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Vielelezo vya mwaka ulioishia 31 Disemba 2002

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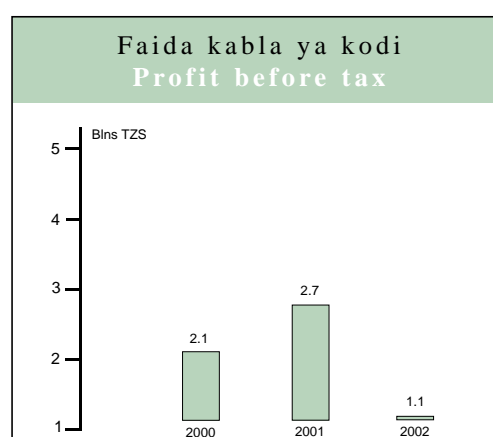
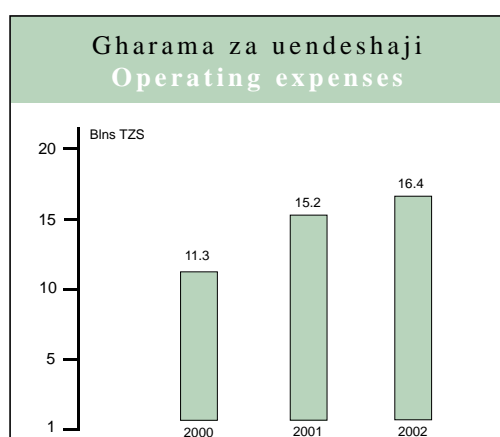
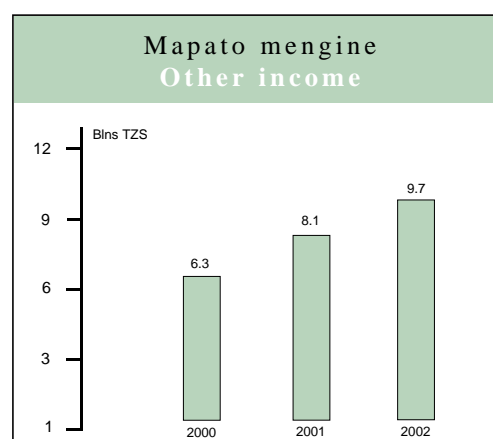
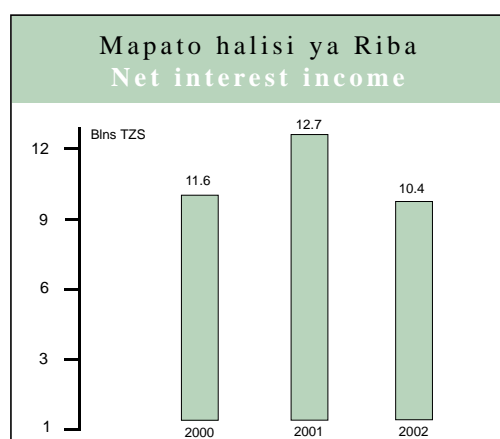
H i g h l i g h t s

**For the year ended
31st December 2002**

Vielelezo Muhimu vya kifedha

Financial highlights

BILIONI ZA SHILINGI	Tshs. IN BILLIONS				
Maelezo	Particulars	1999	2000	2001	2002
Jumla ya rasilimali	Total assets	130.6	190.4	230.9	303.3
Mikopo	Loans	34.4	34.9	33.8	43.3
Uwekezaji katika dhamana	Investment in debt securities	47.6	68.9	94.0	123.2
Amana	Deposits	108.2	160.7	201.9	269.7
Mtaji	Share capital	8.3	8.3	8.2	8.2
Mali ya wanahisa	Owners equity	12.5	14.1	14.1	15.2
Uwiano muhimu	Key ratios	1999	2000	2001	2002
Pato na rasilimali	Return on assets	0.39	0.87	0.82	0.4
Pato na mali ya wanahisa	Return on equity	3.2	11.7	13.4	7.2
Pato kwa kila hisa moja Tsh.	Earnings per share Tshs	500	2000	2304	1336
Gawio kwa kila hisa moja Tsh.	Dividends per share Tshs.	0	1100	1000	1000



TemboCARD ATM ya Benki ya CRDB



CRDB Bank TemboCARD ATM

Barua ya kuwasilisha

Wapendwa: Wanahisa na Wateja wetu,

Ninayo furaha kuwasilisha kwenu taarifa ya mwaka 2002. Taarifa hii ina hesabu za mwaka ulioishia tarehe 31 Desemba 2002, matukio na maendeleo muhimu pamoja na mustakabali wa biashara.

Wenu mwaminifu.



Jerry Solomon

**Mwenyekiti wa Bodi ya Wakurugenzi
Benki ya CRDB**

Letter of transmittal

Dear: Shareholders and customers,

It is a pleasure to present to you the Bank's Annual Report for the year 2002. The report contains the Annual Accounts, major events, achievements and future business prospects.

Yours Sincerely



Jerry Solomon

**Chairman of the Board of Directors
CRDB Bank**

Dira

Tunataka kuwa benki ya kizalendo inayoongoza na inayopata faida, inayowajali wateja, inayotoa huduma na bidhaa bora na inawapa wanahisa gawio zuri. Tutakuwa na mtandao wa vituo vya huduma kote nchini karibu na wateja, uongozi madhubuti na wafanyakazi wenye ujuzi na waliohamasika kutoa huduma bora.

Azma

Sisi ni benki ya kizalendo inayoongoza, inayotoa huduma bora za kifedha, ikizingatia wateja wadogo na wa kati, na huduma binafsi kwa makampuni makubwa. Sambamba na hayo, tunawahakikishia wanahisa gawio linalolingana na la washindani. Kupitia mtandao ulioenea nchini wa matawi yaliyounganishwa kufanya kazi pamoja, na wafanyakazi waadilifu, wateja wanapata huduma kwa urahisi nchini kote.





Vision

We aspire to be a local leading profitable retail bank, which is customer-need driven with high quality products and services, offering competitive returns to shareholders. We will have wide, fully linked outreach in Tanzania with strong, effective management, competent, professional and motivated staff.

Mission

We are a leading local Tanzanian bank providing quality financial services with a strong focus on retail clients and customized corporate services while ensuring competitive returns to shareholders. Through our wide linked branch network and dedicated staff, we offer convenient access throughout the country.



-  **Matawi ya Benki ya CRDB**
-  **CRDB Bank branches**
-  **Huduma za TemboCARD**
-  **TemboCARD services**

T a a r i f a y a M w e n y e k i t i

Mwaka 2002 ulikuwa na matukio mengi yaliyoihusu Benki. Mwaka huu Benki ilipiga hatua kubwa kwenye huduma za wateja, kwa kuwa benki ya kwanza kuingiza Tanzania 'smart card' ikiwa chini ya chapa yake yenyewe ya TemboCard. Hizi kadi za kufanya malipo bila fedha taslim ndizo za kisasa kabisa katika sekta ya kifedha duniani kote.

Matokeo ya kifedha

Mazao makuu ya biashara yaliendelea kupata bei ndogo katika soko la dunia. Bei za mauzo nje ya nchi ziliendelea kupungua zikilinganishwa na zile za manunuzi kutoka nje ya nchi. Kutokana na haya matukio pamoja na uchumi ambao haukuwa na nguvu, kwa mwaka mwingine tena, mikopo haikutumika kikamilifu. Hata hivyo kutokana na usimamizi mzuri wa mikopo, tengo dhidi ya hasara lilipungua kutoka 8.4% mwaka 2001 mpaka 5.5% mwaka huu.

Benki ilipata faida, kabla ya tukio lisilokuwa la kawaida, ya Tsh. milioni 2,891 ikilinganishwa na Tsh. milioni 2,705 ya mwaka 2001. Hata hivyo kwa kuweka tengo dhidi ya hasara ambayo inaweza ikatokana na wizi wa tawi la Azikiwe, Benki ilipata faida baada ya kodi ya Tsh. milioni 1,063 ikilinganishwa na Tsh. milioni 1,818 ya mwaka 2001. Uwiano kati ya pato na mali ya wanahisa uliteremka kutoka 13.4% mwaka 2001 mpaka 7.2% mwaka 2002. Pato kwa kila hisa moja pia lilipungua kutoka Tsh. 2304 mwaka 2001 mpaka Tsh. 1336 mwaka 2002.

Bodi ya Wakurugenzi imependekeza kwa Mkutano Mkuu wa Mwaka gawio la Tsh. 1000 kwa kila hisa.

Hali ya Benki kifedha iliimarika ikilinganishwa na ya mwaka uliotangulia kwa kuongezeka kwa jumla ya rasilimali kutoka Tsh. bilioni 230.9 mpaka Tsh. bilioni 303.3, ukuaji wa amana kutoka Tsh. bilioni 201.8 mpaka Tsh. bilioni 269.7 na uwekezaji kwenye dhamana za serikali kutoka Tsh. bilioni 128.9 mpaka Tsh. bilioni 166.5.

Maendeleo

Benki iliongezea nguvu huduma zake za malipo ilipoanzisha Mfumo wa Malipo wa TemboCard. Malipo ya toka zamani yanatumia fedha taslim, hundi ikiwa ni pamoja na za wasafiri, kusafirisha fedha na akaunti za benki za aina mbali mbali. TemboCard ambayo inatumia teknolojia ya mfumo wa kompyuta wa "electronic chip" iliyowekwa kwenye kadi, hutumika kupata huduma za kibenki kwenye vituo vya ATM na pia kulipia bidhaa na huduma kutoka kwa wafanyabiashara wanaoshiriki kwenye Mfumo wa Malipo wa TemboCard. Kuna maendeleo mengine mapya kwenye sekta ya mabanki ambayo Benki itayatathmini ili kuona kama yapo itakayotaka kuyatumia kuboresha huduma za wateja.

Shukurani

Ninashukuru kwa ushirikiano niliopata kutoka kwa Bodi ya Wakurugenzi katika kipindi chote cha taarifa hii. Napenda pia kuushukuru uongozi na wafanyakazi kwa kujituma kufanya kazi na hivyo kuiwezesha Benki kuwa na nafasi nzuri ya kuendelea kuwa na mafanikio mazuri katika hii sekta yenye ushindani mkubwa.

Ninapenda pia kuwashukuru wateja wetu kwa kuendelea kuwa nasi na hivyo kutupa nafasi ya kuwapa huduma.



Jerry Solomon
Mwenyekiti

Chairman's Statement

Year 2002 was a very eventful year for the Bank. It is the year that the Bank set a milestone in its customer services by being the first bank to introduce in Tanzania a smart card under its own TemboCard brand, which is one of the new developments in convenient cashless means of payment in the financial world.

Financial results

Low world market prices for agricultural commodity crops persisted, as did the deterioration in the country's terms of trade. This, coupled with the less than robust economic performance, led to another year of unutilised credit facilities. However due to better credit portfolio management, provisions decreased from 8.4% made in year 2001 to 5.5% of the total loan portfolio this year.

The Bank made a profit of TZS 2,891 million, before provision of an exceptional loss compared with the TZS 2,705 million realised in year 2001. However due to the provision made on the probable loss from the robbery at Azikiwe branch, the Bank recorded a profit of TZS 1,063 million compared to TZS 1,818 million in year 2001. Return on equity as a result of the above, dropped from 13.4% in year 2001 to 7.2% in year 2002. Earnings per share also decreased from TZS 2,304 in year 2001 to TZS 1,336 in year 2002.

The Board has recommended to the Annual General Meeting a dividend of TZS. 1000 per share.

The Bank's financial position was strengthened by the growth of its total assets from TZS 230.9 billion to TZS 303.3 billion, growth of its deposits from TZS 201.8 to TZS 269.7 billion and investments in debt securities and loans from TZS 128.9 billion to TZS 166.5 billion.

Developments

The Bank gave its payments services a major boost with the introduction of the TemboCard Payment System. Traditional payment services are based on cash, cheques including traveller's cheques, transfer of funds and various bank accounts. TemboCard, which is a chip based technology, is a dual debit/ATM card. As a debit card it is used to make payments for goods and services. It is also used to access ATM services. There are other interesting new developments in the financial industry, which have a potential of improving the services that our customers enjoy. These will be evaluated for possible adoption by the Bank to improve customer service.

Acknowledgements

I am thankful for the support I enjoyed from the Board during the entire period covered by this report. I wish to commend management and staff for their dedicated services, which have positioned the bank for continued success in one of the most competitive industries in Tanzania.

I also wish to thank our esteemed customers for their loyalty and for giving us the privilege to serve them.



Jerry Solomon

Chairman.

TemboCARD

Kama fedha taslim... lakini muafaka zaidi.





TemboCARD

Just like cash... but more convenient.

