

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 MARCH 2017 (Amounts In Million of Shillings) | CURRENT QUARTER 31-MAR-2017 | PREVIOUS QUARTER 31-DEC-2016 |
|--|-----------------------------------|------------------------------------|
| 1. ASSETS: | | |
| - Cash | 404 | 87 |
| - Balances with Bank of Tanzania | 372 | 114 |
| - Investment in government securities | 10,062 | 13,562 |
| - Balances with other banks and financial institutions | 4 | 59 |
| - Cheques and Items for clearing | - | - |
| - Inter branch float items | - | - |
| - Bills negotiated | - | - |
| - Customers' liabilities for acceptances | - | - |
| - Interbank loans receivable | 12,700 | 9,850 |
| - Investment in other securities | - | - |
| - Loans, advances and overdrafts (Net of allowance for probable losses) | 906 | 607 |
| - Other assets | 7,504 | 7,187 |
| - Equity investments | - | - |
| - Underwriting accounts | - | - |
| - Property, plant and equipment (net) | 2,817 | 2,974 |
| TOTAL ASSETS | 34,769 | 34,440 |
| 2. LIABILITIES: | | |
| - Deposits from other banks and financial institutions | - | - |
| - Customer deposits | 3,225 | 1,422 |
| - Cash letters of credit | - | - |
| - Special deposits | - | - |
| - Payment orders/transfers payable | - | - |
| - Bankers' cheques and drafts issued | - | - |
| - Accrued taxes and expenses payable | 1,068 | 827 |
| - Acceptances outstanding | - | - |
| - Inter branch float items | (1) | - |
| - Unearned income and other deferred charges | 509 | 823 |
| - Other liabilities | 48 | 191 |
| - Borrowings | - | - |
| TOTAL LIABILITIES | 4,849 | 3,263 |
| NET ASSETS/(LIABILITIES) | 29,920 | 31,177 |
| 3. SHAREHOLDERS' FUNDS: | | |
| - Paid up share capital | 30,912 | 30,912 |
| - Capital reserves | 8 | 6 |
| - Retained Earnings | 259 | 1,535 |
| - Profit/(Loss) account | (1,259) | (1,276) |
| - Others capital accounts | - | - |
| - Minority interest | - | - |
| TOTAL SHAREHOLDERS' FUNDS | 29,920 | 31,177 |
| 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 | 86% | 91% |
| - Non-Performing Loans to Total Gross Loans | 0% | 0% |
| - Gross Loans and Advances to Total Deposits | 28% | 43% |
| - Loans and Advances to Total Assets | 3% | 2% |
| - Earning Assets to Total Assets | 68% | 70% |
| - Deposits Growth | 127% | 1254% |
| - Assets Growth | 1% | 1% |

| STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDING 31 MARCH 2017 (Amounts In Million of Shillings) | CURRENT QUARTER 31-MAR-2017 | CURRENT YEAR CUMULATIVE 31-MAR-2017 |
|---|--------------------------------|---|
| 1. Interest income | 874 | 874 |
| 2. Interest expense | (63) | (63) |
| 3. Net interest income | 811 | 811 |
| 4. Bad debts written-off | - | - |
| 5. Impairment losses on loans and advances | - | - |
| 6. Non- interest income: | 63 | 63 |
| - Foreign currency dealings and | (4) | (4) |
| - Fees and commissions | 67 | 67 |
| - Dividend income | - | - |
| - Other operating income | - | - |
| 7. Non-interest expenses | (2,133) | (2,133) |
| - Salaries and benefits | (674) | (674) |
| - Fees and commission | - | - |
| - Other operating expense | (1,459) | (1,459) |
| 8. Operating income/(loss) | (1,259) | (1,259) |
| 9. Income tax provision | - | - |
| 10. Net profit/(loss) after income tax | (1,259) | (1,259) |
| 11. Number of employees | 45 | 45 |
| 12. Basic Earnings Per Share | (20) | (20) |
| 13. Diluted Earnings Per Share | (20) | (20) |
| 14. Number of branches | 1 | 1 |
| 15. SELECTED PERFORMANCE INDICATORS | | |
| - Return on Average Total Assets | (4%) | (4%) |
| - Return on Ordinary Shareholders' Funds | (4%) | (4%) |
| - Non-Interest Expense to Gross Income | 244% | 244% |
| - Interest Margin to Average Earning Assets | 3% | 3% |

| STATEMENT OF CASH FLOWS FOR THE QUARTER ENDING 31 MARCH 2017 (Amounts In Million of Shillings) | CURRENT QUARTER 31-MAR-2017 | PREVIOUS QUARTER 31-DEC-2016 |
|---|--|---|
| 1. Cash flow from operating activities: | | |
| 1.1. Net (loss)/profit before tax | (1,259) | (1,277) |
| 1.2. Adjustment for non-cash items: | | |
| - provisions/amortization/depreciation | 387 | 342 |
| - net change in loans and advances | (3,149) | 1,091 |
| - gain/loss on sale of assets | - | - |
| - net change in deposits | 1,803 | 1,317 |
| - net change in short term negotiable securities | 3,500 | (3,079) |
| - net change in other liabilities | (216) | 623 |
| - net change in other assets | (726) | 1,834 |
| - tax paid | - | (141) |
| - others | - | - |
| Net cash provided (used) by operating activities | 340 | 710 |
| 2. Cash flow from investing activities: | | |
| - Dividend received | - | - |
| - Purchase of fixed assets | (51) | (992) |
| - 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 | (51) | (992) |
| 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 | 289 | (282) |
| - Cash and cash equivalents at the beginning of the year | 189 | 471 |
| - Cash and cash equivalents at the end of the quarter | 478 | 189 |

Signed by: Ronald Manongi..... Chief Executive Officer

Date: 27 Apr 2017

Signed by: Selemani Kijori..... Head of Finance

Date: 27 Apr 2017

Signed by: Hemed Maulu..... Head of Internal Audit

Date: 27 Apr 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 Apr 2017

Signed by: Saidi Kambi..... Non-Executive Director

Date: 27 April 2017