



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

AUDITED BALANCE SHEET AS AT 31 DECEMBER, 2011 (Amounts in million shillings)

	Current Year 31.12.2011	Previous Year 30.12.2010
A. ASSETS		
1 Cash	186,638	164,153
2 Balances with Bank of Tanzania	243,606	235,073
3 Investments in Government securities	361,943	631,290
4 Balances with other banks and financial institutions	159,946	132,755
5 Cheques and items for clearing	12,791	7,145
6 Inter branch float items	1	162
7 Bills negotiated	-	-
8 Customers' liabilities for acceptances	-	-
9 Interbank loans receivables	-	-
10 Investments in other securities	-	-
11 Loans, advances and overdrafts	-	-
(net of allowances for probable losses)	1,123,518	857,786
12 Other assets	19,198	31,104
13 Equity investments	3,805	2,831
14 Underwriting accounts	-	-
15 Property, Plant and equipment	58,804	48,604
16 TOTAL ASSETS	2,170,250	2,110,903
B. LIABILITIES		
17 Deposits from other banks and financial institutions	0	-
18 Customer deposits	1,797,479	1,796,310
19 Cash letters of credit	0	-
20 Special Deposits	7,220	16,131
21 Payment orders/transfers payable	0	-
22 Bankers' cheques and drafts issued	7,037	2,621
23 Accrued taxes and expenses payable	15,184	9,997
24 Acceptances outstanding	0	-
25 Inter branch float items	0	-
26 Unearned income and other deferred charges	0	-
27 Other liabilities	27,001	25,882
28 Borrowings	31,970	29,442
29 TOTAL LIABILITIES	1,885,891	1,880,383
30 NET ASSETS /(LIABILITIES)	284,359	230,520
C. SHAREHOLDERS' FUNDS		
31 Paid up share capital	20,000	20,000
32 Capital reserves	-	-
33 Retained earnings	190,794	156,540
34 Profit(Loss) account	71,839	53,980
35 Others capital accounts	1,726	-
36 Minority interest	-	-
37 TOTAL SHAREHOLDERS' FUNDS	284,359	230,520
38 Contingent liabilities	59,397	72,875
39 Non performing loans & advances	18,128	32,288
40 Allowances for probable losses	15,689	16,965
41 Other non performing assets	161	720
D. SELECTED FINANCIAL CONDITION INDICATORS		
(i) Shareholders Funds to total assets	13.10%	10.94%
(ii) Non performing loans to total gross loans	1.59%	3.69%
(iii) Gross loans and advances to total deposits	63.12%	48.06%
(iv) Loans and advances to total assets	51.77%	40.71%
(v) Earnings assets to total Assets	75.82%	76.97%
(vi) Deposits growth	-0.43%	24.21%
(vii) Assets growth	2.81%	26.45%

AUDITED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER, 2011 (Amounts in million shillings)

	Current Quarter 31.12.2011	Previous Quarter 30.12.2010
I: Cash flow from Operating activities:		
Net income(loss)	114,476	87,079
Adjustment for:		
- Impairment/amortization	-	-
- Net change in loans and advances	(264,457)	(183,786)
- Gain/loss on sale of assets	-	-
- Net change in deposits	(7,948)	353,249
- Net change in short term negotiable securities	-	-
- Net change in other liabilities	10,627	16,776
- Net change in other assets	137,813	(45,307)
- Tax paid	(34,508)	(27,930)
- Others (Net change in SMR deposits)	(19,955)	(22,091)
Net cash provided (used) by operating activities	(63,952)	177,990
II: Cash flow from Investing activities:		
Dividends received	-	-
Purchase of fixed assets	(21,771)	(25,476)
Proceeds from sale of fixed assets	32	23
Purchase of non-dealing securities	-	-
Proceeds from sale of non-dealing securities	-	-
Others-(Equity investment)	(974)	(2,831)
Net cash provided (used) by investing activities	(22,713)	(28,284)
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	(18,000)	(15,700)
Net change in other borrowings	2,528	29,442
Others (Specify)	-	-
Net cash provided(used) by financing activities	(15,472)	13,742
IV: Cash and Cash equivalents:		
Net increase/(decrease) in cash and cash equivalents	(102,137)	163,448
Cash and cash equivalents at the beginning of the quarter	587,578	424,130
Cash and cash equivalents at the end of the quarter	485,441	587,578

Signed by	Date
Mark Wiessing Chief Executive Officer	30/03/2011
Waziri Barnabas Chief Financial Officer	30/03/2011
Augustino Mbogella Chief Internal Auditor	30/03/2011

The above extracts are from the Financial Statements of the Bank for the year ended December 31 2011, which have been prepared in accordance with International Financial Reporting Standards (IFRS). The Financial Statements were audited by PriceWaterhouseCoopers, Certified Public Accountants, and received an unqualified audit report.

The Financial Statements were approved by the Board of Directors and signed on their behalf by:

Signed by	Date
Misheck Ngatunga Board Chairman	30/03/2011
Protase Tehingisa Director	30/03/2011

AUDITED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER, 2011 (Amounts in million shillings)

	Current Year Cumulative 31.12.2011	Comparative Year Cumulative 31.12.2010
1 Interest income	193,005	141,442
2 Interest expense	(7,832)	(11,032)
3 Net interest income (1minus2)	185,173	130,410
4 Bad debts written off	-	-
5 Impairment Losses on Loans and Advances	(11,752)	(1,674)
6 Non interest income:	82,277	71,172
6.1 Foreign currency dealings and translation gain/(loss)	7,437	12,489
6.2 Fee and commissions	67,995	54,426
6.3 Dividend income	-	-
6.4 Others operating income	6,845	4,257
7 Non interest expense:	(152,912)	(121,463)
7.1 Salaries and benefits	(63,646)	(46,460)
7.2 Fees and commissions	(856)	(1,583)
7.3 Other operation expenses	(88,410)	(73,420)
8 Operating income/(loss)	102,786	78,445
9 Income tax provision	(30,947)	(24,464)
10 Net income(loss)after income tax	71,839	53,981
11 Number of employees	2,650	2,610
12 Basic earnings per share	144	108
13 Diluted earnings per share	144	108
14 Number of branches	140	139
SELECTED PERFORMANCE INDICATORS		
(i) Return on average total assets	3.31%	3.85%
(ii) Return on average shareholders funds	25.26%	34.63%
(iii) Non interest expense to gross income	55.55%	57.13%
(iv) Net interest income to average earning assets	12.43%	12.60%

Key achievements received in 2011



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