

PROJECTED PERFORMANCE FOR THE YEAR 2016

August 15, 2016

TIB Development Bank Limited is the premier national development finance institution that was established in 1970 to provide medium to long term funding for development projects that will transform the country into a semi-industrialised country by 2025. The bank is wholly owned by the Government of the United Republic of Tanzania. The bank wishes to provide the following information to its stakeholders and general public:

- In December 2014, TIB Development Bank Limited completed its transformation into a full-fledged development finance institution with a new mandate to provide industrial and infrastructure financing.
- Following its transformation, the bank embarked on a balance sheet clean-up exercise to remove all projects that are not aligned to the new focus of industrial and infrastructure financing.
- As part of the clean-up exercise the few projects which are lagging behind their loan repayment schedule will be recalled and legal recovery measures instituted.
- As a result of recalling of those facilities, the bank will continue to make the necessary provisions for loss as required by prudential guidelines. The said provisions will lead to loss reporting as recorded during the second quarter. It is anticipated that this exercise will continue into the third quarter.
- The bank is confident of recovering these losses as the majority of projects financed by the bank are adequately covered by securities.

The bank wishes to assure its stakeholders and the general public that the ongoing exercise is a deliberate move aimed at aligning the bank with the new mandate. The bank's financial position remains strong.

Furthermore, the bank would also like to remind all who are past due in their loan repayments to ensure that they make their payments as agreed otherwise recovery measures will be instituted against them.

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