

“THE 1 TRILLION BANK”

Report of the condition of the bank Pursuant to Section 32 (3) of the Banking and Financial Institution Act, 2006.

BALANCE SHEET AS AT 31ST MAR 2013 (AMOUNT IN MILLION SHILLINGS)

	COMPANY CURRENT QUARTER 31 ST MAR 2013	GROUP CURRENT QUARTER 31 ST MAR 2013	COMPANY PREVIOUS QUARTER 31 ST DEC 2012	GROUP PREVIOUS QUARTER 31 ST DEC 2012
A. ASSETS				
1 Cash	14,406	16,987	25,145	26,804
2 Balances with Central Banks	91,898	119,296	91,012	116,882
3 Investment in Government Securities	201,649	201,649	185,148	185,148
4 Balances with Other Banks and financial institutions	46,023	53,843	60,542	64,378
5 Cheques and Items for Clearing	6,939	7,228	3,821	3,831
6 Interbranch float items	4,082	4,082	160	160
7 Bills Negotiated	728	728	66	66
8 Customers' liabilities for acceptances	0	0	0	0
9 Interbank Loan Receivables	85,090	85,090	62,898	63,993
10 Investments in Other securities	3,450	3,450	3,587	3,587
11 Loans, Advances and Overdrafts	414,998	440,590	410,600	435,598
(Net of allowances for Probable losses)	0	0	0	0
12 Other Assets	22,026	24,042	17,587	18,896
13 Equity Investments	34,542	26,290	34,431	26,933
14 Underwriting accounts	0	0	0	0
15 Property, Plant and Equipment	14,492	17,166	17,709	20,274
16 TOTAL ASSETS	940,324	1,000,441	912,706	966,550
B. LIABILITIES				
17 Deposits from other banks and financial institutions	85,253	94,264	76,133	86,008
18 Customer Deposits	701,435	747,450	684,397	722,734
19 Cash letters of credit	4,148	4,148	6,395	6,395
20 Special Deposits	0	0	0	0
21 Payments orders / transfers payable	61	61	68	68
22 Bankers' cheques and drafts issued	1,758	1,827	1,655	1,707
23 Accrued taxes and expenses payable	3,855	3,952	564	693
24 Acceptances outstanding	0	0	0	0
25 Interbranch float items	0	0	0	0
26 Unearned income and other deferred charges	1,517	1,517	1,350	1,386
27 Other Liabilities	4,849	5,031	8,087	8,184
28 Borrowings	26,449	30,376	26,095	29,948
29 TOTAL LIABILITIES	829,324	888,626	804,744	857,123
30 NET ASSETS/(LIABILITIES)(16 MINUS 29)	110,999	111,815	107,962	109,427
C. SHAREHOLDERS' FUNDS				
31 Paid up Share Capital	12,900	12,900	12,900	12,900
32 Capital Reserves	30,365	31,694	30,365	31,694
33 Retained Earnings	64,698	64,307	51,761	51,166
34 Profit (Loss) Account	3,036	2,914	12,936	13,667
35 Other Capital Accounts/Capital Advance	0	0	0	0
36 Minority Interest	0	0	0	0
37 TOTAL SHAREHOLDERS' FUNDS	110,999	111,815	107,962	109,427
38 Contingent Liabilities	88,868	99,621	85,968	92,892
39 Gross non-performing Loans and Advances	62,085	68,293	59,757	65,268
40 Allowances for Probable Losses	19,272	20,414	19,272	19,729
41 Other Non-Performing assets	2,992	2,992	2,992	2,992
D. PERFORMANCE INDICATORS				
(I) Shareholders Funds to Total Assets	11.80%	11.23%	11.83%	11.32%
(II) Gross non-performing loans to Total Gross Loans	13.54%	14.62%	13.88%	13.59%
(III) Gross Loans and Advances to Total Deposits	58.29%	58.09%	56.52%	59.05%
(IV) Loans and Advances to Total Assets	48.76%	48.83%	49.53%	49.41%
(V) Earning Assets to Total Assets	83.64%	80.99%	82.97%	80.67%
(VI) Deposits Growth	3.44%	3.34%	8.39%	8.77%
(VII) Assets Growth	3.03%	2.86%	6.76%	7.08%

INCOME STATEMENT FOR THE QUARTER ENDED 31ST MAR 2013 (AMOUNT IN MILLION SHILLINGS)

