 December 2012

	Notes	31-Dec-12 D'000	31-Dec-11 D'000
<b>Reconciliation of operating profit to cash inflow from operating activities</b>			
Operating profit before tax		158,970	165,850
Depreciation charge		38,701	41,625
Profit on disposal of fixed assets		(90)	(944)
Decrease in operating assets	18.	85,394	230,827
Increase in operating liabilities	19.	210,760	607,806
<i>Cash inflow from operating activities</i>		<b>493,735</b>	1,045,164
<b>Taxation</b>			
Tax paid		(51,954)	(54,385)
<b>Capital expenditure</b>			
Proceeds from sale of fixed assets		90	944
Purchase of tangible fixed assets		(104,782)	(57,677)
<b>Financing activities</b>			
Dividend paid		(82,118)	(67,691)
<b>INCREASE IN CASH</b>		<b>254,971</b>	866,355
Cash and cash equivalents at beginning of the year		2,418,679	1,552,324
<b>CASH AND CASH EQUIVALENTS AT 31ST DECEMBER 2012</b>		<b>2,673,650</b>	2,418,679
<b>REPRESENTED BY:</b>			
Cash and bank balances	8	686,486	827,188
Short-term investments	9	2,045,580	1,627,005
Bank balances overdrawn		(58,416)	(35,514)
		<b>2,673,650</b>	2,418,679

The notes on pages 21 to 29 form an integral part of these financial statements.