

CONDENSED STATEMENT OF FINANCIAL POSITION AS  
AT 30 JUNE 2019  
(Amounts in million shillings)Current Quarter  
30-Jun-2019Previous Quarter  
31-Mar-2019

	Current Quarter 30-Jun-2019	Previous Quarter 31-Mar-2019
<b>A. ASSETS:</b>		
1. Cash	440	330
2. Balances with Bank of Tanzania	447	1,094
3. Investments in government securities	-	-
4. Balances with other banks and financial institutions	377	349
5. Cheques and Items for clearing	10	-
6. Inter branch float items	-	78
7. Bills negotiated	-	-
8. Customers' liabilities for acceptances	-	-
9. Interbank loans receivables	4,400	3,300
10. Investment in other securities	-	-
11. Loans, advances and overdrafts (Net of allowance for probable losses)	16,311	16,972
12. Other assets	5,484	5,416
13. Equity investments	-	-
14. Underwriting accounts	-	-
15. Property, plant and equipment (net)	1,453	1,641
<b>16. TOTAL ASSETS</b>	<b>28,522</b>	<b>29,180</b>
<b>B. LIABILITIES:</b>		
17. Deposits from other banks and financial institutions	-	-
18. Customer deposits	8,268	7,380
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	705	933
24. Acceptances outstanding	-	-
25. Interbranch float items	4	-
26. Unearned income and other deferred charges	228	265
27. Other liabilities	573	530
28. Borrowings	-	-
<b>29. TOTAL LIABILITIES</b>	<b>9,778</b>	<b>9,108</b>
<b>30. NET ASSETS/(LIABILITIES) (16 minus 29)</b>	<b>18,744</b>	<b>20,072</b>
<b>C. SHAREHOLDERS' FUNDS:</b>		
31. Paid up share capital	30,912	30,912
32. Capital reserves	-	-
33. Retained Earnings	(9,819)	(9,915)
34. Profit (Loss) account	(2,510)	(1,094)
35. Others capital accounts (Provision General Reserve)	162	168
36. Minority interest	-	-
<b>37. TOTAL SHAREHOLDERS' FUNDS</b>	<b>18,745</b>	<b>20,071</b>
<b>38. CONTINGENT LIABILITIES</b>		

39. Non-performing loans & advances	323	210
40. Allowances for probable losses	253	253
41. Other non-performing assets	-	2,300
<b>D. SELECTED FINANCIAL CONDITION INDICATORS</b>		
- Shareholders' Funds to Total Assets	69%	69%
- Non- Performing Loans to Total Gross Loans	1.9%	1%
- Gross Loans and Advances to Total Deposits	200%	233%
- Loans and Advances to Total Assets	58%	59%
- Earning Assets to Total Assets	71%	69%
- Deposits Growth	12%	-7%
- Assets Growth	-2%	-5%

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2019 (Amounts in million shillings)	Current Quarter 30-Jun-2019	Comparative Quarter 30-Jun-2018	Current Year Cumulative 30-Jun-2019	Comparative Year Cumulative 30-Jun-2018
1. Interest income	697	773	1,506	1,675
2. Interest expense	175	151	277	313
<b>3. Net interest income (1 minus 2)</b>	<b>522</b>	<b>622</b>	<b>1,229</b>	<b>1,362</b>
4. Bad debts written-off	-	-	-	-
5. Impairment losses on loans and advances	(1)	8	(115)	8
6. Non- interest income:	74	48	142	98
6.1 Foreign currency dealings and translation gains/(loss)	4	4	9	4
6.2 Fees and commissions	70	44	132	94
6.3 Dividend income	-	-	-	-
6.4 Other operating income	-	-	1	-
7. Non-interest expenses	2,013	2,055	3,996	4,112
7.1 Salaries and benefits	841	929	1,707	1,809
7.2 Fees and commission	-	-	-	-
7.3 Other operating expenses	1,172	1,126	2,289	2,303
<b>8. Operating income/(loss)</b>	<b>(1,416)</b>	<b>(1,393)</b>	<b>(2,510)</b>	<b>(2,660)</b>
9. Income tax provision	-	-	-	-
<b>10. Net income/(loss) after income tax</b>	<b>(1,416)</b>	<b>(1,393)</b>	<b>(2,510)</b>	<b>(2,660)</b>
11. Other Comprehensive Income	-	-	-	-
<b>12. Total comprehensive Income/(loss) for the year</b>	<b>(1,416)</b>	<b>(1,393)</b>	<b>(2,510)</b>	<b>(2,660)</b>
13. Number of employees	59	62	59	62
14. Basic Earnings Per Share	-23	-23	-41	-43
15. Number of branches	2	1	2	1
<b>SELECTED PERFORMANCE INDICATORS</b>				
(i) Return on Average Total Assets	-5%	-4%	-9%	-7%
(ii) Return on Average Shareholders' Funds	-7%	-5%	-13%	-10%
(iii) Non- Interest Expense to Gross Income	338%	308%	291%	282%
(iv) Net Interest Income to Average Earning Assets	3%	2%	6%	5%

