

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



## BALANCE SHEET AS AT 30TH JUNE, 2016 (Amounts in million shillings)

	Current Quarter 30.06.16	Previous Quarter 31.03.16
<b>A. ASSETS</b>		
1 Cash	239,231	220,868
2 Balances with Bank of Tanzania	473,757	642,890
3 Investments in Government securities	740,573	683,414
4 Balances with other banks and financial institutions	175,389	172,430
5 Cheques and items for clearing	3,418	1,786
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)	2,709,548	2,566,632
12 Other assets	152,800	152,364
13 Equity investments	41,378	41,378
14 Underwriting accounts	-	-
15 Property, Plant and equipment	186,994	158,253
<b>16 TOTAL ASSETS</b>	<b>4,723,088</b>	<b>4,640,015</b>
<b>B. LIABILITIES</b>		
17 Deposits from other banks and financial institutions	2,540	1,172
18 Customer deposits	3,519,361	3,561,002
19 Cash letters of credit	-	-
20 Special Deposits	23,000	10,845
21 Payment orders/transfers payable	-	-
22 Bankers' cheques and drafts issued	3,343	2,991
23 Accrued taxes and expenses payable	47,096	41,228
24 Acceptances outstanding	-	-
25 Inter branch float items	7,042	397
26 Unearned income and other deferred charges	24,139	22,343
27 Other liabilities	28,085	25,721
28 Borrowings	370,740	269,714
<b>29 TOTAL LIABILITIES</b>	<b>4,025,346</b>	<b>3,935,413</b>
<b>30 NET ASSETS/(LIABILITIES)</b>	<b>697,742</b>	<b>704,602</b>
<b>C. SHAREHOLDERS' FUNDS</b>		
31 Paid up share capital	20,000	20,000
32 Capital reserves	-	-
33 Retained earnings	561,349	616,367
34 Profit(Loss) account	84,316	39,280
35 Others capital accounts	32,077	28,955
36 Minority interest	-	-
<b>37 TOTAL SHAREHOLDERS' FUNDS</b>	<b>697,742</b>	<b>704,602</b>
38 Contingent liabilities	267,289	242,139
39 Non performing loans & advances	85,526	63,311
40 Allowances for probable losses	41,636	38,785
41 Other non performing assets	583	867
<b>D. SELECTED FINANCIAL CONDITION INDICATORS</b>		
(i) Shareholders Funds to total assets	14.8%	15.2%
(ii) Non performing loans to total gross loans	3.1%	2.3%
(iii) Gross loans and advances to total deposits	77.7%	72.9%
(iv) Loans and advances to total assets	57.4%	55.3%
(v) Earnings assets to total Assets	77.6%	74.7%
(vi) Deposits growth	-0.8%	0.1%
(vii) Assets growth	1.8%	1.3%

## CASH FLOW STATEMENT FOR THE QUARTER ENDED 30TH JUNE, 2016 (Amounts in million shillings)

	Current Quarter 30.06.2016	Previous Quarter 31.03.2016
<b>I: Cash flow from Operating activities:</b>		
Net income(loss)	64,337	56,114
Adjustment for:		
- Impairment/amortization	4,313	4,365
- Net change in loans and advances	(142,916)	(84,879)
- Gain/loss on sale of assets	-	-
- Net change in deposits	(28,118)	3,548
- Net change in short term negotiable securities	-	-
- Net change in other liabilities	17,025	13,242
- Net change in other assets	3,707	(85,449)
- Tax paid	(23,384)	(18,384)
- Others (Net change in SMR deposits)	16,315	(15,091)
<b>Net cash provided (used) by operating activities</b>	<b>(88,721)</b>	<b>(126,534)</b>
<b>II: Cash flow from Investing activities:</b>		
Dividends received	-	-
Purchase of fixed assets	(33,053)	(10,251)
Proceeds from sale of fixed assets	-	-
Purchase of non-dealing securities	-	-
Proceeds from sale of non-dealing securities	-	-
Others-(Treasury Bonds/Bills/Equity investment)	(57,055)	(9,379)
<b>Net cash provided (used) by investing activities</b>	<b>(90,108)</b>	<b>(19,630)</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	(52,000)	-
Net change in other borrowings	101,026	3,961
Others (specify)	-	-
<b>Net cash provided(used) by financing activities</b>	<b>49,026</b>	<b>3,961</b>
<b>IV: Cash and Cash equivalents:</b>		
Net increase/(decrease) in cash and cash equivalents	(129,803)	(142,203)
Cash and cash equivalents at the beginning of the quarter	642,762	784,965
<b>Cash and cash equivalents at the end of the quarter</b>	<b>512,959</b>	<b>642,762</b>

## INCOME STATEMENT FOR THE PERIOD ENDED 30TH JUNE, 2016 (Amounts in million shillings)

	Current Quarter 30.06.2016	Comparative Quarter 30.06.2015	Current Year 30.06.2016	Comparative Year 30.06.2015
1 Interest income	138,555	107,477	264,948	212,620
2 Interest expense	(21,646)	(17,361)	(42,021)	(32,651)
<b>3 Net interest income (1minus2)</b>	<b>116,909</b>	<b>90,116</b>	<b>222,927</b>	<b>179,969</b>
4 Bad debts written off	-	-	-	-
5 Impairment Losses on Loans and Advances	(6,640)	(3,922)	(12,138)	(8,955)
<b>6 Non interest income:</b>	<b>42,336</b>	<b>44,778</b>	<b>81,749</b>	<b>80,480</b>
6.1 Foreign currency dealings and translation gain/(loss)	4,447	7,658	7,921	12,783
6.2 Fee and commissions	36,674	29,465	70,307	57,497
6.3 Dividend income	-	-	-	-
6.4 Others operating income	1,215	7,655	3,521	10,200
<b>7 Non interest expense:</b>	<b>(88,268)</b>	<b>(75,745)</b>	<b>(172,087)</b>	<b>(141,460)</b>
7.1 Salaries and benefits	(42,974)	(35,335)	(83,596)	(69,776)
7.2 Fees and commissions	(6,176)	(3,658)	(4,511)	(6,488)
7.3 Other operating expenses	(39,118)	(36,752)	(83,980)	(65,196)
<b>8 Operating income/(loss)</b>	<b>64,337</b>	<b>55,227</b>	<b>120,451</b>	<b>110,034</b>
9 Income tax provision	(19,301)	(16,568)	(36,135)	(33,010)
<b>10 Net income(loss)after income tax</b>	<b>45,036</b>	<b>38,659</b>	<b>84,316</b>	<b>77,024</b>
11 Number of employees	3,316	3,028	3,316	3,028
12 Basic earnings per share	90	77	169	154
13 Diluted earnings per share	90	77	169	154
14 Number of branches	178	167	178	167
<b>SELECTED PERFORMANCE INDICATORS</b>				
(i) Return on average total assets	3.9%	3.9%	3.6%	3.8%
(ii) Return on average shareholders funds	26.0%	26.1%	23.9%	26.0%
(iii) Non interest expense to gross income	48.8%	49.7%	49.6%	48.3%
(iv) Net interest income to average earning assets	13.9%	12.1%	12.7%	11.9%

### Signed by

Ineke Bussemaker  
Managing Director

### Date

July 22, 2016

Waziri Barnabas  
Chief Financial Officer

July 22, 2016

Benedicto Baragomwa  
Ag. Chief Internal Auditor

July 22, 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.

### Signed by

Prof. Joseph Semboja Board Chairman

### Date

July 22, 2016

Protase Tehingisa Director

July 22, 2016