

Report of Condition of the Bank Published Pursuant to Section 32 (3) of The Banking and Financial Institutions Act, 2006. Extracts from the Financial Statements for the year ended 31 December 2016

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016 (All figures in Million Shillings)	CURRENT YEAR 31-DEC-2016
1. ASSETS:	
- Cash and balances with Bank of Tanzania	201
- Investment in government securities – Treasury Bills	12,740
- Loans and advances to banks	10,339
- Loans and advances to customers	607
- Income tax recoverable	459
- Other assets	444
- Property and equipment	2,974
- Intangible assets	5,853
TOTAL ASSETS	33,617
2. LIABILITIES:	
- Deposits from customers	1,436
- Other liabilities	1,004
TOTAL LIABILITIES	2,440
NET ASSETS/(LIABILITIES)	31,177
3. SHAREHOLDERS' FUNDS:	
- Share capital	30,912
- Retained Earnings	259
- Regulatory credit risk reserve	6
TOTAL SHAREHOLDERS' FUNDS	31,177
4. CONTINGENT LIABILITIES	
- Non-performing loans & advances	-
- Allowances for probable losses	-
- Other non-performing assets	-
5. PERFORMANCE INDICATORS	
- Gross Loans and Advances to Total Deposits	42.0%
- Non-Performing Loans to Total Gross Loans	0%
- Earning Assets to Total Assets	70.5%
- Growth in Total Assets	4.1%
- Growth in Loans and Advances to Customers	100.0%
- Growth in Customers Deposits	100.0%

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (All figures in Million Shillings)	CURRENT YEAR 31-Dec-2016
1. Interest and income	3,819
2. Interest expense	(15)
3. Net interest income	3,804
4. Bad debts written-off	-
5. Impairment losses on loans and advances	-
6. Non- interest income:	30
- Net fees and commissions	31
- Foreign exchange income	(1)
- Other operating income	-
7. Non-interest expenses	(4,563)
- Operating expenses	(4,563)
8. Operating income/(loss) before income tax	(729)
9. Income tax expense	-
10. Net profit/(loss) for the year	(729)
11. Other comprehensive income	-
12. Total comprehensive income for the year	(729)
- Number of employees	44
- Basic earnings per share	11.4%
- Diluted earnings per share	11.4%
- Number of branches	1
13. PERFORMANCE INDICATORS	
- Return on Equity	(2.3%)
- Return on Assets	(2.2%)
- Cost to income ratio	119.0%
- Interest Margin on earning assets	16.0%
- Non-Interest income to gross income	0.8%

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (All figures in Million Shillings)	CURRENT YEAR 31-DEC-2016
1. Cash flow from operating activities:	
1.1. Profit before income tax	(730)
1.2. Adjusted for:	
- Depreciation and amortization	675
- Net Interest income	(3,819)
- Statutory Minimum Reserve	(71)
- Purchase of treasury bills	(6,919)
- Loans and advances to banks	14,123
- Loans and advances to customers	(607)
- Other assets	(201)
- Deposits from customers	1,436
- Other liabilities	630
- Interest received	2,336
- Taxes paid	(141)
Net cash provided (used) by operating activities	6,712
2. Cash flow from investing activities:	
- Purchase of property and equipment	(3,348)
- Purchase of intangible assets	(4,036)
Net cash provided (used) by investing activities	(7,384)
3. 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	-
4. Cash and cash equivalents:	
- Net increase/(decrease) in cash and cash equivalents	(672)
- At start of the year	861
- At end of the year	190

The above extracts are from the audited financial statements of the Bank for the year ended 31 December 2016 which have been prepared in accordance to the International Financial Reporting Standards (IFRS). The financial statements were audited by Ernst and Young (E&Y) and received a clean report. These financial statements were approved by the Board of Directors on 06 April 2017 and signed on its behalf by:

Signed by: Herman Mark Kessy..... Chairman Date: 06 April 2017

Signed by: Ambrose Ntangeki Nshala Vice Chairman Date: 06 April 2017