CONDENSED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 30 JUNE 2019 (Amounts in million shillings)	Current Quarter 30-Jun-2019	Previous Quarter 31-Mar-2019	Current Year Cumulative 30-Jun-2019	Comparative Year Cumulative 30-Jun-2018
<b>I. Cash flow from operating activities:</b>				
Net (loss)profit before tax	(1,416)	(1,094)	(2,510)	(2,660)
Adjustment for:				
- Impairment/amortisation/depreciation	622	512	1,162	1,031
- Net change in loans and advances	(40)	(92)	(132)	5,919
- Net change in deposits	888	(569)	319	(1,118)
- Net change in short term negotiable securities	-	-	-	-
- Net change in other liabilities	(139)	197	58	1,137
- Net change in other assets	(351)	(153)	(504)	(715)
- Tax paid	-	-	-	-
- Others	-	-	-	-
<b>Net cash provided (used) by operating activities</b>	<b>(436)</b>	<b>(1,199)</b>	<b>(1,607)</b>	<b>3,594</b>
<b>II. Cash flow from investing activities:</b>				
- Dividend received	-	-	-	-
- Purchase of fixed assets	(5)	(9)	(14)	(275)
- Proceeds from sale of fixed assets	-	-	-	-
- Purchase of non-dealing securities	(179)	1,125	946	(3,119)
- Proceeds from sale of non-dealing securities	-	-	-	-
- Others	-	-	-	-
<b>Net cash provided (used) by investing activities</b>	<b>(184)</b>	<b>1,116</b>	<b>932</b>	<b>(3,394)</b>
<b>III. Cash from financing activities:</b>				
- 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	-	-	-	-
<b>Net cash provided (used) by financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IV. Cash and cash equivalents:</b>				
- Net increase/(decrease) in cash and cash equivalents	(620)	(83)	(675)	200
- Cash and cash equivalents at the beginning of the year	1,502	1,585	1,557	643
- Cash and cash equivalents at the end of the quarter	882	1,502	882	843

<b>CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2019 (Amounts in million shillings)</b>	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Regulatory Reserve</b>	<b>Bond Revaluation Reserve</b>	<b>Provision General Reserve</b>	<b>Total</b>
<b>Current Year</b>						
Balance as at the beginning of the year	30,912	(9,976)	-	179	179	21,294
Profit for the year	-	(2,510)	-	-	-	(2,510)
Other Comprehensive Income	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-
Bond Revaluation Reserve	-	-	-	(179)	-	(179)
Provision General Reserve	-	157	-	-	(17)	140
Others	-	-	-	-	-	-
<b>Balance as at the end of the current period</b>	<b>30,912</b>	<b>(12,329)</b>	<b>-</b>	<b>-</b>	<b>162</b>	<b>18,745</b>
<b>Previous Year</b>						
Balance as at the beginning of the year	30,912	(4,120)	114	204	-	27,110
Decrease resulting from adopting IFRS9	-	(288)	-	-	-	(288)
Profit for the year	-	(5,503)	-	-	-	(5,503)
Loss on fair valuation of bonds	-	-	-	(25)	-	(25)
Other Comprehensive Income	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Transfer from Regulatory Reserve	-	114	(114)	-	-	-
Transfer to Provision General Reserve	-	(179)	-	-	179	-
<b>Balance as at the end of the previous period</b>	<b>30,912</b>	<b>(9,976)</b>	<b>-</b>	<b>179</b>	<b>179</b>	<b>21,294</b>

**FOR THE QUARTER ENDED 30 JUNE 2019**

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>
Richard Makungwa (Chief Executive Officer)	..... (signed)	30 July 2019
Selemani Kijori (Head of Finance)	..... (signed)	30 July 2019
Poniwoa Andrew (Ag. Head of Internal Audit)	..... (signed)	30 July 2019

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)	30 July 2019
2/ Ambrose Nshala	..... (signed)	30 July 2019