

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

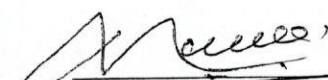
	Notes	<u>2016</u> TZS'000	<u>2015</u> TZS'000
Interest income	6	25,185,679	29,446,155
Interest expense	7	<u>(10,896,962)</u>	<u>(11,158,737)</u>
Net interest income		14,288,717	18,287,418
Loan impairment (charge)/ credit	22	<u>(2,848,459)</u>	<u>46,622</u>
Interest income after loan impairment		<u>11,440,258</u>	<u>18,334,040</u>
Fees and commission income	8	3,040,342	2,807,780
Foreign exchange income	9	107,039	1,390,181
Other operating income	10	<u>869,828</u>	<u>422,116</u>
Total non-interest income		<u>4,017,209</u>	<u>4,620,077</u>
Total income		<u>15,457,467</u>	<u>22,954,117</u>
Administration expenses			
Staff costs	11	(9,527,282)	(9,575,857)
General administrative expenses	12	(8,011,952)	(7,544,995)
Depreciation and amortization	13	<u>(1,761,793)</u>	<u>(1,274,571)</u>
		<u>(19,301,027)</u>	<u>(18,395,423)</u>
(Loss)/profit before income tax		(3,843,560)	4,558,694
Income tax credit/(expense)	17	<u>876,906</u>	<u>(1,470,156)</u>
(Loss)/profit for the year		<u>(2,966,654)</u>	<u>3,088,538</u>
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		<u>(2,966,654)</u>	<u>3,088,538</u>
(Loss)/earnings per share (basic and diluted)	34	<u>(44)</u>	<u>46</u>

DCB COMMERCIAL BANK PLC

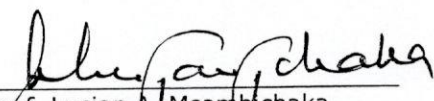
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	<u>Notes</u>	<u>2016</u> TZS'000	<u>2015</u> TZS'000
Assets			
Cash and balances with Bank of Tanzania	19	16,262,763	19,545,109
Loans and advances to banks	20	12,583,989	17,929,913
Government securities held to maturity	21	20,616,534	29,772,937
Loans and advances to customers	22	90,581,591	86,615,855
Equity investment	23	1,120,000	1,120,000
Property and Equipment	24	11,717,487	7,600,301
Intangible assets	25	1,824,749	2,232,703
Other assets	26	3,393,681	6,394,033
Corporation tax recoverable	27	1,161,604	186,604
Deferred income tax asset	29	1,139,408	-
Total assets		<u>160,401,806</u>	<u>171,397,455</u>
Liabilities			
Deposits from banks	28.1	27,580,336	30,697,804
Deposits from customers	28.2	86,540,486	96,106,523
Borrowing	30	13,063,071	5,076,120
Deferred income tax liabilities	29	-	90,978
Other liabilities	31	2,601,654	4,298,848
Total liabilities		<u>129,785,547</u>	<u>136,270,273</u>
Equity			
Share capital	32	16,956,974	16,956,974
Share premium	33	4,104,046	4,104,046
Retained earnings		4,080,583	10,130,403
General banking risk reserve		4,675,761	783,820
General reserve		798,895	1,607,670
Proposed dividend		-	1,544,269
Total equity		<u>30,616,259</u>	<u>35,127,182</u>
Total liabilities and equity		<u>160,401,806</u>	<u>171,397,455</u>

The financial statements on pages 18 to 73 were approved and authorized for issue by the Board of Directors on 15 April 2017 and signed on its behalf by:



