



Report of Condition of Bank Published Pursuant to Section 32(3) of the Banking and Financial Institutions Act, 2006

**PUBLICATION OF FINANCIAL STATEMENTS
(Regulation 5)**

BALANCE SHEET (AMOUNTS IN MILLIONS OF TANZANIAN SHILLINGS)		Current Quarter 31st December 2014	Previous Quarter 30th September 2014
A. ASSETS			
1	Cash	6,126	4,828
2	Balances with Bank of Tanzania	14,034	14,423
3	Investments in Government securities	49,962	28,945
4	Balances with other banks and financial institutions	7,241	22,426
5	Cheques and items for clearing	393	340
6	Inter branch float items	0	0
7	Bills negotiated	0	0
8	Customers liabilities for acceptances	0	0
9	Interbank loans receivable	0	0
10	Investments in other Securities	0	0
11	Loans, Advances and Overdrafts (net of allowances for probable losses)	86,766	86,867
12	Other Assets	6,262	7,933
13	Equity Investments	500	500
14	Underwriting Accounts	0	0
15	Property and Equipment	3,629	4,615
16	TOTAL ASSETS	174,914	170,876
B. LIABILITIES			
17	Deposits from other banks and financial institutions	18,770	20,309
18	Customer deposits	118,457	110,358
19	Cash letters of Credit	0	0
20	Special Deposits	887	1,564
21	Payment orders/transfers payable	0	0
22	Bankers' cheques and drafts issued	288	336
23	Accrued taxes and expenses payable	3,371	4,610
24	Acceptances outstanding	0	0
25	Interbranch float items	0	0
26	Unearned income and other deferred charges	2,610	1,321
27	Other Liabilities	461	852
28	Borrowings	0	0
29	TOTAL LIABILITIES	144,844	139,350
30	NET ASSETS/(LIABILITIES) (16 minus 29)	30,070	31,526
C.SHAREHOLDERS' FUNDS			
31	Paid up Share Capital	22,627	22,627
32	Share Premium	7,076	7,076
33	Retained Earnings	-2,432	-4,823
34	Profit (Loss) Account	835	2,291
35	Regulatory Reserve	1,963	4,355
36	Minority Interest	0	0
37	TOTAL SHAREHOLDERS' FUNDS	30,070	31,526
38	Contingent Liabilities	4,660	4,863
39	Non performing Loans & Advances	12,798	13,739
40	Allowances for Probable Losses	7,338	5,808
41	Other non Performing Assets	0	0
D.SELECTED FINANCIAL CONDITION INDICATORS			
(i)	Shareholders Funds to Total Assets	17%	18%
(ii)	Non performing Loans to Total Gross Loans	14%	15%
(iii)	Gross Loans and Advances to Total Deposits	69%	71%
(iv)	Loans and Advances to Total Assets	50%	51%
(v)	Earning Assets to Total Assets	82%	81%
(vi)	Deposits Growth	7%	-5%
(vii)	Assets Growth	2%	-4%

