



Report of Condition of the Bank Published Pursuant to Section 32(3) of the Banking and Financial Institutions Act, 2006

BALANCE SHEET AS AT 30th SEPTEMBER, 2012 (Amounts in million shillings)

	Current Quarter 30.09.12	Previous Quarter 30.06.12
A. ASSETS		
1 Cash	172,807	144,543
2 Balances with Bank of Tanzania	352,923	375,325
3 Investments in Government securities	532,515	486,292
4 Balances with other banks and financial institutions	171,949	52,079
5 Cheques and items for clearing	12,815	23,427
6 Inter branch float items	-	-
7 Bills negotiated	2,005	-
8 Customers' liabilities for acceptances	-	-
9 Interbank loans receivables	-	-
10 Investments in other securities	-	-
11 Loans, advances and overdrafts	1,244,471	1,211,315
12 Other assets	58,757	53,520
13 Equity investments	8,556	3,805
14 Underwriting accounts	-	-
15 Property, Plant and equipment	58,949	56,663
16 TOTAL ASSETS	2,615,747	2,406,969
B. LIABILITIES		
17 Deposits from other banks and financial institutions	-	-
18 Customer deposits	2,165,079	2,013,684
19 Cash letters of credit	-	-
20 Special Deposits	4,917	6,166
21 Payment orders/transfers payable	-	-
22 Bankers' cheques and drafts issued	2,863	3,111
23 Accrued taxes and expenses payable	31,736	28,409
24 Acceptances outstanding	-	-
25 Inter branch float items	85	953
26 Unearned income and other deferred charges	11,274	8,086
27 Other liabilities	25,034	33,076
28 Borrowings	35,161	2,236
29 TOTAL LIABILITIES	2,276,149	2,095,722
30 NET ASSETS / (LIABILITIES)	339,598	311,247
C. SHAREHOLDERS' FUNDS		
31 Paid up share capital	20,000	20,000
32 Capital reserves	-	-
33 Retained earnings	237,633	237,633
34 Profit(Loss) account	80,239	51,888
35 Others capital accounts	1,726	1,726
36 Minority interest	-	-
37 TOTAL SHAREHOLDERS' FUNDS	339,598	311,247
38 Contingent liabilities	105,152	113,529
39 Non performing loans & advances	43,774	39,243
40 Allowances for probable losses	34,487	26,810
41 Other non performing assets	675	648
D. SELECTED FINANCIAL CONDITION INDICATORS		
(i) Shareholders Funds to total assets	12.98%	12.93%
(ii) Non performing loans to total gross loans	3.42%	3.17%
(iii) Gross loans and advances to total deposits	58.94%	61.30%
(iv) Loans and advances to total assets	47.58%	50.33%
(v) Earnings assets to total Assets	74.51%	72.69%
(vi) Deposits growth	7.43%	3.32%
(vii) Assets growth	8.67%	2.75%

CASH FLOW STATEMENT FOR THE QUARTER ENDED 30th SEPTEMBER, 2012 (Amounts in million shillings)

	Current Quarter 30.09.2012	Previous Quarter 30.06.2012
I: Cash flow from Operating activities:		
Net income(loss)	45,021	39,333
Adjustment for:		
- Impairment/amortization	223	1,403
- Net change in loans and advances	(33,156)	(30,686)
- Gain/loss on sale of assets	-	-
- Net change in deposits	150,146	64,886
- Net change in short term negotiable securities	(2,005)	-
- Net change in other liabilities	(2,644)	14,055
- Net change in other assets	(5,237)	(18,388)
- Tax paid	(13,330)	(9,909)
- Others (Net change in SMR deposits)	(5,037)	(27,571)
Net cash provided (used) by operating activities	133,981	33,123
II: Cash flow from Investing activities:		
Dividends received	-	-
Purchase of fixed assets	(5,851)	(347)
Proceeds from sale of fixed assets	-	-
Purchase of non-dealing securities	-	-
Proceeds from sale of non-dealing securities	-	-
Others-(Treasury Bonds/Bills /Equity investment)	(27,958)	(64,472)
Net cash provided (used) by investing activities	(33,809)	(64,819)
III: Cash Flow from Financing activities:		
Repayment of long-term debt	-	-
Proceeds from issuance of long term debt	-	-
Proceeds from issuance of share capital	-	-
Payment of cash dividends	-	(25,000)
Net change in other borrowings	32,925	(17,121)
Others (specify)	-	-
Net cash provided(used) by financing activities	32,925	(42,121)
IV: Cash and Cash equivalents:		
Net increase/(decrease) in cash and cash equivalents	133,097	(73,817)
Cash and cash equivalents at the beginning of the quarter	440,804	514,621
Cash and cash equivalents at the end of the quarter	573,901	440,804

Signed by	Date
Mark Wiessing Chief Executive Officer	November 12, 2012
Waziri Barnabas Chief Financial Officer	November 12, 2012
Augustino Mbogella Chief Internal Auditor	November 12, 2012

We, the under-named, non-executive members of the board of directors, attest to the correctness of the above statements. We declare that the statements have been examined by us, and to the best of our knowledge and belief have been prepared in conformance with the instructions and are true and correct.

Signed by	Date
Mike Laiser Ag. Board Chairman	November 12, 2012
Protase Tehingisa Director	November 12, 2012

INCOME STATEMENT FOR THE PERIOD ENDED 30th SEPTEMBER, 2012 (Amounts in million shillings)

	Current Quarter 30.09.2012	Comparative Quarter 30.09.2011	Current Year Cumulative 30.09.2012	Comparative Year Cumulative 30.09.2011
1 Interest income	75,396	48,693	208,994	138,008
2 Interest expense	(1,588)	(1,329)	(5,048)	(6,374)
3 Net interest income (1minus2)	73,808	47,364	203,946	131,634
4 Bad debts written off	-	-	-	(1)
5 Impairment Losses on Loans and Advances	(4,302)	(2,931)	(15,422)	(8,911)
6 Non interest income:	23,186	22,142	73,780	66,204
6.1 Foreign currency dealings and translation gain/(loss)	2,268	1,466	6,893	4,821
6.2 Fee and commissions	20,551	16,710	66,052	51,761
6.3 Dividend income	-	-	-	-
6.4 Others operating income	367	3,966	835	9,622
7 Non interest expense:	(47,671)	(38,014)	(143,155)	(108,980)
7.1 Salaries and benefits	(21,280)	(14,786)	(62,478)	(45,031)
7.2 Fees and commissions	(15,781)	(2,633)	(9,470)	(7,791)
7.3 Other operation expenses	(10,610)	(20,595)	(71,207)	(56,158)
8 Operating income/(loss)	45,021	28,561	119,149	79,946
9 Income tax provision	(16,671)	(8,568)	(38,910)	(24,859)
10 Net income(loss)after income tax	28,350	19,993	80,239	55,087
11 Number of employees	2,726	2,659	2,726	2,659
12 Basic earnings per share	57	40	160	110
13 Diluted earnings per share	57	40	160	110
14 Number of branches	143	140	143	140
SELECTED PERFORMANCE INDICATORS				
(i) Return on average total assets	4.40%	3.64%	4.41%	3.35%
(ii) Return on average shareholders funds	34.07%	30.59%	33.58%	28.91%
(iii) Non interest expense to gross income	48.36%	53.67%	50.63%	53.37%
(iv) Net interest income to average earning assets	16.08%	11.32%	15.36%	10.56%

Key achievements in 2012



We would like to share these achievements with our customers and stakeholders