

FEATURE
TRUST BANK LIMITED (THE GAMBIA) – (TBL)

Trust Bank Limited (The Gambia) was incorporated on 3rd July 1997 to take over the business of Meridian Biao, Gambia, which at the time had a large presence in English-speaking Africa. In October that same year, the bank began operations and in November 2002, it undertook the first cross border share offer in the sub-region and subsequently listed on the Ghana Stock Exchange. Over the years, the Bank has received a number of awards including 'The Bank of the Year for 2003, 2004 and 2005 by the Banker Magazine, UK, 'The Best Emerging Market Bank' for 2005, 2006, 2007 and 2008 by Global Finance, the 'Gambia Chamber of Commerce and Industry (GCC) Bank' of the year for 2002 and 2004 and the Global Finance Best Bank for 2009. For the sixth time in 2010, the Trust Bank was named The Bank of the Year for The Gambia by The Banker Magazine.

TBL's 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 all its shareholders. In line with this objective, the bank offers Retail, Corporate and International banking services to individuals and corporate bodies.

In the last five operational years, the financial performance of TBL has marginally improved. The bank's Total Operating Revenue (less interest expense), which in 2008 stood at 329.76 million dalasi rose to 424.93 million dalasi by the end of 2012, showing an improvement of 28.86%. This was on the back of a 23.50%, 32.83%, 17.85% and 112.93% increase in Net Interest Income, Net Fees and Commission, Foreign Exchange Revenue and Other Income respectively over the period. In the same vein, Net Profit improved by 9.66% from 99.83 million dalasi in 2008 to 109.47 million dalasi in 2012.

TBL has released its un-audited financial statements for the 2013 operational year ended December 31, 2013 and the results show marked improvement compared to 2012. Total Operating Revenue earned by the bank during the year amounted to 537.30 million dalasi compared to the 424.93 million dalasi recorded in 2012 representing a growth of 26.44%. This came from Net Interest Income of 254.93 million dalasi, Net Fees and Commission of 145.93 million dalasi, Foreign Exchange Revenue of 102.90 million dalasi and Other Revenue of 33.55 million dalasi. Operating Expenses also increased by a 21.55% due to increases of 14.04%, 33.52% and 6.07% in Personnel Costs, General & Administration Cost and Depreciation & Amortization respectively. This resulted in a 34.01% improvement in the Operating Profit of TBL from 166.92 million dalasi in 2012 to 223.70 million dalasi in 2013. Although Provision for credit losses and Income tax expense also went up by 12.33% and 51.75% respectively, Net Profit stood at 139.64 million dalasi, signifying growth of 27.58% from last year's 109.47 million dalasi. This moved the bank's Earnings Per Share from 55 bututs in 2012 to 70 bututs by year-end 2013.

On the Ghana Stock Exchange, the performance of TBL, especially within the last five years, has not been impressive. From an initial listing price of GH¢0.4500 in November 2002, the equity appreciated gradually to reach its highest price of GH¢3.1500 in June 2004. Thereafter, it fell consistently to

GH¢2.6500 on December 28, 2006 and then to GH¢1.3250 on December 29, 2006 following a bonus issue of one new share for every existing share held then. The stock price remained unchanged until February 8, 2008 when it moved to GH¢1.3300 due to the conversion of pricing of listed equities from four decimal digits to two. In September 2011, the company embarked on another bonus issue in the ratio of one existing share to 2.33 new shares and this moved TBL's price to GH¢0.40 per share. In 2012, the equity recorded no price change throughout the year and by the end of 2013, a decline of GH¢0.05 moved the price of TBL to GH¢0.35. Currently, TBL trades at GH¢0.30 having lost GH¢0.05 during the third week of January 2014. It is also trading with a Price Earning (P/E) ratio of seven (7) multiples as at Friday, January 24, 2014.

