INTERNATIONAL COMMERCIAL BANK (TANZANIA) LIMITED

EXTRACT FROM AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Report of condition of bank pursuant to section 32(3) of Banking and Financial Institutions Act, 2006

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	2016 TZS '000	2015 TZS '000
Assets		
Cash and balances with Bank of Tanzania	12,689,775	37,976,922
Balances with other Banks	2,020,559	9,205,973
Cheques in the course of collection	413,417	577,134
Placements with other banks	10,239,653	11,427,066
Loans and Advances	52,970,408	47,819,802
Government securities held to maturity	33,370,091	29,122,417
Other assets	469,819	421,477
Property, Plant and Equipment	532,361	751,680
Leasehold improvements	194,066	347,900
Intangible assets	476,546	118,493
Tax receivable	336,248	-
Deferred tax asset	652,648	829,310
Total Assets	**114,365,590**	**138,598,174**
Liabilities and Equity		
Liabilities		
Deposits from Banks	18,595,791	18,709,238
Deposits from Customers	73,128,467	97,014,609
Tax Payable	-	515,547
Other Liabilities	684,295	1,103,994
Total Liabilities	**92,408,553**	**117,343,388**
Equity		
Issued capital	20,025,247	20,025,247
Accumulated losses	(2,047,849)	(2,587,159)
Regulatory reserve	3,979,639	3,816,698
Total Equity	**21,957,037**	**21,254,786**
Total Liabilities and Equity	**114,365,590**	**138,598,174**
Selected Financial Condition Indicators		
Total issued capital to total assets	18%	14%
Non performing loans to total advances	14%	15%
Gross loans to total deposits	60%	45%
Loans to total assets	46%	35%

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

	2016 TZS '000	2015 TZS '000
Interest Income	10,378,100	8,354,762
Interest expense	(3,798,445)	(2,931,839)
Net Interest Income	**6,579,655**	**5,422,923**
Fees and commissions	1,141,315	1,210,146
Foreign currency translation	114,690	369,206
Other operating income	282,047	272,214
Operating income	**8,117,707**	**7,274,989**
Recoveries made during the year	462,494	582,719
Total operating income	**8,580,201**	**7,857,708**
Impairment losses on loans and advances	(1,274,596)	(515,522)
Net operating income	**7,305,605**	**7,342,186**
Non interest expense		
Personnel expenses	(2,487,173)	(2,484,465)
Depreciation and amortization	(477,450)	(517,553)
Other operating expenses	(3,205,495)	(2,939,129)
Total operating expenses	**(6,170,118)**	**(5,941,147)**
Profit/(Loss) before tax	**1,135,487**	**1,401,039**
Income tax (expense)/credit	(433,236)	(667,828)
Profit/(Loss) for the year	**702,251**	**733,211**
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	**702,251**	**733,211**
Selected Financial Performance Indicators		
Return on total assets	0.62%	0.53%
Return on equity	3.20%	3.45%
Non interest income to net interest income	23%	34%
Operating expenses to total assets	5%	4%
Interest margin to average earning assets	7%	6%
Non interest expense to gross income	55%	58%

Other Disclosures:
We have paid a penalty amounting to TZS 1.328ml for the cash shortage and currency mixing on cash depositing to Bank of Tanzania.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 TZS '000	2015 TZS '000
Cash from operating activities:		
Profit before tax	1,135,487	1,401,039
Adjustments for non cash items:		
Impairment of loans and advances	1,274,596	515,522
Depreciation of property and equipment	262,568	267,253
Amortisation of leasehold improvements	153,834	206,706
Gain on asset disposal	(2,225)	-
Amortisation of intangible assets	61,048	43,594
Unrealised forex exchange gain	114,690	369,206
Cash flows from operating profits before working capital changes	**2,999,998**	**2,803,320**
Changes in operating assets and liabilities:		
Statutory minimum reserve	204,074	180,000
Market placements of maturity over 90 days	-	3,704,020
Loans and advances	(6,425,202)	(556,301)
Government securities held to maturities over 90 days	(6,086,367)	(1,445,057)
Other assets	(48,342)	78,166
Deposits from Banks	(113,447)	(408,762)
Deposits from Customers	(23,886,142)	10,798,038
Other liabilities	(419,699)	61,267
Net cash inflows from/(used in) operating activities	**(33,775,127)**	**15,214,691**
Tax Paid	(1,108,369)	(608,363)
Net cash inflows from/(used in) investing activities	**(34,883,495)**	**14,606,328**
Additions to leasehold improvements	-	(32,114)
Proceeds from assets disposal	2,225	-
Purchase of property and equipment	(43,249)	(167,915)
Purchase of intangible assets	(419,101)	(99,709)
Net cash used in investing activities	**(460,125)**	**(299,738)**
Cash flows from financing activities		
Additional capital	-	8,229,915
	-	**8,229,915**
Increase/(decrease) in cash and cash equivalents	**(35,343,620)**	**22,536,505**
Unrealised foreign exchange gain	(114,690)	(369,206)
Cash and cash equivalents at the beginning of the year	65,302,091	43,134,792
Cash and cash equivalents at the end of the year	**29,843,781**	**65,302,091**

Signed By:

VISWANATHAN SUNDARAM
Chief Executive Officer
Date: 28th March 2017

AMANI MWIDETE
Head of Finance
Date: 28th March 2017

Attested By:

JESCA ENOCK
Ag. Internal Auditor
Date: 28th March 2017

The above extracts are from the financial statements of the Bank for the year ended December 31, 2016 which have been prepared in accordance with International Financial Reporting Standards (IFRS) and companies act, cap 212, act no. 12 of 2002. The Financial Statement were audited by Ernst & Young, Certified Public Accountants and received a clean audit report.

The Financial Statements were approved by the Board of Directors and signed by:

Lim Teong Liat	Chairman	28th March 2017
Sivakugan Thambirajah	Director	28th March 2017

HEAD OFFICE & BRANCH NETWORK

Head Office
Fire Station Road, Vijana Towers

Vijana Branch
Fire Station Road, Vijana Towers

Lumumba Branch
Lumumba Street

Jamhuri Branch
Jamhuri Street / Morogoro Road

Ubungo Branch
Millennium Business Park

Mikocheni Branch
Old Bagamoyo Road/Chwaku Street

Quality & Value Banking for all