National Bank of Tuvalu Financial Review Third Quarter ending 30th September, 2017

Overview

At the end the third Quarter, the bank achieved a profit before tax of \$2,143,142 which exceeds our forecasted profit for the period of \$833,770

The financial performance at the end of September 2017 is summarized below.

Income Statement Period ending 30th September, 2017

	Plan	Actual	Variance	Plan	Actual	Varianc
			\$	Sep-16	Sep-16	Sep-16
Interest Income	1,080,000	1,106,829	26,829	1,215,000	1,027,630	- 187,37
Interest Expenses	252,000	208,911	43,089	189,000	178,530	10,47
Net Interest Income	828,000	897,918	- 69,918	1,026,000	849,100	- 176,90
Non Interest Income	1,719,000	2,572,135	853,135	1,575,000	3,030,290	1,455,29
Net Operating income	2,547,000	3,470,053	923,053	2,601,000	3,879,390	1,278,39
Personnel	645,800	631,985	13,815	608,910	569,980	38,93
Depreciation	54,000	-	54,000	36,000	-	36,00
Operating	1,013,430	694,926	318,504	997,230	611,000	386,23
Total operating Expenses	1,713,230	1,326,911	386,319	1,642,140	1,180,980	461,16
Bad Debts Recovered	-	-	-	-	-	-
Operating Profit before tax	833,770	2,143,142	1,309,372	958,860	2,698,410	1,739,55
Income tax Expenses	250,131	642,943	- 392,812	287,658	809,523	- 521,86
Net profit for the period	583,639	1,500,199	916,560	671,202	1,888,887	1,217,68

Highlights for the period ending 30th September, 2017 are as follows:

	Plan	Actual	variance	Plan 2016	Actual 2016	Variance
	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
Interest income						
from loans &	1080.00	1106.83	26.829	1215.00	1027.63	-187.37
investment						
FX Trading	1485.00	2180.28	695.28	1350.00	2707.17	1357.17
Non Risk fees	234.00	391.85	157.85	225.00	323.13	98.13
Interest paid on						
savings and term	252.00	208.91	43.09	189.00	178.53	10.47
deposits						

All categories of income exceeded the target plan and Interest paid expenses are well within our estimated figures.

Expenditures

	Plan	Actual	Variance	Plan 2016	Actual 2016	Variance
	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
Personnel	645.80	631.99	13.81	608.81	569.98	38.83
Operating	1,013.43	694.93	318.50	997.23	611.00	386.23
Depreciation	54.00	0.00	54.00	48.00	0.00	48.00
Total	1,713.23	1,326.91	386.32	1,654.04	1180.98	473.06

Both expenses categories are within the budgeted figures.

Specific Provision

Government of Tuvalu have cleared the principle amount of the Air Fiji Limited long outstanding overdraft with us. From the total amount of \$920,496.70, \$320,496.70 was directly written off against the Specific Provision.

Net Financing Cost

Plan	Actual	Variance	Plan 2016	Actual 2016	Variance
(000's)	(000's)	(000's)	(000's)	(000's)	(000's)

Interest Income						
Loans & Overdrafts	630.00	715.391	85.39	855.00	472.57	-382.43
Investments	450.00	391.438	-58.56	360.00	555.05	195.05
Total	1080.00	1106.83	26.83	1215.00	1027.62	-187.38
Interest Expenses:						
interest paid Savings	90.00	0.27	89.73	63.00	0.06	-62.94
interest Term						
Deposits	117.00	112.404	4.60	90.00	132.79	42.79
interest paid others	45.00	96.24	-51.24	36.00	45.69	9.69
	252.00	208.91	43.09	189.00	178.54	-10.46
Net Financing Cost	828.00	897.92	69.92	1026.00	849.08	-176.92

The Actual net financing cost exceeded the budget by \$70K compare with the same period last year which has a negative figure.

Conclusion

The Bank continues to realise profit, and we anticipate the same for the rest of the year.

Prepared for submission by:

Peteli Tauati Fakatoafe

Manager Finance & International Business