

**CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

(AMOUNTS IN MILLION SHILLINGS)

		Current quarter 30-sept-08	Previous quarter 30-juin-08
I	Cash flow from operating activities:		
	Profit before Taxation	14 032	14 416
	Adjustment for non-cash items:		
	Depreciation	1 132	867
	Provisions/Amortization	190	(244)
	Allocation to Government	(76)	57
	Gain/loss on sale of assets	1	3
	Tax paid	(3 327)	(3 327)
	Gross change in loans and advances	(84 287)	(41 167)
	Net change in deposits	(27 456)	(30 590)
	Net change in short term negotiable securities	-	-
	Net change in other assets	1 003	766
	Net change in other liabilities	(14 093)	11 419
	Net change in SMR deposits	5 000	1 500
Net change in Treasury Bills	52 675	(27 892)	
Net cash provided (used) by operating activities	(55 206)	(74 193)	
II	Cash flow from investing activities:		
	Dividends received	-	-
	Purchase of fixed assets	(5 978)	(8 531)
	Proceeds on sale of fixed assets	0	1
	Acquisition of Government securities	(6 802)	(16 867)
	Proceeds from redemption of Government securities	8 000	3 094
	Proceeds from redemption of Treasury Notes	-	-
Net cash provided (used) by investing	(4 779)	(22 302)	
III	Cash flow from financing activities:		
	Repayment of long-term debt	-	-
	Proceed from issuance of long-term debt	-	-
	Proceeds from issue of shares	-	-
	Dividend paid to shareholders	-	-
	Net change in other borrowings	-	-
	Others	-	-
Net cash provided (used) by financing activities	-	-	
IV	Cash and cash equivalents		
	Net increase (decrease) in cash and cash equivalents	(59 986)	(96 495)
	Cash and cash equivalent at the beginning of the quarter	271 609	368 104
	Cash and cash equivalent at the end of the quarter	211 623	271 609

Signed by

Date

Christo De Vries	Chief Executive Officer	24 October 2008
Riaan van Jaarsveld	Director of Finance	24 October 2008
Severin Ndaskoi	Head of Internal Audit	24 October 2008

We, the undersigned non-executive members of the board of directors, attest to the correctness of the above statements. We declare that the statements have been examined by us, and to the best of our knowledge and belief have been prepared in conformance with the instructions and are true and correct.

Signed by

Date

1 Dr. Musa Assad	Director	06 November 2008
2 Ambassador Ami Ramadhani Mpungwe	Chairman (Acting)	06 November 2008