

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	7,633	8,709
- Equity investments	-	-
- Underwriting accounts	-	-
- Property, plant and equipment (net)	2,974	2,791
TOTAL ASSETS	34,886	34,003
2. LIABILITIES:		
- Deposits from other banks and financial institutions	-	-
- Customer deposits	1,315	105
- Cash letters of credit	-	-
- Special deposits	-	-
- Payment orders/transfers payable	-	-
- Bankers' cheques and drafts issued	-	-
- Accrued taxes and expenses payable	725	407
- Acceptances outstanding	-	-
- Inter branch float items	-	-
- Unearned income and other deferred charges	823	779
- Other liabilities	71	32
- Borrowings	-	-
TOTAL LIABILITIES	2,934	1,323
NET ASSETS/(LIABILITIES)	31,952	32,680
3. SHAREHOLDERS' FUNDS:		
- Paid up share capital	30,912	30,912
- Capital reserves	6	6
- Retained Earnings	543	1,215
- Profit/(Loss) account	(597)	547
- Others capital accounts	1,088	-
- Minority interest	-	-
TOTAL SHAREHOLDERS' FUNDS	31,952	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	92%	96%
- Non Performing Loans to Total Gross Loans	0%	0%
- Gross Loans and Advances to Total Deposits	46%	616%
- Loans and Advances to Total Assets	2%	2%
- Earning Assets to Total Assets	69%	65%
- Deposits Growth	1153%	0%
- Assets Growth	3%	0%

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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	437	3,665
2. Interest expense	(15)	(15)
3. Net interest income	422	3,650
4. Bad debts written-off	-	-
5. Impairment losses on loans and advances	-	-
6. Non- interest income:	29	30
- Foreign currency dealings and	(1)	(1)
- Fees and commissions	30	31
- Dividend income	-	-
- Other operating income	-	-
7. Non-interest expenses	(1,595)	(4,277)
- Salaries and benefits	(750)	(1,917)
- Fees and commission	(22)	(78)
- Other operating expense	(823)	(2,282)
8. Operating income/(loss)	(1,144)	(597)
9. Income tax provision	-	-
10. Net profit/(loss) after income tax	(1,144)	(597)
11. Number of employees	44	44
12. Basic Earnings Per Share	(19)	(10)
13. Diluted Earnings Per Share	(19)	(10)
14. Number of branches	1	1
15. SELECTED PERFORMANCE INDICATORS		
- Return on Average Total Assets	(3%)	(2%)
- Return on Ordinary Shareholders' Funds	(4%)	(2%)
- Non Interest Expense to Gross Income	354%	116%
- Interest Margin to Average Earning Assets	2%	15%

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

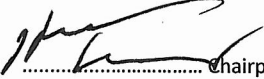
1. Cash flow from operating activities:		
1.1. Net (loss)/profit before tax	(1,144)	547
1.2. Adjustment for non-cash items:		
- provisions/amortisation/depreciation	360	333
- net change in loans and advances	1,091	(648)
- gain/loss on sale of assets	-	-
- net change in deposits	1,210	105
- net change in short term negotiable securities	(3,079)	(10,483)
- net change in other liabilities	400	32
- net change in other assets	2,083	(8,709)
- tax paid	(141)	-
- others	-	-
Net cash provided (used) by operating activities	780	(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	(212)	(26,073)
- Cash and cash equivalents at the beginning of the year	472	-
- Cash and cash equivalents at the end of the quarter	260	(26,073)

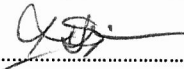
Signed by: Ronald Manongi  Chief Executive Officer Date: 27 Jan 2017

