



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)**

<b>BALANCE SHEET (AMOUNTS IN MILLIONS OF TANZANIAN SHILLINGS)</b>	<b>Current Quarter 31st December 2016</b>	<b>Previous Quarter 30th September 2016</b>
<b>A. ASSETS</b>		
1 Cash	4,294	5,273
2 Balances with Bank of Tanzania	13,611	13,685
3 Investments in Government securities	58,753	60,682
4 Balances with other banks and financial institutions	3,956	7,076
5 Cheques and items for clearing	(30)	560
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)	97,034	90,020
12 Other Assets	4,972	5,560
13 Equity Investments	500	500
14 Underwriting Accounts	0	0
15 Property and Equipment	1,984	1,997
<b>16 TOTAL ASSETS</b>	<b>185,073</b>	<b>185,352</b>
<b>B. LIABILITIES</b>		
17 Deposits from other banks and financial institutions	14,558	13,736
18 Customer deposits	116,933	117,210
19 Cash letters of Credit	0	0
20 Special Deposits	141	173
21 Payment orders/transfers payable	0	0
22 Bankers' cheques and drafts issued	331	239
23 Accrued taxes and expenses payable	2,503	2,260
24 Acceptances outstanding	0	0
25 Interbranch float items	0	0
26 Unearned income and other deferred charges	5,366	2,996
27 Other Liabilities	541	3,535
28 Borrowings	12,508	13,818
<b>29 TOTAL LIABILITIES</b>	<b>152,882</b>	<b>153,966</b>
<b>30 NET ASSETS/(LIABILITIES) (16 minus 29)</b>	<b>32,191</b>	<b>31,386</b>
<b>C.SHAREHOLDERS' FUNDS</b>		
31 Paid up Share Capital	22,627	22,627
32 Share Premium	7,076	7,076
33 Retained Earnings	-3,081	-2,904
34 Profit (Loss) Account	2,110	1,305
35 Regulatory Reserve	3,458	3,281
36 Minority Interest	0	0
<b>37 TOTAL SHAREHOLDERS' FUNDS</b>	<b>32,191</b>	<b>31,386</b>
38 Contingent Liabilities	2,514	4,592
39 Non performing Loans & Advances	10,447	16,160
40 Allowances for Probable Losses	5,201	5,604
41 Other non Performing Assets	0	0
<b>D.SELECTED FINANCIAL CONDITION INDICATORS</b>		
(i) Shareholders Funds to Total Assets	17%	17%
(ii) Non performing Loans to Total Gross Loans	10%	17%
(iii) Gross Loans and Advances to Total Deposits	78%	73%
(iv) Loans and Advances to Total Assets	52%	49%
(v) Earning Assets to Total Assets	86%	85%
(vi) Deposits Growth	0%	-2%
(vii) Assets Growth	0%	-3%

