

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

A.         ASSETS         Current Year 30,12,2009           1         Cash         164,153         115,857           2         Balances with Bank of Tanzania         235,073         217,523           3         Investments in Government securities         631,290         523,084           4         Balances with other banks and financial institutions         132,755         81,572           5         Cheques and items for clearing         7,145         14,588           6         Inter branch float items         162         179           8         Bills negotiated         -         -         -           8         Customers' liabitities for acceptances         -         -         -           9         Interbank loans receivables         -         -         -           10         Investments in other securities         -         -         -           11         Loans, advances for probable losses)         857,784         672,579           12         Other assets         27,281         12,096           13         Equity investments         2,831         0         0           14         Underwriting accounts         0         0         0           15         Pro	AUDITED BALANCE SHEET AS AT 31 DECEMBER, 2010 (Amounts in million shillings)			
1 Cash				
Balances with Bank of Tanzania   235,073   217,523   3   Investments in Government securities   631,290   523,084   Balances with other banks and financial institutions   132,755   14,588   1,572   14,588   1612   179   18   14,588   162   179   179   179   18   18   18   18   18   18   18   1			164 153	115 857
Balances with other banks and financial institutions	2	Balances with Bank of Tanzania	235,073	217,523
5 Cheques and items for clearing         7,145         14,588           6 Inter branch float items         162         179           Bills negotiated         -         -         -           8 Customers' liabitities for acceptances         -         -         -           10 Interbank loans receivables         -         -         -           11 Loans, advances and overdrafts (net of allowances for probable losses)         857,784         672,579           12 Other assets         27,281         12,096           13 Equity investments         2,831         0           14 Underwriting accounts         0         0         0           15 Property, Plant and equipment         48,604         31,855           16 TOTAL ASSETS         2,107,079         1,669,333           B. LIABILITIES         -         -         -           17 Deposits from other banks and financial institutions         -         -         -           18 Customer deposits         1,804,006         1,452,719           19 Cash letters of credit         -         0         0           20 Special Deposits         16,131         6,680           21 Payment orders/transfers payable         -         0         0           22 Accrued tax				
6 Inter branch float items         162         179           7 Bills negotiated         -         -         -           8 Customers' liabitities for acceptances         -         -         -           9 Interbank loans receivables         -         -         -           10 Investments in other securities         -         -         -           11 Loans, advances and overdrafts         -         -         -           (net of allowances for probable losses)         857,784         672,579           12 Other assets         27,281         12,096           13 Equity investments         2,831         0           14 Underwriting accounts         0         0           15 Property, Plant and equipment         48,604         31,855           16 TOTAL ASSETS         2,107,079         1,669,333           B. LIABILITIES         -         -           15 Customer deposits         1,804,006         1,452,719           16 Cash letters of credit         -         -           17 Cash letters of credit         -         -           18 Customer deposits         1,804,006         1,452,719           20 Special Deposits         16,131         6,680           21 Payment orders/transfers paya				-
Customers' liabitities for acceptances   -   -   -	6			
Interbank loans receivables   -     -			-	-
Investments in other securities			-	-