M a p i t i o y a u t e n d a j i

Mwaka 1999 Benki ilikamilisha zoezi la kuweka kompyuta zinazoendesha shughuli za msingi za kibenki zinazoweza wateja wapate huduma. Hili zoezi liliambatana na uunganishwaji wa matawi yote kwenye mtandao ili wakati wowote kompyuta za tawi lolote, ziweze kupata taarifa zilizo kwenye kompyuta za matawi mengine yote na pia zipokee taarifa mara zinapoingia kwenye kompyuta za tawi lolote. Mwaka 2002, Benki ilianza kutumia uwezo unaotokana na maendeleo mapya kwenye sekta ya huduma za kibenki ulimwenguni, kuongeza ubora wa huduma za wateja na pia kuhakikisha kuwa wateja wanapata urahisi zaidi wa kutumia huduma zake za kibenki na wana uhuru wa kuamua njia, mahali na muda wa kupata huduma hizo. Hakuna shaka kwamba uanzishwaji wa Mfumo wa Malipo wa TemboCARD utafuatwa na hatua zingine kama hizi ili kuendelea kumpa mteja wa Benki ya CRDB huduma zilizo rahisi kwake kuzitumia na za kisasa.

Mfumo wa Malipo wa TemboCARD

Novemba 8, 2002 Benki ya CRDB ilianzisha hapa Tanzania Mfumo wa Malipo wa TemboCARD unaotumia teknolojia ya 'smart card'. CRDB ni benki ya kwanza kuleta Tanzania Mfumo wa Malipo wa kisasa kabisa unaotumia teknolojia ya namna hii. Benki inao washirika wengi wafanyabiashara ambao wanapokea malipo ya kadi za TemboCARD kwa kulipia bidhaa au huduma na pia kubadilisha fedha zilizo kwenye kadi kwa fedha taslim. TemboCARD pia hutumika kwenye vituo vya ATM kupata huduma kama vile kupata fedha taslimu, kuulizia salio la akaunti, kupata taarifa fupi ya akaunti na kadhalika. TemboCARD pia hutumika kama kitambulisho cha wateja wa Benki ya CRDB kote kwenye mtandao wake wa matawi.

TemboCARD inatumika kwenye biashara nyingi sana kwenye miji ya Dar es Salaam, Arusha, Moshi, Mwanza, Iringa, Morogoro, Songea, Mbeya na Sumbawanga. Huduma hii itasambazwa kwenye mikoa mingine kabla ya Juni 2003. Bidhaa na huduma za aina nyingi sana zinapatikana kwenye biashara za Washirika wetu. Hizi ni pamoja na vituo vya mafuta, supermarkets, dry cleaners, maduka ya madawa, mahoteli, migahawa, na kadhalika ambayo yapo katikati ya miji pamoja na vitongojini. Toka awali washirika wa benki walikuwa wengi na hivyo kuwapa wateja nafasi kubwa ya kuchagua bidhaa, huduma na mahali pa kuzipata. TemboCARD ilikubalika mapema sana na hata zaidi ya matarajio. Hii iliwawezesha wateja wengi zaidi kunufaika na usalama, urahisi na uwezo wa TemboCARD wa kukidhi mahitaji ya aina kadhaa. Baada ya kuchangamkia simu za mikononi, Watanzania walionyesha tena wepesi wao wa kupokea bidhaa mpya bunifu yenye manufaa makubwa. Muda

mfupi baada ya kuanzishwa, ililazimika kuongeza uwezo wa kutengeneza kadi za TemboCARD kuzidi ule uliokuwepo. Kuhifadhi fedha kwenye TemboCARD ni rahisi. Madirisha mahususi ya kuweka fedha za elektroniki kwenye TemboCARD yametengwa matawini ili kutoa hii huduma kwa haraka bila mteja kulazimika kukaa kwenye foleni za huduma zingine za matawini. Mipango ya kuwawezesha wateja kupata hii huduma kwenye ATM za Benki inakamilishwa.

TemboCARD ina tahadhari nyingi za kiusalama zinazozuia mteja asiibiwe kwa udanganyifu ama kupoteza fedha zake iwapo kadi yake itaibiwa au kupotea. Hata hivyo wateja wanao wajibu wa kutomueleza mtu yeyote yule namba yao binafsi ya utambulisho ambayo ni ya siri. TemboCARD ni muhimu sana katika kupeleka huduma za kibenki huko vijijini kwa bei muafaka.

Waziri Mkuu, Mheshimiwa Frederick Sumaye, ndiye alikuwa mgeni rasmi kwenye hafla ya kuzindua TemboCard iliyofanyika kwenye tawi la Holland House tarehe 8/11/2002.

Mikopo

Mikopo iliongezeka kutoka kiwango cha wastani cha Tsh. bilioni 34 kilochodumu kwa miaka mitatu iliyopita na kufikia Tsh. bilioni 43. Ongezeko hili lilitokana na uwezo mkubwa zaidi wa kusimamia mikopo uliopatikana kutokana na hatua kadhaa zilizochukuliwa kuanzia mwaka 2001. Hatua muhimu zilizochukuliwa ni pamoja na mafunzo maalum kwa wafanyakazi na utengenezaji wa programu za kompyuta za kushughulikia mikopo pamoja na kurudisha mamlaka ya kutoa maamuzi ya mikopo makao makuu tu. Katika kipindi chote cha mwaka 2002 sekta nyingi za uchumi nchini ziliendelea kuwa hafifu kama mwaka 2001. Mahitaji madogo ya soko yaliyotokana na hali hii yalifanya mikopo iliyokuwa imeidhinishwa kutotumika kikamilifu. Kati ya jumla ya mikopo ya Tsh. bilioni 75 iliyoidhinishwa kufikia tarehe 31 Desemba 2002 ni mikopo ya Tsh. bilioni 44 tu iliyotumika. Mazao yanayouzwa nje ya nchi yaliendelea kupata bei ndogo kwenye soko la dunia. Hii ilipunguza mahitaji ya mikopo ya kuuza mazao nje ya nchi. Pamoja na hali ngumu ya masoko, wafanyabiashara wa mazao ambao ni pamoja na vyama vikuu vya ushirika walimudu kulipa mikopo yao vizuri.

Ubora wa hali ya mikopo uliongezeka kwa kiasi cha kuridhisha. Tenge dhidi ya hasara ya mikopo iliyodorora ilishuka kutoka asilimia 8.4 kwa mwaka 2001 na kufikia asilimia 5.5 mwaka 2002. Mfumo mpya wa kutathimini na kukisia athari za mikopo ulichangia katika uboreshaji wa mikopo.

R e v i e w o f o p e r a t i o n s

In 1999 the Bank completed the automation of its core banking processes as well as linking all its branches so that they operate on-line and on a real time basis. In year 2002 the Bank decisively moved to harness the potential of new developments in the financial services industry to further improve the quality of its customer service as well as ensure that customers enjoy more convenience and freedom on how, where and when they do their banking. The Bank's introduction of TemboCARD Payment System will definitely be followed by similar initiatives so that its customers continue to enjoy easier and more valuable banking.

TemboCARD Payment System

On 8th November 2002 CRDB Bank formally launched TemboCARD electronic payment system in Tanzania. It is the first bank to bring to Tanzania the most advanced payment system based on chip technology that is universally known as Smart card. The Bank has very many merchant partners who operate retail outlets where TemboCARD electronic money is accepted in payment for goods and services as well as offering cash to customers in exchange for electronic money. TemboCARD is a dual card that also gives access to such services as cash withdrawals, balance enquiry, mini statements etc at CRDB Bank's ATMs. In addition TemboCARD is an identity card that is used by the Bank for customer identification throughout its network.

TemboCARD, which is a debit card, is accepted by very many outlets in Dar Es Salaam, Arusha, Moshi, and Mwanza, Iringa, Morogoro, Songea, Mbeya and Sumbawanga. Its rollout to the remaining regions will be completed before June 2003. Our Merchant partners, who offer a very wide range of goods and services, include operators of such outlets as fuel filling stations, supermarkets, dry cleaners, pharmacies, hotels, restaurants and pubs etc located both in business centres and residential suburbs. The pool of merchant partners at the outset was large and therefore gave TemboCARD customers a wide range of choice of products, services and convenient outlets. The high and early acceptance of TemboCARD brought the safety, convenience, and flexibility of TemboCARD to more Tanzanians than was anticipated at the early introductory stage. After the lightning speed with which they embraced mobile phones, Tanzanians demonstrated once again their openness to valuable and innovative products. In fact, shortly after launch, it became necessary to raise TemboCARD issuing capacity above the installed capacity in order to meet the very high demand.

Storing money in TemboCARD is simple. Dedicated TemboCARD service tellers with terminals for loading

electronic money are now available in branches. Access to the service is fast and free of any queuing for other services. Arrangements are being finalised to enable customers to load TemboCARD at the Bank's ATMs.

TemboCARD has many security features, which make it extremely difficult for a customer to be defrauded or sustain financial loss if the card is stolen or lost. Customers have an obligation not to divulge their Personal Identification Numbers to anybody at all. TemboCARD will be extremely valuable in making banking services accessible to the rural areas in a cost-effective manner.

The launch of TemboCARD was officiated by Honourable Frederick Sumaye, the Prime Minister of United Republic of Tanzania on 8/11/2002 at CRDB Bank Holland House Branch.

Credit

The loan portfolio rose to Tshs 43 billion from the average level of Tshs 34 billion of the past 3 years. This increase followed an enhanced credit management capacity gained as a result of several measures that were taken last year. The major measures included intensive credit staff training and the acquisition of supporting software applications for many of the credit administration processes. Throughout this period many economic sectors continued to perform as poorly as in 2001. As a consequence credit facilities were under-utilised due to low demand. Of the Tshs 75 billion gross loan applications approved by 31st December 2002 only Tshs 44 billion was utilised. Export crops continued to suffer from low world market prices and thus limited demand for commodity financing facilities. In spite of these difficult market conditions crop traders, who include co-operative unions, serviced their loans satisfactorily.

The quality of the loan portfolio improved significantly. Provisions made to cover probable losses decreased from the 8.4% made in year 2001 to 5.5% of the total loan portfolio made in year 2002. A new credit appraisal and risk assessment system contributed to this improvement. These improvements are expected to continue in the coming years as the bank continues its credit management improvement programme.

The market for sale of real estate in Tanzania is, with a few high-end niche exceptions, very underdeveloped. This business is unlikely to develop fast without the government creating supportive market conditions. Without thriving real estate trading, most of the country's real estate is effectively "dead capital". This limits financing, including house loans in the country.

Soko la mali isiyohamishika bado ni changa sana hapa Tanzania ukiondoa sehemu ndogo ya soko la bei kubwa. Hii biashara itakua kwa kasi ndogo iwapo serikali haitajenga mazingira mazuri ya soko hili. Bila kushamiri kwa biashara ya kuuza na kununua majengo, mali ya taifa isiyohamishika ni mtaji usioweza kutumika kikamilifu. Hii inapunguza mikopo inayotolewa ikiwa ni pamoja na mikopo ya nyumba.

Bidhaa mpya

Ulipaji Mishahara Kwa Kutumia Programu Maalumu ya Kompyuta

Katika kuendesha shughuli kisasa inakubalika na wengi na pia imedhihirishwa kiutendaji kwamba shughuli za kampuni, kama ulinzi, kulipa mishahara na kadhalika, ambazo sio biashara zake halisi, huwa za ufanisi zaidi na gharama muafaka zikipatikana kutoka kampuni nyingine ambayo hizo ndizo biashara zake. Benki ya CRDB inatoa huduma ambazo ni za haraka sana na usalama wa hali ya juu, za kulipa mishahara ya wafanyakazi ambazo zinakidhi mahitaji ya wafanyakazi na wajiri kwa pamoja. Baada ya mwajiri kutengeneza orodha ya mishahara, mfumo wa kulipa mishahara ambao ni mwepesi kuutumia, kwa sababu za kiusalama huibadilisha orodha isiweze kusomeka (encryption). Pia huwezesha shughuli zote mpaka kuingiza mishahara ndani ya akaunti za benki za wafanyakazi wanaohusika, kufanyika moja kwa moja na kompyuta, ikiwa akaunti ipo kwenye tawi la Benki ya CRDB au benki nyingine. Mfumo huu huweza kushughulikia mishahara katika fedha za Kitanzania au dola za Kimarekani. Benki ina mtandao na matawi 24 nchini yanayoendeshwa kwa mfumo wa mawasiliano ya wakati ule ule kwa hiyo huchukua sekunde chache tu kuingiza mishahara kwenye akaunti za wafanyakazi nchini kote.

Chini ya mpango huu wafanyakazi wanaruhusiwa kufungua akaunti za mishahara bila kutanguliza fedha za kufungulia akaunti. Vile vile salio la akaunti ni Tsh. 2000 tu. Wafanyakazi pia wanahimizwa kuwa na TemboCARD ili waweze kutoa fedha kwenye akaunti zao kwa kutumia ATM

za Benki ya CRDB wakati wowote mchana na usiku mwaka mzima. Kuna huduma za ziada ambazo zinaweza kuongezwa kama sehemu ya huduma hii kama kuweka fedha za elektroniki kwenye kadi ya TemboCARD kwenye ofisi za mwajiri. Fedha za elektroniki zinaweza kutumika kununulia bidhaa na huduma kutoka kwa wafanyabiashara wengi wanaokubali kulipwa kwa TemboCARD na hata kupata fedha taslimu kutoka kwa wafanyabiashara hao ambao wanatambua athari za matumizi ya fedha taslimu. Huu mfumo wa kulipa mishahara unamhakikishia mfanyakazi kwamba mishahara wake atapatwa mapema bila bughudha na inapunguza sana muda wa kazi anaopoteza akifuatilia mishahara. Pamoja na mwajiri kupunguza masaa yanayopotezwa na wafanyakazi kufuatilia mishahara yao, pia hupunguza gharama za kulipa mishahara, bughudha na hatari ya kuibwa fedha za mishahara.