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

MINIMUM DISCLOSURE OF CHARGES AND FEES MADE UNDER REGULATION 11

S/N.	ITEM/TRANSACTION	CHARGE/FEE
1	Current Accounts	
(a)	Required minimum opening balance	[\$TZS] 50,000
(b)	Monthly service fee (breakdown per customer)	[\$TZS] 6,000
(c)	Cheque withdrawal over the counter	TZS 2,500 for amounts less than TZS 25Mil otherwise 0.1% max TZS 50,000
(d)	Fees per ATM withdrawal	[\$TZS] 1,300
(e)	ATM mini statement	[\$TZS] 300
(f)	Interim statement per page	[\$TZS] 2,200
(g)	Periodic scheduled statement	0
(h)	Cheque book	TZS 450 per leaf
(i)	Dishonoured cheque	[\$TZS] 50,000
(j)	Special clearance	n/a
(k)	Counter cheque	[\$TZS] 6,000
(l)	Stop payment	[\$TZS] 30,000
(m)	Standing order	Free
(n)	Balance enquiry	[\$TZS] 300
(o)	New ATM card issuance	[\$TZS] 5,000
(p)	ATM card renewal or replacement (indicate costs for different card types)	[\$TZS] 10,000
(q)	Overdrawn account interest charge	20%
(r)	Unarranged overdraft	20%
(s)	Interbank transfer	[\$TZS] 10,000
(t)	Bill payments through ATM	n/a
(u)	Deposit fee	0
(v)	Other (please specify)	n/a
2	Savings Accounts (Disclose for product specific)	
(a)	Required minimum opening balance	[\$TZS] 10,000
(b)	Monthly service fee	[\$TZS] 1,000
(c)	Interim statement	[\$TZS] 2,200
(d)	Account closure	[\$TZS] 20,000
3	Electronic Banking	
(a)	Internet banking monthly fee	n/a
(b)	Internet transfers	n/a
(c)	SMS banking	n/a
(d)	Other	n/a
4	Foreign Exchange Transaction	
(a)	Purchase/sale of TCs transactions over the	n/a
(b)	Purchase of foreign cheque	n/a
(c)	Sale/purchase of cash passport	n/a
(d)	Telegraphic transfer	0.25% Min US\$40, Max US\$150
(e)	Telex/SWIFT	As per receiving bank
(f)	Transfer from foreign currency denominated account to local current account (within bank and to other bank)	0
5	Personal Loans	
(a)	Processing/Arrangement/Appraisal fee	2%
(i)	Personal loans	n/a
(ii)	Overdrafts	n/a
(iii)	Mortgage finance	n/a
(iv)	Asset finance	n/a
(b)	Unpaid loan installment	n/a
(c)	Early repayment	n/a
(d)	Valuation fees	n/a
(e)	Other	n/a

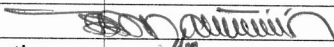

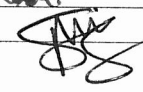
Deposit Rates

Fixed Deposit - TZS	3 Months	6 Months	12 Months
1 - 2 Mln	2.0%	3.5%	6.5%
2 - 10Mln	3.0%	6.5%	9.5%
10 - 50 Mln	3.5%	7.0%	10.0%
50 - 100 Mln	4.0%	7.5%	10.5%
100 - 300 Mln	4.5%	8.0%	11.0%
300 - 500 Mln	5.0%	8.5%	11.5%
500m - 1Bln	5.5%	9.0%	12.0%
Above 1 Bln	Contact Treasury		
Savings Account - TZS	Accrue on Daily Cleared balance paid Monthly		
0- 50k	0.5%		
50k - 1mln	2.0%		
1 - 10mln	2.5%		
10 - 100mln	3.0%		
Over 1mln	3.5%		

Base Lending Rates

Loan Type	Base rate	Spread
1 Short term (up to 1year)	19.5%	+/- 4.5%
2 Medium term (2-4 years)	21.5%	+/- 1.5%
3 Long term (above 5 years)	19.0%	+/- 4.0%

We, the undersigned have examined the above information and hereby declare that the information is true and correct to the best of our knowledge and information.

	Name	Designation	Signature	Date
1	Ronald Manongi	Chief Executive Officer		27 Jan 2017
2	Valence Luteganya	Head of Business Development & Marketing		27 Jan 2017
3	Selemani Kijori	Head of Finance		27 Jan 2017