Income Statement

(All figures are stated in thousands of Dalasi)

	2010	2011	2012	2013*
Net Interest Income	182,204	201,548	206,121	254,925
Net Fees & Commission	91,269	94,181	102,214	145,928
Net Profit	69,854	110,075	109,466	139,643

Balance Sheet Summary

(All figures are stated in thousands of Dalasi)

	2010	2011	2012	2013*
Total Assets	3,415,510	4,077,158	4,335,718	4,747,746
Total Liabilities	3,124,520	3,756,093	3,985,187	4,307,572
Total Equity	290,990	321,065	350,531	440,174

* un-audited financial statements

Ratios/Statistics

	2010	2011	2012	2013
Profit Margin (%)	13.41	17.66	17.59	18.76
Return on Assets (%)	2.05	2.70	2.52	2.94
Return on Equity (%)	24.01	30.49	31.23	31.72
Earnings Per Share (Bututs)	116	55	55	70
Dividend Per Share (Bututs)	100	20	20	
Net Assets Per Share (Bututs)	485	181	175	220
Share price				
High (GH¢)*	1.3300	1.33	0.40	0.40
Low (GH¢)*	1.3300	0.40*	0.40	0.35
Close (GH¢)*	1.3300	0.40*	0.40	0.35

*Following the bonus share issued to shareholders

Investor Ratios

	2012	2013
Price to Book Value	0.23	0.16
Price Revenue Ratio	0.13	0.09
Price Earnings Ratio	0.73	0.50
Year-to-date Return (%)*	-	-12.50


Price Information

Year	Week	Current	Weekly	Weekly	Year To
Opening	Opening	Price	Change	Change	Date
Price	Price				
(GH¢)	(GH¢)	(GH)	(GHS)	(%)	(%)
01.01.14	17.01.14	24.01.14			
0.2668	0.2686	0.2720	0.0034 ▲	1.27 ▲	1.95 ▲

GHANA STOCK EXCHANGE NEWS

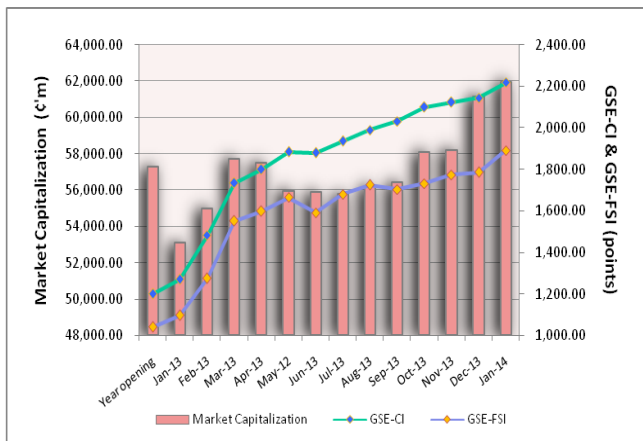
Market activity on the bourse saw a decline compared to that of previous weeks. This week, 1,960,344 shares valued at GH¢2,513,502.71 traded with CAL Bank being the most active shares with a trade of 417,980 shares. Ecobank Transnational Incorporated, HFC Bank, UT Bank Limited, Ghana Commercial Bank and Societe Generale Ghana Limited followed with trades of 368,026, 212,165, 200,165, 158,847 and 119,554 shares respectively. Tullow Oil Ghana Limited recorded the week's lowest trade with 68 shares.

The GSE Composite Index (GSE-CI) rose 31.29 points from its previous week's closing position of 2,186.94 points to close at 2,218.23 points with a year-to-date return of 3.40%. The GSE Financial Stocks Index (GSE-FSI) also added 44.44 points to its closing level of 1,847.22 points to stand at 1,891.66 points corresponding with a year-to-date return of 5.88%.

Market capitalization at the end of the week was GH¢61,925.73 million – a GH¢52.87 million increase in last Friday's closing position of GH¢61,872.86 million.

The graph below shows the trend in the GSE Composite Index, GSE Financial Stocks Index and Market capitalization from January 2013 to January 2014.

Chart 1 – Trend of Market Indicators



MONEY MARKET NEWS

Cedi Continues To Depreciate Trend Against Internationally Traded Currencies

On the foreign exchange market, the Ghana Cedi continued to depreciate against the major trading currencies this week. In its interactions with the US Dollar, the British Pound, the Euro, the South African Rand and the Japanese Yen, the Cedi's value declined by 0.87%, 2.31%, 0.54%, 1.31%, 0.91% respectively.

The year has thus witnessed a 7.10%, 7.41%, 5.14%, 3.10%, and 7.77% depreciation of the Cedi against the Dollar, the Pound, the Euro, the Rand and the Yen respectively as at Friday, 24th January, 2014.

The following table gives a summary of the interbank rates for the week under review.