(net of allowances for probable losses)         857,784         672,579           12 Other assets         27,281         12,096           13 Equity investments         2,831         0           14 Underwriting accounts         0         0           15 Property, Plant and equipment         48,604         31,855           16 TOTAL ASSETS         2,107,079         1,669,333           B. LIABILITIES         1         Deposits from other banks and financial institutions         -         -           18 Customer deposits         1,804,006         1,452,719         1           19 Cash letters of credit         -         0         0           20 Special Deposits         16,131         6,680         1           21 Payment orders/transfers payable         -         0         0           22 Bankers' cheques and drafts issued         2,621         2,242           23 Accrued taxes and expenses payable         9,997         5,577           24 Acceptances outstanding         -         0         0           25 Inter branch float items         -         0         0           26 Unearned income and other deferred charges         1         1,414         9,877           27 Borrowings         29,364         0	10	Investments in other securities	-	-
12	11		057.704	670 570
13	12			-
15				
B. LIABILITIES			•	•
B. LIABILITIES   1,804,006   1,452,719   1,441   1,877   1,441   1,877   1,441   1,877   1,441   1,877   1,807,006   1,477,095   1,876,561   1,477,095   1,876,561   1,477,095   1,876,561   1,477,095   1,477,095   1,876,561   1,477,095   1,477,0				
17	'	TOTAL AGGETO	2,101,010	1,000,000
18				
19			1 804 006	1 //52 710
Payment orders/transfers payable   -   0			-	0
22 Bankers' cheques and drafts issued   2,621   2,242     23 Accrued taxes and expenses payable   9,997   5,577     24 Acceptances outstanding   -   0     25 Inter branch float items   -   0     26 Unearned income and other deferred charges   -   0     27 Other liablities   14,441   9,877     28 Borrowings   29,364   0     29 TOTAL LIABILITIES   1,876,561   1,477,095     30 NET ASSETS /(LIABILITIES)   230,519   192,239     C. SHAREHOLDERS' FUNDS   31 Paid up share capital   20,000   20,000     32 Capital reserves   2,205   2,205     33 Retained earnings   154,334   122,484     34 Profit(Loss) account   53,980   47,550     35 Others capital accounts   -   -     36 Minority interest   -   -     37 TOTAL SHAREHOLDERS' FUNDS   230,519   192,239     38 Contingent liabilities   72,874   57,162     39 Non performing loans & advances   32,288   25,811     40 Allowances for probable losses   16,965   16,598     41 Other non performing assets   743   263     D SELECTED FINANCIAL CONDITION INDICATORS (ii) Non performing loans to total gross loans   3,69%   3,75% (iii) Gross loans and advances to total deposits   48,06%   47,22% (iv) Loans and advances to total assets   40,71%   40,29% (iv) Loans and advances to total assets   76,97%   75,50% (ivi) Deposits growth   7,60%   21,57%			16,131	
23         Accrued taxes and expenses payable         9,997         5,577           24         Acceptances outstanding         -         0           25         Inter branch float items         -         0           26         Unearned income and other deferred charges         -         0           27         Other liablities         14,441         9,877           28         Borrowings         29,364         0           29         TOTAL LIABILITIES         1,876,561         1,477,095           30         NET ASSETS /(LIABILITIES)         230,519         192,239           C.         SHAREHOLDERS' FUNDS         20,000         20,000           32         Capital reserves         2,205         2,205           33         Retained earnings         154,334         122,484           34         Profit(Loss) account         53,980         47,550           35         Others capital accounts         -         -           36         Minority interest         -         -           37         TOTAL SHAREHOLDERS' FUNDS         230,519         192,239           38         Contingent liabilities         72,874         57,162           39         Non performing loans			- 2 621	•
24         Acceptances outstanding         -         0           25         Inter branch float items         -         0           26         Unearned income and other deferred charges         -         0           27         Other liabilities         14,441         9,877           28         Borrowings         29,364         0           29         TOTAL LIABILITIES         1,876,561         1,477,095           30         NET ASSETS /(LIABILITIES)         230,519         192,239           C.         SHAREHOLDERS' FUNDS         20,000         20,000           32         Capital reserves         2,205         2,205           33         Retained earnings         154,334         122,484           34         Profit(Loss) account         53,980         47,550           35         Others capital accounts         -         -           36         Minority interest         -         -           37         TOTAL SHAREHOLDERS' FUNDS         230,519         192,239           38         Contingent liabilities         72,874         57,162           39         Non performing loans & advances         32,288         25,811           40         Allowances for probab				
