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 SEPTEME (Amounts in million shillings)	BER, 2016	
		Current Quarter 30.09.16	Previous Quarter 30.06.16
Α.	ASSETS		
1	Cash	229,668	239,231
2	Balances with Bank of Tanzania	507,827	473,757
3	Investments in Government securities	609,063	740,573
4	Balances with other banks and financial institutions	126,923	175,389
5	Cheques and items for clearing	2,019	3,418
6	Inter branch float items	-	
7	Bills negotiated	-	
8	Customers' liabitities for acceptances	-	
9	Interbank loans receivables	-	
10	Investments in other securities	-	
11	Loans, advances and overdrafts		
	(net of allowances for probable losses)	2,856,434	2,709,548
12	Other assets	145,272	152,800
13	Equity investments	41,378	41,378
14	Underwriting accounts	-	
15	Property, Plant and equipment	201,317	186,994
16	TOTAL ASSETS	4,719,901	4,723,088
B.	LIABILITIES		
17	Deposits from other banks and financial institutions	1,689	2,540
18	Customer deposits	3,434,344	3,519,361
19	Cash letters of credit	978	1,491
20	Special Deposits	17,400	21,509
21	Payment orders/transfers payable	-	
22	Bankers' cheques and drafts issued	3,692	3,343
23	Accrued taxes and expenses payable	62,031	47,096
24	Acceptances outstanding	-	
25	Inter branch float items	3,879	7,042
26	Unearned income and other deferred charges	25,379	24,139
27	Other liabilities	25,749	28,085
28	Borrowings	408,957	370,740
29	TOTAL LIABILITIES	3,984,098	4,025,346
30	NET ASSETS /(LIABILITIES)	735,803	697,742
	SHAREHOLDERS' FUNDS		
C. 31		20.000	20.000
32	Paid up share capital Capital reserves	20,000	20,000
33	Retained earnings	572,967	561,349
34			
35	Profit(Loss) account Others capital accounts	122,408	84,316
36	Minority interest	20,428	32,077
37	TOTAL SHAREHOLDERS' FUNDS	735,803	697,742
		-	
38	Contingent liabilities	320,332	267,289
39	Non performing loans & advances	82,391	85,526
40	Allowances for probable losses	46,196	41,636
41	Other non performing assets	567	583
D	SELECTED FINANCIAL CONDITION INDICATORS		
(i)	Shareholders Funds to total assets	15.6%	14.8%
(ii)	Non performing loans to total gross loans	2.8%	3.1%
(iii)	Gross loans and advances to total deposits	84.1%	77.7%
(iv)	Loans and advances to total assets	60.5%	57.4%
(v)	Earnings assets to total Assets	77.0%	77.6%
(vi)	Deposits growth	-2.6%	-0.8%
(vii)	Assets growth	-0.1%	1.8%

	CASH FLOW STATEMENT FOR THE QUARTER ENDED 30TI (Amounts in million shillings)	H SEPTEMBER, 2016	
		Current Quarter 30.09.2016	Previous Quarte 30.06.2016
l:	Cash flow from Operating activities:		
	Net income(loss)	54,416	64,33
	Adjustment for:		,,,,
	- Impairment/amortization	(476)	4,31
	- Net change in loans and advances	(146,886)	(142,916
	- Gain/loss on sale of assets	-	
	- Net change in deposits	(90,490)	(28,118
	- Net change in short term negotiable securities	-	
	- Net change in other liabilities	11.025	17,02
	- Net change in other assets	7.459	3,70
	- Tax paid	(10,880)	(23,384
	- Others (Net change in SMR deposits)	(3,087)	16,31
	Net cash provided (used) by operating activities	(178,919)	(88,72
		, ,,	,,,,
II:	Cash flow from Investing activities:		
	Dividends received	-	
	Purchase of fixed assets	(19,292)	(33,05)
	Proceeds from sale of fixed assets	-	
	Purchase of non-dealing securities	-	
	Proceeds from sale of non-dealing securities	-	
	Others-(Treasury Bonds/Bills /Equity investment)	131,480	(57,05
	Net cash provided (used) by investing activities	112,188	(90,10
III:	Cash Flow from Financing activities:		
	Repayment of long-term debt	-	
	Proceeds from issuance of long term debt	-	
	Proceeds from issuance of share capital	-	(52.00
	Payment of cash dividends	- 20.247	(52,00
	Net change in other borrowings	38,217	101,02
	Others (specify)		
	Net cash provided(used) by financing activities	38,217	49,02
IV:	Cash and Cash equivalents:		
	Net increase/(decrease) in cash and cash equivalents	(28,514)	(129,80
	net increase/(uecrease) in cash and cash equivalents	(20,314)	(123,80)
	Cash and cash equivalents at the beginning of the quarter	512,959	642,76
	Cash and cash equivalents at the end of the quarter	484,445	512,95

INCOME STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER, 2016 (Amounts in million shillings)					
		Current	Comparative	Current Year	Comparative
		Quarter	Quarter	Cumulative	Year Cumulative
		30.09.2016	30.09.2015	30.09.2016	30.09.2015
1	Interest income	144,011	108,793	408,960	321,412
2	Interest expense	(30,881)	(17,359)	(72,902)	(50,010)
3	Net interest income (1minus2)	113,130	91,434	336,058	271,402
4	Bad debts written off	-	-	-	
5	Impairment Losses on Loans and Advances	(7,935)	(932)	(20,073)	(9,887)
6	Non interest income:	40,958	42,153	122,707	122,633
	6.1 Foreign currency dealings and translation gain/	3,824	8,120	11,744	20,903
	(loss)				
	6.2 Fee and commissions	35,668	33,123	105,975	90,620
	6.3 Dividend income	33,000	-	103,973	90,020
	6.4 Others operating income	1.466	910	4.988	11.110
7	Non interest expense:	(91,737)	(82,541)	(263,824)	(224,001)
	7.1 Salaries and benefits	(42,037)	(35,927)	(125,633)	(105,704)
	7.2 Fees and commissions	(2,400)	(4,767)	(6,911)	(11,255)
	7.3 Other operating expenses	(47,300)	(41,847)	(131,280)	(107,042)
8	Operating income/(loss)	54,416	50,114	174,868	160,147
9	Income tax provision	(16,325)	(15,034)	(52,460)	(48,044)
10	Net income(loss)after income tax	38,091	35,080	122,408	112,103
11	Number of employees	3,374	3,078	3,374	3,078
12	Basic earnings per share	76	70	245	224
13	Diluted earnings per share	76	70	245	224
14	Number of branches	185	169	185	169
	SELECTED PERFORMANCE INDICATORS				
(i)	Return on average total assets	3.2%	3.5%	3.5%	3.7%
(ii)	Return on average shareholders funds	21.1%	23.7%	23.0%	25.2%
(iii)	Non interest expense to gross income	49.6%	54.7%	49.6%	50.4%
(iv)	Net interest income to average earning assets	12.3%	12.3%	12.6%	12.0%

Signed by		Date
Ineke Bussemaker Managing Director		October 21, 2016
Waziri Barnabas Chief Financial Officer		October 21, 2016
Augustino Mbogella Chief Internal Auditor		October 21, 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		Date
Prof. Joseph Semb	oja Board Chairman	October 21, 2016

