

PUBLICATION OF FINANCIAL STATEMENTS

Issued pursuant to regulations 7 and 8 of the Banking and Financial Institutions (Disclosures) Regulations, 2014

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017 (Amounts in million shillings)	Current Quarter 30-Jun-2017	Previous Quarter 31-Mar-2017
A. ASSETS:		
1. Cash	124	404
2. Balances with Bank of Tanzania	464	372
3. Investments in government securities	4,923	10,062
4. Balances with other banks and financial institutions	17	4
5. Cheques and Items for clearing	-	-
6. Inter branch float items	-	-
7. Bills negotiated	-	-
8. Customers' liabilities for acceptances	-	-
9. Interbank loans receivables	15,050	12,700
10. Investment in other securities	-	-
11. Loans, advances and overdrafts (Net of allowance for probable losses)	5,045	906
12. Other assets	7,865	7,504
13. Equity investments	-	-
14. Underwriting accounts	-	-
15. Property, plant and equipment (net)	2,605	2,817
16. TOTAL ASSETS	36,093	34,769
B. LIABILITIES:		
17. Deposits from other banks and financial institutions	-	-
18. Customer deposits	5,504	3,225
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	1,349	1,068
24. Acceptances outstanding	-	-
25. Interbranch float items	0	(1)
26. Unearned income and other deferred charges	576	509
27. Other liabilities	22	48
28. Borrowings	-	-
29. TOTAL LIABILITIES	7,451	4,849
30. NET ASSETS/(LIABILITIES) (16 minus 29)	28,642	29,920
C. SHAREHOLDERS' FUNDS:		
31. Paid up share capital	30,912	30,912
32. Capital reserves	53	8
33. Retained Earnings	(1,043)	259
34. Profit (Loss) account	(1,280)	(1,259)
35. Others capital accounts	-	-
36. Minority interest	-	-
37. TOTAL SHAREHOLDERS' FUNDS	28,642	29,920
38.. CONTINGENT LIABILITIES		

39. Non-performing loans & advances	-	-
40. Allowances for probable losses	-	-
41. Other non-performing assets	-	-
D. SELECTED FINANCIAL CONDITION INDICATORS		
- Shareholders' Funds to Total Assets	79%	86%
- Non-Performing Loans to Total Gross Loans	0%	0%
- Gross Loans and Advances to Total Deposits	92%	28%
- Loans and Advances to Total Assets	14%	3%
- Earning Assets to Total Assets	69%	68%
- Deposits Growth	71%	127%
- Assets Growth	4%	1%

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2017 (Amounts in million shillings)	Current Quarter 30-Jun-2017	Current Year Cumulative 30-Jun-2017
1. Interest income	890	1,764
2. Interest expense	107	170
3. Net interest income (1 minus 2)	783	1,594
4. Bad debts written-off	-	-
5. Impairment losses on loans and advances	-	-
6. Non- interest income:	99	162
6.1 Foreign currency dealings and translation gains/(loss)	(3)	(7)
6.2 Fees and commissions	102	169
6.3 Dividend income	-	-
6.4 Other operating income	-	-
7. Non-interest expenses	2,162	4,295
7.1 Salaries and benefits	669	1,343
7.2 Fees and commission	-	-
7.3 Other operating expenses	1,493	2,952
8. Operating income/(loss)	(1,280)	(2,539)
9. Income tax provision	-	-
10. Net income/(loss) after income tax	(1,280)	(2,539)
11. Other Comprehensive Income	-	-
12. Total comprehensive Income/(loss) for the year	-	-
13. Number of employees	50	50
14. Basic Earnings Per Share	(21)	(41)
15. Number of branches	1	1
SELECTED PERFORMANCE INDICATORS		
(i) Return on Average Total Assets	-4%	-7%
(ii) Return on Average Shareholders' Funds	-4%	-9%
(iii) Non-Interest Expense to Gross Income	-245%	-245%
(iv) Net Interest Income to Average Earning Assets	3%	7%

CONDENSED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 30 JUNE 2017 (Amounts in million shillings)	Current Quarter 30-Jun-2017	Previous Quarter 31-Mar-2017
I. Cash flow from operating activities:		
Net (loss)profit before tax	(1,280)	(1,259)
Adjustment for:		
- Impairment/amortisation/depreciation	400	387
- Net change in loans and advances	(6,489)	(3,149)
- Gain/loss on sale of assets	-	-
- Net change in deposits	2,279	1,803
- Net change in short term negotiable securities	5,139	3,500
- Net change in other liabilities	322	(216)
- Net change in other assets	(46)	(726)
- Tax paid	-	-
- Others	-	-
Net cash provided (used) by operating activities	325	340
II. Cash flow from investing activities:		
- Dividend received	-	-
- Purchase of fixed assets	(501)	(51)
- Proceeds from sale of fixed assets	-	-
- Purchase of non-dealing securities	-	-
- Proceeds from sale of non-dealing securities	-	-
- Others	-	-
Net cash provided (used) by investing activities	(501)	(51)
III. Cash from financing activities:		
- 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	-	-
- Others	-	-
Net cash provided (used) by financing activities	-	-
IV. Cash and cash equivalents:		
- Net increase/(decrease) in cash and cash equivalents	(176)	289
- Cash and cash equivalents at the beginning of the year	478	189
- Cash and cash equivalents at the end of the quarter	302	478

CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2017 (Amounts in million shillings)	Share Capital	Retained Earnings	Regulatory Reserve	Total
Current Year				
Balance as at the beginning of the year	30,912	259	6	31,177
Profit for the year	-	(2,539)	-	(2,539)
Other Comprehensive Income	-	-	-	-
Transactions with owners	-	-	-	-
Dividends Paid	-	-	-	-
Regulatory Reserve	-	(47)	47	-
General Provision Reserve	-	-	-	-
Others	-	4	-	4
Balance as at the end of the current period	30,912	(2,323)	53	28,642
Previous Year				
Balance as at the beginning of the year	30,912	994	-	31,906
Profit for the year	-	(729)	-	(729)
Other Comprehensive Income	-	-	-	-
Transactions with owners	-	-	-	-
Dividends paid	-	-	-	-
Regulatory Reserve	-	(6)	6	-
General Provision Reserve	-	-	-	-
Others	-	-	-	-
Balance as at the end of the previous period	30,912	259	6	31,177

**SELECTED EXPLANATORY NOTES
FOR THE QUARTER ENDED 30 JUNE 2017**

In preparation of the quarterly financial statements, consistent accounting policies have been used as those applicable to the previous year audited financial statements

<u>Name and Title</u>	<u>Signature</u>	<u>Date</u>
Ronald Manongi (Chief Executive Officer)	..... (signed)	27 July 2017
Selemani Kijori (Head of Finance)	..... (signed)	27 July 2017
Hemed Maulu (Chief Internal Auditor)	..... (signed)	27 July 2017

We, the undersigned directors, attest to the faithful representation 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 international Financial Reporting Standards and the requirements of the Banking and Financial Institutions Act, 2006 and they present a true and fair view.

<u>Name</u>	<u>Signature</u>	<u>Date</u>
1/ Herman Kessy	..... (signed)	27 July 2017
2/ Saidi Kambi	..... (signed)	27 July 2017