

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

BALANCE SHEET AS AT 31ST DECEMBER, 2013	TZS '000	TZS '000
	Current Year 31-12-2013	Previous Year 31-12-2012
A. ASSETS		
1. Cash	5,590,495	4,132,491
2. Balances with Bank of Tanzania	16,655,965	5,812,082
3. Investment in Government securities	0	0
4. Balances with other Banks and Financial institution	6,267,979	5,679,968
5. Cheques and items for clearing	628,067	149,964
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)	42,581,977	26,119,445
12. Other assets	7,046,917	4,888,970
13. Equity investments	0	0
14. Underwriting Accounts	0	0
15. Property, Plant and Equipment	4,037,525	5,176,597
16. TOTAL ASSETS	82,808,925	51,959,517
B. LIABILITIES		
17. Deposits from other banks and Financial Institutions	0	4,484,135
18. Customer deposits	66,260,181	29,827,212
19. Cash Letters of Credit	0	0
20. Special deposits	1,537,326	539,825
21. Payment orders/ transfers, payables	0	0
22. Bankers Cheques and Drafts Issued	12,359	48,039
23. Accrued Taxes and Expenses Payable	208,680	188,766
24. Acceptances Outstanding	0	0
25. Interbranch float items	0	0
26. Unearned income and other deferred charges	0	202,504
27. Other Liabilities	926,408	1,807,672
28. Borrowings	0	0
29. TOTAL LIABILITIES	68,944,954	37,098,153
30. NET ASSETS/(LIABILITIES)(16 minus 29)	13,863,971	14,861,364
C. SHAREHOLDERS' FUNDS		
31. Paid up Share capital	25,501,500	21,501,500
32. Preference Share Capital	0	0
32. Capital Reserve	154,016	0
33. Retained Earnings	(6,640,136)	(1,781,053)
34. Profit (Loss) Account	(5,151,409)	(4,859,083)
35. Other Capital Accounts	0	0
36. Minority Interest	0	0
37. TOTAL SHAREHOLDERS' FUNDS	13,863,971	14,861,364
38. Contingent Liabilities	18,947,958	16,859,637
39. Non performing financing	1,546,082	0
40. Allowances for probable losses	483,967	0
41. Other non performing assets	0	0
D. SELECTED FINANCIAL CONDITION INDICATORS		
(i) Shareholders Funds to total assets	17%	29%
(ii) Nonperforming financing to total financing	3.6%	0
(iii) Gross financing to total deposits	64%	48%
(iv) Financing to total assets	51%	32%
(v) Deposits Growth	123%	489%
(iv) Assets growth	59%	99%

INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2013	TZS '000	TZS '000
	Current Year 31-12-2013	Previous Year 31-12-2012
1. Income from Financing	4,560,245	1,219,345
2. Depositors' Profit	(1,601,196)	(684,323)
3. Net Financing Income	2,959,049	535,022
4. Bad debts written off	0	0
5. Impairment losses on Financing	(483,967)	0
6. Non Funded Income	1,945,377	1,014,254
6.1 Foreign currency Dealings and Translation Gains/(loss)	143,762	347,453
6.2 Fees and Commissions	1,796,677	666,801
6.3 Dividend Income	0	0
6.4 Other Operating Income	4,938	0
7. Operating Expenses	(11,515,056)	(8,501,489)
7.1 Salaries and Benefits	(4,531,488)	(3,317,619)
7.2 Fees and Commissions	(190,947)	(55,166)
7.3 Other operating Expenses	(6,792,621)	(5,128,704)
7.4 Pre Operating expenses	0	0
8. Operating Income/(Loss)	(7,094,597)	(6,952,213)
9. Income/deferred Tax Provision	2,097,204	2,093,130
10. Net Income/(loss) after Income Tax	(4,997,393)	(4,859,083)
11. Number of employees	115	81
12. Basic Earnings Per Share	-196	-226
13. Diluted Earnings Per Share	-196	-226
12. Number of Branches	6	3
SELECTED PERFORMANCE INDICATORS		
Return on average total assets	-7%	-12%
Return on ordinary shareholder's funds	-36%	-33%
Operating expenses to gross income	-245%	-718%
Profit margin to average earning assets	9%	4%

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2013	TZS '000	TZS '000
	Current Year 31-12-2013	Previous Year 31-12-2012
I. Cash flow from operating activities:		
- Net income/(Loss)	(7,094,597)	(6,952,213)
- Adjustment for Non-cash Items		
Impairment/Amortization/Depreciation	1,553,379	607,545
Amortization of intangible assets	601,209	470,684
Gain/Loss from sale of fixed assets	0	0
- net change in Financing	(16,946,499)	(16,199,727)
- net change in deposits and balances due from banking institutions	(588,011)	(5,679,968)
- net change in deposits	37,475,615	28,934,155
- net change in statutory minimum reserve	(3,350,000)	(3,604,000)
- net change in other liabilities	(1,144,679)	1,773,112
- net change in other assets	(700,883)	(9,529,045)
- net change in deposits and balances due to banking institutions	(4,484,135)	0
- Tax paid	0	0
- Others (Securities)	0	0
Net cash provided(used) by operating activities	5,321,399	(10,179,457)
II: Cash flow from investing activities		
Dividend received	0	0
Purchase of property and equipment	(369,512)	(4,170,986)
Purchase of computer software	0	(313,196)
Proceeds from sale of fixed assets	0	0
Purchase of non-dealing securities	0	0
Proceed from sale of non- dealing Securities	0	0
Others (specify)	0	0
Net cash provided(used) by investing activities	(369,512)	(4,484,182)
III. Cash flow from Financing activities		
Repayment of long-term debt	0	0
Proceeds from issuance of shares	4,000,000	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	4,000,000	0
IV. Cash and cash equivalents		
Net increase (decrease) in cash and cash equivalents	8,951,887	(14,663,639)
Cash and cash equivalents at the beginning of the year	5,840,573	20,504,212
Cash and cash equivalents at the end of the year	14,792,460	5,840,573

The above extracts are from the Financial Statements of the Bank for the year ended 31st December 2013, 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 22, 2014 and signed on their behalf by:

Haroon Pirmohamed Signed on March 22, 2014
(Chairman)

Dr Idris Rashidi Signed on March 22, 2014
(Managing Director)

Dar es Salaam

Main Branch Golden Jubilee Tower
Tel: +255 22 2129014 | Fax: +255 22 2129013

Tandamti Branch Kariakoo (Opposite the market)
Tel: +255 22 2185474 | Fax: +255 22 2185475

Nyerere Branch, DRTC House
Tel: +255 22 2863724 | Fax: +255 22 2863725

Lumumba Branch Kariakoo
Tel +255 22 2180101 | fax +255 22 2184109

Arusha

Arusha Branch, Hugo Plaza Building
Tel: +255 27 254 7496 | Fax: +255 27 254 7497

Mwanza

Mwanza Branch, Kenyatta Street
Tel. +255 282 541 921