Huduma za kuuza na kusajili hisa

Mwaka 2002 benki ilianzisha huduma za kuongoza shughuli za kupokea fedha za mauzo kutoka kwa umma unaonunua hisa za makampuni yanayotoa mwaliko wa awali kwa umma ununue hisa zake mpya au za zamani. Benki pia inatoa huduma za kusajili hisa ikiwa ni pamoja na kusajili mauzo na manunuzi yote yanayofanyika na kuendesha shughuli za gawio, kutoa hisa za bonasi na kuwapa wanahisa nafasi ya kwanza kununua hisa mpya. Baada ya Mamlaka ya Masoko ya Mitaji na Dhamana kuidhinisha kuuzwa hisa kwa umma, Benki ya CRDB kama kiongozi wa shughuli za kupokea mauzo husimamia shughuli zote toka kugawa ilani ya mauzo ya hisa mpaka kutenga idadi ya hisa ambazo kila mwombaji ataweza kununua, kupokea fedha za mauzo pamoja na kutoa ripoti kamili ya shughuli zote ilizosimamia. Benki inafanya shughuli hizi ikishirikiana vizuri na muuzaji hisa, mshauri wake wa masuala ya fedha, benki nyingine zinazoteuliwa kupokea fedha za mauzo pamoja na madalali wa soko la hisa, wanaoshughulikia hayo mauzo.

New products

Automated Salary Payment

In modern management practice it is widely accepted and it has been conclusively demonstrated that, it is more efficient and cost-effective to outsource such non-core company functions as salary payment. CRDB Bank offers very fast and secure automated salary payment services that simultaneously meet the needs of employers and employees. After the employer completes preparing the monthly payroll, the user-friendly system encrypts and automates the handling of the data including crediting the respective employee bank salary account in whatever branch it may be in CRDB Bank or any other bank. The system handles salary payments in Tshs and USA dollars. With a network of 24 countrywide branches that operate on-line and on a real time basis, the system takes just moments to credit respective employee accounts all over the country.

Employees are eligible to operate a special salary account that can be opened without an initial cash deposit and only requires that a minimum balance of two thousand shillings be retained in the salary account. Employees are encouraged to acquire TemboCARD so that they can make withdrawals at the bank's ATMs anytime of day or night all year round. There are other optional services that may be included in the bundle of services, such as loading TemboCARD at employers' premises. Loaded TemboCARD may be used to make purchases from very many retailers who accept TemboCARD in payment of goods and services or obtain cash from selected retailers. This salary payment service assures employees early access to their salaries while drastically cutting down on the inconvenience and working hours lost chasing salaries. The employer drastically cuts down the working hours lost by employees chasing salaries as well as his salary administration costs, inconvenience and risk of robbery for employers who pay in cash.

Share Floatation and Registraship services

In year 2002 the Bank launched Lead Receiver Bank Services for companies that make public offering of new or existing shares. It also offers Share Registration Services that include keeping the share register updated as well as related administration of dividends, bonus and rights issues. After the Capital Markets and Securities Authority (CMSA) approves share floatation, CRDB Bank, if chosen to be the lead receiving bank, may handle the entire process from the distribution of prospectus to the allotment of shares, the

payment of share proceeds together with a full report of the floatation. The Bank works closely with the respective clients, their financial advisers, and other receiving banks and stock exchange brokers appointed to participate in the floatation.

The administration of a share register is best entrusted to specialised professional firms, for actively traded shares in the stock exchange. CRDB Bank professionally handles all aspects of share administration such as processing and paying dividends, bonus/rights issues and of course the core function of updating the Share Register and preparing required management reports.

Customer Service Improvements

Savings Accounts

The Busara Savings Account and Junior Jumbo Account (J.J. Account) can now be operated as U.S dollar denominated savings accounts. Only CRDB Bank shareholders are eligible for Busara Savings Account while only children below 18 years of age are eligible for J.J. Account. Instead of the previously allowed two withdrawals per year, J.J. Account now allows three to match schools' annual three terms.

Improving access

The Bank established a new agency at TPC in Kilimanjaro region. This is part of the Bank's programme of improving access to its services countrywide. This addition to the Bank's network provides a third outlet for customers in Kilimanjaro region. At the same time it increases the number of mini-branches (static agencies) to five from the previous four. CRDB Bank is continuing with the identification of other locations where it can improve customer access to its banking services in cost-effective ways. The Bank's Microfinance programme pilot phase in the four regions of Mbeya, Iringa Morogoro and Dodoma was successfully completed after the Bank established commercially viable ways of making its services accessible to low income micro entrepreneurs. The Bank now plans to rollout the programme to the rest of the country.

Usajili wa hisa zinazonunuliwa na kuuzwa kwenye soko la hisa unastahili kukabidhiwa kwa wataalam ili ufanyike kwa ufanisi. Benki ya CRDB inashughulikia kitaalamu shughuli zote za kusimamia hisa kama kulipa gawio, hisa za bonasi/za haki ya wanahisa waliopo ya kununua hisa mpya na kutunza daftari la kusajili hisa pamoja na kutengeneza ripoti zinazotakiwa na uongozi wa kampuni.

Kuongeza ubora wa huduma za wateja

Akaunti za Akiba

Akaunti za Akiba za Busara na Junior Jumbo (Akaunti ya J.J.) sasa zinaweza kuendeshwa kwa kutumia dola za Kimarekani. Ni Wanahisa wa Benki ya CRDB pekee wanaostahili kuendesha Akaunti ya Busara. Kwa upande wa Akaunti ya J.J. wenye stahili ni watoto wenye umri chini ya miaka 18. Badala ya nafasi mbili kwa mwaka za kuweza kutoa fedha kwenye Akaunti ya J.J. sasa kuna nafasi tatu ili kuendana na mihula mitatu ya shule kwa mwaka.

Upatikanaji huduma

Benki ilianzisha tawi dogo jipya la TPC mkoani Kilimanjaro. Hii ni sehemu ya programu ya Benki ya kufikisha huduma zake karibu na wateja nchini kote. Kutokana na kupanuka huku kwa mtandao wake wa vituo vya huduma, sasa mkoa wa Kilimanjaro una vituo vitatu. Idadi ya matawi madogo imeongezeka kutoka manne ya awali na kufikia matano sasa. Benki inaendelea kuchunguza maeneo mapya ambako itaweza kuboresha upatikanaji wa huduma zake kwa gharama muafaka. Majaribio ya Mradi wa Huduma za Kifedha kwa Wenye Shunguli Ndogo Ndogo (Microfinance) yaliyofanyika mikoa ya Mbeya, Iringa, Morogoro na Dodoma, yalifanikiwa na hivyo kuwawezesha walengwa kupata huduma za kibenki. Benki inaandaa mpango wa kufikisha programu hii kote nchini.

Uboreshaji wa huduma

Pamoja na kuanzisha TemboCard na huduma za ATM, Benki pia iliboresha maeneo mengine ya huduma zake. Kati ya hizo zinazotajika ni kuongeza uwezo wa mfumo wake wa kompyuta ili kuboresha huduma za wateja na upatikanaji wa huduma kwa wakati muafaka. Pia ukarabati wa matawi ya Benki unaoendelea una lengo hilo hilo la kuboresha huduma za wateja. Mwaka 2002 Benki iliyazindua upya matawi ya Lumumba na Arusha baada ya kukamilisha kuyakarabati. Ukarabati wa matawi ya Vijana, Moshi na Mwanza ulikua unakaribia kukamilika na yanategemewa kuzinduliwa kabla ya Juni 2003. Lengo la kuboresha matawi ni kuyabadilisha kutoka hali ya kizamani na kuyafanya ya kisasa yenye kutoa nafasi nzuri kwa wateja, sehemu nyingi zaidi za kutoa huduma, na kuondoa vikwazo kati ya wafanyakazi na wateja. Matawi ya Tower, Holland House, Morogoro, Kahama na Kigoma ni matawi mengine ya kisasa kabisa. Zoezi la kukarabati matawi bado linaendelea.

Msaada kwa Jamii

Mwaka 2002 misaada ya jamii iliyotolewa na Benki ilielekezwa zaidi kwenye kusaidia shughuli za Vijana na elimu. Benki ilitoa fedha za kujenga vyoo vya Shule ya Msingi ya Uhuru Mchanganyiko. Aidha Taasisi za elimu na shughuli za wanafunzi zifuatazo zilipata msaada wa Benki; Muungano wa Masuala ya Kifedha wa Chuo Kikuu cha Dar es Salaam (DUFA), Shule ya Msingi ya Busamba, Maadhimisho nchini Tanzania ya Wiki ya Kimataifa ya Wanafunzi, Siku ya wazazi ya Shule za St. Florence na Mwalimu Nyerere, Mashindano ya hisabati kwa shule za miji ya Dodoma na Mtwara pamoja na kisima cha Shule ya Sekondari ya Jitegemee. Shughuli zingine zilizohusu vijana na Asasi zao zilikuwa ni pamoja na misaada kwa Muungano wa Netiboli wa Zanzibar, Tamasha la vijana wa Don Bosco, Siku ya Wanawake Kimataifa, Asasi ya Watoto ya Tushirikiane na Michezo ya Shule ya Kimataifa ya Tanganyika.

Service quality improvements

Besides launching TemboCard and the Bank's ATMs, CRDB Bank made many other improvements to its services. Notable among them were the upgrading of its IT system to improve the quality and timeliness of customer service as well as the on-going refurbishment of its branches. In year 2002 the Bank completed the refurbishment and re-launching of Lumumba and Arusha branches. Vijana, Moshi and Mwanza branches are being refurbished and are scheduled to be re-launched in the first part of year 2003. The purpose of the refurbishment exercise is to turn traditional branches into very modern outlets with spacious and friendly banking halls, more service counters, layouts that facilitate easy customer access to services including meeting rooms and greatly reduced barriers between customers and staff. Tower, Holland House, Morogoro, Kahama and Kigoma branches are the other very modern branches. The refurbishment exercise is continuing.

Community support

Youth and education were the focus of the Bank's community support in year 2002. The Bank funded the construction of toilets for Uhuru Mchanganyiko Primary School. The following educational institutions and student activities received financial support from the Bank; Dar es Salaam University Finance Association (DUFA), Busamba Primary School, International Student Week in Tanzania, St. Florence Academy Parents Day, Mwalimu Nyerere Parents Day, Mathematics competition in Mtwara and Dodoma and a water well for Jitegemee secondary school. Other youth related activities and institutions included funding for Zanzibar Netball Association, Don Bosco Youth Festival, International Women Day, Tushirikiane Children and International School of Tanganyika Sports games.

Bidhaa bunifu zenye faida!
Mazungumzo katika mikutano ya matawi ya wanahisa



Innovative Profitable Products!
The talk at branch shareholders meetings

Mashine ya manunuzi ya TemboCARD
Ipo popote unapofanya manunuzi yako



TemboCARD Point of Sale Terminal
A familiar fixture where you shop

Matokeo ya kifedha

Kwa ujumla ufanisi wa Benki kwa mwaka 2002 umeonyeshwa hapa chini.

Maelezo	Particulars	2002Tsh.Blns		2001Tsh.Blns		Ongezeko/Upungufu Increase/Decrease	%
Mapato ya riba	Financial income	13.9	16.1	-2.2	-13.7		
Mapato mengine	Other income	9.7	8.1	1.6	20		
Gharama ya riba	Financial Expenses	3.5	3.4	0.1	2.9		
Gharama ya uendeshaji	Operating Expenses	16.4	15.2	1.2	8.0		
Mapato halisi ya riba	Financial Spread	10.4	12.7	-2.3	-18.1		
Kinga dhidi ya hasara	Provision	0.76	2.9	-2.1	-74.0		
Faida kabla ya kodi	Pre-tax Profit	1.1	2.7	-1.6	59		

Mapato kutokana na riba

Mikopo kwenye vitabu vya Benki, ambayo ni chanzo kikubwa cha mapato ya Benki, ilifikia kiwango cha Tsh. bilioni 43 mwishoni mwa mwaka 2002 ambapo mwaka 2001 mikopo ilikuwa Tsh. bilioni 34.

Mapato ya riba yalishuka kutoka Tsh. 16.1 bilioni mwaka 2001 hadi Tsh. bilioni 13.9 mwaka 2002 ambayo ni sawasawa na kushuka kwa Tsh. bilioni 2.2 au asilimia 13.7.

Mapato Mengine

Mapato mengine yaliongezeka kwa Tsh. bilioni 1.6 ambazo ni sawa na asilimia 20. Mwaka 2002 jumla ya mapato mengine ilikuwa Tsh. bilioni 9.7 ikilinganishwa na Tsh. bilioni 8.1 zilizopatikana mwaka 2001.

Gharama za kulipa riba

Gharama za riba iliyolipwa kwa amana za akiba, hundi na za muda maalumu, ziliongezeka kwa asilimia 2.9 ambayo ni sawasawa na Tsh. bilioni 0.1, kutoka Tsh. bilioni 3.4 mwaka 2001 na kufikia Tsh. bilioni 3.5 mwishoni mwa mwaka 2002.