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	17.01.14	24.01.14	17.01.14	24.01.14
US Dollar	2.2938	2.3138	2.2963	2.3163
Pound	3.7483	3.8347	3.7526	3.8397
Euro	3.1212	3.1385	3.1246	3.1409
Rand	0.2098	0.2125	0.2100	0.2128
Yen	0.0220	0.0222	0.0220	0.0222

Source: Ghana Association of Bankers

Interest Rates

For the week under review, yields on the 91 and 182 day Treasury bills trended upwards while that on the 1-Year Note and the 2-Year Fixed Rate remained unchanged. The yields on the 91 and 182-day Treasury bills inched up by 0.1890% and 0.1818% to end the week at 19.5975% and 19.4266% respectively. On the other hand, the yields on the 1-Year Note and the 2-Year Fixed Rate Note stood at 17.00% and 16.50% respectively during the week.

Of the GH¢521.89 million and GH¢1.38 million tenders submitted for short-term bills and notes and the 2-Year Fixed Rate Note last week, 99.7% and 100% respectively were sold.

This week, the Bank of Ghana, on behalf of the Government of Ghana expects to obtain GH¢533.00 million from both short and medium term securities.

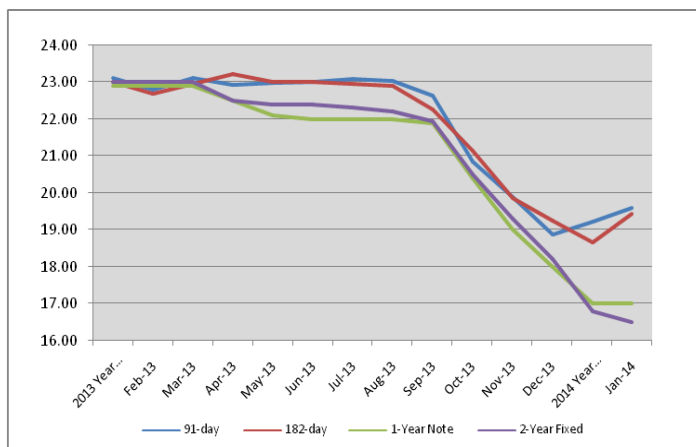
The table below shows the rates for the week under review alongside that of the last week while the chart displays the trend of the yields from January 2013 to January, 2014.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	13.01.14 (% p.a.)	20.01.14 (% p.a.)	Year-to-date change (%)
91 Day	19.4085	19.5975	0.1890▲
182 Day	19.2448	19.4266	0.1818▲
1-Year Note	17.0000	17.0000	-
2-Year Fixed Rate Note	16.5000	16.5000	-

Source: Bank of Ghana

Chart 2 – Trend of Interest Rates on Money Market Securities



RELEVANT CORPORATE NEWS

AGA – STRIKE NOTICE AT SOUTH AFRICAN MINES

AngloGold Ashanti Limited confirms that the Association of Mineworkers and Construction Union has served notice that it intends to call a strike by its members at the company's South Africa operations, starting Thursday, 23 January 2014. The strike will also affect some mines owned and operated by other large South African gold producers covered by the industry's collective bargaining structure.

The strike has been called in respect of the 2013 wage negotiations. These negotiations were concluded on 10 September 2013 when a multi-year agreement was reached between South Africa's major gold producers, represented in a collective bargaining forum by the Chamber of Mines, and three of the four unions (the National Union of Mineworkers, United Association of South Africa and Solidarity), representing 72% of the gold sector's employees at the time. AMCU, which represented about 17% of employees at the time and participated in the central level negotiations, did not accept the agreement.

The September 2013 agreement was made applicable to all employees who form part of the bargaining unit, irrespective of their trade union affiliation. The agreed increase, of between 7.5% and 8% in the first year, was backdated to 1 July 2013. AMCU members have all benefited from this increase.

AMCU's certificate applying to this strike was obtained from the Council for Conciliation, Mediation and Arbitration in September 2013, prior to the agreement being made applicable to all employees in the bargaining unit.

In terms of the 'peace clause' contained in the existing wage agreement: there can be no strike action regarding terms and conditions of employment during the existence of the agreement; the issue of conditions of employment has been settled for the duration of the agreement; and no demands may be made during the course of the agreement. Accordingly, any strike action about terms and conditions of employment during the existence of the agreement will be in contravention of the 'peace clause', and thus unprotected.

Any strike action by AMCU members will be opposed by the gold producers covered in the wage agreement.

