

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



## BALANCE SHEET AS AT 31ST DECEMBER, 2016 (Amounts in million shillings)

	Current Quarter 31.12.16	Previous Quarter 30.09.16
<b>A. ASSETS</b>		
1 Cash	248,191	229,668
2 Balances with Bank of Tanzania	659,459	507,827
3 Investments in Government securities	660,607	609,063
4 Balances with other banks and financial institutions	141,041	126,923
5 Cheques and items for clearing	1,435	2,019
6 Inter branch float items	-	-
7 Bills negotiated	-	-
8 Customers' liabilities for acceptances	-	-
9 Interbank loans receivables	-	-
10 Investments in other securities	-	-
11 Loans, advances and overdrafts (net of allowances for probable losses)	2,801,501	2,856,434
12 Other assets	148,122	145,272
13 Equity investments	41,378	41,378
14 Underwriting accounts	-	-
15 Property, Plant and equipment	223,406	201,317
<b>16 TOTAL ASSETS</b>	<b>4,925,140</b>	<b>4,719,901</b>
<b>B. LIABILITIES</b>		
17 Deposits from other banks and financial institutions	1,927	1,689
18 Customer deposits	3,650,029	3,434,344
19 Cash letters of credit	9,235	978
20 Special Deposits	23,202	17,400
21 Payment orders/transfers payable	-	-
22 Bankers' cheques and drafts issued	4,340	3,692
23 Accrued taxes and expenses payable	52,348	62,031
24 Acceptances outstanding	-	-
25 Inter branch float items	4,803	3,879
26 Unearned income and other deferred charges	25,208	25,379
27 Other liabilities	27,359	25,749
28 Borrowings	359,088	408,957
<b>29 TOTAL LIABILITIES</b>	<b>4,157,539</b>	<b>3,984,098</b>
<b>30 NET ASSETS/(LIABILITIES)</b>	<b>767,601</b>	<b>735,803</b>
<b>C. SHAREHOLDERS' FUNDS</b>		
31 Paid up share capital	20,000	20,000
32 Capital reserves	-	-
33 Retained earnings	559,669	572,967
34 Profit(Loss) account	154,216	122,408
35 Others capital accounts	33,716	20,428
36 Minority interest	-	-
<b>37 TOTAL SHAREHOLDERS' FUNDS</b>	<b>767,601</b>	<b>735,803</b>
38 Contingent liabilities	375,044	320,332
39 Non performing loans & advances	84,352	82,391
40 Allowances for probable losses	52,046	46,196
41 Other non performing assets	408	567
<b>D. SELECTED FINANCIAL CONDITION INDICATORS</b>		
(i) Shareholders Funds to total assets	15.6%	15.6%
(ii) Non performing loans to total gross loans	3.0%	2.8%
(iii) Gross loans and advances to total deposits	77.7%	84.1%
(iv) Loans and advances to total assets	56.9%	60.5%
(v) Earnings assets to total Assets	74.0%	77.0%
(vi) Deposits growth	6.7%	-2.6%
(vii) Assets growth	4.3%	-0.1%

