



INTERNATIONAL COMMERCIAL BANK (TANZANIA) LIMITED

EXTRACT FROM AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017

	2017 TZS '000	2016 TZS '000
Assets		
Cash and balances with Bank of Tanzania	15,258,459	12,689,775
Balances with other Banks	2,420,918	2,020,559
Cheques in the course of collection	318,015	413,417
Placements with other banks	15,622,361	10,239,653
Loans and Advances	51,182,445	52,970,408
Government securities held to maturity	32,778,598	33,370,091
Other assets	502,358	469,819
Property, Plant and Equipment	400,622	532,361
Leasehold improvements	42,280	194,066
Intangible assets	356,730	476,546
Tax receivable	451,328	336,248
Deferred tax asset	659,759	652,648
Total Assets	119,993,872	114,365,590
Liabilities and Equity		
Liabilities		
Deposits from Banks	19,330,258	18,595,791
Deposits from Customers	77,973,812	73,128,467
Tax Payable	-	-
Other Liabilities	546,790	684,295
Total Liabilities	97,850,860	92,408,553
Equity		
Issued capital	20,025,247	20,025,247
Accumulated losses	(1,487,066)	(2,047,849)
Regulatory reserve	3,604,831	3,979,639
Total Equity	22,143,012	21,957,037
Total Liabilities and Equity	119,993,872	114,365,590
Selected Financial Condition Indicators		
Total issued capital to total assets	17%	18%
Non performing loans to total advances	9%	14%
Gross loans to total deposits	54%	60%
Loans to total assets	43%	46%

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 TZS '000	2016 TZS '000
Interest Income	9,872,439	10,378,100
Interest expense	(4,056,843)	(3,798,445)
Net Interest Income	5,815,596	6,579,655
Fees and commissions	950,452	1,141,315
Foreign currency translation	96,419	114,690
Other operating income	304,114	282,047
Operating income	7,166,581	8,117,707
Recoveries made during the year	559,406	462,494
Total operating income	7,725,987	8,580,201
Impairment losses on loans and advances	(1,505,949)	(1,274,596)
Impairment on other risk assets	(33,506)	-
Net operating income	6,186,531	7,305,605
Non interest expense		
Personnel expenses	(2,259,821)	(2,487,173)
Depreciation and amortization	(488,519)	(477,450)
Other operating expenses	(3,164,406)	(3,205,495)
Total operating expenses	(5,912,746)	(6,170,118)
Profit/(Loss) before tax	273,785	1,135,487
Income tax (expense)/credit	(87,810)	(433,236)
Profit/(Loss) for the year	185,975	702,251
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	185,975	702,251
Selected Financial Performance Indicators		
Return on total assets	0.16%	0.62%
Return on equity	0.86%	3.20%
Non interest income to net interest income	23%	23%
Operating expenses to total assets	5%	5%
Interest margin to average earning assets	6%	7%
Non interest expense to gross income	53%	55%

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share Capital	Accumulated losses	Regulatory Reserve (Other Assets)	Regulatory Reserve	General Regulatory Reserve	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Balance as at 1st January 2016	20,025,247	(2,587,159)	9,022	3,634,661	173,015	21,254,786
Capital Injection	-	-	-	-	-	-
Profit for the year	-	702,251	-	-	-	702,251
Transfer to regulatory reserve	-	(162,941)	-	(117,938)	280,879	-
Balance as at 31 December 2016	20,025,247	(2,047,849)	9,022	3,516,723	453,894	21,957,037
Balance as at 1st January 2017	20,025,247	(2,047,849)	9,022	3,516,723	453,894	21,957,037
Capital Injection	-	-	-	-	-	-
Profit for the year	-	185,975	-	-	-	185,975
Transfer to regulatory reserve	-	374,808	-	(384,988)	10,180	-
Balance as at 31 December 2017	20,025,247	(1,487,066)	9,022	3,131,735	464,074	22,143,012

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 TZS '000	2016 TZS '000
Cash from operating activities:		
Profit before tax	273,785	1,135,487
Adjustments for non cash items:		
Impairment of loans and advances	1,505,949	1,274,596
Impairment of other risk assets	33,506	-
Depreciation of property and equipment	216,917	262,568
Amortisation of leasehold improvements	151,786	153,834
Amortisation of intangible assets	119,816	61,048
Gain on asset disposal	-	(2,225)
Unrealised forex exchange gain	96,419	114,690
Cash flows from operating profits before working capital changes	2,398,178	2,999,998
Changes in operating assets and liabilities:		
Statutory minimum reserve	1,139,839	204,074
Loans and advances	282,014	(6,425,201)
Government securities held to maturities over 90 days	2,133,450	(6,086,367)
Other assets	(66,045)	(48,342)
Deposits from Banks	734,467	(113,447)
Deposits from Customers	4,845,346	(23,886,142)
Other liabilities	(137,505)	(419,699)
Net cash inflows from/(used in) operating activities	11,329,743	(33,775,126)
Tax Paid	(210,000)	(1,108,369)
Net cash inflows from/(used in) operating activities	11,119,743	(34,883,495)
Proceeds from assets disposal	-	2,225
Purchase of property and equipment	(85,179)	(43,249)
Purchase of intangible assets	-	(419,101)
Net cash used in investing activities	(85,179)	(460,125)
Increase/(decrease) in cash and cash equivalents	11,034,564	(35,343,620)
Unrealised foreign exchange gain	(96,419)	(114,690)
Cash and cash equivalents at the beginning of the year	29,843,781	65,302,091
Cash and cash equivalents at the end of the year	40,781,927	29,843,781

In preparation of the financial statements, consistent accounting policies have been used as those applicable to the previous year audited financial statements.

Signed By:

RAMA KRISHNA MARAKANI

Chief Executive Officer Date: 23rd March 2018

AMANI MWIDETE

Finance Manager Date: 23rd March 2018

JOHN MWAKASONDA

Head - Internal Audit Date: 23rd March 2018

The above extracts are from the financial statements of the Bank for the year ended December 31, 2017 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:

CHARLES RWECHUNGURA Director Date: 23rd March 2018

NAVIN KANABAR Director Date: 23rd March 2018