Gharama za uendeshaji

Jumla ya gharama za uendeshaji kwa mwaka 2002 zilikuwa Tshs.16.4 bilioni na mwaka 2001 zilikuwa Tshs.15.2. Hili ni ongezeko la Tsh. bilioni 1.2 au asilimia 8.

Riba halisi

Riba halisi (riba iliyopokelewa ondoa iliyolipwa) ilipungua kutoka Tsh. 12.7 bilioni za mwaka 2001 mpaka Tsh. 10.4 bilioni za mwaka 2002. Upungufu huu ni wa Tsh. bilion 2.3 au asilimia 18.1.

Tengo dhidi ya hasara

Tengo dhidi ya hasara kutokana na madeni yaliyodorora ilipungua sana kutoka Tsh. 2.9 bilioni za mwaka 2001 mpaka Tsh. 0.76 bilioni baada ya kuondoa marejesho ya madeni yaliyodorora yaliyolipwa mwaka 2002.

Faida kabla ya kodi

Faida kabla ya kodi mwaka 2002 ilikuwa Tsh. bilioni 1.1 ikilinganishwa na Tsh. bilioni 2.7 ya mwaka 2001. Kumekuwapo na kupungua kwa Tsh. bilioni 1.6 au asilimia 59.

Malimbikizo ya Faida

Mwaka 2002, Benki ilikuwa na limbikizo la faida la Tshs 2,604 milioni, na mwaka 2001 lilikuwa Tshs 2,365 milioni.

Financial results

The Bank's performance in year 2002 is shown in the table on page 19

Financial income

The Bank's Loan Portfolio was TZS 43 billions in year 2002 compared to TZS 34 billions in year 2001. Following a general decline of interest rates in the economy financial income decreased by TZS 2.2 billions or 13.7% from TZS 16.1 billions earned in year 2001 to TZS 13.9 earned in year 2002.

Other income

Other income earned in year 2002 was TZS. 9.7 billions, which is TZS 1.6 billions more than the TZS 8.1 billions earned in year 2001 or an increase of 20%. The main items that increased were commissions and exchange gains.

Financial expenses

Although deposits increased significantly, the Bank recorded a relatively low interest expense. Interest expenses paid on Demand deposits, Savings and Time deposits increased from TZS 3.4 billions in year 2001 to TZS 3.5 billions in year 2002. This is an increase of TZS 1 billion or 2.9%.

Operating expenses

Operating expenses, including staff and administrative expenses for year 2001 were TZS 15.2 billions compared to TZS 16.4 billions in year 2002. This is an increase of 1.2 billions or 8%.

Financial Spread

Financial spread decreased by TZS 2.3 billions or 18.1% from TZS 12.7 billions in year 2001 to TZS 10.4 billions in year 2002.

Loan Loss Provisions

Provision for bad and doubtful debts decreased sharply from TZS 2.9 billions in year 2001 to TZS 0.76 billion net of recoveries in year 2002.

Pre-tax Profit

Profit before tax was TZS 1.1 billions in year 2002 compared to TZS 2.7 billions in year 2001, a decrease of Tshs. 1.6 billion or 59%.

Accumulated Profit

The bank had an accumulated profit of TZS 2,604 million in year 2002, whereas in year 2001 the bank had the accumulated profit of TZS 2,365 million.

M a p i t i o y a u c h u m i

Mtizamo wa jumla

Uchumi wa nchi ulikuwa mzuri kwa wastani pamoja na kupungua kwa bei ya bidhaa zinazouzwa nje zikilinganishwa na bei za bidhaa zinazonunuliwa kutoka nje. Pato halisi la Taifa (GDP) lilikua kwa asilimia 6.3, ambayo ni kubwa kuliko asilimia 5.3 ya mwaka 2001. Vielelezo vikuu vya hali ya uchumi vilikuwa imara kwa ujumla. Uchimbaji madini na utalii ndizo sekta zilizoongoza. Uchimbaji madini uliendelea kuongezeka kwa asilimia zaidi ya 13. Kwa upande mwingine kasi ya ukuaji wa sekta ya kilimo iliongezeka kutoka asilimia 3 za mwaka 2001 na kufikia asilimia 7.6 za mwaka 2002. Baadhi ya Vielelezo vya kiuchumi vimeoneshwa hapa chini.

Selected Economic Indicators in percentage terms

Baadhi ya Vielelezo vya uchumi kama asilimia

Vielelezo Indicators	1997	1998	1999	2000	2001	2002
Ukuaji wa Pato Halisi la Taifa Real GDP Annual Growth	3.3	4.0	4.8	5.1	5.3	6.0
Mfumuko wa bei CPI Inflation (headline) end of period	15.4	11.2	7.0	5.5	4.9	4.4
Wastani wa faida ya dhamana za serikali za muda mfupi Treasury bills weighted average yield	11.4	11.8	15.5	5.5	4.0	4.5
Riba ya mikopo ya muda mfupi Short term lending rate	23.3	22.4	20.4	15.7	14.9	15.0
Riba ya mikopo ya muda wa kati na mrefu Medium and long term lending rate	24.3	22.0	20.1	21.6	17.6	18.0
Riba kwa amana za miezi kumi na miwili Twelve months deposit rate	10.1	11.5	10.2	8.6	5.9	5.7

Biashara ya nje

Mwaka 2002 nakisi katika urari wa biashara ya nchi za nje ilipungua pengo kwa asilimia 20.3 na hivyo kuacha pengo la dola za Kimarekani milioni 589.4 kutokana na kuongezeka kwa mauzo ya nje na kupungua kwa manunuzi kutoka nje. Mauzo ya nje yalikuwa dola za Kimarekani milioni 1,541 na manunuzi ya nje yalikuwa dola za Kimarekani milioni 2,139.5. Thamani ya mauzo ya nje ya kawaida ilipungua kwa asilimia 12.8 kufuatia kushuka kwa wingi na bei zake. Licha ya chai na tumbaku ambazo wingi wa mauzo yake yaliongezeka, mauzo ya mazao mengine yaliyobaki yalipungua.

Bei ya fedha za kigeni

Thamani ya shilingi ya Tanzania iliendelea kupungua dhidi ya fedha za kigeni zinazotumika sana duniani. Hii ilisababishwa na kupungua kwa mapato ya fedha za kigeni kutokana na bidhaa tunazouza nchi za nje kuwa pungufu kuliko mahitaji ya nchi ya fedha za kigeni, pamoja na mfumuko wa bei nchini Tanzania kuwa juu kuliko kwenye nchi tunazofanya nazo biashara. Fedha za wafadhili ambazo kwa kawaida hupunguza pengo la fedha za kigeni, hazikupatikana kwa kiasi kilichotegemewa. Hii ilizidisha udhaifu wa shilingi ya Tanzania. Kwenye soko la mabanki la fedha za kigeni shilingi ilikuwa na thamani ya wastani wa shilingi za Tanzania 916 kwa dola moja ya Kimarekani mwanzoni mwa mwaka 2002 na kufikia shilingi 985 mwisho wa mwaka. Kuna wakati shilingi iliteremka mpaka kuwa 1000 kwa dola moja. Shilingi ya Tanzania pia ilipungua thamani dhidi ya fedha zingine za kigeni zinazotumika sana duniani.

Mfumuko wa bei

Mfumuko wa bei uliendelea na mwelekeo wake wa kupungua. Kulikuwa na kupungua kutoka asilimia 5.5 ya mwaka 2001 hadi asilimia 4.5 mwaka 2002. Kupungua huku kulihusishwa zaidi na mavuno mazuri ya chakula. Mfumuko wa bei za chakula ulipungua kutoka asilimia 6.1 mwaka 2001 mpaka asilimia 2.9. Mfumuko wa bei za bidhaa zisizo chakula uliongezeka kutoka asilimia 2.5 mwaka 2001 mpaka asilimia 9.0. Kupungua kwa ujumla kwa mfumuko wa bei kunatokana na hali nzuri ya hewa na sera za serikali za mapato na matumizi yake, pamoja na ujazo wa fedha kwenye uchumi.

E c o n o m i c r e v i e w

Overview

The country's economy performed relatively well in year 2002 despite deteriorating terms of trade. Real GDP growth was 6.3 percent, which was a significant improvement over the 5.3 percent attained in the previous year. The macro-economic performance remained generally stable. Mining and tourism were the leading sectors with mining maintaining a growth rate of over 13 percent. On the other hand the agricultural sector's growth accelerated from 3 percent in year 2001 to 7.6 percent in year 2002. Selected macro-economic indicators are summarised in the table on page 21.

Foreign trade

In year 2002, the trade account improved by 20.3 percent to a deficit of USD 598.4 million due to increase in exports coupled with a decrease in imports. Total exports amounted to USD 1,541.1 million against imports of USD 2,139.5 million. Traditional exports declined by 12.8 percent following a decline in both volume and unit prices. Except for tea and tobacco whose volume increased, the volume of all traditional products declined.

Exchange rate

The Tanzanian shilling continued to depreciate against major world currencies. This is attributed to the overvaluation of the Tanzanian shilling against other currencies of major trade partners as a result of general deterioration of the country's foreign exchange receipts from its traditional exports compared to its foreign exchange financing needs coupled with a positive inflation differential. Donor funding which normally reduces the

foreign exchange deficit was not available in the amounts projected and therefore further aggravated the weakness of the Tanzanian shilling. On the inter-bank foreign exchange market, the shilling went from a weighted average rate (WAR) of TZS/USD 916 at the beginning of the year 2002 to 985 at the end of the year. At one point the shilling depreciated to TZS/USA 1,000. The shilling also depreciated against other major currencies.

Inflation

The annual inflation rate continued its downward trend, remarkably declining from the year 2001 rate of 5.5 percent to 4.5 percent. The decline was mainly attributed to the bumper food harvest. Food inflation declined from 6.1 percent in year 2001 to 2.9 percent. Non food inflation increased from 2.5 percent in 2001 to 9.0 percent. The overall decline of inflation is due to both the favourable weather and the government's monetary and fiscal policies.

Lipia mlo wako kwa TemboCARD



Settle your dining bill with TemboCARD

Chukua gawio lako hapa kwa kutumia TemboCARD



Use TemboCARD to collect your dividend here

Taarifa ya wakurugenzi kwa mwaka ulioishia 31 desemba 2002

Wakurugenzi wanawasilisha taarifa yao pamoja na hesabu za mwaka zilizokaguliwa kwa mwaka ulioishia tarehe 31 Desemba 2002.

SHUGHULI

Lengo la msingi la Benki ni kuendesha shughuli za Benki ya biashara kwenye matawi yake yote, ikiwa ni pamoja na kupokea amana, kukopesha, biashara za fedha za kigeni na huduma zingine zikiwa ni pamoja na kusafirisha fedha na ununuzi na uuzaji wa dhamana mbalimbali.

MATOKEO

Katika mwaka unaozungumziwa, kabla ya tengo dhidi ya hasara isiyo ya kawaida iliyotokana na wizi wa kutumia nguvu kwenye tawi la Azikiwe, Benki ilipata faida ya Tsh. milioni 2,891 ikilinganishwa na Tsh. milioni 2,705 za mwaka 2001. Hata hivyo baada ya tengo dhidi ya hasara inayoweza kutokana na wizi huo, Benki ilipata faida ya Tsh. milioni 1,063 ikilinganishwa na faida ya Tsh. milioni 1,817 za mwaka 2001.

Tarehe 15 Novemba 2002, wezi wenye silaha waliingia kwenye tawi la Azikiwe na wakaiba fedha zinazolingana na shilingi za Tanzania milioni 3,150. Wakurugenzi wametumia busara na uhafidhina kwa kuweka tengo la shilingi milioni 2,005.

Mwaka 2002 hali ya kifedha ya Benki iliimarika kama inavyoonyeshwa kwa kuongezeka kwa jumla ya rasilimali kutoka shilingi bilioni 230.9 mpaka shilingi bilioni 303.3 na kupanda kwa amana kutoka shilingi bilioni 201.8 mpaka shilingi bilioni 269.7 pamoja na kuwekeza kwenye dhamana za serikali na mikopo kulikoongezeko kutoka shilingi bilioni 128.9 mpaka shilingi bilioni 166.5

MAENDELEO YA BIASHARA

Katika jitihada za kuboresha huduma za wateja na kupanua huduma za kifedha kwa umma kwa jumla, tarehe 8 Novemba 2002, Benki ilianzisha bidhaa ya "Smart Card", ambayo ni mfumo wa malipo wa TemboCard usiotumia fedha taslimu. Fedha za elektronik huhifadhiwa kwenye

"chip" ya kompyuta iliyochimbiwa kwenye kadi ya TemboCard, na huwezesha wateja kulipia bidhaa na huduma kutoka kwa wauzaji mbali mbali na pia hutumika kwenye ATM (mashine zinazojiendesha zenyewe zinazotoa baadhi ya huduma za kibenki). ATM sita zimewekwa kwenye matawi ya Lumumba, Holland House, Azikiwe, Arusha, Moshi na Mwanza. Hadi Desemba 2002 vituo vya biashara 104 vilikuwa na mashine zinazoweza TemboCard kutumika kufanya malipo. Matumizi ya teknolojia hii yamewezesha Benki kupunguza muda ambao mteja anatumia kupata huduma kwenye matawi; yameleta mbadala wa fedha taslimu; yameongeza usalama wa fedha; uwezo wa Benki kuongeza wingi wa bidhaa zake na vianzo vya mapato.

