

CRDB BANK PLC

REPORT OF CONDITION OF BANK PURSUANT TO SECTION 32(3) OF THE BANKING AND FINANCIAL INSTITUTION ACT 2006

| STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2016 | (Amounts in Million Shillings) | | | |
|---|--|---|---|--|
| | BANK Current Quarter 31/12/2016 | GROUP Current Quarter 31/12/2016 | BANK Previous Quarter 30/09/2016 | GROUP Previous Quarter 30/09/2016 |
| A. ASSETS | | | | |
| 1. Cash | 225,674 | 228,823 | 209,209 | 212,493 |
| 2. Balances with Bank of Tanzania | 665,023 | 673,955 | 543,163 | 544,831 |
| 3. Investment in Government Securities | 532,201 | 580,850 | 556,387 | 601,278 |
| 4. Balances with Other Banks and financial institutions | 276,664 | 257,675 | 308,004 | 301,806 |
| 5. Cheques and items for clearing | 15,338 | 15,688 | 10,887 | 10,887 |
| 6. Interbranch float items | - | - | - | - |
| 7. Bills negotiated | 46 | 46 | 46 | 46 |
| 8. Customers Liabilities on acceptances | - | - | - | - |
| 9. Interbank Loans Receivables | - | - | - | - |
| 10. Investment in other securities | - | - | - | - |
| 11. Loans, Advances and Overdrafts (Net of Allowances for Probable Losses) | 3,234,047 | 3,272,971 | 3,318,062 | 3,361,236 |
| 12. Other Assets | 176,124 | 191,966 | 181,903 | 191,490 |
| 13. Equity Investments | 24,855 | 2,444 | 24,691 | 2,280 |
| 14. Underwriting accounts | - | - | - | - |
| 15. Property, Plant and Equipment | 193,282 | 211,434 | 187,858 | 207,115 |
| 16. TOTAL ASSETS | 5,343,254 | 5,435,852 | 5,340,209 | 5,433,460 |
| B. LIABILITIES | | | | |
| 17. Deposits from other banks and financial institutions | 15,517 | 15,517 | 24,024 | 24,024 |
| 18. Customer deposits | 3,996,703 | 4,063,977 | 3,980,662 | 4,051,591 |
| 19. Cash letters of credit | - | - | - | - |
| 20. Special deposits | 41,743 | 41,743 | 46,961 | 46,961 |
| 21. Payment orders / transfers payable | 4,203 | 5,633 | 1,999 | 1,999 |
| 22. Bankers' cheques and drafts issued | 1,605 | 1,790 | 2,295 | 2,541 |
| 23. Accrued taxes and expenses payable | 28,425 | 29,416 | 18,962 | 21,732 |
| 24. Acceptances outstanding | - | - | - | - |
| 25. Interbranch float items | - | - | - | - |
| 26. Unearned income and other deferred charges | 24,991 | 33,550 | 26,774 | 33,772 |
| 27. Other Liabilities | 28,064 | 20,643 | 64,452 | 49,630 |
| 28. Borrowings | 498,593 | 500,652 | 483,518 | 487,468 |
| 29. TOTAL LIABILITIES | 4,639,843 | 4,712,920 | 4,649,648 | 4,719,719 |
| 30. NET ASSETS / (LIABILITIES) | 703,411 | 722,932 | 690,561 | 713,741 |
| C. SHAREHOLDERS' FUNDS | | | | |
| 31. Paid up share capital | 65,296 | 65,296 | 65,296 | 65,296 |
| 32. Share Premium | 158,314 | 158,314 | 158,314 | 158,314 |
| 33. Retained earnings | 366,066 | 377,821 | 341,894 | 353,100 |
| 34. Profit / (Loss) account | 73,421 | 78,839 | 59,756 | 68,863 |
| 35. Other capital accounts (Regulatory + Revaluation reserve+Translation) | 40,315 | 42,662 | 65,301 | 68,168 |
| 36. Minority Interest | - | - | - | - |
| 37. TOTAL SHAREHOLDERS' FUNDS | 703,411 | 722,932 | 690,561 | 713,741 |
| 38. Contingent Liabilities | 675,198 | 675,243 | 649,030 | 650,343 |
| 39. Non performing loans & advances | 436,744 | 438,349 | 375,927 | 378,362 |
| 40. Allowances for probable losses | 130,905 | 132,226 | 95,723 | 96,740 |
| 41. Other non performing assets | - | - | - | - |
| D. SELECTED FINANCIAL CONDITION INDICATORS | | | | |
| (i) Shareholders Funds to Total assets | 13% | 13% | 13% | 13% |
| (ii) Non performing loans to Total gross loans | 13% | 13% | 11% | 11% |
| (iii) Gross Loans and advances to Total deposits | 84% | 83% | 85% | 84% |
| (iv) Loans and Advances to Total assets | 61% | 60% | 62% | 62% |
| (v) Earnings assets to Total assets | 76% | 76% | 78% | 78% |
| (vi) Deposits growth | 0% | 0% | 1% | 1% |
| (vii) Assets growth | 0% | 0% | -3% | -3% |

| STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31ST DECEMBER, 2016 | (Amounts in Million Shillings) | | | |
|---|--|---|---|--|
| | BANK Current Quarter 31/12/2016 | GROUP Current Quarter 31/12/2016 | BANK Previous Quarter 30/09/2016 | GROUP Previous Quarter 30/09/2016 |
| I: Cash flow from operating activities: | | | | |
| Net income (Loss) | 18,113 | 12,498 | 2,145 | 8,999 |
| Adjustment for : | | | | |
| - Impairment / Amortization | 44,196 | 45,521 | 48,567 | 49,874 |
| - net change in loans and advances | 84,015 | 88,265 | 143,637 | 138,765 |
| - gain / loss on sale of assets | - | - | - | - |
| - net change in deposits | 2,314 | (1,341) | 26,037 | 31,830 |
| - net change in short term negotiable securities | - | - | - | - |
| - net change in other liabilities | (12,119) | (5,458) | (212,786) | (214,625) |
| - net change in other assets | 1,327 | (5,277) | (5,751) | (11,097) |
| - tax paid | - | (781) | (17,022) | (17,711) |
| - others (specify) | - | - | - | - |
| Net cash provided (used) by operating activities | 137,845 | 133,427 | (15,173) | (13,963) |
| II: Cash flow from investing activities: | | | | |
| Dividend received | - | - | - | - |
| Purchase of fixed assets | (28,518) | (30,459) | (10,784) | (16,121) |
| Proceeds from sale of fixed assets | - | - | - | - |
| Purchase of non - dealing securities | 24,185 | 20,428 | 246,478 | 245,003 |
| Proceeds from sale non - dealing securities | - | - | - | - |
| Others | - | - | - | - |
| Net cash provided (used) by investing activities | (4,333) | (10,031) | 235,694 | 228,882 |
| III: Cash flow from financing activities: | | | | |
| Repayment of long term debt | - | - | - | - |
| Proceeds from issuance of long term debt | - | - | - | - |
| Proceeds from issuance of share capital | - | - | - | - |
| Net change in other borrowings | (283) | (283) | (12,039) | (12,039) |
| Others | - | - | - | - |
| Net cash provided (used) by financing activities | (283) | (283) | (12,039) | (12,039) |
| IV: Cash and cash equivalents: | | | | |
| Net increase (decrease) in cash and cash equivalent | 133,229 | 123,113 | 208,483 | 202,880 |
| Cash and cash equivalents at the beginning of the quarter / year | 1,483,377 | 1,583,350 | 1,274,895 | 1,380,470 |
| Cash and cash equivalent at the end of the Quarter / year | 1,616,607 | 1,706,462 | 1,483,377 | 1,583,350 |

Signed by:

Dr. Charles S. Kimei
Mr. Frederick B. Nshakanabo
Mr. Izengo D. Soka

Managing Director
Director of Finance
Director of Internal Audit

We the undersigned Directors attest to the correctness of the above statements. We declare that the statements have been examined by us, and to the best of our knowledge and belief have been prepared in conformance with the instructions and are true and correct.

