



UN-AUDITED FINANCIAL STATEMENTS

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE QUARTER ENDED ON 30th June 2014

(Amounts in million shillings)

	Current Quarter 30th June 2014	Comparative Quarter 30th June 2013	Current Year Cumulative 30th June 2014	Comparative Year Cumulative 30th June 2013
1. Interest income	11,365	7,347	21,714	13,740
2. Interest expense	(3,945)	(2,157)	(7,874)	(4,167)
3. Net interest income	7,419	5,190	13,840	9,573
4. Bad debts written-off	-	-	(517)	(193)
5. Impairment losses on loans and advances	(1,159)	(667)	(1,196)	(644)
6. Non- interest income:	225	69	318	292
6.1 Foreign currency dealings and translation gains/(losses)	(301)	(251)	(628)	(344)
6.2 Fees and commissions	526	319	946	636
6.3 Dividend income	-	-	-	-
6.4 Other operating income	-	-	-	-
7. Non interest expenses	(6,088)	(4,465)	(11,769)	(8,275)
7.1 Salaries and benefits	(3,361)	(2,279)	(6,248)	(4,206)
7.2 Fees and commission	-	-	-	-
7.3 Other operating expense	(2,727)	(2,186)	(5,521)	(4,070)
8. Operating income/(loss)	397	127	677	752
9. Income tax provision	-	-	-	-
10. Net profit/(loss) after income tax	397	127	677	752
11. Number of employees	612	444	612	444
12. Basic Earnings Per Share	19.83	8.20	33.83	50.34
13. Diluted Earnings Per Share	19.83	8.20	33.83	50.34
14. Number of branches	10	8	10	8
<u>SELECTED PERFORMANCE INDICATORS</u>				
(i) Return on average total assets	0.94%	0.50%	0.83%	1.60%
(ii) Return on average ordinary shareholders' funds	7.93%	3.50%	6.77%	11.00%
(iii) Non interest expense to gross income	93.88%	97.20%	94.56%	91.70%
(iv) Net Interest income to average earning assets	19.69%	24.60%	20.85%	25.00%

STATEMENT OF FINANCIAL POSITION
AS AT 30th June 2014

(Amounts in million shillings)

		Current Quarter 30th June 2014	Previous Quarter 31st March 2014
A. ASSETS			
1.	Cash	5,781	5,572
2.	Balances with Bank of Tanzania	25,208	32,645
3.	Investment in government securities	-	-
4.	Balances with other banks and financial institutions	21,841	21,170
5.	Cheques and Items for clearing	268	419
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)	103,952	95,629
12.	Other assets	3,663	3,667
13.	Equity investments	-	-
14.	Underwriting accounts	-	-
15.	Property, plant and equipment (net)	6,920	6,892
16.	TOTAL ASSETS	167,633	165,994
B. LIABILITIES			
17.	Deposits from other banks and financial institutions	59,940	60,877
18.	Customer deposits	78,811	77,256
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	4,412	3,252
24.	Acceptances outstanding	-	-
25.	Inter branch float items	-	-
26.	Unearned income and other deferred charges	-	-
27.	Other liabilities	3,711	3,257
28.	Borrowings	380	380
29.	TOTAL LIABILITIES	147,253	145,022
30.	NET ASSETS / (LIABILITIES)	20,380	20,972
C. SHAREHOLDERS' FUNDS			
31.	Paid up share capital	20,000	20,000
32.	Capital reserves	-	-
33.	Retained Earnings	(2,238)	(967)
34.	Profit/(Loss) account	677	280
35.	Others capital accounts	1,941	1,659
36.	Minority interest	-	-
37.	TOTAL SHAREHOLDERS' FUNDS	20,380	20,972
38.	Contingent liabilities	22,329	20,475
39.	Non performing loans & advances	4,573	3,058
40.	Allowances for probable losses	4,498	3,056
41.	Other non performing assets	-	-
D. SELECTED FINANCIAL CONDITION INDICATORS			
(i)	Shareholders' funds to total assets	12.2%	12.6%
(ii)	Non performing loans to total gross loans	4.39%	3.2%
(iii)	Gross loans and advances to total deposits	76.8%	70.2%
(iv)	Loans and advances to total assets	62.2%	57.2%
(v)	Earning assets to total assets	74.3%	67.3%
(vi)	Deposits growth	0.4%	16.0%
(vii)	Assets growth	1.0%	13.4%

**STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED ON 30 JUNE 2014**

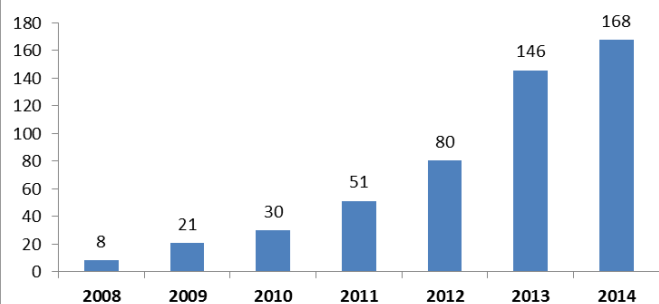
(Amounts in million shillings)