	COMPANY CURRENT QUARTER 31 ST MAR 2013	GROUP CURRENT QUARTER 31 ST MAR 2013	COMPANY COMPARATIVE QUARTER (PREVIOUS YEAR) 31 ST MAR 2012	GROUP COMPARATIVE QUARTER (PREVIOUS YEAR) 31 ST MAR 2012	COMPANY CURRENT YEAR CUMULATIVE 31 ST MAR 2013	GROUP CURRENT YEAR CUMULATIVE 31 ST MAR 2013	COMPANY COMPARATIVE YEAR CUMULATIVE 31 ST MAR 2012	GROUP COMPARATIVE YEAR CUMULATIVE 31 ST MAR 2012
1 Interest Income	19,869	20,490	19,223	19,784	19,869	20,490	19,223	19,784
2 Interest Expense	(10,420)	(10,632)	(7,720)	(7,855)	(10,420)	(10,632)	(7,720)	(7,855)
3 Net Interest Income (1 Minus 2)	9,449	9,858	11,503	11,929	9,449	9,858	11,503	11,929
4 Bad debts written off	0	0	0	0	0	0	0	0
5 Impairment Losses on Loans and Advances/Recovery	624	532	(400)	(486)	624	532	(400)	(486)
6 Non-Interest Income	5,039	5,744	3,656	4,202	5,039	5,744	3,656	4,202
6.1 Foreign exchange profit/(loss)	1,123	1,342	409	543	1,123	1,342	409	543
6.2 Fees and Commissions	2,592	3,066	2,212	2,614	2,592	3,066	2,212	2,614
6.3 Dividend Income	0	0	0	0	0	0	0	0
6.4 Other Operating Income	1,324	1,336	1,035	1,045	1,324	1,336	1,035	1,045
7 Non-Interest Expense	(10,622)	(11,766)	(8,636)	(9,591)	(10,622)	(11,766)	(8,636)	(9,591)
7.1 Salaries and Benefits	(4,532)	(5,061)	(3,629)	(3,964)	(4,532)	(5,061)	(3,629)	(3,964)
7.2 Fees and Commission	(45)	(78)	(38)	(56)	(45)	(78)	(38)	(56)
7.3 Other Operating Expenses	(6,045)	(6,627)	(4,969)	(5,571)	(6,045)	(6,627)	(4,969)	(5,571)
8 Operating Income/(Loss) before tax	4,489	4,367	6,123	6,054	4,489	4,367	6,123	6,054
9 Income Tax Provision	(1,453)	(1,453)	(2,043)	(2,043)	(1,453)	(1,453)	(2,043)	(2,043)
10 Net income (loss) after income tax	3,036	2,914	4,080	4,010	3,036	2,914	4,080	4,010
11 Number of Employees	647	693	562	608	647	693	562	608
12 Basic Earning Per Share	235	226	316	311	235	226	316	311
13 Diluted Earning Per Share	235	226	316	311	235	226	316	311
14 Number of Branches	25	29	22	25	25	29	22	25
PERFORMANCE INDICATORS								
(I) Return on average total assets	0.34%	0.31%	0.52%	0.48%	0.34%	0.31%	0.52%	0.48%
(II) Return on Average shareholders' funds	2.73%	2.61%	4.95%	4.72%	2.73%	2.61%	4.95%	4.72%
(III) Non interest expense to gross income	42.65%	44.85%	37.75%	39.99%	42.65%	44.85%	37.75%	39.99%
(IV) Net Interest margin to average earning assets	1.31%	1.30%	1.86%	1.85%	1.31%	1.30%	1.86%	1.85%

CASH FLOW FOR THE QUARTER ENDED 31ST MAR 2013 (AMOUNT IN MILLION SHILLINGS)

	COMPANY CURRENT QUARTER 31 ST MAR 2013	GROUP CURRENT QUARTER 31 ST MAR 2013	COMPANY PREVIOUS QUARTER 31 ST DEC 2012	GROUP PREVIOUS QUARTER 31 ST DEC 2012
I Cash flow from operating activities:				
Net income(Loss)	4,489	4,367	(464)	(358)
Adjustment for:				
-Impairment/Amortization	737	1,262	561	666
-Net change in loans and advances	(4,398)	(4,992)	22,853	23,780
-Gain/Loss on sale of assets	0	0	0	0
-Net change in Deposits	26,157	32,972	28,463	40,734
-Net change in Short term negotiable securities	0	0	0	0
-Net change in Other Liabilities	(1,931)	(1,896)	339	493
-Net change in Other Assets	(4,439)	(5,146)	535	1,460
-Tax paid	(1,453)	(1,453)	0	0
-Others (Specify)	0	0	0	0
Net cash provided (used) by operating activities	19,163	25,114	52,287	66,775
II Cash flow from investing activities:				
Dividend Received	0	0	0	0
Purchase of fixed assets	(189)	(524)	(1,988)	(2,159)
Proceeds from sale of fixed assets	0	0	0	0
Purchase of non-dealing securities	(7,775)	(7,775)	(15,430)	(15,430)
Proceeds from sale of non-dealing securities	0	0	0	0
Others	(111)	(111)	(300)	(300)
Net cash provided (used) by investing activities	(8,075)	(8,410)	(17,718)	(17,889)
III Cash flow from financing activities:				
Repayment of long-term debt	0	0	(409)	(409)
Proceeds from issuance of long term debt	0	0	0	0
Proceeds from issuance of share capital	0	0	0	0
Payment of cash dividends	0	0	0	0
Net change in other borrowings	354	354	(2,044)	(2,459)
Others -Long term financing	0	0	0	0
Net cash provided (used) by financing activities	354	354	(2,453)	(2,868)
IV Cash and Cash Equivalents:				
Net increase/(decrease) in cash and cash equivalents	11,442	17,058	32,116	46,018
Cash and cash equivalents at the beginning of the quarter	172,281	191,805	140,165	145,787
Cash and cash equivalents at the end of the quarter	183,723	208,862	172,281	191,805

NAME AND TITLE

Anthony Grant
MANAGING DIRECTOR

Date: 06TH MAY 2013

Selemani Amani Ponda
CHIEF FINANCE OFFICER

Date: 06TH MAY 2013

Jonathan Ngoma
CHIEF INTERNAL AUDITOR

Date: 06TH MAY 2013

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.

NAME AND TITLE

Yogesh Manek
CHAIRMAN

Date: 06TH MAY 2013

Hanif Jaffer
DIRECTOR

Date: 06TH MAY 2013

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EXIM BANK