## CASH FLOW STATEMENT FOR THE QUARTER ENDED 31ST DECEMBER, 2016 (Amounts in million shillings)

	Current Quarter 31.12.2016	Previous Quarter 30.09.2016
<b>I: Cash flow from Operating activities:</b>		
Net income(loss)	46,178	54,416
Adjustment for:		
- Impairment/amortization	5,058	(476)
- Net change in loans and advances	54,933	(146,886)
- Gain/loss on sale of assets	-	-
- Net change in deposits	229,982	(90,490)
- Net change in short term negotiable securities	-	-
- Net change in other liabilities	(6,672)	11,025
- Net change in other assets	(243)	7,459
- Tax paid	(16,991)	(10,880)
- Others (Net change in SMR deposits)	(7,786)	(3,087)
<b>Net cash provided (used) by operating activities</b>	<b>304,459</b>	<b>(178,919)</b>
<b>II: Cash flow from Investing activities:</b>		
Dividends received	-	-
Purchase of fixed assets	(27,147)	(19,292)
Proceeds from sale of fixed assets	-	-
Purchase of non-dealing securities	-	-
Proceeds from sale of non-dealing securities	-	-
Others-(Treasury Bonds/Bills/Equity investment)	(51,556)	131,480
<b>Net cash provided (used) by investing activities</b>	<b>(78,703)</b>	<b>112,188</b>
<b>III: Cash Flow from Financing activities:</b>		
Repayment of long-term debt	-	-
Proceeds from issuance of long term debt	-	-
Proceeds from issuance of share capital	-	-
Payment of cash dividends	-	-
Net change in other borrowings	(49,869)	38,217
Others (specify)	-	-
<b>Net cash provided(used) by financing activities</b>	<b>(49,869)</b>	<b>38,217</b>
<b>IV: Cash and Cash equivalents:</b>		
Net increase/(decrease) in cash and cash equivalents	175,887	(28,514)
Cash and cash equivalents at the beginning of the quarter	484,445	512,959
<b>Cash and cash equivalents at the end of the quarter</b>	<b>660,332</b>	<b>484,445</b>

## INCOME STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER, 2016 (Amounts in million shillings)

	Current Quarter 31.12.2016	Comparative Quarter 31.12.2015	Current Year Cumulative 31.12.2016	Comparative Year Cumulative 31.12.2015
1 Interest income	144,204	117,444	553,163	438,713
2 Interest expense	(29,291)	(18,517)	(102,194)	(68,529)
<b>3 Net interest income (1minus2)</b>	<b>114,913</b>	<b>98,927</b>	<b>450,969</b>	<b>370,184</b>
4 Bad debts written off	-	-	-	-
5 Impairment Losses on Loans and Advances	(9,466)	2,657	(29,539)	(13,009)
<b>6 Non interest income:</b>	<b>39,870</b>	<b>40,193</b>	<b>162,577</b>	<b>169,764</b>
6.1 Foreign currency dealings and translation gain/(loss)	3,674	5,527	15,418	26,430
6.2 Fee and commissions	35,691	33,995	141,666	124,671
6.3 Dividend income	-	-	-	-
6.4 Others operating income	505	671	5,493	18,663
<b>7 Non interest expense:</b>	<b>(99,139)</b>	<b>(86,758)</b>	<b>(362,963)</b>	<b>(309,611)</b>
7.1 Salaries and benefits	(41,373)	(35,015)	(167,007)	(130,649)
7.2 Fees and commissions	(16,073)	(4,486)	(10,292)	(10,253)
7.3 Other operating expenses	(41,693)	(47,257)	(185,664)	(168,709)
<b>8 Operating income/(loss)</b>	<b>46,178</b>	<b>55,019</b>	<b>221,044</b>	<b>217,328</b>
9 Income tax provision	(14,368)	(16,506)	(66,828)	(67,040)
<b>10 Net income(loss)after income tax</b>	<b>31,810</b>	<b>38,513</b>	<b>154,216</b>	<b>150,288</b>
11 Number of employees	3,432	3,163	3,432	3,163
12 Basic earnings per share	64	77	308	300
13 Diluted earnings per share	64	77	308	300
14 Number of branches	187	175	187	175
<b>SELECTED PERFORMANCE INDICATORS</b>				
(i) Return on average total assets	2.7%	3.5%	3.3%	3.3%
(ii) Return on average shareholders funds	17.6%	23.6%	21.3%	22.6%
(iii) Non interest expense to gross income	53.9%	55.0%	50.7%	50.9%
(iv) Net interest income to average earning assets	12.5%	12.1%	12.6%	10.9%

### Signed by

Ineke Bussemaker  
Managing Director

Waziri Barnabas  
Chief Financial Officer

Augustino Mbogella  
Chief Internal Auditor

### Date

January 24, 2017

January 24, 2017

January 24, 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.

### Signed by

Prof. Joseph Semboja Board Chairman

Protase Tehingisa Director

### Date

January 24, 2017

January 24, 2017

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