



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 September 2016	Previous Quarter 30th June 2016
A. ASSETS			
1	Cash	5,273	5,440
2	Balances with Bank of Tanzania	13,685	15,702
3	Investments in Government securities	60,682	58,424
4	Balances with other banks and financial institutions	7,076	9,556
5	Cheques and items for clearing	560	1,035
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)	90,020	91,307
12	Other Assets	5,560	7,193
13	Equity Investments	500	500
14	Underwriting Accounts	0	0
15	Property and Equipment	1,997	2,179
16	TOTAL ASSETS	185,352	191,337
B. LIABILITIES			
17	Deposits from other banks and financial institutions	13,736	19,500
18	Customer deposits	117,210	119,241
19	Cash letters of Credit	0	0
20	Special Deposits	173	146
21	Payment orders/transfers payable	0	0
22	Bankers' cheques and drafts issued	239	239
23	Accrued taxes and expenses payable	2,260	2,050
24	Acceptances outstanding	0	0
25	Interbranch float items	0	0
26	Unearned income and other deferred charges	2,996	3,324
27	Other Liabilities	3,535	1,615
28	Borrowings	13,818	13,863
29	TOTAL LIABILITIES	153,966	159,977
30	NET ASSETS/(LIABILITIES) (16 minus 29)	31,386	31,359
C.SHAREHOLDERS' FUNDS			
31	Paid up Share Capital	22,627	22,627
32	Share Premium	7,076	7,076
33	Retained Earnings	-2,904	-2,984
34	Profit (Loss) Account	1,305	1,279
35	Regulatory Reserve	3,281	3,361
36	Minority Interest	0	0
37	TOTAL SHAREHOLDERS' FUNDS	31,386	31,359
38	Contingent Liabilities	4,592	3,955
39	Non performing Loans & Advances	16,160	15,802
40	Allowances for Probable Losses	5,604	7,418
41	Other non Performing Assets	0	0
D.SELECTED FINANCIAL CONDITION INDICATORS			
(i)	Shareholders Funds to Total Assets	17%	16%
(ii)	Non performing Loans to Total Gross Loans	17%	16%
(iii)	Gross Loans and Advances to Total Deposits	73%	71%
(iv)	Loans and Advances to Total Assets	49%	48%
(v)	Earning Assets to Total Assets	85%	83%
(vi)	Deposits Growth	-2%	6%
(vii)	Assets Growth	-3%	3%

INCOME STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2016

(AMOUNTS IN MILLIONS OF TANZANIAN SHILLINGS)		Current Quarter 30th September 2016	Comparative Quarter 30th September 2015	Current Year Cumulative 30th September 2016	Comparative Year Cumulative 30th September 2015
1	Interest Income	5,256	4,619	15,260	14,308
2	Interest Expense	(2,273)	(2,152)	(6,261)	(6,458)
3	Net Interest Income (1 + 2)	2,983	2,467	8,999	7,850
4	Bad Debts Written-Off	32	175	574	218
5	Impairment Losses on Loans and Advances	(779)	(883)	(1,209)	(2,226)
6	Non Interest Income:	2,236	1,759	8,363	5,841
6.1	Foreign Currency Dealings and translation Gain/(Loss)	183	507	699	2,578
6.2	Fees and Commissions	696	652	1,847	1,874
6.3	Dividend Income	0	0	0	0
6.4	Other Operating Income	38	45	109	112
7	Non Interest Expenses:	3,154	2,963	11,017	10,405
7.1	Salaries and Benefits	(1,497)	(1,377)	(4,440)	(3,883)
7.2	Fees and Commission	0	0	0	0
7.3	Other Operating Expenses	(1,600)	(1,719)	(4,656)	(4,945)
8	Operating Profit / (Loss) Before Taxation	56	(132)	1,921	1,578
9	Income Tax Provision	(17)	40	(576)	(473)
10	Profit/(Loss) After Income Tax	39	(93)	1,344	1,104
11	Number of Employees	95	108	95	108
12	Basic Earnings per Share	1.79	(4.22)	61.17	50.25
13	Diluted Earnings per Share	1.74	(4.10)	59.42	48.81
14	Number of Branches	5	6	5	6
<u>SELECTED PERFORMANCE INDICATORS</u>					
	(i) Return on Average Total Assets	0.1%	-0.3%	1.4%	1.2%
	(ii) Return on Average Shareholder Funds	0.7%	-1.8%	8.2%	7.1%
	(iii) Non Interest Expenses to Gross Income	79.4%	84.3%	78.1%	71.1%
	(iv) Net Interest Income to Average Earnings Assets	7.5%	6.2%	7.0%	6.6%



CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2016

I. Cash flow from operating activities	Current Quarter	Previous Quarter
(AMOUNTS IN MILLIONS OF TANZANIAN SHILLINGS)	30th September 2016	30th June 2016
Operating Profit /(Loss) Before Taxation	56	920
Adjustments for:		
-Impairment/Amortization	336	324
-Net change in Loans and Advances	1,287	194
-Gain/loss on Sale of Assets	0	0
-Net change in Deposits	(2,004)	6,979
- Due from and to other Banks	(61)	25
-Net change in Short Term Negotiable Securities	16,546	2,015
-Net change in Other Liabilities	2,523	(1,888)
-Net change in Other Assets	1,624	(1,215)
- Tax Paid	232	232
-Others (specify) SMR- Movement	11,704	(200)
Net cash provided (Used) by operating activities	32,243	7,386
II. Cash flow from investing activities:		
Dividend Received	0	0
Purchase of Fixed Assets	(153)	(75)
Proceeds from Sale of Fixed Assets	0	0
Others (specify) - Purchase of Intangible Assets	0	0
Net cash (Used in) /generated from investing activities	(153)	(75)
III. Cash flow from financing activities:		
Repayment of Long-term Debt	0	(1,669)
Proceeds from Issuance of Long Term Debt	0	0
Proceeds from Issuance of Share Capital	0	0
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	(1,669)
IV. Cash and Cash Equivalents:		
Net Increase/ (Decrease) in Cash and Cash Equivalents	32,090	5,642
Cash and Cash Equivalents at the beginning of the Quarter	14,824	9,182
Cash and Cash Equivalents at the end of the Year	46,914	14,824

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

Msafiri Kibebeti
Head of Finance
 20th October 2016

Christopher Kazalla
Head of Internal Audit
 20th October 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)

20th October 2016

2. Sharmapal Aggarwal (Chairman)

20th October 2016