GSE Press Release: 005&006/2014

COMPANIES THAT DECLARED FINAL DIVIDENDS IN 2012

Company	Final Dividend Per Share	Qualifying date	Book Closure	Payment Date
AYRTN	GH¢0.00125	Jun 25	Jun 26 - 27	Aug 8
AADS	GH¢0.0009			Apr 2
AGA	GH¢0.0900			Apr 2
BOPP	GH¢0.0770	Apr 23	April 24 - 26	May 10
CAL	GH¢0.035	Mar 22	Mar 25 - 26	Apr 30
CMLT	GH¢0.0060	Jun 26	Jun 27	Aug 30
EBG	GH¢0.29	Apr 10	Apr 11 - 18	May 10
EGL	GH¢0.016	May 17	May 20 - 22	Jun 28
ETI	0.4 US cents	Jul 5	Jul 5	Jul 19
FML	GH¢0.06	Apr 19	April 22 - 24	May 8
GCB	GH¢0.14	May 31	Jun 3 - 7	Jun 28
GOIL	GH¢0.015	Aug 15	Aug 16	Aug 30
MLC	GH¢0.015	Jun 25	June 26 - 28	July 19
PBC	GH¢0.0062	Mar 15	March 18 - 22	May 7
PZ	GH¢0.0046	Sept 23	Sept 24 - 27	Oct 14
SCB	GH¢0.47	May 17	May 20 - 21	Jun 28
SOGEH	GH¢0.04	Mar 22	Mar 25 - 26	May 15
SPL	GH¢0.0022	Sept 26	Sept 27	Oct 8
TBL	20 Butus	Apr 18	Apr 19	Apr 30
TOTAL	GH¢0.69	Jul 18	Jul 19 - 24	Jul 26
UNIL	GH¢0.2560	Apr 10	April 11 - 24	May 24
UTB	GH¢0.02	Apr 12	Apr 15 - 17	May 31

COMPANIES THAT HAVE DECLARED INTERIM DIVIDENDS FOR 2013

Company	Final Dividend Per Share	Qualifying date	Book Closure	Payment Date
EGL	GH¢0.020	Oct 1	Oct 2 - 3	Nov 4
TOTAL	GH¢0.0771	Dec 18	Dec 19 - 20	Dec 24