Benki imekuwa ikifanya majaribio ya mpango wa kutoa huduma za kifedha kwa wenye shughuli ndogo ndogo katika mikoa ya Dodoma, Morogoro, Iringa and Mbeya. Malengo muhimu yaliyofikiwa katika awamu hii ya utekelezaji ni pamoja na kupatikana kwa Asasi za kati 37 ambazo ni washirika wa Benki zenye jumla ya wateja 12,180 kulinganisha na 5,321 wa mwaka 2001. Idadi hii ni pamoja na wanachama wanawake ambao ni 30%. Asasi hizi za kati zimeongeza mikopo zinayotoa kwa wanachama wake kutoka Tsh. milioni 785.8 mwaka 2001 mpaka Tsh. bilioni 5.0 ilipofika mwisho wa Desemba 2002. Jumla ya fedha walizokopesha ni pamoja na mikopo waliyopata kutoka Benki ya CRDB ambayo ilikuwa Tsh. milioni 1,880 ikilinganisha na Tsh. milioni 36.5 za mwaka 2001. Ongezeko hili linatokana na uwezo wa Asasi hizi ambao ulitanuka kutokana na Benki kuwapa mafunzo wafanyakazi 44, wajumbe wa kamati 344 na wanachama wa kawaida 4,437. Mafanikio yamekuwa ya kutia moyo na biashara imeonyesha ni ya kuvutia, kwa hivyo imeamuliwa kusambaza programu hii kwenye mikoa mingine kwa kuanzia na Dar es Salaam.

Benki iliendelea kukarabati matawi yake kwa nia ya kuongeza nafasi na ufanisi kwa wateja wanapokuwa matawini na pia kuyapa matawi sura ya chapa ya Benki ya CRDB. Ukarakati wa matawi ya Lumumba na Arusha ulikamilika na hayo matawi kuzinduliwa upya. Ukarakati wa matawi ya Moshi, Mwanza na Vijana ulikua unakaribia kukamilika. Idadi ya matawi yaliyokarabatiwa itaongezeka

Report of the directors for the year ended 31 december 2002

The directors present their report together with the audited financial statements for the year ended 31 December 2002.

ACTIVITIES

The Bank's primary objective is to carry on the business of commercial banking in all its branches including taking deposits, lending, foreign exchange and other banking services including money transfers and securities/bond/trading.

RESULTS

During the year under review, before provision against an exceptional loss resulting from a robbery at the Azikiwe Branch, the Bank recorded profit before exceptional item of Tshs. 2,891 million compared with Tshs. 2,705 million realized in 2001. However, due to the provision made on the loss from the robbery, the Bank recorded a profit for the year of Tshs. 1,063 million against Tshs. 1,817 million in year 2001.

On 15 November 2002 armed robbers entered Azikiwe branch and stole money in local and foreign currency equivalent to Tshs. 3,150 billion. Directors have made prudent and conservative provision of Tshs. 2,005 million.

During the year, the Bank's financial position strengthened as shown by an increase in its total assets from Tshs. 230.9 billion to Tshs. 303.3 billion, deposits from Tshs. 201.8 to Tshs. 269.7 billion and investments in debt securities and loans from Tshs. 128.9 billion to Tshs. 166.5 billion.

DEVELOPMENT OF THE BUSINESS

In a bid to improve customer service and expand financial services to the broad public, the Bank launched a smart card product, TemboCARD payment system, on 8 November 2002 that stores money in a chip and enables customers to buy goods and services from various outlets and use Automatic Teller Machines (ATMs). Six ATMs were installed at Lumumba, Holland, Azikiwe, Arusha, Moshi

and Mwanza branches and 104 Points of Sale distributed to merchants to support the product. The introduction of this technology has enabled the Bank to improve customer turn-around time in banking halls, provide alternative means of cash handling and security, and has increased the Bank's capacity to broaden its products base and sources of income.

The Bank has been implementing the pilot phase of Micro finance initiative in the four Regions of Dodoma, Morogoro, Iringa and Mbeya. Milestones in attainment of the objectives include; recruitment of 37 partner MFIs currently with a total of 12,180 clients compared to 5,321 in year 2001. The current figure includes 30% female members. The partner Microfinance Institutions (MFIs) loan disbursements to their members have increased from Tshs. 785.8 million in 2001 to Tshs. 5.0 billion by end of December 2002. Their total portfolio includes loans from CRDB Bank amounting to Tshs. 1,880 million compared to Tshs. 36.5 million issued in 2001. This improvement follows capacity building to partner MFIs where the Bank has trained a total of 44 professional staff, 344 committee members and 4,437 ordinary members. The performance has been encouraging and the business potential is promising hence it has been decided to roll out the programme to other regions beginning with Dar es Salaam.

The Bank continued to facelift its branches for the purpose of improving customer comfort in banking halls and branding of premises. Lumumba and Arusha branches were refurbished and reopened during the year while Moshi, Mwanza and Vijana branches were nearing completion. The number of remodeled branches will increase to 9 after renovation of these branches is complete. The bank has set up an agency at TPC Ltd in Moshi with a view to improving customer service and provide banking services to over 4,000 employees of the company.

TAARIFA YA WAKURUGENZI

na kufikia 9 baada ya ukarabati wa hayo matawi kukamilika. Benki ilifungua tawi dogo kwenye kiwanda cha sukari cha kampuni ya TPC kilichopo wilayani Moshi, kwa nia ya kuboresha huduma za wateja na kuwahudumia zaidi ya wafanyakazi 4,000 wa kampuni hiyo.

MAENDELEO YA BAADAYE

Kwa kutumia uzoefu ilioupata kwenye mradi wa huduma za kifedha kwa wenye shughuli ndogo ndogo, Benki inategemea kupeleka hizi huduma mikoa mingine iwapo mradi utaendelea kuonesha mafanikio.

Benki itaendelea kuweka mkazo kwenye ukuaji wa tija na kuingiza bidhaa mpya kwenye soko. Aidha Benki ina nia ya kuongeza uwezo wa mfumo wa kompyuta unaoendesha huduma za kibenki, ili huduma kwa wateja ziwe nzuri zaidi.

GAWIO

Wakurugenzi wana nia ya kupendekeza kwa Mkutano Mkuu wa Mwaka, malipo ya gawio la shilingi 1,000 kwa kila hisa. Hili gawio litalipwa kutokana na faida ya mwaka huu.

WAKURUGENZI

Wakurugenzi wa Benki kwa maka 2002 toka tarehe 1 Januari 2002, isipokuwa pale ilivyoonyeshwa vinginevyo ni:

Bwana Jeremiah N. Solomon	Mwenyekiti	Mtanzania
Bwana Abed A. Mwasajone		Mtanzania
Bwana Andrew E. Temu		Mtanzania
Bi Joyce W. Luhanga		Mtanzania
Bwana Jenerali T. Ulimwengu		
Bwana Joseph M. Kahungwa		Mtanzania
Bi Lydia M. Joachim	Alichaguliwa tena 22.6.2002	Mtanzania
Bwana Martin J. Mmari	Alichaguliwa tena 22.6.2002	Mtanzania
Bwana Svend A. Frederiksen	Alistaafu 22.6.2002	Mdenish
Bwana Jens O. Okholm	Aliteuliwa 23.7.2002	Mdenish
Bi Venus B. Kimei		Mtanzania
Dr. Charles S. Kimei	Mkurugenzi Mtendaji	Mtanzania
Bwana Dave Munk	Naibu Mkurugenzi Mtendaji	Mdenish.

Wakurugenzi wafuatao wana maslahi kwenye hisa za benki:

Jina	Idadi ya hisa	Asilimia
Bwana J. Solomon	1200	0.15
Bi V. Kimei	285	0.03
Bwana A. Mwasajone	53	0.01
Bwana Joseph Kahungwa	950	0.12
Bi J. Luhanga	20	0.00
Bi. L. Joachim	180	0.02

REPORT OF THE DIRECTORS

FUTURE DEVELOPMENT

With a view to extending banking services all over Tanzania, the Bank, in light of the experience gained from Microfinance pilot project, is considering introducing the services to other regions if the project gives satisfactory results.

The Bank will continue to focus on improving productivity and introducing new products to the market. In addition, it intends to upgrade its modern computerised banking systems to enhance delivery of services to customers.

DIVIDENDS

The directors intend to recommend to the Annual General meeting payment of a dividend of Tshs 1,000 per share. This dividend will be paid out of current year profits.

DIRECTORS

The directors of the Bank at the date of this report, who have served since 1st January 2002 except where otherwise stated, are:

Mr. Jeremiah N. Solomon	Chairman	Tanzanian
Mr. Abed A. Mwasajone		Tanzanian
Dr. Andrew E. Temu		Tanzanian
Ms. Joyce W. Luhanga		Tanzanian
Mr. Jenerali T. Ulimwengu		
Mr. Joseph M. Kahungwa		Tanzanian
Mrs. Lydia M. Joachim	- Re-elected on 22/6/2002	Tanzanian
Mr. Martin J. Mmari	- Re-elected on 22/6/2002	Tanzanian
Mr. Svend A. Frederiksen	- Retired on 22/6/2002	Danish
Mr. Jens O. Okholm	- Appointed on 23/7/2002	Danish
Ms. Venus B. Kimei		Tanzanian
Dr. Charles S. Kimei	Managing Director	Tanzanian
Mr. Dave Munk	Deputy Managing Director	Danish

TAARIFA YA WAKURUGENZI

UWIANO WA UMILIKAJI HISA

Uwiano wa umilikaji wa hisa za benki tarehe ya ripoti hii ni kama ufuatavyo.

Danida	30.0%
Makampuni	18.9%
Vyama vya Ushirika	14.1%
Watu Binafsi	37.0%
	<u>100.0%</u>

SHUGHULI NA WENYE UHUSIANO.

Mwanahisa mmoja, kundi la IPP, mwenye hisa 5.65% za Benki, alikuwa na mkopo uliotolewa kwa kampuni zake tanzu za Body Care na Guardian zenye ukomo wa jumla wa madeni ya shilingi 300 milioni. Tarehe 31 Desemba 2002 deni la mkopo lilikuwa shilingi milioni 282.

Wajumbe wafuatao wa Bodi za Ushauri za Matawi walikuwa na madeni ya mikopo kama ilivyoorodheshwa hapa chini:

Jina Mamilioni ya Shilingi

1.	Babtista mtandi	100
2.	Mehar S. Viridi	80
3.	Juma Kaundama	33
4.	Natal M. Charles	70
5.	Dr. Tom Maeda	6
6.	Hamisa I. Zawadi	80
7.	F. Luhende	35
8.	Martin G. Churi	2
9.	Cleophas M. Ndasi	10
10.	Kasiano L. Kaegere	150
11.	Jonas K. Kyango	8
12.	Silva Rwebangira	10
13.	D. D. Ruhinda	125

Tarehe 31 Desemba 2002 benki ilikuwa na wanahisa 11,209 na wafanyakazi 653. Shughuli zote na hawa wanahisa, wafanyakazi, pamoja na wanaowahusu zilifanyika bila upendeleo na zilifuata matakwa ya Sheria ya Mabenki na Asasi za Kifedha pamoja na kanuni za Benki Kuu ya Tanzania.

Wakurugenzi wafuatao wana maslahi kwenye kampuni zifuatazo ambazo zina hisa za Benki.

1.	Bi Joyce W. Luhanga	IPP
2.	Bwana Martin J. Mmari	PPF
3.	Bwana Jenerali T. Ulimwengu	Magazeti ya Dimba

UWEKEZAJI KWENYE JAMII

Maudhui ya udhamini kwa mwaka 2002 yalikuwa Elimu na Maendeleo ya Vijana. Benki ilidhamini matukio na shughuli kadhaa zikiwa ni pamoja na kujenga vyoo vya Shule ya Msingi ya Uhuru Mchanganyiko, pia ilifadhili Shule ya Msingi ya Busamba, Shirikisho la Masuala ya Fedha la Chuo Kikuu cha Dar es Salaam, Kituo cha Watoto cha Tushikamane, Shule za Msingi za Mwalimu Nyerere na St. Florence, Jitegemee Sekondari, and Muungano wa Netiboli wa Zanzibar. Benki pia ilidhamini siku ya michezo ya Shule ya Kimataifa ya Tanganyika, Michezo ya shule za Afrika ya Kati na Mashariki, Tamasha la vijana la Don Bosco, Wiki ya Wanafunzi Kimataifa iliyoandaliwa na Chuo Kikuu cha Dar es Salaam, mashindano ya hisabati ya shule za msingi za mji wa Dodoma na Mtwara na Siku ya Wanawake Kimataifa iliyoandhimishwa Mbeya.

REPORT OF THE DIRECTORS

SHAREHOLDING STRUCTURE

The Bank's shareholding as at the date of this report is analysed as follows:

Danida	30.0%
Companies	18.9%
Co-operatives	14.1%
Individuals	37.0%
	100.0%

RELATED PARTY TRANSACTIONS

A shareholder, IPP Group, holding 5.65% of the Bank's shares, had indirect credit facilities granted to M/s Bodycare Limited and Guardian Limited with a total limit of Tshs. 300 million. The total outstanding balance at 31st December 2002 was Tshs. 282 million.