Signed by:

Mr. Ally H. Laay
Mr. Juma A. Abdulrahman

Board Chairman
Board Member

Date:

27/01/2017

| STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST DECEMBER, 2016 | (Amounts in Million Shillings) | | | | | | | | |
|--|--|---|--|---|--|---|---|--|--|
| | BANK Current Quarter 31/12/2016 | GROUP Current Quarter 31/12/2016 | BANK Current Quarter 31/12/2015 | GROUP Current Quarter 31/12/2015 | BANK Cumulative current year 31/12/2016 | GROUP Cumulative current year 31/12/2016 | BANK Comparative year 31/12/2015 | GROUP Comparative year 31/12/2015 | |
| 1. Interest Income | 128,529 | 132,389 | 144,628 | 146,028 | 559,043 | 573,528 | 487,202 | 497,471 | |
| 2. Interest expense | (32,368) | (34,184) | (31,426) | (30,963) | (132,619) | (138,888) | (103,176) | (106,822) | |
| 3. Net interest income | 96,161 | 98,205 | 113,202 | 115,065 | 426,424 | 434,640 | 384,026 | 390,649 | |
| 4. Bad debts written off | - | - | - | - | - | - | - | 0 | |
| 5. Impairment Losses on Loans and Advances | (34,286) | (34,650) | (31,702) | (31,661) | (111,438) | (112,745) | (66,725) | (66,877) | |
| 6. Non-Interest Income | 53,636 | 56,472 | 57,568 | 60,641 | 180,658 | 191,511 | 181,781 | 192,572 | |
| 6.1 Foreign Currency Dealings and Translation Gain / (Loss) | 10,389 | 13,010 | 9,718 | 10,266 | 31,354 | 34,842 | 32,602 | 34,860 | |
| 6.2 Fees and Commissions | 43,059 | 42,734 | 47,741 | 50,004 | 145,451 | 151,661 | 148,601 | 156,432 | |
| 6.3 Dividend Income | - | - | - | - | - | - | - | - | |
| 6.4 Other Operating Income | 188 | 728 | 108 | 371 | 3,854 | 5,007 | 578 | 1,280 | |
| 7. Non-Interest Expense | (97,397) | (107,529) | (101,143) | (104,268) | (377,166) | (387,902) | (320,919) | (328,654) | |
| 7.1 Salaries and Benefits | (41,512) | (47,453) | (39,361) | (43,325) | (165,015) | (184,554) | (139,526) | (152,796) | |
| 7.2 Fees and Commissions | (4,278) | (3,871) | (5,907) | (2,060) | (35,751) | (11,131) | (24,477) | (7,476) | |
| 7.3 Other Operating Expenses | (51,607) | (56,204) | (55,874) | (58,882) | (176,400) | (192,217) | (156,916) | (168,382) | |
| 8. Operating Income/(Loss) | 18,113 | 12,498 | 37,925 | 39,777 | 118,479 | 125,504 | 178,163 | 187,690 | |
| 9. Income tax provision | (4,449) | (2,522) | (13,718) | (14,494) | (45,058) | (46,664) | (55,790) | (58,712) | |
| 10. Net income (Loss) after income Tax | 13,665 | 9,976 | 24,206 | 25,283 | 73,421 | 78,839 | 122,373 | 128,978 | |
| 11. Number of Employees | 2,760 | 3,196 | 2,377 | 2,651 | 2,760 | 3,196 | 2,377 | 2,651 | |
| 12. Basic Earnings Per Share | 5 | 4 | 9 | 10 | 28 | 30 | 47 | 49 | |
| 13. Diluted Earnings Per Share | 5 | 4 | 9 | 10 | 28 | 30 | 47 | 49 | |
| 14. Number of Branches | 180 | 250 | 174 | 199 | 180 | 250 | 174 | 199 | |
| SELECTED PERFORMANCE INDICATORS | | | | | | | | | |
| (i) Return on Average Total Assets | 1.4% | 0.9% | 3.2% | 3.3% | 2.2% | 2.3% | 3% | 3% | |
| (ii) Return on Average Shareholders' Funds | 8% | 6% | 18% | 18% | 10.7% | 11.2% | 22% | 23% | |
| (iii) Non interest Expense to Gross Income | 65% | 70% | 59% | 59% | 62% | 62% | 57% | 56% | |
| (iv) Net Interest Income to Average Earning Assets | 10% | 10% | 11% | 11% | 11% | 11% | 10% | 10% | |

OTHER DISCLOSURES:

The Bank got a penalty of TZS 58.8 million charged on discrepancies on fund transfer during the quarter ended 31st December 2016 and NIL sanction.