26   Unearned income and other deferred charges   14,441   9,877		Acceptances outstanding	-	0
27 Other liablities         14,441         9,877           28 Borrowings         29,364         0           29 TOTAL LIABILITIES         1,876,561         1,477,095           30 NET ASSETS /(LIABILITIES)         230,519         192,239           C. SHAREHOLDERS' FUNDS         20,000         20,000           31 Paid up share capital         20,000         20,000           32 Capital reserves         2,205         2,205           33 Retained earnings         154,334         122,484           34 Profit(Loss) account         53,980         47,550           35 Others capital accounts         -         -           36 Minority interest         -         -           37 TOTAL SHAREHOLDERS' FUNDS         230,519         192,239           38 Contingent liabilities         72,874         57,162           39 Non performing loans & advances         32,288         25,811           40 Allowances for probable losses         16,965         16,598           41 Other non performing assets         743         263           D SELECTED FINANCIAL CONDITION INDICATORS         (i) Shareholders Funds to total assets         10.94%         11.52%           (ii) Gross loans and advances to total deposits         48.06%         47.22%				
29 TOTAL LIABILITIES   1,876,561   1,477,095   30 NET ASSETS /(LIABILITIES)   230,519   192,239			14,441	•
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31       Paid up share capital       20,000       20,000         32       Capital reserves       2,205       2,205         33       Retained earnings       154,334       122,484         34       Profit(Loss) account       53,980       47,550         35       Others capital accounts       -       -         36       Minority interest       -       -         37       TOTAL SHAREHOLDERS' FUNDS       230,519       192,239         38       Contingent liabilities       72,874       57,162         39       Non performing loans & advances       32,288       25,811         40       Allowances for probable losses       16,965       16,598         41       Other non performing assets       743       263         D       SELECTED FINANCIAL CONDITION INDICATORS       (i)       Shareholders Funds to total assets       10.94%       11.52%         (ii)       Non performing loans to total gross loans       3.69%       3.75%         (iii)       Gross loans and advances to total deposits       48.06%       47.22%         (iv)       Loans and advances to total assets       40.71%       40.29%         (v)       Earnings assets to total Assets       76.97%       75.50% </th <th></th> <th>NET AGGETG (LIABILITIES)</th> <th>200,010</th> <th>102,200</th>		NET AGGETG (LIABILITIES)	200,010	102,200
32       Capital reserves       2,205       2,205         33       Retained earnings       154,334       122,484         34       Profit(Loss) account       53,980       47,550         35       Others capital accounts       -       -         36       Minority interest       -       -         37       TOTAL SHAREHOLDERS' FUNDS       230,519       192,239         38       Contingent liabilities       72,874       57,162         39       Non performing loans & advances       32,288       25,811         40       Allowances for probable losses       16,965       16,598         41       Other non performing assets       743       263         D       SELECTED FINANCIAL CONDITION INDICATORS       (i)       Shareholders Funds to total assets       10.94%       11.52%         (ii)       Non performing loans to total gross loans       3.69%       3.75%         (iii)       Gross loans and advances to total deposits       48.06%       47.22%         (iv)       Loans and advances to total assets       40.71%       40.29%         (v)       Earnings assets to total Assets       76.97%       75.50%         (vi)       Deposits growth       7.60%       21.57%			00.000	00.000