A Director, Mr. Joseph Kahungwa, had an overdraft facility of Tshs 13 Million.

The following Branch Advisory Members had credit facilities as provided below:

		Tshs Million
1	Babtista Mtandi	100
2	Mehar S. Viridi	80
3	Juma Kaundama	33
4	Natal M. Charles	70
5	Dr. Tom Maeda	6
6	Hamisa I. Zawadi	80
7	F. Luhende	35
8	Martin G. Churi	2
9	Cleophas M. Ndasi	10
10	Kasiano L. Kaegere	150
11	Jonas K. Kyango	8
12	Silva Rwebangira	10
13	D. D. Ruhinda	125

The Bank had 11,209 shareholders and 653 staff at 31 December 2002. All transactions with these shareholders, staff and their related parties were conducted on an arm's length basis and in accordance with the provisions of the Banking and Financial institutions Act and BOT regulations.

The following Directors have interests in the following companies which have shares in the Bank.

1	Ms. Joyce W. Luhanga	IPP
2	Mr. Martin J. Mmari	Parastatal pension Fund
3	Mr. Jenerali T. Ulimwengu	Dimba Newspapers

TAARIFA YA WAKURUGENZI

USTAWI WA WAFANYAKAZI

Uhusiano wa Uongozi/Wafanyakazi

Uhusiano baina ya Uongozi na Wafanyakazi ni mzuri. Benki inatoa fursa ya ajira iliyo sawa kwa wote. Ina jumla ya wafanyakazi 653 (wanaume 455 na wanawake 198). Tarehe 31 Desemba 2002 hapakuwepo na malalamiko yaliyopokelewa na uongozi kutoka kwa wafanyakazi yaliyokuwa hayajapata usuluhishi.

Mafunzo

Benki inajitahidi kuwapa wafanyakazi wake wote mafunzo pale inapobaini haja. Makarani wote walipewa mafunzo kazini. Wastani wa siku 7.77 zilitumika kumfundisha kila karani mwaka huu.

Msaada wa Matibabu

Benki hulipia matibabu ya kila mfanyakazi pamoja na wana familia yake wa karibu ilimradi gharama zisizidi ukomo uliowekwa.

Benki, pamoja na mchango wa fedha wa Danida (Shirika la Kimataifa la Maendeleo la Denmark) iliwapa wafanyakazi wake pamoja na familia zao mafunzo juu ya ukimwi (HIV/AIDS) chini ya programu yake ya mafunzo juu ya ukimwi. Baadhi ya wafanyakazi walipewa mafunzo ya kuwawezesha kuelimisha wenzao juu ya ukimwi. Danida ilichangia Tshs, milioni 72 na Benki ya CRDB ilitoa Tshs milioni 40 kugharamia programu hii.

Msaada wa Fedha

Mikopo, misaada ya kuzika na mingineyo hutolewa kwa wafanyakazi wote waliokwisha thibitishwa kazini, kutegemeana na tathmini ya uongozi juu ya shida na mazingira, pamoja na uwezo wa kulipa mkopo.

WASIOJIWEZA

Ni sera ya Benki kuwapa wasiojiweza fursa sawa.

WAKAGUZI

Deloitte & Touche waliteuliwa kuwa wakaguzi tarehe 22 June 2002. Wakaguzi wameeleza wapo tayari kuendelea na wadhifa huo, na wanayo sifa ya kuteuliwa tena. Ombi la kuwateua tena litafikishwa kwenye Mkutano Mkuu wa Mwaka.

KWA MAAGIZO YA BODI



Mwenyekiti

21st March 2003

Tarehe _____

REPORT OF THE DIRECTORS

2002 SOCIAL INVESTMENTS

CRDB Bank sponsorship theme for the year 2002 was Youth Education and Development. Under this theme, the bank financed several events and social activities including construction of toilets for Uhuru Mchanganyiko Primary School and made donations to Busama Primary School, Dar es Salaam University Finance Association (DUFA), Tushikamane Children Centre, Mwalimu Nyerere Academy, St. Florence Academy, Jitegemee Secondary School and Zanzibar Netball Association. The Bank also sponsored International School of Tanganyika Sports Day, East and Central International Schools games, Don Bosco Youth Festival, International Student week organised by the University of Dar es Salaam, Dodoma Primary School Mathematics Competition and the International Women Day in Mbeya.

EMPLOYEE WELFARE

Management/Employee Relationship

The relationship between management and staff is cordial. The Bank is an equal opportunity employer with a total of 653 (455 male and 198 female) employees as at 31 December 2002. As at 31 December 2002 there were no unresolved complaints received by management from the employees.

Training Facilities

The Bank strives to provide training to all its employees as and when it identifies a need. All clerical staff members received sufficient on the job training. We attained an average of 7.77 man-days on training for each clerical employee during the year.

Medical Assistance

The Bank pays, subject to set limits, medical expenses for each employee and his/her immediate family.

The Bank, with the financial support of Danida, implemented its HIV/AIDS Awareness Programme that included sensitization of all employees and their families as well as training of Peer Health Educators. Danida contributed Tshs. 72 million and CRDB Bank Tshs. 40 million towards the programme costs.

Financial Support

Loans, salary advances, burial and other financial assistance are available to all confirmed employees depending on the assessment of the management as to the need and circumstances and ability to make repayments.

DISABLED PERSONS

As a matter of policy, the Bank gives equal opportunity to the disabled persons.

AUDITORS

Deloitte & Touche were appointed as auditors of the Bank on 22 June 2002. The auditors have expressed their willingness to continue in office and are eligible for re-appointment. A proposal to re-appoint them will be made at the Annual General Meeting.

BY ORDER OF THE BOARD



Chairman



Date

TAMKO LA WAJIBU WA WAKURUGENZI

Sheria ya Makampuni inawataka wakurugenzi waandae taarifa za kifedha kwa kila mwaka wa fedha, ambayo inatoa hali ya Kampuni ilivyo kwa ukweli na usahihi, hapo mwisho wa mwaka wa fedha na faida au hasara ya kampuni kwa kipindi hicho. Wakurugenzi wanapotayarisha taarifa hizi za kifedha wanatakiwa:

- Wachague sera za kihisibu zinazofaa na daima kuzitumia bila mabadilikobadiliko.
- Kuamua na kufanya makadirio ya busara na yenye mantiki.
- Watamke kama viwango vya kihisibu vinavyohusika vilifuatwa
- Waandae taarifa za kifedha kwa msingi wa kampuni inayoendelea na biashara zake isipokuwa kama sio sawa kuchukulia kuwa kampuni itaendelea na biashara zake.

Wakurugenzi wana wajibu wa kutunza kumbukumbu zinazostahili za kihisibu ambazo zinaonyesha kwa usahihi hali ya kifedha ya kampuni wakati wowote na kuweza kuhakikisha taarifa za kifedha zinakidhi matakwa ya Sheria ya Makampuni. Pia wana wajibu wa kutunza kwa usalama mali ya Kampuni na hivyo kuchukua hatua kuzuia na kubaini wizi au ukiukwaji wa aina zingine.

KWA MAAGIZO YA BODI



Mwenyekiti

Tarehe 21st March 2003



Mkurugenzi

Tarehe 21st March 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Ordinance. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Chairman

Date 21st March 2003



Director

Date 21st March 2003

TAARIFA YA WAKAGUZI WA HESABU KWA WAJUMBE WA BENKI YA CRDB

Tumekagua taarifa za kifedha zilizowekwa kurasa 37 mpaka 52 na tulipata habari zote pamoja na maelezo ambayo, kadri tunavyojua na kuamini, zilihitaajika kwa ajili ya ukaguzi wetu.

Wajibu wa kila mmoja kati ya wakurugenzi na wakaguzi

Kama ilivyoielezwa kwenye ukurasa wa 5 wakurugenzi wa kampuni wana wajibu wa kuandaa taarifa za hesabu za kifedha. Wajibu wetu in kutoa maoni juu ya hizo taarifa za hesabu za kifedha kutokana na ukaguzi wetu.

Msingi wa maoni

Tulifanya ukaguzi wetu kufuatana na viwango vya ukaguzi vilivyoidhinishwa, ikiwa ni pamoja na Viwango vya Ukaguzi vya Tanzania vinavyotolewa na Bodi ya Taifa ya Wahasibu na Wakaguzi. Viwango hivi vinatutaka tupange na kufanya ukaguzi ili kupata uthibitisho mzuri kama kimsingi maelezo ya taarifa za hesabu za kifedha hayapotoshi. Ukaguzi ni pamoja na kuchunguza, kwa njia ya kupima, ushahidi unaohibitisha tarakimu na maelezo yaliyomo kwenye taarifa za kifedha, kutathmini kanuni za uhasibu zilizotumika na makadirio makubwa yaliyofanywa na wakurugenzi na kutathmini kwa ujumla uwasilishi wa hizo taarifa. Tunaamini ukaguzi wetu unatupa msingi mzuri wa kutoa maoni yetu.

Maoni

Kwa maoni yetu, kampuni ilitunza vitabu vya uhasibu vinavyostahili, na vilikubaliana na taarifa za kifedha, ambazo, zinaonyesha hali ya kampuni kwa ukweli na kuridhisha, kama ulivyokuwa hapo tarehe 31 Desemba 2002 pamoja na faida na mtiririko wa fedha kwa mwaka ulioishia hapo na zilifuatana na Viwango vya Uhasibu vya Tanzania na zinakubaliana na Sheria za Makampuni(Cap 212) 1932.

Certified Public Accountants (T)

Deloitte + Touche

21 March

Dar es salaam

REPORT OF THE AUDITORS TO THE MEMBERS OF CRDB BANK LIMITED

We have audited the financial statements on pages 37 to 54 and have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Respective responsibilities of directors and auditors

As described on page 5, the company's directors are responsible for the preparation of the financial statements. Our responsibility is to express an opinion on those financial statements based on our audit.

Basis of opinion

We conducted our audit in accordance with approved auditing standards, including Tanzania Auditing Standards issued by the National Board of Accountants and Auditors. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the directors, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, proper books of account have been kept by the company and the financial statements, which are in agreement therewith, give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its profit and cash flows for the year then ended in accordance with Tanzania Financial Accounting Standards and comply with the Companies Ordinance (Cap 212) 1932.

Certified Public Accountants (T)

Deloitte + Touche

21 March

Dar es salaam

**INCOME STATEMENT FOR THE YEAR
ENDED 31 DECEMBER 2002**

**Taarifa ya mapato kwa
mwaka ulioishia tarehe 31 Disemba, 2002**

	Note	2002 Tshs '000	2001 Tshs '000
Interest income	2	13,860,224	16,059,625
Interest expense	3	3,483,745	3,372,959
Net interest income		10,376,479	12,686,666
Provision for bad and doubtful debts	13B	763,585	2,887,836
		9,612,894	9,798,830
Fees, commission and other income			
Fees and commission received	4	7,837,978	6,413,189
Foreign currency translation gains and other income	5	1,865,757	1,701,929
Total operating income		19,316,629	17,913,948
Operating expenses	6	16,425,344	15,209,446
Profit before exceptional item		2,891,285	2,704,502
Exceptional Item	7	2,004,830	-
Profit after exceptional item before tax		886,455	2,704,502
Taxation	8	176,879	886,937
Profit for the year		1,063,334	1,817,565

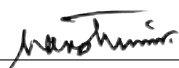
BALANCE SHEET AS AT 31 DECEMBER 2002

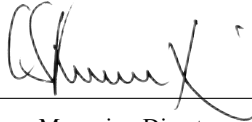
Mizania ilivyokuwa tarehe 31 Disemba 2002

	Note	2002 Tshs '000	2001 Tshs '000
ASSETS			
Cash and balances with Bank of Tanzania	9	42,788,671	37,969,916
Balances with other banks	10	76,388,082	49,750,375
Cheques and items for clearance		5,951,255	4,694,703
Treasury bills and bonds	11	123,189,512	94,560,783
Listed shares	12	36,642	-
Loans, advances and overdrafts	13	43,317,477	34,407,936
Other assets	14	6,478,158	5,692,074
Taxation recoverable	19	367,300	-
Deferred tax asset		-	28,672
Fixed assets	15	4,812,577	3,814,297
Total assets		303,329,674	230,918,756
LIABILITIES AND SHAREHOLDERS' FUNDS			
LIABILITIES			
Customer deposits	16	269,767,089	201,844,838
Amount due to other banks	17	2,182,418	1,430,587
Other liabilities	18	15,139,052	11,280,879
Taxation payable	19	-	959,612
Subordinated loan capital	20	410,262	410,262
FDCF capital grant	21	589,741	-
Deferred tax liability	22	10,245	-
Total liabilities		288,098,807	215,926,178
SHAREHOLDERS' FUNDS			
Share capital	23	8,233,790	8,233,790
General reserve	24	3,556,209	3,556,209
Special reserve	25	13,846	13,846
Retained earnings		2,603,643	2,365,354
Proposed dividends		823,379	823,379
Total shareholders' funds		15,230,867	14,992,578
Total liabilities and shareholders' funds		303,329,674	230,918,756

