

Report of condition of the bank pursuant to section 32(3) of the Banking and Financial Institutions Act, 2006

AUDITED ACCOUNTS



BALANCE SHEET AS AT 31ST DECEMBER, 2016	TZS '000	TZS '000
	Current Year 31-12-2016	Previous Year 31-12-2015
A. ASSETS		
1. Cash	7,168,821	6,033,730
2. Balances with Bank of Tanzania	34,921,170	26,265,589
3. Investment in Government securities	0	0
4. Balances with other Banks and Financial institution	10,675,444	4,952,269
5. Cheques and items for clearing	179,698	2,200,417
6. Interbranch float items	0	0
7. Bills negotiated	0	0
8. Customers' liabilities for acceptances	0	0
9. Interbank Loans Receivables	0	0
10. Investment in Other securities	0	0
11. Financing (net of allowances for probable losses)	129,837,108	117,924,716
12. Other assets	6,672,487	7,925,214
13. Equity investments	0	0
14. Underwriting Accounts	0	0
15. Property, Plant and Equipment	2,447,096	2,991,927
16. TOTAL ASSETS	191,901,824	168,293,862
B. LIABILITIES		
17. Deposits from other banks and Financial Institutions	0	0
18. Customer deposits	141,572,058	140,959,900
19. Cash Letters of Credit	0	0
20. Special deposits	30,455,190	7,438,440
21. Payment orders/ transfers, payables	0	0
22. Bankers Cheques and Drafts Issued	155,096	341,285
23. Accrued Taxes and Expenses Payable	418,050	145,138
24. Acceptances Outstanding	0	0
25. Interbranch float items	0	0
26. Unearned income and other deferred charges	0	0
27. Other Liabilities	587,337	1,491,900
28. Borrowings	0	0
29. TOTAL LIABILITIES	173,187,732	150,376,663
30. NET ASSETS/(LIABILITIES)(16 minus 29)	18,714,092	17,917,199
C. SHAREHOLDERS' FUNDS		
31. Paid up Share capital	31,674,747	31,674,747
32. Preference Share Capital	0	0
32. Capital Reserve	3,075,942	1,797,279
33. Retained Earnings	(16,833,490)	(13,863,660)
34. Profit (Loss) Account	796,893	(1,691,167)
35. Other Capital Accounts	0	0
36. Minority Interest	0	0
37. TOTAL SHAREHOLDERS' FUNDS	18,714,092	17,917,199
38. Contingent Liabilities	33,034,627	16,838,906
39. Non performing financing	6,824,483	3,066,031
40. Allowances for probable losses	2,452,240	1,368,472
41. Other non performing assets	0	0
D. SELECTED FINANCIAL CONDITION INDICATORS		
(i) Shareholders Funds to total assets	10%	11%
(ii) Nonperforming financing to total financing	5.2%	2.6%
(iii) Gross financing to total deposits	76%	80%
(iv) Financing to total assets	68%	70%
(v) Deposits Growth	16%	40%
(iv) Assets growth	14%	42%

INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2016	TZS '000	TZS '000
	Current Year 31-12-2016	Previous Year 31-12-2015
1. Income from Financing	18,110,927	13,453,251
2. Depositors' Profit	(5,118,863)	(4,479,103)
3. Net Financing Income	12,992,064	8,974,148
4. Bad debts written off	0	0
5. Impairment losses on Financing	(1,083,769)	(261,560)
6. Non Funded Income	5,339,074	5,765,453
6.1 Foreign currency Dealings and Translation Gains/(loss)	1,082,589	2,213,146
6.2 Fees and Commissions	3,979,822	3,387,956
6.3 Dividend Income	0	0
6.4 Other Operating Income	276,663	164,351
7. Operating Expenses	(16,017,417)	(14,513,104)
7.1 Salaries and Benefits	(6,529,625)	(6,117,927)
7.2 Fees and Commissions	(44,246)	(27,439)
7.3 Other operating Expenses	(9,443,546)	(8,367,738)
7.4 Pre Operating expenses	0	0
8. Operating Income/(Loss)	1,229,952	(35,063)
9. Income/deferred Tax Provision	(433,059)	(6,892)
10. Net Income/(loss) after Income Tax	796,893	(41,955)
11. Number of employees	155	138
12. Basic Earnings Per Share	25	(1.32)
13. Diluted Earnings Per Share	25	(1.32)
12. Number of Branches	7	6
SELECTED PERFORMANCE INDICATORS		
Return on average total assets	0%	0%
Return on ordinary shareholder's funds	4%	0%
Operating expenses to gross income	68%	76%
Profit margin to average earning assets	10%	8%

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2016	TZS '000	TZS '000
	Current Year 31-12-2016	Previous Year 31-12-2015
I. Cash Flow from Operating Activities:		
Net Income/(Loss)	1,229,952	(35,063)
-Adjustment for Non-cash Items		
Impairment/Amortization/Depreciation	1,974,769	1,252,875
Amortization of intangible Assets	263,881	690,798
Gain from sale of fixed assets	(6,252)	0
- net change in Financing	(12,996,160)	(42,025,185)
- net change in deposits	23,628,908	42,754,869
- net change in statutory minimum reserve	55,590	(5,700,000)
- net change in other liabilities	(817,839)	997,978
- net change in other assets	2,765,994	(2,332,154)
- net change in deposits and balances due to banking institutions	0	0
- Tax paid	(51,594)	0
- Others (Securities)	0	0
Net cash provided(used) by operating activities	16,047,249	(4,395,882)
II. Cash flow from investing activities		
Dividend received	0	0
Purchase of property and equipment	(383,133)	(813,411)
Purchase of computer software	(137,894)	(136,980)
Proceeds from sale of fixed assets	6,252	0
Purchase of non-dealing securities	0	0
Proceed from sale of non-dealing Securities	0	0
Adjustment to work in progress	36,964	0
Net cash provided(used) by investing activities	(477,811)	(950,391)
III. Cash flow from Financing activities		
Repayment of long-term debt	0	0
Proceeds from issuance of shares	0	6,173,247
Proceeds from issuance of Share Capital	0	0
Payment of cash dividends	0	0
Net change in other borrowings	0	0
Others (specify)	0	0
Net cash provided(used) by financing activities	0	6,173,247
IV. Cash and cash equivalents		
Net increase (decrease) in cash and cash equivalents	15,569,437	826,974
Cash and cash equivalents at the beginning of the year	20,607,588	19,780,614
Cash and cash equivalents at the end of the year	36,177,025	20,607,588

The above extracts are from the Financial Statements of the Bank for year ended 31st December 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS), Islamic Sharia Principles and the provisions of the Tanzania Companies Act, 2002. The Financial Statements were audited by Deloitte & Touche (Certified Public Accountants) and received unqualified audit report.

The Financial Statements were approved by the Board of Directors on March 25, 2017 and signed on their behalf by:

Abdallah Nahdi
(Interim Chairman) Signed on March 25, 2017

Dr. Muhsin Salim Masoud
(Managing Director) Signed on March 25, 2017

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