

UN-AUDITED FINANCIAL STATEMENTS

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30th June 2015**

(Amounts in million shillings)		
	Current Quarter 30th June 2015	Previous Quarter 31st March 2015
A. ASSETS		
1. Cash	9,384	7,725
2. Balances with Bank of Tanzania	28,608	21,619
3. Investment in government securities	-	-
4. Balances with other banks and financial institutions	13,806	19,754
5. Cheques and Items for clearing	755	598
6. Inter branch float items	-	-
7. Bills negotiated	-	-
8. Customers' liabilities for acceptances	-	-
9. Interbank loans receivable	-	-
10. Investment in other securities	-	-
11. Loans, advances and overdrafts (Net of allowances for probable losses)	141,002	127,754
12. Other assets	9,854	4,574
13. Equity investments	-	-
14. Underwriting accounts	-	-
15. Property, plant and equipment (net)	8,550	8,877
16. TOTAL ASSETS	211,960	190,900
B. LIABILITIES		
17. Deposits from other banks and financial institutions	39,880	37,952
18. Customer deposits	126,025	116,594
19. Cash letters of credit	-	-
20. Special deposits	-	-
21. Payment orders/transfers payable	-	-
22. Bankers' cheques and drafts issued	-	-
23. Accrued taxes and expenses payable	2,748	1,380
24. Acceptances outstanding	-	-
25. Inter branch float items	-	-
26. Unearned income and other deferred charges	-	-
27. Other liabilities	8,674	7,991
28. Borrowings	10,552	2,427
29. TOTAL LIABILITIES	187,879	166,344
30. NET ASSETS / (LIABILITIES)	24,081	24,555
C. SHAREHOLDERS' FUNDS		
31. Paid up share capital	25,000	25,000
32. Capital reserves	-	-
33. Retained Earnings	(1,509)	(2,265)
34. Profit/(Loss) account	(1,308)	(834)
35. Others capital accounts	1,898	2,655
36. Minority interest	-	-
37. TOTAL SHAREHOLDERS' FUNDS	24,081	24,555
38. Contingent liabilities	11,004	11,004
39. Non performing loans & advances	7,091	6,312
40. Allowances for probable losses	6,828	6,828
41. Other non performing assets	-	-
D. SELECTED FINANCIAL CONDITION INDICATORS		
(i) Shareholders' funds to total assets	11.4%	12.9%
(ii) Non performing loans to total gross loans	4.8%	4.9%
(iii) Gross loans and advances to total deposits	88.2%	85.4%
(iv) Loans and advances to total assets	67.5%	67.5%
(v) Earning assets to total assets	73.8%	76.5%
(vi) Deposits growth	7.4%	-3.5%
(vii) Assets growth	11.0%	-0.3%

Note:

Comparable figures in line 17 and 18 has been adjusted to correct wrongly classified deposits but the overall position remains the same.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED ON 30th June 2015
(Amounts in million shillings)

	Current Quarter 30th June 2015	Comparative Quarter 30th June 2014	Current Year Cumulative 30th June 2015	Comparative Year Cumulative 30th June 2014
1. Interest income	13,855	11,365	27,180	21,714
2. Interest expense	(5,041)	(3,945)	(10,251)	(7,874)
3. Net interest income	8,815	7,419	16,929	13,840
4. Bad debts written-off	(727)	-	(707)	(517)
5. Impairment losses on loans and advances	(1,085)	(1,159)	(2,145)	(1,196)
		-	-	-
6. Non- interest income:	1,182	225	1,173	318
6.1 Foreign currency dealings and translation gains/(losses)	(1,725)	(301)	(2,168)	(628)
6.2 Fees and commissions	397	526	797	946
6.3 Dividend income	-	-	-	-
6.4 Other operating income	2,510	-	2,544	-
7. Non interest expenses	(8,659)	(6,088)	(16,559)	(11,769)
7.1 Salaries and benefits	(4,328)	(3,361)	(8,311)	(6,248)
7.2 Fees and commission	-	-	-	-
7.3 Other operating expense	(4,330)	(2,727)	(8,248)	(5,521)
8. Operating income/(loss)	(474)	397	(1,308)	677
9. Income tax provision	-	-	-	-
10. Net profit/(loss) after income tax	(474)	397	(1,308)	677
11. Number of employees	873	612	873	612
12. Basic Earnings Per Share	(19)	20	(52)	34
13. Diluted Earnings Per Share	(19)	20	(52)	34
14. Number of branches	12	10	12	10
SELECTED PERFORMANCE INDICATORS				
(i) Return on average total assets	-1%	1%	-3%	1%
(ii) Return on average ordinary shareholders' funds	-8%	6%	-21%	6%
(iii) Non interest expense to gross income	106%	95%	109%	95%
(iv) Net Interest income to average earning assets	23%	22%	45%	22%

**STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED ON 30TH JUNE 2015**

(Amounts in million shillings)

	Current Quarter 30th June 2015	Previous Quarter 31st March 2015
I: Cash flow from operating activities:		
Net Income/(loss)	(474)	(834)
Adjustment for non-cash items:		
- provisions/amortisation/depreciation	586	577
- net change in loans and advances	(14,329)	(6,608)
- gain/loss on sale of assets	-	-
- net change in deposits	8,435	(5,612)
- net change in short term negotiable securities	-	-
- net change in other liabilities	4,975	5,129
- net change in other assets	(5,281)	(355)
- tax paid	(441)	-
- others	-	-
<i>Net cash provided (used) by operating activities</i>	(6,529)	(7,704)
II: Cash flow from investing activities:		
Dividend received	-	-
Purchase of fixed assets	(260)	(171)
Proceeds from sale of fixed assets	-	(254)
Purchase of non-dealing securities	-	-
Proceeds from sale of non-dealing securities	-	-
Others	-	-
<i>Net cash provided (used) by investing activities</i>	(260)	(425)
III: Cash from financing activities:		
Repayment of long term debt	-	-
Proceeds from issuance of long term debt	-	-
Proceeds from issuance of share capital	-	1,094
Payment of cash dividends	-	-
Net change in other borrowings	8,125	(127)
Others	-	-
<i>Net cash provided (used) by financing activities</i>	8,125	968
IV: Cash and cash equivalents:		
Net increase in cash and cash equivalents	1,337	(7,162)
Cash and cash equivalents at the beginning of the quarter	49,749	56,911
Cash and cash equivalents at the end of the quarter	51,086	49,749

Name	Position	Signature	Date
1. Roland Coulon	Chief Executive Officer	_____	28 th July 2015
2. Faustine Mwizarubi	Head of Internal Audit	_____	28 th July 2015

We, the undersigned 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 instructions and are true and correct.

Name	Signature	Date
1. Christoph Diehl	_____	28 th July 2015
2. Patrick Schoeneborn'	_____	28 th July 2015