The financial statements on pages 37 to 54 were approved by the Board of Directors on 21st March 2003 and were signed on its behalf by:


Chairman


Director


Managing Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER
2002**

**Mabadiliko ya mali ya wanahisa kwa
mwaka ulioishia tarehe 31
Disemba, 2002**

	Share Capital Tshs '000	General reserve Tshs '000	Special revenue Tshs '000	revenue reserve Tshs '000	Proposed dividend Tshs '000	Total Tshs '000
At 1 January 2001 as previously reported	8,233,790	3,556,209	13,846	2,190,046	-	13,993,891
Prior year adjustment	-	-	-	104,259	-	104,259
At 1 January 2001 as restated	8,233,790	3,556,209	13,846	2,294,305	-	14,098,150
Profit for the year	-	-	-	1,817,565	-	1,817,565
Dividend paid	-	-	-	(923,137)	-	(923,137)
Proposed dividend	-	-	-	(823,379)	823,379	-
At 31 December 2001	8,233,790	3,556,209	13,846	2,365,354	823,379	14,992,578
Profit for the year	-	-	-	1,063,334	-	1,063,334
Dividend paid	-	-	-	(1,666)	(823,379)	(825,045)
Proposed dividend	-	-	-	(823,379)	823,379	-
At 31 December 2002	8,233,790	3,556,209	13,846	2,603,643	823,379	15,230,867

The prior year adjustment is in respect of deferred tax provision as a result of early adoption of Tanzania Financial Accounting Standard 29.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

Mtiririko wa fedha kwa mwaka ulioishia tarehe 31 Disemba, 2002

	2002 Tshs '000	2001 Tshs '000
Cash flows from operating activities:		
Profit before tax	886,455	2,704,502
Adjusted for:		
Depreciation	1,157,500	1,112,025
Amortisation of leased premises refurbishment	494,085	250,786
Profit on disposal of fixed assets	(51,905)	(25,223)
Gain on disposal of investment in equity	-	(15,782)
Operating profit before working capital changes	2,486,135	4,026,308
Increase in Statutory Minimum Reserve	(5,500,000)	(5,000,000)
Increase in balance with other banks	(19,601,061)	-
(Increase)/decrease in cheques and items for clearance	(1,256,552)	10,207,586
Increase in treasury bills and bonds investment	(12,516,899)	(25,631,107)
(Increase)/decrease in loans, advances	(8,909,541)	379,660
(Increase)/decrease in other assets	(762,498)	1,768,334
Increase in customer deposits	67,922,251	41,440,631
Increase in due to other banks	751,831	566,200
Increase/(decrease) in other liabilities	3,858,173	(3,157,213)
Increase in FDCF grant	589,741	-
	24,575,445	20,574,091
Tax paid	(1,111,116)	(400,000)
Net cash flow from operations	25,950,464	24,200,399
Cash flows from investing activities		
Investment in listed shares	(36,642)	-
Proceeds from sales of investment in equity	-	165,782
Refurbishment costs	(517,671)	(774,030)
Proceeds from sale of fixed assets	53,808	122,159
Acquisition of fixed assets	(2,157,683)	(979,256)
Net cash flows from investing activities	(2,658,188)	(1,465,345)
Cash flow from financing activities		
Dividends paid	(825,045)	(839,459)
Net cash flow from financing activities	(825,045)	(839,459)
Net increase in cash and cash equivalent	22,467,231	21,895,595
Cash and cash equivalent at the beginning of the year	70,720,291	48,824,696
Cash and cash equivalent at the end of the year	93,187,522	70,720,291

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Tanzania Financial Accounting Standards. In line with good accounting practice, during the year, the bank adopted Tanzania Financial Accounting Standard 29, Accounting for Income Taxes, which is effective for financial statement for accounting periods commencing on or after 1 July 2002. The principal accounting policies are set out below:

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention basis.

(b) Income recognition

Interest income and other income is recognised on accrual basis. However, interest accrued on non performing loans and advances i.e. loans that are past due more than 90 days is suspended as unrealised income which can only be recognised when actually received.

(c) Fixed assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided to write off the cost of the assets over their useful economic life. Annual rates generally in use are as follows:-

Asset	Annual rate
Land and buildings	5%
Motor vehicles and cycles	33.33%
Office equipment	20%
Computer equipment (including smart card equipment)	20%

Assets purchased during the year are depreciated from the period the assets were purchased up to the end of the financial year under reference. No depreciation is charged in the year of disposal.

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(d) Deferred taxation

Current taxation is provided on the basis of the results for the year, as shown in the financial statements, adjusted in accordance with tax legislation.

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

(e) Provision for bad and doubtful debts including other risk assets

Provision for bad and doubtful debts is made in accordance with sec.15 (a) of the Banking and Financial Institutional Act, 1991 and Bank of Tanzania "Prudential Guidelines on Management of Risk Assets, Classification of Loans and Other Risks Assets, Provisioning for Losses and Accrual of Interest" which require that all banks to classify their loans, advances and other risk assets based on which provisions shall be made as follows: -

Classification	Rate of Provision %
Unclassified loans	Nil
Especially mentioned	5
Substandard	10
Doubtful	50
Loss	100

(f) Policy for write-off

Loans classified as loss are written off at the end of every quarterly review. Recoveries from the accounts written off are recognised as per requirements of the National Board of Accountants and Auditors (NBAA) Financial Accounting Standards.

NOTES TO THE FINANCIAL STATEMENTS

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(g) Foreign currency translation

Foreign currency transactions are translated into Tanzania shillings by applying the exchange rates ruling on transaction dates. Liabilities and assets denominated in foreign currencies are translated into Tanzania shillings at the rates of exchange ruling on the balance sheet date. Exchange gains or losses arising from the aforesaid translations are dealt with in the income statement.

(h) Cash and cash equivalents

For the purpose of cash flow statement cash and cash equivalents comprise cash, short term liquid investments which are readily convertible into known amounts of cash which are within three months maturity from the date of acquisition balances with Bank of Tanzania and balances with other banks with maturity of less than three months, less advances from other banks repayable within three months from the date of the advance.

(i) Valuation of investments

Investments are stated in the financial statement at cost less provision for diminution in value of investments, where necessary.

(j) Amortization of leased premises refurbished

Leased premises refurbishment represents costs incurred by the bank in refurbishment of leased banking premises. The costs are amortised over a period of three years from the year the costs are incurred.

(k) Financial Deepening Challenge Fund (FDCF) grant

The FDCF grant is accounted for under the deferred credit method. The grant will be credited to the income statement over a period of 5 years.

NOTES TO THE FINANCIAL STATEMENTS

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	2002 Tshs '000	2001 Tshs '000
2 INTEREST INCOME		
Interest on Government bonds	3,070,683	3,070,683
Interest on term loans	1,101,425	1,494,433
Interest on overdrafts	4,434,639	5,862,537
Interest on nostro accounts	710,708	1,517,422
Interest on interbank lending	353,695	130,883
Interest on treasury bills	2,924,136	2,201,320
Interest on EADB bonds	94,672	16,502
Interest on treasury bonds	1,170,266	1,765,845
	<hr/> 13,860,224	<hr/> 16,059,625
3. INTEREST EXPENSE		
Interest on demand deposits	225,012	97,419
Interest on saving deposits	1,651,225	1,532,592
Interest on fixed/time deposits	1,580,093	1,706,971
Commission on nostro transactions	479	10,522
Interest on loans/other facilities	26,936	25,455
	<hr/> 3,483,745	<hr/> 3,372,959
4. FEES AND COMMISSION		
Commission income	3,468,123	3,041,063
Fees and other charges	4,369,855	3,372,126
	<hr/> 7,837,978	<hr/> 6,413,189

NOTES TO THE FINANCIAL STATEMENTS

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	2002 Tshs '000	2001 Tshs '000
5. FOREIGN CURRENCY TRANSLATION GAINS AND OTHER INCOME		
Exchange gain	1,685,580	1,646,038
Rental income	81,915	30,668
FDCF grant income (note 21)	46,357	-
Profit on disposal of fixed assets	51,905	25,223
	<u>1,865,757</u>	<u>1,701,929</u>
6. OPERATING EXPENSES		
Staff expenses	7,545,803	6,223,615
Administrative expenses	6,907,816	7,359,308
Commission expense	255,822	206,347
Directors' fees	23,250	18,365
Audit fees	41,068	39,000
Depreciation	1,157,499	1,112,025
Amortisation of leased premises refurbished	494,085	250,786
	<u>16,425,344</u>	<u>15,209,446</u>
7. EXCEPTIONAL ITEM		
Exceptional loss on Azikiwe branch robbery	<u>2,004,830</u>	<u>-</u>
<p>The bank lost cash through robbery amounting to Tshs 3,134,831,400 and the whole amount has been claimed from the insurer. However, as an accounting prudence and in compliance with the Prudential Guidelines on classification of risks assets a sum of Tshs 2,004,831,400 has been provided for as loss in accounts.</p>		
8. TAXATION		
Current taxation at 30%	265,936	811,350
Over provision in prior year	(481,732)	-
Deferred tax charge	38,917	75,587
	<u>(176,879)</u>	<u>886,937</u>

NOTES TO THE FINANCIAL STATEMENTS**Ufafanuzi wa hesabu****9. CASH AND BALANCES WITH BANK OF TANZANIA**

	2002 Tshs '000	2001 Tshs '000
Cash in hand	10,730,343	11,274,190
Balances with Bank of Tanzania:		
Statutory Minimum Reserve	22,500,000	17,000,000
Other balances	9,558,328	9,695,726
	42,788,671	37,969,916

The bank is required to maintain minimum cash reserves of 10% of deposits with Bank of Tanzania (Statutory Minimum Reserve). Statutory Minimum Reserve is not available to finance the bank's day to day operations and hence is excluded from cash and cash equivalent for the purpose of cash flow statement. (See Note 27)

10. BALANCES WITH OTHER BANKS

	2002 Tshs '000	2001 Tshs '000
Interbank placement- foreign	35,771,236	30,757,594
Interbank placement- local	26,900,000	13,000,000
Deposit- local bank	-	170,157
Nostro accounts	13,716,846	5,822,624
	76,388,082	49,750,375

MATURITY ANALYSIS
Inter-bank placement-Foreign**Maturity**

Within 1 month	5,298,380	2,748,000
Within 2 months	10,942,895	6,870,000
Within 3 months	2,928,900	6,472,800
Within 6 months	16,601,061	14,366,794
	35,771,236	30,757,594

Inter-bank placement –local
Maturity

Within 1 month	22,900,000	13,000,000
Within 3 months	1,000,000	-
Within 6 months	3,000,000	-

Interbank placements worth Tshs. 43,070,175 matures within three months and form part of cash and cash equivalents for the purpose of cash flow statement (See Note 27).

26,900,000	13,000,000
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NOTES TO THE FINANCIAL STATEMENTS

Ufafanuzi wa hesabu

11. TREASURY BILLS AND BONDS

	2002 Tshs '000	2001 Tshs '000
Treasury Bills – 4% weighted average	70,510,712	52,876,362
Treasury Bonds		
2 years 5.88% weighted average	21,163,500	6,968,000
5 years 7.36% weighted average	1,800,000	6,601,121
	<u>22,963,500</u>	<u>13,569,121</u>
EADB Bonds		
Interest rate 3.97%	100,000	200,000
Interest rate 4.85%	1,700,000	-
	<u>1,800,000</u>	<u>200,000</u>
11% Government bonds	27,915,300	27,915,300
	<u>123,189,512</u>	<u>94,560,783</u>

MATURITY ANALYSIS EADB Bonds Maturity

Within 6 months	100,000	-
Within 12 months	-	200,000
Within 4 year	1,700,000	-
	<u>1,800,000</u>	<u>200,000</u>

Treasury bills Maturity

Within 35 days *	3,387,540	-
Within 90 days *	12,724,290	15,961,555
Within 180 days	13,933,020	11,308,595
Within 364 days	40,465,862	25,606,212
	<u>70,510,712</u>	<u>52,876,362</u>

*Treasury bills worth Tshs 16,111,830 (2001 – Tshs. 15,961,555) matures within three months and form part of cash and cash equivalent for the purpose of cash flow statement (See Note 27).

NOTES TO THE FINANCIAL STATEMENTS

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Treasury bonds Maturity

	2002 Tshs '000	2001 Tshs '000
Within 2 years	21,063,500	13,569,121
Within 5 years	1,900,000	-
	22,963,500	13,569,121

Government bonds Maturity

Within 9 years	420,900	420,900
Within 10 years	4,010,900	4,010,900
Within 11 years	11,800,000	11,800,000
Within 13 years	11,683,500	11,693,000
	27,915,300	27,915,300

12. LISTED SHARES

Investment in equity	36,642	-
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The amount of Tshs 36,642,000 represents 122,140 ordinary shares of Tanga Cement Company Limited purchased at Tshs 300 per share. The market price as at year end was Tshs. 450 per share.

