

DAR ES SALAAM COMMUNITY BANK PLC
AUDITED FINANCIAL STATEMENTS

**REPORT OF CONDITION OF BANK PURSUANT TO SECTION 32(3) OF THE
BANKING AND FINANCIAL INSTITUTION ACT, 2006**

PROFIT AND LOSS ACCOUNT

	<u>2011</u> TZS	<u>2010</u> TZS
Interest income	17,314,403,242	14,654,213,980
Interest expense	<u>(5,880,966,136)</u>	<u>(5,468,091,900)</u>
Net interest income	11,433,437,106	9,186,122,080
Loan Impairment charge	<u>(532,355,827)</u>	<u>(924,823,563)</u>
Net interest income after loan impairment	<u>10,901,081,279</u>	<u>8,261,298,517</u>
Fees and commission income	1,067,449,471	1,686,511,958
Foreign exchange income	113,918,221	13,820,527
Other operating income	<u>81,439,773</u>	<u>75,090,766</u>
Total non-interest income	<u>1,262,807,465</u>	<u>1,775,423,251</u>
Operating expenses		
Personnel expenses	<u>(3,418,975,919)</u>	(2,366,289,976)
General and administrative expenses	<u>(1,640,080,887)</u>	(1,446,640,922)
Depreciation and amortisation	<u>(433,770,729)</u>	(258,241,854)
Other operating expenses	<u>(2,233,794,032)</u>	<u>(1,722,294,698)</u>
Total operating expenses	<u>(7,726,621,567)</u>	<u>(5,793,467,450)</u>
Profit before income tax	4,437,267,177	4,243,254,318
Income tax expense	<u>(1,175,619,096)</u>	<u>(1,076,796,856)</u>
Profit for the year	<u>3,261,648,081</u>	<u>3,166,457,462</u>
Earnings per share (basic and diluted)	101	98
STATEMENT OF COMPREHENSIVE INCOME		
Profit for the year	3,261,648,081	3,166,457,462
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>3,261,648,081</u>	<u>3,166,457,462</u>

BALANCE SHEET

	<u>2011</u> TZS	<u>2010</u> TZS
Assets		
Cash and balances with Bank of Tanzania	15,304,297,275	15,775,457,399
Loans and advances to banks	8,892,926,436	9,047,968,742
Government securities held to maturity	10,848,324,331	11,150,298,111
Loans and advances to customers	57,439,888,315	55,986,508,904
Equity investment	1,100,000,000	-
Other assets	1,800,132,014	2,254,798,057
Property and equipment	3,770,541,202	870,681,823
Intangible assets	186,497,978	127,160,443
Deferred income tax asset	16,348,924	-
Total assets	<u><u>99,358,956,475</u></u>	<u><u>95,212,873,479</u></u>
Liabilities		
Deposits from banks	16,108,420,991	14,224,002,124
Deposits from customers	64,963,720,158	64,941,498,399
Income tax payable	516,090,891	455,379,684
Deferred income tax liability	-	95,842,803
Other liabilities	1,245,740,703	677,939,490
Total liabilities	<u><u>82,833,972,743</u></u>	<u><u>80,394,662,500</u></u>
Equity		
Share capital	8,098,309,000	8,098,309,000
Share premium	551,683,550	551,683,550
Proposed dividend	1,619,661,800	1,554,875,328
Staff loan special reserve	-	450,000,000
Retained earnings	6,255,329,382	4,163,343,101
Total equity	<u><u>16,524,983,732</u></u>	<u><u>14,818,210,979</u></u>
Total liabilities and equity	<u><u>99,358,956,475</u></u>	<u><u>95,212,873,479</u></u>

STATEMENT OF CASH FLOWS**Cash flows from operating activities**

	<u>2011</u> TZS	<u>2010</u> TZS
Profit before income tax	4,437,267,177	4,243,254,318
<i>Adjustments for:</i>		
Depreciation of property and equipment	371,438,501	208,666,631
Amortisation of intangible assets	62,332,228	49,575,223
Gain on sale of property and equipment	(3,734,000)	-
Impairment and credit losses on loans and advances	532,355,827	924,823,564
Cash flow from operating profits before working capital changes	5,399,659,733	5,426,319,736
<i>Changes in operating assets and liabilities:</i>		
Increase in statutory minimum reserve	-	(2,420,000,000)
Increase in loans and advances	(1,779,435,735)	(15,744,489,757)
Increase in other assets	(1,501,308,955)	(1,119,504,666)
Increase in deposits from banks	1,884,418,867	-
Increase in deposits from customers	22,221,759	23,398,901,264
Increase in other liabilities	567,801,213	48,630,265
Increase in deposits with banks with maturity over three months	-	(100,000,000)
Increase in government securities with maturity over three months	(1,937,731,660)	(2,545,646,439)
Cash generated from operations	2,655,625,222	6,990,161,309
Income tax paid	(1,227,573,728)	(956,856,498)
Net cash flows from operating activities	1,428,051,494	6,010,329,358
Cash flows from investing activities		
Purchases of property and equipment	(1,315,322,878)	(86,468,962)
Purchases of intangible assets	(121,669,762)	(81,635,045)
Acquisition of unquoted equity investment	(1,100,000,000)	-
Proceeds from sale of property and equipment	3,734,000	-
Net cash used in investing activities	(2,533,258,640)	(168,104,007)
Cash flows from financing activities		
Dividends paid	(1,554,875,328)	(907,010,608)
Repayments of borrowings	-	(2,451,454,987)
Net used in financing activities	(1,554,875,328)	(3,358,465,595)
(Decrease)/Increase in cash and cash equivalents	(2,660,082,474)	2,483,759,756
Cash and cash equivalents at the beginning of the year	21,380,731,581	18,896,971,825
Effects of exchange rate changes on cash and cash equivalents	(5,825,396)	-
Cash and cash equivalents at the end of the year	18,714,823,711	21,380,731,581

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

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

Amb. Paul M. Rupia	Chairman	30.03.2012
Prof. Lucian A. Msambichaka	Vice Chairman	30.03.2012