33       Retained earnings       154,334       122,484         34       Profit(Loss) account       53,980       47,550         35       Others capital accounts       -       -         36       Minority interest       -       -         37       TOTAL SHAREHOLDERS' FUNDS       230,519       192,239         38       Contingent liabilities       72,874       57,162         39       Non performing loans & advances       32,288       25,811         40       Allowances for probable losses       16,965       16,598         41       Other non performing assets       743       263         D       SELECTED FINANCIAL CONDITION INDICATORS       (i) Shareholders Funds to total assets       10.94%       11.52%         (ii) Non performing loans to total gross loans       3.69%       3.75%         (iii) Gross loans and advances to total deposits       48.06%       47.22%         (iv) Loans and advances to total assets       40.71%       40.29%         (v) Earnings assets to total Assets       76.97%       75.50%         (vi) Deposits growth       7.60%       21.57%				
Others capital accounts  Minority interest  TOTAL SHAREHOLDERS' FUNDS  38 Contingent liabilities 39 Non performing loans & advances 40 Allowances for probable losses 41 Other non performing assets  TOTAL SHAREHOLDERS' FUNDS  38 Contingent liabilities 39 Non performing loans & advances 30,288 32,288 32,581 40 Allowances for probable losses 41 Other non performing assets  Total Condition Indicators  (i) Shareholders Funds to total assets (ii) Non performing loans to total gross loans (iii) Gross loans and advances to total deposits (iv) Loans and advances to total assets (v) Earnings assets to total Assets (vi) Deposits growth  Total SHAREHOLDERS  72,874 57,162 32,288 25,811 16,965 16,598 743 263  10.94% 11.52% 11.52% 11.5				
36   Minority interest   -   -   -     -			53,980	47,550
37         TOTAL SHAREHOLDERS' FUNDS         230,519         192,239           38         Contingent liabilities         72,874         57,162           39         Non performing loans & advances         32,288         25,811           40         Allowances for probable losses         16,965         16,598           41         Other non performing assets         743         263           D         SELECTED FINANCIAL CONDITION INDICATORS         10.94%         11.52%           (ii)         Non performing loans to total assets         10.94%         11.52%           (iii)         Non performing loans to total gross loans         3.69%         3.75%           (iiii)         Gross loans and advances to total deposits         48.06%         47.22%           (iv)         Loans and advances to total assets         40.71%         40.29%           (v)         Earnings assets to total Assets         76.97%         75.50%           (vi)         Deposits growth         7.60%         21.57%			-	-
39 Non performing loans & advances 32,288 40 Allowances for probable losses 41 Other non performing assets  743  263  D SELECTED FINANCIAL CONDITION INDICATORS (i) Shareholders Funds to total assets 10.94% (ii) Non performing loans to total gross loans (iii) Gross loans and advances to total deposits (iv) Loans and advances to total assets (v) Earnings assets to total Assets (vi) Deposits growth  25,811 16,965 16,598 11.52% 11.52% 11.52% 12.57%			230,519	192,239
39       Non performing loans & advances       32,288       25,811         40       Allowances for probable losses       16,965       16,598         41       Other non performing assets       743       263         D SELECTED FINANCIAL CONDITION INDICATORS         (i)       Shareholders Funds to total assets       10.94%       11.52%         (ii)       Non performing loans to total gross loans       3.69%       3.75%         (iii)       Gross loans and advances to total deposits       48.06%       47.22%         (iv)       Loans and advances to total assets       40.71%       40.29%         (v)       Earnings assets to total Assets       76.97%       75.50%         (vi)       Deposits growth       7.60%       21.57%	20	Contingent liabilities	70 074	57 160
40 Allowances for probable losses 41 Other non performing assets  743  263  D SELECTED FINANCIAL CONDITION INDICATORS (i) Shareholders Funds to total assets (ii) Non performing loans to total gross loans (iii) Gross loans and advances to total deposits (iv) Loans and advances to total assets (iv) Loans and advances to total assets (v) Earnings assets to total Assets (vi) Deposits growth  40,71% 40,29% 75,50% 76,97% 75,50% 76,97% 76,97% 76,97%				
D SELECTED FINANCIAL CONDITION INDICATORS  (i) Shareholders Funds to total assets 10.94% 11.52%  (ii) Non performing loans to total gross loans 3.69% 3.75%  (iii) Gross loans and advances to total deposits 48.06% 47.22%  (iv) Loans and advances to total assets 40.71% 40.29%  (v) Earnings assets to total Assets 76.97% 75.50%  (vi) Deposits growth 7.60% 21.57%				
