

**DCB COMMERCIAL BANK PLC**  
**AUDITED FINANCIAL STATEMENTS**

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

	<u>2013</u> TZS'000	<u>2012</u> TZS'000
Interest income	24,665,132	18,600,164
Interest expense	<u>(9,206,875)</u>	<u>(8,068,640)</u>
<b>Net interest income</b>	<b>15,458,257</b>	<b>10,531,524</b>
Loan impairment (charge)/credit	<u>(1,045,741)</u>	<u>179,475</u>
<b>Net interest income after loan impairment</b>	<b>14,412,516</b>	<b>10,710,999</b>
Fees and commission income	2,723,679	2,097,451
Foreign exchange income	241,625	135,069
Other operating income	<u>2,451</u>	<u>50,164</u>
<b>Total non-interest income</b>	<b>2,967,755</b>	<b>2,282,684</b>
<b>Operating expenses</b>		
Personnel expenses	(5,126,910)	(4,384,338)
General administrative expenses	(5,093,308)	(4,237,508)
Depreciation and amortisation	(592,799)	(511,157)
Other operating expenses	<u>(1,347,120)</u>	<u>(1,020,114)</u>
<b>Total operating expenses</b>	<b>(12,160,137)</b>	<b>(10,153,117)</b>
<b>Profit before income tax</b>	<b>5,220,134</b>	<b>2,840,566</b>
Income tax expense	<u>(1,509,011)</u>	<u>(932,136)</u>
<b>Profit for the year</b>	<b>3,711,123</b>	<b>1,908,430</b>
Other comprehensive income	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>	<b>3,711,123</b>	<b>1,908,430</b>
Earnings per share (basic and diluted)	<u>55</u>	<u>50</u>

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	<u>2013</u> TZS'000	<u>2012</u> TZS'000
<b>Assets</b>		
Cash and balances with Bank of Tanzania	14,533,603	12,970,028
Loans and advances to Banks	17,938,032	8,600,241
Government securities held to maturity	22,732,082	23,259,916
Loans and advances to customers	75,549,518	65,096,300
Equity investment	1,106,734	1,120,000
Property and equipment	5,434,595	4,751,401
Intangible assets	1,889,878	181,252
Deferred income tax asset	277,974	6,961
Other assets	4,507,055	1,453,970
	<b>143,969,471</b>	<b>117,440,069</b>
<b>Liabilities</b>		
Deposits from banks	18,597,762	19,287,438
Deposits from customers	84,132,600	71,645,881
Borrowing	5,453,812	-
Income tax payable	762,975	348,855
Other liabilities	3,040,635	1,955,416
	<b>111,987,784</b>	<b>93,237,590</b>
<b>Equity</b>		
Share capital	16,956,974	9,636,698
Advance towards share capital	-	5,850,338
Share premium	4,104,046	551,684
Proposed dividend	1,855,562	954,215
Retained earnings	9,065,105	7,209,544
	<b>31,981,687</b>	<b>24,202,479</b>
<b>Total liabilities and equity</b>	<b>143,969,471</b>	<b>117,440,069</b>

## STATEMENT OF CASH FLOWS

	<u>2013</u>	<u>2012</u>
	TZS'000	TZS'000
<b>Cash flows from operating activities</b>		
<b>Profit before income tax</b>	<b>5,220,134</b>	2,840,566
<i>Adjustments for:</i>		
Depreciation of property and equipment	<b>490,430</b>	434,212
Amortisation of intangible assets	<b>98,653</b>	76,945
Gain on sale of property and equipment	-	(33,784)
Impairment and credit losses on loans and advances	<b>1,045,741</b>	(179,475)
Impairment of available for sale investment	<b>13,266</b>	-
<b>Cash flow from operating activities before changes in operating assets</b>	<b>6,868,223</b>	3,138,464
<i>Changes in operating assets and liabilities:</i>		
Net change in statutory minimum reserve	<b>(1,150,000)</b>	(950,000)
Net change in loans and advances	<b>(10,881,785)</b>	(7,476,936)
Net change in other assets	<b>(3,053,086)</b>	(15,272)
Net change in deposits from banks	<b>(689,676)</b>	3,179,017
Net change in deposits from customers	<b>12,486,719</b>	6,682,161
Net change in other liabilities	<b>1,100,461</b>	709,675
Net change in government securities with maturity over three months	<b>(869,930)</b>	(3,950,326)
<b>Cash generated from operations</b>	<b>3,810,926</b>	1,316,783
Income tax paid	<b>(1,365,904)</b>	(1,089,983)
<b>Net cash flows from operating activities</b>	<b>2,445,022</b>	226,800
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	<b>(1,173,621)</b>	(1,061,182)
Purchases of intangible assets	<b>(1,807,279)</b>	(71,699)
Acquisition of unquoted equity investment	-	(20,000)
Proceeds from sale of property and equipment	-	33,784
<b>Net cash used in investing activities</b>	<b>(2,980,900)</b>	(1,119,097)
<b>Cash flows from financing activities</b>		
Dividend paid	<b>(954,215)</b>	(80,983)
Advance towards share capital	-	5,850,338
Proceeds from rights issue exercise	<b>5,022,300</b>	-
Borrowings	<b>5,453,812</b>	-
<b>Net generated financing activities</b>	<b>9,521,898</b>	5,769,355
<b>Increase in cash and cash equivalents</b>	<b>8,986,021</b>	4,877,058
Cash and cash equivalents at the beginning of the year	<b>23,596,793</b>	18,714,824
Effects of exchange rate changes on cash and cash equivalents	<b>146,436</b>	4,911
<b>Cash and cash equivalents at the end of the year</b>	<b>32,736,684</b>	23,596,793

The above extracts are from the Financial Statements of the Bank for the year ended 31 December 2013 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	31.03.2013
Prof. Lucian A. Msambichaka	Vice Chairman	31.03.2013