13. LOANS AND ADVANCES

	2002 Tshs '000	2001 Tshs '000
Advances to customers (gross)	45,973,478	38,686,612
Less:		
Specific provision for bad and doubtful debts (Note 13A)	2,731,307	4,145,400
Interest in suspense	735,227	713,516
Advances to customers net of provision	42,506,944	33,824,194
Advances to staff	810,533	583,742
	43,317,477	43,317,477

NOTES TO THE FINANCIAL STATEMENTS

Ufafanuzi wa hesabu

	2002 Tshs '000	2001 Tshs '000
MATURITY ANALYSIS OF GROSS LOANS AND ADVANCES TO CUSTOMERS		
Maturity		
Within 1 year	36,171,278	35,887,900
Over 1 year to 3 years	3,297,200	1,681,500
Over 3 years	6,505,000	1,117,000
	<u>45,973,478</u>	<u>38,686,400</u>
13A MOVEMENT OF PROVISIONS FOR BAD AND DOUBTFUL DEBTS		
At the beginning of the year	4,145,000	5,984,345
Net decrease	(1,413,693)	(1,838,945)
At the end of the year	<u>2,731,307</u>	<u>4,145,400</u>
13B BAD AND DOUBTFUL DEBTS		
Decrease in provision	(1,413,693)	(1,838,945)
Bad debts charged off	3,210,000	5,542,027
Recoveries on NPA'S	(1,032,459)	(815,246)
Charged to income statement	<u>763,848</u>	<u>2,887,836</u>

ANALYSIS OF GROSS LOANS AND ADVANCES BY ECONOMIC SECTOR

Economic sector	Total outstanding Tshs'000	Percentage
Public sector	265	1%
Agriculture fishing, forestry & hunting	8,591	18.4%
Finance, insurance & business service	2,932	6%
Mining & quarrying	9	0%
Manufacturing	10,537	22.5%
Real estate & construction	4,867	10.4%
Transport & communication	8,041	17.2%
Trade & commerce	9,618	20.5%
Tourism, hotels & restaurants	912	1.9%
Personal	946	2%
Others	66	0%
TOTAL	<u>46,784</u>	<u>100%</u>

NOTES TO THE FINANCIAL STATEMENTS

Ufafanuzi wa hesabu

14. OTHER ASSETS

Accounts receivable [Note 14(a)]	5,101,468	4,104,250
Bills receivable [Note 14(b)]	525,018	759,738
Leased premises refurbishment costs [Note 14(c)]	851,672	828,086

6,478,158	5,692,074
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14(a) Accounts receivable

Interest receivable	2,986,555	3,026,214
Prepayments	591,105	477,592
Receivable from DANIDA	-	287,243
Sundry debtors	3,528,639	314,744
Sub total	7,106,299	4,105,793

Less: Provision for bad and doubtful debts	2,004,831	1,543
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5,101,468	4,104,250
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14(b) Bills receivable

Bills receivable	525,018	763,669
Less: Provision	-	3,931

525,018	759,738
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14(c) Leased premises refurbishment

Opening balance	828,086	304,842
Additions during the year	517,671	774,030
	1,345,757	1,078,872

Less: Amortisation during the year	494,085	250,786
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Closing balance	851,672	828,086
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NOTES TO THE FINANCIAL STATEMENTS

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15. FIXED ASSETS

	Land & buildings Tshs '000	Motor vehicles Tshs '000	Office equipment Tshs '000	Computer equipment Tshs '000	Smart card equipment Tshs '000	Total Tshs '000
Cost						
As at 1 January 2002	2,254,681	1,623,320	1,611,914	2,972,38	-	8,462,299
Additions	414,674	-	664,039	253,699	825,271	2,157,683
Disposals	(4,552)	(102,760)	(800)	-	-	(108,112)
As at 31 December 2002	<u>2,664,803</u>	<u>1,520,560</u>	<u>2,275,153</u>	<u>3,226,083</u>	<u>825,271</u>	<u>10,511,870</u>
Depreciation						
As at 1 January 2002	577,972	1,163,890	916,279	1,989,861	-	4,648,002
Charge for the year	125,132	272,626	271,995	465,544	22,203	1,157,500
On disposals	(2,649)	(102,760)	(800)	-	-	(106,209)
As at 31 December 2002	<u>700,455</u>	<u>1,333,756</u>	<u>1,187,474</u>	<u>2,455,405</u>	<u>22,203</u>	<u>5,699,293</u>
Net book value						
As at 31 December 2002	<u>1,964,348</u>	<u>186,804</u>	<u>1,087,679</u>	<u>770,678</u>	<u>803,068</u>	<u>4,812,577</u>
As at 31 December 2001	<u>1,676,709</u>	<u>459,430</u>	<u>695,635</u>	<u>982,523</u>	<u>-</u>	<u>3,814,297</u>

16. CUSTOMER DEPOSITS

	2002 Tshs '000	2001 Tshs '000
Current accounts	118,333,977	81,144,980
Saving accounts	87,381,835	64,829,533
Time deposits *	64,051,277	55,870,325
	<u>269,767,089</u>	<u>201,844,838</u>

* Maturity for the time deposit range between 3 to 12 months

17. AMOUNTS DUE TO OTHER BANKS

	2002 Tshs '000	2001 Tshs '000
Bank of Tanzania – Godown loan account	50,000	73,800
Deposits from local banks	2,132,418	1,353,476
Vostro	-	3,311
	<u>2,182,418</u>	<u>1,430,587</u>

The Godown loan will be fully repaid by 1 September 2003.

NOTES TO THE FINANCIAL STATEMENTS

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	2002 Tshs '000	2001 Tshs '000
18. OTHER LIABILITIES		
Accounts payable [Note 18 (a)]	14,283,835	10,671,935
Accrued expenses	707,217	514,444
Other liabilities	148,000	94,500
	15,139,052	11,280,879
18(a) Accounts payable		
Bills payable *	11,717,808	8,251,686
Sundry creditors	1,271,577	900,201
Dividend payable **	218,112	168,750
Interest payable on deposits	1,056,063	1,309,676
Interest payable on Danida Investment Fund	20,275	41,622
	14,283,835	10,671,935

* Bills payable represents bankers cheques issued by the bank but have not been presented for payment.

** Dividend payable represents uncollected dividends for the years 1996,1998, 2000 and 2001

	2002 Tshs '000	2001 Tshs '000
19. TAXATION (RECOVERABLE/PAYABLE)		
Balance brought forward	959,612	548,262
Over provision in prior year	(481,732)	
Charged to income statement (Note 8)	265,936	811,350
Payments during the year	(1,111,116)	(400,000)
	(367,300)	959,612
20. SUBORDINATED LOAN CAPITAL		
Opening balance	410,262	250,922
Additions during the year	-	159,340
Closing balance	410,262	410,262

The subordinated loan capital amount of Tshs 410,262,000 represents amount received from DANIDA Investment Fund (DIF). Tshs 250,922,000 is repayable after five years from the effective date of 1 January 2000 where as Tshs 159,340,000 is repayable after five years from the effective date of 1 July 2000. The parties may agree for an extension of the due date upon expiry of the five years period. Interest is charged at one year treasury bills rate averaged over twelve months less two percentage points. The minimum rate payable being three percent per annum with payment of applicable rate determined and effected at the end of the respective year.

NOTES TO THE FINANCIAL STATEMENTS

Ufafanuzi wa hesabu

	2002 Tshs '000	2001 Tshs '000
21. FDCF CAPITAL GRANT		
At the beginning of the year	-	-
Grant received during the year	636,098	-
Credited to income statement	(46,357)	-
	<hr/>	<hr/>
At the end of the year	<u>589,741</u>	<u>-</u>

The bank entered into contract with Enterplan Limited UK, whereby Enterplan agrees to pay a grant not exceeding Sterling Pounds 998,850 over three years in support of the smart card project under the Financial Deepening Challenge Fund (FDCF). During the year the bank received GBP 425,409 as the first installment of the grant under the Financial Deepening Challenge Fund arrangement. The agreement shall remain in effect from 1 April 2002 to March 2005.

	2002 Tshs '000	2001 Tshs '000
22. DEFERRED TAX (LIABILITY) /ASSET		
Balance at 1 January as previously reported	-	-
Prior year adjustment	(28,672)	(104,259)
Balance at 1 January as restated	(28,672)	(104,259)
Income statement charge	38,917	75,587
Balance at 31 December	<u>10,245</u>	<u>(28,672)</u>

Deferred tax liability arises mainly due to accelerated capital allowances.

During the year, the Bank changed its accounting policy on deferred tax to be in line with the new Tanzania Financial Accounting Standard (TFAS 29). As a result, deferred income tax is provided using liability method, for all temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the financial statements. Previously, deferred tax was only recognised when in the opinion of the directors, a material liability was likely to crystallise in the foreseeable future.

	2002 Tshs '000	2001 Tshs '000
23. SHARE CAPITAL		
Authorised Share Capital		
1,000,000 Ordinary Shares of Tshs 10,000 each	10,000,000	10,000,000
	<hr/>	<hr/>
Issued and Paid –up Share Capital		
823,379 Ordinary shares of Tshs 10,000 each	8,233,790	8,233,790
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

Ufafanuzi wa hesabu

24. GENERAL RESERVE

The amount of Tshs 3,556,209,000 represents balances of accumulated profits plus Government funding taken over as at 1 July 1996 from the defunct Co-operative and Rural Development Bank.

25. SPECIAL RESERVE

The amount of Tshs 13,846,000 disclosed in the balance sheet as Special Reserve represents capital assistance in form of office and information system equipment given by the Government of Denmark through DANIDA Investment Fund (DIF).

26. CONTINGENCIES

	2002 Tshs '000	2001 Tshs '000
Guarantees and indemnities	2,976,894	869,295
Letters of credit	191,386	3,220,576
	3,168,280	4,089,87

Legal cases

The Bank is a defendant in two significant legal cases as at 31 December 2002. The Bank has taken appropriate legal steps to defend against the claims. The Bank has provided for the liabilities arising out of contractual obligations. No other provisions are made awaiting the court ruling, as in the opinion of the directors, any potential liability is not quantifiable at the date of these financial statements.

Insurance claim in dispute

Out of the Tshs 3,134,831,400 claimed from insurance company with respect to Azikiwe branch robbery, the insurers have accepted to compensate the bank Tshs 540,000,000 only. The balance of Tshs 2,594,831,400 is still under dispute and the bank only measures to recover it through arbitration. A provision has been made for Tshs. 2,004,831,400 of the disputed amount.

27. CASH AND CASH EQUIVALENTS

	2002 Tshs '000	2001 Tshs '000
Cash in hand	10,730,343	11,274,190
Balance with Bank of Tanzania	9,558,328	9,695,726
Balance with other banks (maturity within three months)	56,787,021	49,750,375
Treasury bills (maturity within three months)	16,111,830	-
	93,187,522	70,720,291

NOTES TO THE FINANCIAL STATEMENTS

Ufafanuzi wa hesabu

	2002 Tshs '000	2001 Tshs '000
28. COMMITMENTS		
Commitments to extend credit	18,741,361	16,937,946
Capital commitments		
Capital expenditure that has been approved by the Board	496,200	Nil

Capital commitments are in respect of costs for refurbishment of Mwanza, Vijana and Moshi branches.

29. COMPARATIVE INFORMATION

Comparative information, including comparative amounts, has been reclassified, where appropriate, to conform with current year presentation.

30. CURRENCY

These financial statements are presented in thousands of Tanzania Shillings (Tshs.'000).

CRDB Bank addresses

Anwani za Benki ya CRDB

HEAD OFFICE

Office accommodation scheme Building
Azikiwe Street P. O. Box 268 DAR ES SALAAM TANZANIA Tel: 022 2117442-7
Fax: 022 2116714 Email: crdb@crdb.com Website: <http://www.crdb.com>

Arusha Branch

P O Box 3150
ARUSHA
Tel: 027 2507239/2507241
Fax: 027 2503089

Kigoma Branch

P O Box 575
KIGOMA
Tel: 028 2802249/2804730
Fax: 028 2804356

Musoma Branch

P O Box 386
MUSOMA
Tel: 028 2622484/2622192
Fax: 028 2622891

Sumbawanga Branch

P O Box 367
SUMBAWANGA
Tel: 025 2802165/2802266
Fax: 025 2802342

Azikiwe Branch

P O Box 72344
DAR ES SALAAM
Tel: 022 2124556/2124558
Fax: 022 211 3660

Lindi Branch

P O Box 266
LINDI
Tel: 023 2202385/2202254
Fax: 023 2202385

Mwanza Branch

P O Box 1330
MWANZA
Tel: 028 2500053/2501031
Fax: 028 2500040

Tanga Branch

P O Box 1180
TANGA
Tel: 027 2644343/2647763
Fax: 027 2644270

Bukoba Branch

P O Box 1804
BUKOBWA
Tel: 028 2220909/2220480
Fax: 028 2220909

Lumumba Branch

P O Box 2318
DAR ES SALAAM
Tel: 022 2180079-81
Fax: 022 2182334

Shinyanga Branch

P O Box 397
SHINYANGA
Tel: 028 2763153
Fax: 028 2762297

Vijana Branch

P O Box 10876
DAR ES SALAAM
Tel: 022 2184566/2181453/
2184634
Fax: 022 2181687

Dodoma Branch

P O Box 401
DODOMA
Tel: 026 2322840/2322842
Fax: 026 2322841

Mbeya Branch

P O Box 315
MBEYA
Tel: 025 2504367/2504389
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