

REPORT OF THE CONDITION OF THE FINANCIAL INSTITUTION PUBLISHED PURSUANT TO SECTION 32(3) OF THE BANKING AND FINANCIAL INSTITUTIONS ACT, 2006

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2018 (Amounts in millions Shillings)

	BANK CURRENT QUARTER 30/06/2018	GROUP CURRENT QUARTER 30/06/2018	BANK PREVIOUS QUARTER 31/03/2018	GROUP PREVIOUS QUARTER 31/03/2018
A. ASSETS				
1 Cash		4,248	-	3,777
2 Balances with Bank of Tanzania	108	36,976	108	30,152
3 Investments in Government Securities	33,261	53,957	36,029	52,330
4 Balances with Other Banks and financial Institutions	13,600	15,480	24,373	27,943
5 Cheques and Items for Clearing	-	29	-	44
6 Interbranch float items	-	-	-	-
7 Bills Negotiated	-	-	-	-
8 Customer Liability on Acceptances	-	-	-	-
9 Interbank Loans receivables	-	0	-	272
10 Investments in other Securities	-	2,002	-	69
11 Loans, Advances and Overdrafts (Net of Allowances for Probable Losses)	554,800	713,250	547,313	697,493
12 Other Assets	37,057	44,939	37,330	44,363
13 Equity Investments	38,801	16,550	45,737	25,337
14 Underwriting accounts	-	-	-	-
15 Property Plant and Equipment	1,221	5,359	1,387	5,766
16 Total Assets	678,847	892,790	692,277	887,547
B. LIABILITIES				
17 Deposits from Other Banks and Financial Institutions	143,800	96,577	186,817	134,831
18 Customer Deposits	208,836	430,444	187,544	422,353
19 Cash Letters of Credit	-	16,582	-	8,732
20 Special deposits	-	-	-	-
21 Payment Order/Transfers Payable	-	198	-	62
22 Bankers' Cheques and Drafts Issued	-	-	-	1
23 Accrued Taxes and Expenses Payable	12,883	14,372	632	2,024
24 Acceptances Outstanding	-	-	-	-
25 Inter Branch Float Items	-	-	-	-
26 Unearned income and other deferred charges	994	1,849	924	1,730
27 Other Liabilities	8,354	11,011	11,977	13,253
28 Borrowings	67,974	67,974	69,466	69,466
29 Total Liabilities	442,842	639,007	457,359	652,452
30 Net Assets /Liabilities	236,006	253,783	234,918	235,096
C. SHAREHOLDERS' FUNDS AND RESERVES				
31 Paid Up Share Capital	202,138	202,138	202,138	202,138
32 Capital Reserves	-	-	-	-
33 Retained Earnings	(84,045)	(86,384)	(85,942)	(88,308)
34 Profit (Loss) Account	9,187	8,121	8,049	6,411
35 Other capital accounts	108,726	129,908	110,673	114,855
36 Minority interest	-	-	-	-
37 Total Shareholders' Funds And Reserves	236,006	253,783	234,918	235,096
38 Contingent Liabilities	32,041	148,982	32,624	131,039
39 Non Performing Loans and Advances	210,038	216,998	209,361	215,039
40 Allowances for Probable Losses	82,587	86,199	79,454	83,195
41 Other Non Performing Assets	21,486	21,511	8,491	8,516
D. SELECTED FINANCIAL CONDITION INDICATORS	%	%	%	%
i Shareholders Funds to Total Assets	35%	28%	34%	26%
ii Non Performing Loans to Total Gross Loans	33%	27%	33%	28%
iii Loans and Advances to Total Assets	82%	80%	79%	79%
iv Earning Assets to Total Assets	92%	88%	91%	87%
v Deposit Growth	-6%	-5%	-15%	-10%
vi Asset Growth	-2%	0.6%	-9%	-8%

STATEMENT OF CHANGES IN EQUITY AS AT 30TH JUNE 2018 (Amounts in millions Shillings)