**INCOME STATEMENT FOR THE QUARTER ENDED DECEMBER 31, 2016**

<b>(AMOUNTS IN MILLIONS OF TANZANIAN SHILLINGS)</b>		<b>Current Quarter 31st December 2016</b>	<b>Comparative Quarter 31st December 2015</b>	<b>Current Year Cumulative 31st December 2016</b>	<b>Comparative Year Cumulative 31st December 2015</b>
1	Interest Income	5,149	4,608	20,409	18,891
2	Interest Expense	(2,198)	(2,121)	(8,459)	(8,555)
3	<b>Net Interest Income (1 + 2)</b>	<b>2,951</b>	<b>2,487</b>	<b>11,950</b>	<b>10,336</b>
4	Bad Debts Written-Off	59	260	633	(195)
5	Impairment Losses on Loans and Advances	618	(50)	(592)	(1,604)
		<b>3,628</b>	<b>2,697</b>	<b>11,991</b>	<b>8,537</b>
6	<b>Non Interest Income:</b>				
6.1	Foreign Currency Dealings and translation Gain/(Loss )	191	327	890	2,905
6.2	Fees and Commissions	498	766	2,345	2,667
6.3	Dividend Income	0	0	0	0
6.4	Other Operating Income	67	54	175	122
		<b>4,384</b>	<b>3,844</b>	<b>15,401</b>	<b>14,231</b>
7	<b>Non Interest Expenses:</b>				
7.1	Salaries and Benefits	(1,458)	(1,353)	(5,898)	(5,236)
7.2	Fees and Commission	0	0	0	0
7.3	Other Operating Expenses	(1,758)	(1,861)	(6,414)	(6,759)
		<b>(3,216)</b>	<b>(3,213)</b>	<b>(12,312)</b>	<b>(11,995)</b>
8	<b>Operating Profit / (Loss) Before Taxation</b>	<b>1,169</b>	<b>630</b>	<b>3,089</b>	<b>2,237</b>
9	Income Tax Provision	(351)	(189)	(927)	(478)
10	<b>Profit/(Loss) After Income Tax</b>	<b>818</b>	<b>441</b>	<b>2,162</b>	<b>1,759</b>
11	Number of Employees	95	108	95	108
12	Basic Earnings per Share	37.22	20.08	98.40	80.03
13	Diluted Earnings per Share	36.15	19.50	95.57	77.73
14	Number of Branches	5	5	5	5
	<b>SELECTED PERFORMANCE INDICATORS</b>				
	(i) Return on Average Total Assets	2.5%	1.3%	1.7%	1.0%
	(ii) Return on Average Shareholder Funds	14.7%	8.5%	9.7%	6.0%
	(iii) Non Interest Expenses to Gross Income	86.7%	88.4%	80.2%	74.8%
	(iv) Net Interest Income to Average Earnings Assets	7.4%	6.1%	7.5%	6.8%



**CASH FLOW STATEMENT FOR THE QUARTER ENDED DECEMBER 31, 2016**

<b>I. Cash flow from operating activities</b>	<b>Current Quarter</b>	<b>Previous Quarter</b>
<b>(AMOUNTS IN MILLIONS OF TANZANIAN SHILLINGS)</b>	<b>31st December 2016</b>	<b>30th September 2016</b>
<b>Operating Profit /(Loss) Before Taxation</b>	<b>1,169</b>	<b>56</b>
Adjustments for:		
-Impairment/Amortization	119	336
-Net change in Loans and Advances	(7,015)	1,287
-Gain/loss on Sale of Assets	(24)	0
-Net change in Deposits	(308)	(2,004)
- Due from and to other Banks	9,919	(61)
-Net change in Short Term Negotiable Securities	(19,595)	16,546
-Net change in Other Liabilities	(1,214)	2,523
-Net change in Other Assets	575	1,624
- Tax Paid	89	232
-Others (specify) SMR- Movement	0	11,704
<b>Net cash provided (Used) by operating activities</b>	<b>(16,286)</b>	<b>32,243</b>
<b>II. Cash flow from investing activities:</b>		
Dividend Received	0	0
Purchase of Fixed Assets	(107)	(153)
Proceeds from Sale of Fixed Assets	24	0
Others (specify) - Purchase of Intangible Assets	0	0
<b>Net cash (Used in) /generated from investing activities</b>	<b>(83)</b>	<b>(153)</b>
<b>III. Cash flow from financing activities:</b>		
Repayment of Long-term Debt	(1,699)	0
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
<b>Net Cash generated from Financing Activities</b>	<b>(1,699)</b>	<b>0</b>
<b>IV. Cash and Cash Equivalents:</b>		
Net Increase/ (Decrease) in Cash and Cash Equivalents	(18,068)	32,090
Cash and Cash Equivalents at the beginning of the Quarter	46,914	14,824
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>28,846</b>	<b>46,914</b>

Pankaj Kansara  
**Managing Director & Chief Executive Officer**  
 23rd January 2017

Msafiri Kibebeti  
**Head of Finance**  
 23rd January 2017

Christopher Kazalla  
**Head of Internal Audit**  
 23rd January 2017

**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)**

23rd January 2017

**2. Sharmapal Aggarwal (Chairman)**

23rd January 2017