

Issued pursuant to regulation 8 of the Banking and Financial Institutions (Dislosures) Regulations, 2014

AUDITED ACCOUNTS

BALANCE SHEET AS AT 31ST DECEMBER, 2017

	TZS '000	TZS '000
	Current Year 31-12-2017	Previous Year 31-12-2016
A. ASSETS		
1. Cash	11,718,552	7,168,821
2. Balances with Bank of Tanzania	18,648,882	34,921,170
3. Investment in Government securities	0	0
4. Balances with other Banks and Financial institution	10,680,862	10,675,444
5. Cheques and items for clearing	287,294	179,698
6. Interbranch float items	0	0
7. Bills negotiated	0	0
8. Customers' liabilities for acceptances	0	0
9. Interbank Loans Receivables	20,890,925	0
10. Investment in Other securities	0	0
11. Financing (net of allowances for probable losses)	132,726,333	129,837,108
12. Other assets	6,226,005	6,672,487
13. Equity investments	0	0
14. Underwriting Accounts	0	0
15. Property, Plant and Equipment	2,824,929	2,447,096
16. TOTAL ASSETS	204,003,782	191,901,824
B. LIABILITIES		
17. Deposits from other banks and Financial Institutions	0	0
18. Customer deposits	161,021,161	141,572,058
19. Cash Letters of Credit	0	0
20. Special deposits	16,751,471	30,455,190
21. Payment orders/ transfers, payables	0	0
22. Bankers Cheques and Drafts issued	113,180	155,096
23. Accrued Taxes and Expenses Payable	415,215	418,050
24. Acceptances Outstanding	0	0
25. Interbranch float items	0	0
26. Unearned income and other deferred charges	427,205	0
27. Other Liabilities	1,549,272	587,337
28. Borrowings	0	0
29. TOTAL LIABILITIES	180,277,504	173,187,732
30. NET ASSETS/(LIABILITIES)(16 minus 29)	23,726,278	18,714,092
C. SHAREHOLDERS' FUNDS		
31. Paid up Share capital	35,697,280	31,674,747
32. Preference Share Capital	0	0
32. Capital Reserve	4,715,214	3,075,942
33. Retained Earnings	(17,675,869)	(16,833,490)
34. Profit (Loss) Account	989,653	796,893
35. Other Capital Accounts	0	0
36. Minority Interest	0	0
37. TOTAL SHAREHOLDERS' FUNDS	23,726,278	18,714,092
38. Contingent Liabilities	38,129,725	33,034,627
39. Non performing financing	7,628,759	6,824,483
40. Allowances for probable losses	2,140,051	2,452,240
41. Other non performing assets	0	0
D. SELECTED FINANCIAL CONDITION INDICATORS		
(i) Shareholders Funds to total assets	11.6%	10%
(ii) Nonperforming financing to total financing	5.7%	5.2%
(iii) Gross financing to total deposits	75.9%	76%
(iv) Financing to total assets	65.1%	68%
(v) Deposits Growth	3.5%	16%
(iv) Assets growth	6.3%	14%

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2017

	TZS '000	TZS '000
	Current Year 31-12-2017	Previous Year 31-12-2016
I. Cash Flow from Operating Activities:		
Net Income before tax	1,607,708	1,229,952
-Adjustment for Non-cash Items		
Impairment/Amortization/Depreciation	579,771	1,974,769
Amortization of intangible Assets	192,968	263,881
Gain/loss from sale of fixed assets	0	(6,252)
- net change in Financing	(2,577,037)	(12,996,160)
- net change in deposits	5,901,114	23,628,908
- net change in statutory minimum reserve	2,048,104	55,590
- net change in other liabilities	1,184,035	(817,839)
- net change in other assets	(311,187)	2,765,993
- Tax paid	(51,016)	(51,594)
- Others (Securities)	0	-
Net cash provided(used) by operating activities	8,574,460	16,047,248
II: Cash flow from investing activities		
Dividend received	0	0
Purchase of property and equipment	(1,269,793)	(383,133)
Purchase of computer software	(105,310)	(137,894)
Proceeds from sale of fixed assets	0	6,252
Purchase of non-dealing securities	0	0
Proceed from sale of non- dealing Securities	0	0
Adjustment to work in progress	0	36,964
Net cash provided(used) by investing activities	(1,375,103)	(477,811)
III. Cash flow from Financing activities		
Repayment of long-term debt	0	0
Proceeds from issuance of shares	4,022,533	0
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	4,022,533	0
IV. Cash and cash equivalents		
Net increase (decrease) in cash and cash equivalents	11,221,890	15,569,436
Cash and cash equivalents at the beginning of the year	36,177,025	20,607,588
Cash and cash equivalents at the end of the year	47,398,915	36,177,025

CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2017

	Share Capital	Share Premium	Retained Earnings	Regulatory Reserve	General Provision Reserve	Others	Total
Current Year 2017							
Balance as at the beginning of the Year	31,674,747	0	(16,036,597)	1,821,298	1,821,298	0	18,714,092
Profit for the year	0	0	989,653	0	0	0	989,653
Issue of share	4,022,533	0	0	0	0	0	4,022,533
Other Comprehensive Income	0	0	0	0	0	0	-
Transactions with owners	0	0	0	0	0	0	-
Dividends Paid	0	0	0	0	0	0	-
Regulatory Reserve	0	0	(1,630,540)	1,630,540	0	0	-
General Provision Reserve	0	0	(8,732)	0	8,732	0	-
Others	0	0	0	0	0	0	-
Balance as at the end of the current period	35,697,280	0	(16,686,216)	3,451,838	3,451,838	0	23,726,278
Previous year 2016							
Balance as at the beginning of the year	31,674,747	0	(15,554,827)	681,218	681,218	0	17,917,199
Profit for the year	0	0	796,893	0	0	0	796,893
Other Comprehensive Income	0	0	0	0	0	0	0
Transactions with owners	0	0	0	0	0	0	0
Dividends Paid	0	0	0	0	0	0	0
Regulatory Reserve	0	0	-	0	0	0	0
General Provision Reserve	0	0	-	0	0	0	0
Others	0	0	(1,278,663)	1,140,080	1,140,080	0	0
Balance as at the end of the previous period	31,674,747	0	(16,036,597)	1,821,298	1,821,298	0	18,714,092

INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2017

	TZS '000	TZS '000
	Current Year 31-12-2017	Previous Year 31-12-2016
1. Income from Financing	18,672,099	18,110,927
2. Depositors' Profit	(5,552,603)	(5,118,863)
3. Net Financing Income	13,119,496	12,992,064
4. Bad debts written off	0	0
5. Impairment losses on Financing	312,189	(1,083,769)
6. Non Funded Income	5,499,661	5,339,074
6.1 Foreign currency Dealings and Translation Gains/(Loss)	534,922	1,082,589
6.2 Fees and Commissions	4,772,686	3,979,822
6.3 Dividend Income	0	0
6.4 Other Operating Income	192,053	276,663
7. Operating Expenses	(17,323,638)	(16,017,417)
7.1 Salaries and Benefits	(7,451,831)	(6,529,625)
7.2 Fees and Commissions	(43,924)	(44,246)
7.3 Other operating Expenses	(9,827,883)	(9,443,546)
7.4 Pre Operating Expenses	0	0
8. Operating Income/(Loss)	1,607,708	1,229,952
9. Income/deferred Tax Provision	(618,055)	(433,059)
10. Net Income/(loss) after Income Tax	989,653	796,893
11. Number of employees	182	155
12. Basic Earnings Per Share	28	25
13. Diluted Earnings Per Share	28	25
12. Number of Branches	7	7
SELECTED PERFORMANCE INDICATORS		
Return on average total assets	0.5%	0%
Return on ordinary shareholder's funds	4.2%	4%
Operating expenses to gross income	71.7%	68%
Profit margin to average earning assets	9.0%	10%

The above extracts are from the Financial Statements of the Bank for year ended 31st December 2017, 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 KPMG (Certified Public Accountants) and received unqualified audit report.

The Financial Statements were approved by the Board of Directors on March 24, 2018 and signed on their behalf by:

Joseph Anthony Gonsalves
(Director)

Signed on March 24, 2018

Dr. Muhsin Salim Masoud
(Managing Director)

Signed on March 24, 2018