## 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 $\mathbf{3 0}^{\text {th }}$ 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 | 1,455,2c |
|  |  |  |  |  |  | - |
| Net Operating income | 2,547,000 | 3,470,053 | 923,053 | 2,601,000 | 3,879,390 | 1,278,3¢ |
| Personnel | 645,800 | 631,985 | 13,815 | 608,910 | 569,980 | 38,93 |
| Depreciation | 54,000 | - | 54,000 | 36,000 | - | 36,0C |
| 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 | 461,1€ |
| 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 | 1,217,6ع |
|  |  |  |  |  |  |  |

Highlights for the period ending $30^{\text {th }}$ 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 <br>  <br> investment | 1080.00 | 1106.83 | 26.829 | 1215.00 | 1027.63 | -187.37 |
|  |  |  |  |  |  |  |
| 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 <br> savings and term <br> deposits | 252.00 | 208.91 | 43.09 | 189.00 | 178.53 | 10.47 |

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 |  |  |  |  |  |  |

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 |  |  |
| interest Term <br> 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 |
|  |  |  |  |  |  | -189.94 |
|  | 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.

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## Manager Finance \& International Business