INCOME STATEMENT FOR THE QUARTER ENDED DECEMBER 31, 2014

(AMOUNTS IN MILLIONS OF TANZANIAN SHILLINGS)		Current Quarter 31st December 2014	Comparative Quarter 31st December 2013	Current Year Cumulative 31st December 2014	Comparative Year Cumulative 31st December 2013
1	Interest Income	4,288	5,247	18,627	19,836
2	Interest Expense	(2,212)	(2,442)	(10,085)	(10,041)
3	Net Interest Income (1 + 2)	2,075	2,805	8,542	9,795
4	Bad Debts Written-Off	23	(1,166)	151	30
5	Impairment Losses on Loans and Advances	(2,229)	(6,416)	(514)	(11,592)
		(130)	(4,777)	8,179	(1,768)
6	Non Interest Income:				
6.1	Foreign Currency Dealings and translation Gain/(Loss)	561	177	1,760	1,789
6.2	Fees and Commissions	570	503	2,423	3,029
6.3	Dividend Income	0	0	0	0
6.4	Other Operating Income	59	211	470	44
		1,060	(3,886)	12,831	3,094
7	Non Interest Expenses:				
7.1	Salaries and Benefits	(1,187)	(1,094)	(4,800)	(4,376)
7.2	Fees and Commission	0	0	0	0
7.3	Other Operating Expenses	(1,934)	(1,852)	(6,764)	(5,853)
		(3,121)	(2,946)	(11,564)	(10,229)
8	Operating Profit /(Loss) Before Taxation	(2,061)	(6,832)	1,267	(7,135)
9	Income Tax Provision	618	2,049	(380)	2,024
10	Profit/(Loss) After Income Tax	(1,443)	(4,782)	887	(5,111)
11	Number of Employees	108	106	108	106
12	Basic Earnings per Share	(65.65)	(235.60)	40.36	(251.81)
13	Diluted Earnings per Share	(63.76)	(228.29)	39.20	(243.99)
14	Number of Branches	6	6	6	6
	<u>SELECTED PERFORMANCE INDICATORS</u>				
	(i) Return on Average Total Assets	-3.3%	-2.6%	0.5%	-2.8%
	(ii) Return on Average Shareholder Funds	-4.7%	-17.7%	2.9%	-23.3%
	(iii) Non Interest Expenses to Gross Income	95.6%	79.7%	87.6%	69.8%
	(iv) Net Interest Income to Average Earnings Assets	5.9%	1.9%	6.1%	5.9%



CASH FLOW STATEMENT FOR THE QUARTER ENDED DECEMBER 31, 2014

I. Cash flow from operating activities	Current Quarter	Previous Quarter
(AMOUNTS IN MILLIONS OF TANZANIAN SHILLINGS)	31st December 2014	30th September 2014
Operating Profit /(Loss) Before Taxation	(2,061)	1,152
Adjustments for:		
-Impairment/Amortization	674	652
-Net change in Loans and Advances	101	4,938
-Gain/loss on Sale of Assets	0	0
-Net change in Deposits	7,421	(5,348)
- Due from and to other Banks	963	(215)
-Net change in Short Term Negotiable Securities	(29,415)	10,386
-Net change in Other Liabilities	(401)	547
-Net change in Other Assets	974	(493)
- Tax Paid	0	0
-Others (specify) SMR- Movement	0	1,000
Net cash provided (Used) by operating activities	(21,744)	12,620
II. Cash flow from investing activities:		
Dividend Received	0	0
Purchase of Fixed Assets	(22)	(358)
Proceeds from Sale of Fixed Assets	0	0
Others (specify) - Purchase of Intangible Assets	0	0
Net cash (Used in) /generated from investing activities	(22)	(358)
III. Cash flow from financing activities:		
Repayment of Long-term Debt	0	0
Proceeds from Issuance of Long Term Debt	0	0
Proceeds from Issuance of Share Capital	0	1,235
Payment of Preference Dividends	0	0
Net Change in other Borrowings	0	0
Others (specify) - WHT paid on Bonus Shares	0	0
Net Cash generated from Financing Activities	0	1,235
IV. Cash and Cash Equivalents:		
Net Increase/ (Decrease) in Cash and Cash Equivalents	(21,766)	13,497
Cash and Cash Equivalents at the beginning of the Quarter	24,253	10,756
Cash and Cash Equivalents at the end of the Year	2,486	24,253

Pankaj Kansara
Managing Director & Chief Executive Officer
 12th February 2015

Julius Ruwaichi
Head of Finance
 12th February 2015

Christopher Kazalla
Head of Internal Audit
 12th February 2015

We, the under-named, non-executive members of the Board of Directors, attest to the correctness of the above Statements. We declare that the Statements have been examined by us, and to the best of our knowledge and belief have been prepared in conformance with the instructions and are true and correct.

Name

Date

1. Shiraz Pira (Director)

12th February 2015

2. Sharmapal Aggarwal (Chairman)

12th February 2015