MINIMUM DISCLOSURE OF BANK CHARGES AND FEES - 4th Quarter 2016

TRANSACTION

AMOUNT (TZS)

| | SAVINGS ACCOUNT | CURRENT ACCOUNT |
|---|------------------|----------------------------|
| Required minimum opening balance | 20,000 | 100,000 |
| Transaction fees | FREE | FREE |
| Monthly service fee | 1,500 | 12,500 |
| Electronic statement | FREE | FREE |
| Interim statement - up to 12 past months | 10,000 | 10,000 |
| - Above 12 past months | 25,000 | 25,000 |
| Withdrawal charges | 2,200 | 3,000 |
| Bulk cash withdrawal without notice (Amount above TZS 5 Million) | 0.1% max 150,000 | |
| Cash deposit charge | FREE | FREE |
| Issuance of TemboCard | FREE | |
| Closing account | 5,000 | 20,000 |
| Periodic schedule statement | FREE | FREE |
| Bank draft | | 30,000 |
| Bank draft cancellation charge | | 20,000 |
| Cheque book (per leaf) | | 350 |
| Upcountry cheque clearance | 500 per cheque | 500 per cheque |
| Dishonoured cheque | | 1% min 150,000 max 300,000 |
| Cash payment to 3rd party (if there is no cheque list) | | 2,000 |
| Bulk cash deposit (for small denomination) | | 0.2% min 2,000 |
| Bulk cash withdraw (Amount above TZS 20 Million) | | 0.1% Max 150,000 |
| Stop payment order (for already issued cheque) | | 1% min 50,000, max 300,000 |
| Standing orders (within the same bank) | | 4,000 |
| Standing orders (to other bank) | | 15,000 |
| Certificate of balance | | 50,000 |
| Salary handling | | 3,000 |
| School fees deposits (only for schools without arrangement with the Bank) | 1,000 | |
| TRA collection | | FREE |

EFT

AMOUNT (TZS)

| | |
|-------------------|-------|
| Outward transfers | Free |
| Inward transfers | 4,000 |

TISS

| | |
|-------------------|--------|
| Outward transfers | 10,000 |
| Inward transfers | FREE |

ATM TRANSACTION

| | |
|-----------------------------------|--------|
| (a) International cards | |
| Issue of TemboCard | FREE |
| Replacement of TemboCard (faulty) | 20,000 |
| Replacement of TemboCard (lost) | 20,000 |
| (b) ATM Withdrawals | |
| Within the same bank (on us) | 800 |
| To other banks ATM (on others) | 3,000 |
| ATM ministatement | 300 |
| Bills payment through ATM | 200 |

SIMBANKING

| | |
|-------------------------|-------|
| Balance inquiry | 250 |
| Transfer to own account | 250 |
| Transfer to third party | 600 |
| Cardless | 1,000 |
| Mini statement | 250 |

INTERNET BANKING

| | |
|--------------------------------------|------|
| Balance inquiry | FREE |
| Payments | FREE |
| Fund transfer to own and third party | 750 |

RATES

| | |
|--------------------------------|----------------------------|
| Deposits up to TZS 1 Billion | |
| 3 Months | 2% - 4.5% |
| 6 Months | 3% - 5.5% |
| 9 Months | 3.5% - 6.5% |
| 12 Months | 4% - 7.5% |
| 24 Months | 6% - 8.0% |
| 36 Months (Thamani) | 13% |
| Deposits above TZS 1 Billion | Contact CRDB Bank Branches |
| Prime lending rate (declining) | TZS 19% USD 8% |