



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 30th June 2016	Previous Quarter 31st March 2016
A. ASSETS		
1 Cash	5,440	5,150
2 Balances with Bank of Tanzania	15,702	12,539
3 Investments in Government securities	58,424	54,375
4 Balances with other banks and financial institutions	9,556	13,810
5 Cheques and items for clearing	1,035	75
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)	91,307	91,501
12 Other Assets	7,193	5,924
13 Equity Investments	500	500
14 Underwriting Accounts	0	0
15 Property and Equipment	2,179	2,428
16 TOTAL ASSETS	191,337	186,302
B. LIABILITIES		
17 Deposits from other banks and financial institutions	19,500	20,324
18 Customer deposits	119,241	112,329
19 Cash letters of Credit	0	0
20 Special Deposits	146	79
21 Payment orders/transfers payable	0	0
22 Bankers' cheques and drafts issued	239	218
23 Accrued taxes and expenses payable	2,050	1,132
24 Acceptances outstanding	0	0
25 Interbranch float items	0	0
26 Unearned income and other deferred charges	3,324	4,930
27 Other Liabilities	1,615	1,251
28 Borrowings	13,863	15,309
29 TOTAL LIABILITIES	159,977	155,573
30 NET ASSETS/(LIABILITIES) (16 minus 29)	31,359	30,729
C.SHAREHOLDERS' FUNDS		
31 Paid up Share Capital	22,627	22,627
32 Share Premium	7,076	7,076
33 Retained Earnings	-2,984	-2,957
34 Profit (Loss) Account	1,279	648
35 Regulatory Reserve	3,361	3,334
36 Minority Interest	0	0
37 TOTAL SHAREHOLDERS' FUNDS	31,359	30,729
38 Contingent Liabilities	3,955	3,355
39 Non performing Loans & Advances	15,802	16,147
40 Allowances for Probable Losses	7,418	7,002
41 Other non Performing Assets	0	0
D.SELECTED FINANCIAL CONDITION INDICATORS		
(i) Shareholders Funds to Total Assets	16%	16%
(ii) Non performing Loans to Total Gross Loans	16%	16%
(iii) Gross Loans and Advances to Total Deposits	71%	74%
(iv) Loans and Advances to Total Assets	48%	49%
(v) Earning Assets to Total Assets	83%	86%
(vi) Deposits Growth	6%	0%
(vii) Assets Growth	3%	-2%

INCOME STATEMENT FOR THE QUARTER ENDED JUNE 30, 2016

(AMOUNTS IN MILLIONS OF TANZANIAN SHILLINGS)		Current Quarter 30th June 2016	Comparative Quarter 30th June 2015	Current Year Cumulative 30th June 2016	Comparative Year Cumulative 30th June 2015
1	Interest Income	5,194	4,730	10,004	9,690
2	Interest Expense	(1,985)	(2,188)	(3,988)	(4,307)
3	Net Interest Income (1 + 2)	3,208	2,542	6,016	5,383
4	Bad Debts Written-Off	144	23	541	42
5	Impairment Losses on Loans and Advances	(218)	(723)	(430)	(1,343)
		3,134	1,842	6,127	4,083
6	Non Interest Income:				
6.1	Foreign Currency Dealings and translation Gain/(Loss)	263	964	516	2,071
6.2	Fees and Commissions	571	611	1,150	1,221
6.3	Dividend Income	0	0	0	0
6.4	Other Operating Income	29	29	70	68
		3,997	3,446	7,863	7,442
7	Non Interest Expenses:				
7.1	Salaries and Benefits	(1,540)	(1,328)	(2,943)	(2,506)
7.2	Fees and Commission	0	0	0	0
7.3	Other Operating Expenses	(1,538)	(1,622)	(3,056)	(3,226)
		(3,078)	(2,950)	(5,999)	(5,732)
8	Operating Profit/(Loss) Before Taxation	920	496	1,864	1,710
9	Income Tax Provision	(276)	(149)	(559)	(513)
10	Profit/(Loss) After Income Tax	644	347	1,305	1,197
11	Number of Employees	100	111	100	111
12	Basic Earnings per Share	29.29	15.79	59.38	54.47
13	Diluted Earnings per Share	28.45	15.33	57.67	52.91
14	Number of Branches	5	6	5	6
	SELECTED PERFORMANCE INDICATORS				
	(i) Return on Average Total Assets	1.9%	1.1%	2.0%	1.9%
	(ii) Return on Average Shareholder Funds	11.8%	6.8%	12.0%	11.7%
	(iii) Non Interest Expenses to Gross Income	75.6%	71.2%	77.4%	65.6%
	(iv) Net Interest Income to Average Earnings Assets	8.0%	6.7%	7.0%	6.9%



CASH FLOW STATEMENT FOR THE QUARTER ENDED JUNE 30, 2016

I. Cash flow from operating activities	Current Quarter	Previous Quarter
(AMOUNTS IN MILLIONS OF TANZANIAN SHILLINGS)	30th June 2016	31st March 2016
Operating Profit /(Loss) Before Taxation	920	945
Adjustments for:		
-Impairment/Amortization	324	357
-Net change in Loans and Advances	194	(626)
-Gain/loss on Sale of Assets	0	0
-Net change in Deposits	6,979	(16)
- Due from and to other Banks	25	10,548
-Net change in Short Term Negotiable Securities	2,015	(7,464)
-Net change in Other Liabilities	(1,888)	(6,147)
-Net change in Other Assets	(1,215)	(729)
- Tax Paid	232	232
-Others (specify) SMR- Movement	(200)	(760)
Net cash provided (Used) by operating activities	7,386	(3,659)
II. Cash flow from investing activities:		
Dividend Received	0	0
Purchase of Fixed Assets	(75)	(11)
Proceeds from Sale of Fixed Assets	0	0
Others (specify) - Purchase of Intangible Assets	0	0
Net cash (Used in) /generated from investing activities	(75)	(11)
III. Cash flow from financing activities:		
Repayment of Long-term Debt	(1,669)	0
Proceeds from Issuance of Long Term Debt	0	0
Proceeds from Issuance of Share Capital	0	0
Payment of Preference Dividends	0	(52)
Net Change in other Borrowings	0	0
Others (specify) - WHT paid on Bonus Shares	0	0
Net Cash generated from Financing Activities	(1,669)	(52)
IV. Cash and Cash Equivalents:		
Net Increase/ (Decrease) in Cash and Cash Equivalents	5,642	(3,722)
Cash and Cash Equivalents at the beginning of the Quarter	9,182	12,904
Cash and Cash Equivalents at the end of the Year	14,824	9,182

Pankaj Kansara
Managing Director & Chief Executive Officer
 20th July 2016

Msafiri Kibebeti
Head of Finance
 28th July 2016

Christopher Kazalla
Head of Internal Audit
 28th July 2016

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)

28th July 2016

2. Sharmapal Aggarwal (Chairman)

28th July 2016