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(ii)Non performing loans to total gross loans3.69%(iii)Gross loans and advances to total deposits48.06%(iv)Loans and advances to total assets40.71%(v)Earnings assets to total Assets76.97%(vi)Deposits growth7.60%				
(iii)       Gross loans and advances to total deposits       48.06%         (iv)       Loans and advances to total assets       40.71%         (v)       Earnings assets to total Assets       76.97%         (vi)       Deposits growth       7.60%				
(iv)       Loans and advances to total assets       40.71%       40.29%         (v)       Earnings assets to total Assets       76.97%       75.50%         (vi)       Deposits growth       7.60%       21.57%				
(vi) Deposits growth 7.60% 21.57%	(iv)	Loans and advances to total assets	40.71%	40.29%
(vii) Assets growth 8.65% 20.59%				
200070	(*'')		3.3070	20.0070

		Current Year Cumulative 31.12.2010	Comparative Year Cumulative 31.12.2009
1	Interest income	141,441	141,359
2	Interest expense	(11,032)	(13,841)
3	Net interest income (1minus2)	130,409	127,518
4	Bad debts written off	<del>-</del>	<del>-</del>
5	Impairment Losses on Loans and Advances	(1,674)	(7,025)
6	Non interest income:	71,173	41,773
	6.1 Foreign currency dealings and translation gain/(loss)	12,718	4,142
	6.2 Fee and commisions	49,822	30,842
	6.3 Dividend income	-	-
	6.4 Others operating income	8,633	6,788
7	Non interest expense:	(121,464)	(94,227)
	7.1 Salaries and benefits	(50,065)	(40,419)
	7.2 Fees and commissions	(9,441)	(1,357)
_	7.3 Other operation expenses	(61,957)	(52,451)
8	Operating income/(loss)	78,445	68,038
9	Income tax provision	(24,464)	(20,488)
0	Net income(loss)after income tax	53,981	47,550
11	Number of employees	2,610	2,478
12	Basic earnings per share	108	95
13	Diluted earnings per share	108	95
14	Number of branches	139	134
	SELECTED PERFORMANCE INDICATORS		
i)	Return on average total assets	3.85%	3.01%
ii)	Return on average shareholders funds	34.63%	27.20%
iii)	Non interest expense to gross income	57.13%	51.45%
v)	Net interest income to average earning assets	12.60%	10.69%

		Current Year 31.12.2010	Previous Year 30.12.2009
:	Cash flow from Operating activities:		
	Net income (loss)	78,445	68,038
	Adjustment for:		C
	- Impairment/amortization	10,554	16,291
	- Net change in loans and advances	(185,205)	(103,101)
	- Gain/loss on sale of assets	20	(
	- Net change in deposits	360,738	252,359
	- Net change in short term negotiable securities	0	7.000
	- Net change in other liabilities	9,364	7,896
	- Net change in other assets	(15,167)	(84,600
	- Tax paid	(27,930)	(20,337
	- Others (Net change in SMR deposits)  Net cash provided (used) by operating activities	(22,091) <b>208,727</b>	136,545
		,	,
l:	Cash flow from Investing activities:		
	Dividends received	0	(24.242
	Purchase of fixed assets	(23,837)	(21,646
	Proceeds from sale of fixed assets	0	3
	Purchase of non-dealing securities	0	(
	Proceeds from sale of non-dealing securities	(05.514)	[1.070
	Others-(Treasury Bonds/Bills /Equity investment)	(35,514)	51,073
	Net cash provided (used) by investing activities	(59,351)	29,435
l:	Cash Flow from Financing activities:		
	Repayment of long-term debt	0	(
	Proceeds from issuance of long term debt	0	(
	Proceeds from issuance of share capital	(4.5.700)	(45,000
	Payment of cash dividends	(15,700)	(15,000
	Net change in other borrowings	29,364 0	(
	Others (specify)  Net cash provided(used) by financing activities	13,664	(15,000)
	Net cash provided (used) by illiancing activities	13,004	(15,000)
IV:	Cash and Cash equivalents:		
	Net increase/(decrease) in cash and cash	100.044	150.000
	equivalents	163,041	150,980
	Cash and cash equivalents at the beginning of	404 400	070.45
	the year	424,130	273,151
	Cash and cash equivalents at the end of the quarter	587,171	424,130
	quarter	307,171	424,130

Signed by	Date
Mark Wiessing Chief Executive Officer	11/02/2011
Waziri Barnabas Chief Financial Officer	11/02/2011
Augustino Mbogella Chief Internal Audit	11/02/2011

The above extracts are from the Financial Statements of the Bank for the year ended December 31 2010, which have been prepared in accordance with International Financial Reporting Standards (IFRS). The Financial Statements were audited by Pricewaterhouse Coopers, Certified Public Accountants, and received an unqualified audit report.

Signed by	Date
Misheck Ngatunga Board Chairman	11/02/2011
Protase Tehingisa Director	11/02/2011

