

Report of Condition of the Bank Published Pursuant to Section 32 (3) of The Banking and Financial Institutions Act, 2006

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016 (All figures in Million Shillings)	CURRENT QUARTER 31-DEC-2016	PREVIOUS QUARTER 30-SEPT-2016
1. ASSETS:		
- Cash	87	198
- Balances with Bank of Tanzania	114	10
- Investment in government securities	13,562	10,483
- Balances with other banks and financial institutions	59	264
- Cheques and Items for clearing	-	-
- Inter branch float items	-	-
- Bills negotiated	-	-
- Customers' liabilities for acceptances	-	-
- Interbank loans receivable	9,850	10,900
- Investment in other securities	-	-
- Loans, advances and overdrafts (Net of allowance for probable losses)	607	648
- Other assets	7,187	8,709
- Equity investments	-	-
- Underwriting accounts	-	-
- Property, plant and equipment (net)	2,974	2,791
TOTAL ASSETS	34,440	34,003
2. LIABILITIES:		
- Deposits from other banks and financial institutions	-	-
- Customer deposits	1,422	105
- Cash letters of credit	-	-
- Special deposits	-	-
- Payment orders/transfers payable	-	-
- Bankers' cheques and drafts issued	-	-
- Accrued taxes and expenses payable	827	407
- Acceptances outstanding	-	-
- Inter branch float items	-	-
- Unearned income and other deferred charges	823	779
- Other liabilities	191	32
- Borrowings	-	-
TOTAL LIABILITIES	3,263	1,323
NET ASSETS/(LIABILITIES)	31,177	32,680
3. SHAREHOLDERS' FUNDS:		
- Paid up share capital	30,912	30,912
- Capital reserves	6	6
- Retained Earnings	1,535	1,215
- Profit/(Loss) account	(1,276)	547
- Others capital accounts	-	-
- Minority interest	-	-
TOTAL SHAREHOLDERS' FUNDS	31,177	32,680
4. CONTINGENT LIABILITIES		
- Non-performing loans & advances	-	-
- Allowances for probable losses	-	-
- Other non-performing assets	-	-
5. SELECTED FINANCIAL CONDITION INDICATORS		
- Shareholders' Funds to Total Assets	91%	96%
- Non-Performing Loans to Total Gross Loans	0%	0%
- Gross Loans and Advances to Total Deposits	43%	616%
- Loans and Advances to Total Assets	2%	2%
- Earning Assets to Total Assets	70%	65%
- Deposits Growth	1254%	0%
- Assets Growth	1%	0%

STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDING 31 DECEMBER 2016 (All figures in Million Shillings)	CURRENT QUARTER 31-DEC-2016	CURRENT YEAR CUMULATIVE 31-Dec-2016
1. Interest income	591	3,819
2. Interest expense	(15)	(15)
3. Net interest income	576	3,804
4. Bad debts written-off	-	-
5. Impairment losses on loans and advances	-	-
6. Non- interest income: - Foreign currency dealings and - Fees and commissions - Dividend income - Other operating income	29 (1) 3 - 27	30 (1) 4 - 27
7. Non-interest expenses - Salaries and benefits - Fees and commission - Other operating expense	(1,881) (618) (22) (1,241)	(4,563) (1,785) (78) (2,700)
8. Operating income/(loss)	(1,277)	(729)
9. Income tax provision	-	-
10. Net profit/(loss) after income tax	(1,277)	(729)
11. Number of employees	44	44
12. Basic Earnings Per Share	(21)	(11)
13. Diluted Earnings Per Share	(21)	(11)
14. Number of branches	1	1
15.SELECTED PERFORMANCE INDICATORS		
- Return on Average Total Assets	(4%)	(2%)
- Return on Ordinary Shareholders' Funds	(4%)	(2%)
- Non-Interest Expense to Gross Income	311%	119%
- Interest Margin to Average Earning Assets	2%	16%

STATEMENT OF CASH FLOWS FOR THE QUARTER ENDING 31 DECEMBER 2016
(All figures in Million Shillings)

1. Cash flow from operating activities:		
1.1. Net (loss)/profit before tax	(1,277)	547
1.2. Adjustment for non-cash items:		
- provisions/amortisation/depreciation	342	333
- net change in loans and advances	1,091	(648)
- gain/loss on sale of assets	-	-
- net change in deposits	1,317	105
- net change in short term negotiable securities	(3,079)	(10,483)
- net change in other liabilities	623	32
- net change in other assets	1,834	(8,709)
- tax paid	(141)	-
- others	-	-
Net cash provided (used) by operating activities	710	(18,823)
2. Cash flow from investing activities:		
- Dividend received	-	-
- Purchase of fixed assets	(992)	(7,250)
- Proceeds from sale of fixed assets	-	-
- Purchase of non-dealing securities	-	-
- Proceeds from sale of non-dealing securities	-	-
- Others	-	-
Net cash provided (used) by investing activities	(992)	(7,250)
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 decrease in cash and cash equivalents	(282)	(26,073)
- Cash and cash equivalents at the beginning of the year	471	-
- Cash and cash equivalents at the end of the quarter	189	(26,073)

Signed by: Ronald Manongi Chief Executive Officer Date: 27 Jan 2017

Signed by: Selemani Kijori Head of Finance Date: 27 Jan 2017

Signed by: Hemed Mauly Head of Internal Audit Date: 27 Jan 2017

We the undersigned, non-executive members of the board of directors, attest to the correctness of the above financial statements. We declare that the financial 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.

Signed by: Herman Kessy Chairperson Date: 27 Jan 2017

Signed by: Saidi Kambi Non-executive Director Date: 27 Jan 2017