**Current Quarter
30TH JUNE 2014**

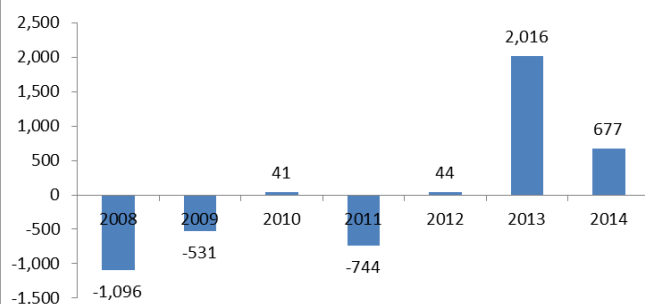
**Previous Quarter
31ST MARCH 2013**

	Current Quarter 30TH JUNE 2014	Previous Quarter 31ST MARCH 2013
I: Cash flow from operating activities:		
Net Income/(loss)	397	280
Adjustment for non-cash items:		
- provisions/amortisation/depreciation	437	448
- net change in loans and advances	(8,323)	(7,172)
- gain/loss on sale of assets	-	-
- net change in deposits	617	19,007
- net change in short term negotiable securities	-	-
- net change in other liabilities	1,614	80
- net change in other assets	5	(17)
- tax paid	-	-
- others	-	-
<i>Net cash provided (used) by operating activities</i>	(5,253)	12,625
II: Cash flow from investing activities:		
Dividend received	-	-
Purchase of fixed assets	(360)	(325)
Proceeds from sale of fixed assets	-	-
Purchase of non-dealing securities	-	-
Proceeds from sale of non-dealing securities	-	-
Others	-	-
<i>Net cash provided (used) by investing activities</i>	(360)	(325)
III: Cash from financing activities:		
Repayment of long term debt	-	-
Proceeds from issuance of long term debt	-	-
Proceeds from issuance of share capital	-	316
Payment of cash dividends	-	-
Net change in other borrowings	0	(127)
Others	-	-
<i>Net cash provided (used) by financing activities</i>	0	189
IV: Cash and cash equivalents:		
Net increase in cash and cash equivalents	(5,613)	12,490
Cash and cash equivalents at the beginning of the quarter	58,711	46,221
Cash and cash equivalents at the end of the quarter	53,098	58,711

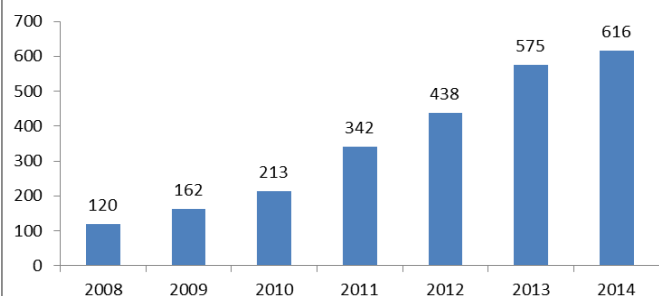
**GROWTH IN TOTAL ASSETS UNTIL
JUNE 2014 (In TZS Billions)**



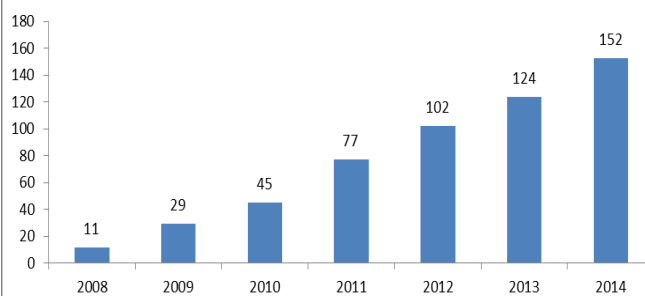
**GROWTH IN PROFIT BEFORE TAX UNTIL
JUNE 2014 (in TZS Millions)**



**TOTAL GROWTH IN NUMBER OF STAFF
UNTIL JUNE 2014**



**TOTAL GROWTH IN NUMBER OF CUSTOMERS UNTIL
JUNE 2014 (In thousand)**



Name	Position	Signature	Date
1. Roland Coulon	Chief Executive Officer	_____	12 th August 2014
2. Imani John	Head of Finance	_____	12 th August 2014
3. Faustine Mwizarubi	Head of Internal Audit	_____	12 th August 2014

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	_____	12 th August 2014
2. Patrick Schoeneborn'	_____	12 th August 2014