Listed Equities	% of Market Capitalization	Week Opening Price (GH¢)	Week Closing Price (GH¢)	Price Change (GH¢)	Weekly Return (%)	Year-to-Date Return (%)	P/E Ratio	Dividend Yield (%)	Return on Assets (%)	Price/Book Value	Price/Revenue
	24.01.14	17.01.14	24.01.14		24.01.14	24.01.14	24.01.14	24.01.14	31.12.12	24.01.14	24.01.14
ACI	0.004	0.06	0.06	-	-	-	-	-	-11.48	0.37	0.49
AGA	23.98	37.00	37.00	-	-	-	-	0.24	-19.21	2.07	1.67
ALW	0.02	0.05	0.05	-	-	-	-	-	-2.66	0.10	0.06
AYRTN	0.06	0.17	0.17	-	-	-	20	0.74	4.94	1.79	3.08
BOPP	0.18	3.19	3.19	-	-	-0.62	18	2.41	10.29	2.61	3.92
CAL	0.89	0.98	1.00	0.02 ▲	2.04	3.09	6	3.50	34.67	0.95	1.00
CLYD	0.002	0.04	0.04	-	-	-	8	-	1.10	0.02	0.002
CMLT	0.002	0.16	0.16	-	-	-	9	3.75	2.54	0.63	0.36
CPC	0.07	0.02	0.02	-	-	-	-	-	-2.68	-7.77	0.66
EBG	2.87	5.71	6.06	0.35 ▲	6.13	8.02	10	4.79	3.20	2.79	2.87
EGL	0.40	1.86	1.93	0.07 ▲	3.76	2.66	5	0.83	7.91	0.41	0.66
ETI	5.93	0.23	0.23	-	-	21.05	4	-	1.16	0.63	0.76
FML	1.28	6.72	6.80	0.08 ▲	1.19	2.72	31	0.88	18.86	11.06	7.94
GCB	2.15	5.05	5.02	0.03 ▼	-0.59	3.51	7	2.79	4.16	3.50	2.79
GGBL	2.12	6.20	6.20	-	-	-	-	-	9.59	6.11	4.17
GOIL	0.36	0.89	0.89	-	-	-	16	1.69	5.52	3.20	0.03
GSR	1.13	2.75	2.75	-	-	-	-	-	1.09	0.01	0.03
GWEB	0.002	0.04	0.04	-	-	-	-	-	2.25	-0.60	2.48
HFC	0.45	0.94	0.94	-	-	-2.08	9	-	2.26	0.85	1.81
MLC	0.03	0.33	0.33	-	-	-13.16	11	4.55	1.66	0.16	0.25
PKL	0.003	0.06	0.06	-	-	-	-	-	-35.20	-1.47	1.70
PBC	0.13	0.17	0.17	-	-	-	6	3.65	0.92	1.48	0.21
PZ	0.19	0.77	0.69	0.08 ▼	-10.39	-12.66	-	-	11.44	2.96	1.21
SCB	2.92	15.05	15.63	0.58 ▲	3.85	4.62	9	3.01	4.14	0.74	0.80
SIC	0.12	0.39	0.39	-	-	-	17	-	1.09	1.07	0.90
SPL	0.005	0.04	0.04	-	-	-	8	-	6.14	1.04	0.64
SOGEGH	0.41	0.75	0.76	0.01 ▲	1.33	1.33	7	5.26	2.40	1.39	1.94
SWL	0.001	0.03	0.03	-	-	-	12	-	7.65	1.00	0.19
TBL	0.10	0.35	0.30	0.05 ▼	-14.29	-14.29	7	-	2.11	2.19	0.01
TOTAL	0.91	5.03	5.03	-	-	-0.59	14	13.72	8.16	0.68	0.07
TRANSOL	0.004	0.03	0.03	-	-	-	16	-	11.50	-0.70	13.71
TLW	51.04	34.98	34.85	0.13 ▼	-0.37	-0.37	24	-	7.10	5.92	13.44
UNIL	1.83	18.10	18.10	-	-	-1.15	47	1.41	12.68	33.26	4.84
UTB	0.32	0.44	0.44	-	-	-2.22	9	4.55	0.54	0.99	2.37
Depository Shares											
AADS	0.08	0.52	0.52	-	-	-	-	0.17	-	-	-
Preference Shares											
SCB-PREF	0.01	0.52	0.52	-	-	-	-	-	-	-	-
ETF											
GLD	0.02	26.13	26.13	-	-	-	-	-	-	-	-

Key ABL—Accra Brewery Ltd, ACI—African Champion Industries, AGA—AngloGold Ashanti Ltd, ALW—Aluworks Ltd, AYRTN—Ayrton Drug Manufacturing Ltd, BOPP—Benso Oil Palm Plantation Ltd, CAL—CAL Bank Ltd, CFAO—CFAO Ghana Ltd, CLYD—Clydestone Ghana Ltd, CMLT—Camelot Ghana Ltd, CPC—Cocoa Processing Company Ltd, EBG—Ecobank Ghana Ltd, EGL—Enterprise Group Ltd, ETI—Ecobank Transnational Incorporated, FML—Fan Milk Ltd, GCB—Ghana Commercial Bank Ltd, GGBL—Guinness Ghana Breweries Ltd, GOIL—Ghana Oil Company Ltd, GSR—Gold Star Resources Ltd, GWEB—Golden Web Ltd, HFC—HFC Bank Ltd, MLC—Mechanical Lloyd Company Ltd, PKL—Pioneer Kitchenware Ltd, PBC—Produce Buying Company Ltd, PZ—PZ Cussons Ghana Company Ltd, SCB—Standard Chartered Bank Ltd, SIC—SIC Insurance Company Ltd, SPL—Starwin Products Ltd, SOGEGH—Societe Generale Ghana Ltd, SWL—Sam Woode Ltd, TBL—Trust Bank (The Gambia) Ltd, TOTAL—Total Petroleum Ghana Ltd, TRANSOL—Transaction Solutions Ghana Ltd, UNIL—Unilever Ghana Ltd, UTB—UT Bank Ltd, AADS—AngloGold Ashanti Depository Shares, SCB-PREF—Standard Chartered Bank Preference Shares, ETF—Exchange Traded Fund, GLD—New Gold

■ As at September 2013 ■ As at June 2013 ■ As at May 2013 ■ As at March 2013 ■ As at December 2012 ■ As at September 2012 ■ As at September 2012 ▲ Price Gainers ▼ Price Decliners