GROUP	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	REGULATORY RESERVE	GENERAL PROVISION RESERVE	OTHERS	TOTAL
CURRENT YEAR							
Balance at the beginning of the year (Jan 2018)	202,138	-	(69,546)	84,537	2,218	16,017	235,363
Profit for the year	-	-	10,751	-	-	-	10,751
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-	-
Regulatory Reserve	-	-	(16,337)	16,337	-	-	0
General Provision Reserve	-	-	-	-	(377)	377	-
Others	-	-	(480)	-	-	12,202	11,722
Balance at the end of the current period (30th Sept 2018)	202,138	-	(75,612)	100,874	1,841	28,596	257,836
PREVIOUS YEAR							
Balance at the beginning of the year 2017	152,138	-	(60,893)	93,542	2,218	18,977	205,982
Profit for the year	-	-	(7,289)	-	-	-	(7,289)
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-	-
Regulatory Reserve	-	-	(25,341)	25,341	-	-	-
General Provision Reserve	-	-	-	-	-	-	-
Others	-	-	(1,747)	-	-	811	(936)
Balance at the end of the current period (30th Sept 2017)	152,138	-	(95,270)	118,883	2,218	19,788	197,757
BANK							
CURRENT YEAR							
Balance at the beginning of the year Jan 2018	202,138	-	(99,512)	113,524	2,490	12,187	230,827
Profit for the year	-	-	11,680	-	-	-	11,680
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-	-
Regulatory Reserve	-	-	15,595	(15,595)	-	-	-
General Provision Reserve	-	-	-	-	(1,441)	1,441	-
Others	-	-	(759)	-	-	(1,847)	(2,607)
Balance at the end of the current period (30th Sept 2018)	202,138	-	(72,997)	97,929	1,049	11,781	239,900
PREVIOUS YEAR							
Balance at the beginning of the year 2017	152,138	-	(65,836)	91,031	1,232	18,988	197,553
Profit for the year	-	-	(4,061)	-	-	-	(4,061)
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-	-
Regulatory Reserve	-	-	(24,083)	24,083	-	-	-
General Provision Reserve	-	-	-	-	-	-	-
Others	-	-	584	-	-	584	1,168
Balance at the end of the current period (30th June 2017)	152,138	-	(90,990)	116,720	-	18,406	196,274

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30TH JUNE 2018 (Amounts in millions Shillings)

	BANK CURRENT QUARTER 30/06/2018	GROUP CURRENT QUARTER 30/06/2018	BANK COMPARATIVE QUARTER 30/06/2017	GROUP COMPARATIVE QUARTER 30/06/2017	BANK CURRENT YEAR CUMULATIVE 30/06/2018	GROUP CURRENT YEAR CUMULATIVE 30/06/2018	BANK COMPARATIVE YEAR CUMULATIVE 30/06/2017	GROUP COMPARATIVE YEAR CUMULATIVE 30/06/2017
E								
1. Interest Income	22,985	29,998	24,870	30,818	45,862	59,258	50,347	61,857
2. Interest Expense	(8,673)	(11,651)	(14,078)	(16,697)	(18,122)	(24,506)	(25,981)	(31,066)
3. Net Interest Income	14,312	18,347	10,792	14,121	27,740	34,753	24,366	30,791
4. Bad Debts Written Off	(49)	(49)	(23)	(23)	(154)	(154)	(195)	(195)
5. Impairment losses on loans and Advances	(4,815)	(4,578)	(6,639)	(6,638)	(7,385)	(8,482)	(15,956)	(16,109)
6. Non Interest Income	888	2,949	829	2,456	2,964	6,700	1,714	4,661
6.1 Foreign currency Dealings and Translation Gain/(Loss)	40	523	107	399	75	840	287	1,085
6.2 Fees and Commissions	319	1,575	404	1,554	942	3,324	814	2,838
6.3 Dividend Income	-	-	78	83	-	-	-	-
6.4 Other operating income	529	851	240	420	1,947	2,537	613	738
7. Non Interest Expense	(5,261)	(10,719)	(5,792)	(11,470)	(10,041)	(21,189)	(11,759)	(22,945)
7.1 Salary and benefits	(3,394)	(6,403)	(3,630)	(6,626)	(6,515)	(12,573)	(7,627)	(13,638)
7.2 Fees and Commissions	-	(150)	-	(84)	-	(296)	-	(282)
7.3 Other operating expenses	(1,867)	(4,165)	(2,162)	(4,760)	(3,527)	(8,319)	(4,132)	(9,025)
8. Operating Income/(Loss) beforeTax	5,075	5,950	(832)	(1,554)	13,124	11,628	(1,281)	(3,797)
9. Income Tax Provision	(1,522)	(1,522)	250	466	(3,937)	(3,488)	549	1,139
10. Net Income/(Loss) after Income Tax	3,552	4,428	(582)	(1,088)	9,187	8,140	(1,281)	(2,658)
11. Other Comprehensive Income (itemize)	-	-	-	-	-	-	-	-
12. Total comprehensive income/(loss) for the year	3,552	4,428	(582)	(1,088)	9,187	8,140	(1,281)	(2,658)
13. Number of employees	145	263	145	259	145	263	145	259
14. Basic Earnings per share	18	30	(4)	(7)	45	(8)	(8)	(17)
15. Number of branches	-	5	-	5	-	5	-	5
F. SELECTED PERFORMANCE INDICATORS								
(i) Return on Average Total Assets	1%	1%	-0.1%	-0.2%	2%	1%	-0.2%	-0.4%
(ii) Return on Average Shareholders Fund	2%	2%	-0.4%	-0.8%	6%	5%	-0.9%	-1.9%
(iii) Non Interest Expense to Gross Income	22%	33%	22.5%	34.5%	21%	32%	22.6%	34.5%
(iv) Net Interest Income to Average Earning Assets	2%	2%	1.6%	1.8%	4%	4%	3.7%	4.0%
(iv) Net Interest Income to Average Earning Assets	2%	2%	2%	2%	6%	6%	4%	4%

STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30TH JUNE 2018 (Amounts in millions Shillings)

	Bank For the Quarter Ended 30/06/2018	Group For the Quarter Ended 30/06/2018	Bank For the Quarter Ended 31/03/2018	Group For the Quarter Ended 31/03/2018	Bank Current Year Cumulative 30/06/2018	Group Current Year Cumulative 30/06/2018	Bank Comparative year Cumulative 30/06/2017	Group Comparative year Cumulative 30/06/2017
I:Cashflow from operating activities								
Net Income(Loss)	5,075	5,950	8,049	5,678	13,124	11,628	(1,829)	(3,797)
Adjustments for:								
Impairment/Amortisation	(4,864)	(4,761)	2,675	4,438	(7,539)	(5,673)	(16,151)	(16,304)
Net change in Loans and Advances	(7,487)	(15,519)	(3,727)	(19,893)	(16,981)	(41,418)	51,724	37,740
(Gain)/Loss on sale of Assets	(195)	(195)	-	-	-	-	-	-
Net change in Deposits	(21,724)	(20,807)	(70,116)	(44,921)	(23,685)	2,863	(39,388)	12,933
Net change in Short term Negotiable Securities	2,812	(766)	324	(10,082)	(3,113)	(17,296)	19,787	24,436
Net change in other liabilities	3,319	23,275	232	1,317	8,930	9,056	37	618
Net change in other Assets	(5,293)	(3,053)	(1,777)	(1,777)	11,447	7,280	247	(1,596)
Tax paid	-	1,813	(7)	-	(10)	-	-	-
Other - Net change in deferred income	-	-	-	-	-	-	-	-
- Net change in SMR	-	-	(963)	-	853	-	-	(4,559)
Net cash provided (used) by operating activities	(23,065)	(16,301)	(65,616)	(66,210)	(17,817)	(32,717)	14,427	49,472
II:Cash flow used in investing activities								
Dividend Received	-	-	-	-	-	-	-	-
Purchase of Fixed Assets	(47)	(146)	(260)	(296)	(68)	(201)	(5)	(73)
Proceeds from Sale Of Fixed Assets	-	-	-	-	-	-	-	-
Purchase of non-dealing securities	-	-	-	-	-	-	-	-
Proceeds from sale of non-dealing securities	-	-	-	-	-	-	-	-
Others: Investmen in Equity	6,936	6,785	(601)	(559)	6,936	6,979	(304)	(304)
Net cash provided (used) by investing activities	6,889	6,639	(862)	(855)	6,868	6,778	(309)	(377)
III:Cash flow from financing activities								
Repayment of Long Term Borrowing	(584)	(584)	(4,319)	(4,319)	(5,811)	(5,811)	2,937	2,937
Proceeds from Issuance of Long Term Dept	-	-	-	-	-	-	-	-
Proceeds from Issuance of Share Capital	-	-	-	-	-	17,000	-	-
Payment of Cash Dividends	-	-	-	-	-	-	-	-
Net Change in Other Borrowings	-</							