 Amb. Paul M. Rupia
 Chairman



 Prof. Lucian A. Msambichaka
 Vice Chairman

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 TZS'000	2015 TZS'000
Cash flows from operating activities			
(Loss)/profit before income tax		(3,843,560)	4,558,694
<i>Adjustments for:</i>			
Depreciation of property and equipment	24	1,079,272	815,725
Amortization of intangible assets	25	682,521	444,161
Gain on sale of fixed assets		(220)	(60,042)
Impairment and credit losses on loans & advances	22	2,848,459	(46,622)
Loans and advances written off	22	(1,451,279)	(704,795)
Equipment write off through profit or loss		48,346	78,752
		<u>(636,461)</u>	<u>5,085,873</u>
<i>Changes in operating assets and liabilities:</i>			
Net change in statutory minimum reserve	19	730,276	(3,197,260)
Net change in loans and advances		(5,362,916)	(3,448,916)
Net change in other assets		3,000,352	(3,291,408)
Net change in deposits from banks		(3,117,468)	10,509,029
Net change in deposits from customers		(9,566,037)	2,975,317
Net change in other liabilities		(1,697,194)	1,695,801
Net change in government securities with maturity over three months		<u>5,327,016</u>	<u>(603,368)</u>
Cash (used in)/generated from operations		(10,685,971)	9,725,068
Income tax paid		<u>(1,328,480)</u>	<u>(1,469,481)</u>
Net cash (used in)/generated from operating activities		<u>(12,650,912)</u>	<u>8,255,587</u>
Cash flows from investing activities			
Purchases of equipment	24	(5,244,804)	(2,416,568)
Purchases of intangible assets	25	(274,567)	(829,542)
Proceeds on disposal of equipment		220	60,042
Net cash used in investing activities		<u>(5,519,151)</u>	<u>(3,186,068)</u>
Cash flows from financing activities			
Dividend paid		(1,544,269)	(1,888,312)
Net movement from borrowings	30	7,986,951	(2,484,238)
Net cash generated from/(used in) financing activities		<u>6,442,682</u>	<u>(4,372,550)</u>
(Decrease)/increase in cash and cash equivalents		(11,727,381)	696,969
Cash and cash equivalents at the beginning of the year		<u>40,568,149</u>	<u>39,871,180</u>
Cash and cash equivalents at the end of the year	35	<u>28,840,768</u>	<u>40,568,149</u>

DCB COMMERCIAL BANK PLC

STATEMENT OF CHANGE IN EQUITY
AS AT 31 DECEMBER 2016

	Share capital TZS'000	Share premium TZS'000	**General banking risk reserve TZS'000	* General reserve TZS '000'	Proposed dividend TZS'000	Retained earnings TZS'000	Total TZS'000
At 1 January 2016	16,956,974	4,104,046	783,820	1,607,670	1,544,269	10,130,403	35,127,182
Loss for the year	-	-	-	-	-	(2,966,654)	2,966,654
Transfer from General Reserve*	-	-	-	(808,775)	-	808,775	-
Transfer to General Banking Risk Reserve**	-	-	3,891,941	-	-	(3,891,941)	-
Transactions with owners: Dividend paid (for 2015)	-	-	-	-	(1,544,269)	-	(1,544,269)
At 31 December 2016	16,956,974	4,104,046	4,675,761	798,895	-	4,080,583	30,616,259
At 1 January 2015	16,956,974	4,104,046	-	-	1,888,312	10,977,624	33,926,956
Profit for the year	-	-	-	-	-	3,088,538	3,088,538
Transfer to General Reserve*	-	-	-	1,607,670	-	(1,607,670)	-
Transfer to General Banking Risk Reserve**	-	-	783,820	-	-	(783,820)	-
Transactions with owners: Dividend paid (for 2014)	-	-	-	-	(1,888,312)	-	(1,888,312)
Proposed dividend for 2015	-	-	-	-	1,544,269	(1,544,269)	-
At 31 December 2015	16,956,974	4,104,046	783,820	1,607,670	1,544,269	10,130,403	35,127,182

* General reserve is made up of 1% general provision on unclassified loans (current book) as required by the revised Bank of Tanzania regulations, 2014. General Reserve is created by transferring the amount from retained earnings.

**General Banking Risk Reserve represents an amount set aside to cover additional provision for loan losses required in order to comply with the requirements of the Bank of Tanzania prudential guidelines. This reserve is not available for distribution.