



## AUDITED FINANCIAL STATEMENTS

### ISSUED PURSUANT TO REGULATIONS 7 AND 8 OF THE BANKING AND FINANCIAL INSTITUTIONS (DISCLOSURES) REGULATIONS, 2014

#### EXTRACTS FROM AUDITED FINANCIAL STATEMENTS (Regulation 8)

#### CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31st DEC 2019

(All Amounts in millions of Tanzanian shillings)

	Current Year 31.12.2019	Previous Year 31.12.2018
<b>A. ASSETS</b>		
1 Cash	2,996	5,576
2 Balances with Bank of Tanzania	4,987	10,969
3 Investments in Government securities	11,282	17,534
4 Balances with other banks and financial institutions	3,036	22,247
5 Cheques and items for clearing	605	313
6 Inter branch float items	-	-
7 Bills negotiated	-	-
8 Customers' liabilities for acceptances	-	-
9 Interbank Loans Receivables	-	-
10 Investments in other securities	-	-
11 Loans, advances and overdrafts (net of allowances for probable losses)	50,905	53,296
12 Other assets	5,180	2,105
13 Equity Investments	-	-
14 Underwriting accounts	-	-
15 Property, Plant and Equipment	556	730
16 <b>TOTAL ASSETS</b>	<b>79,546</b>	<b>112,771</b>
<b>B. LIABILITIES</b>		
17 Deposits from other banks and financial institutions	18,274	12,338
18 Customer deposits	36,154	77,086
19 Cash letters of credit	-	-
20 Special deposits	216	1,735
21 Payment orders/transfers payable	-	-
22 Bankers' cheques and drafts issued	121	38
23 Accrued taxes and expenses payable	146	129
24 Acceptances outstanding	-	-
25 Interbranch float items	-	-
26 Unearned income and other deferred charges	-	-
27 Other liabilities	4,558	403
28 Borrowings	-	-
29 <b>TOTAL LIABILITIES</b>	<b>59,468</b>	<b>91,729</b>
30 <b>NET ASSETS (LIABILITIES) (16 minus 29)</b>	<b>20,079</b>	<b>21,041</b>
<b>C. SHARE HOLDERS' FUND</b>		
31 Paid up share capital	20,025	20,025
32 Capital reserves	4,140	2,841
33 Retained earnings	(4,086)	(1,825)
34 Profit (Loss) accounts	-	-
35 Other capital accounts	-	-
36 Minority interest	-	-
37 <b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>20,079</b>	<b>21,041</b>
38 Contingent liabilities	2,537	16,935
39 Non performing loans and advances	11,550	5,300
40 Allowance for Probable Losses	1,227	1,506
41 Other non performing assets	-	-
<b>D. SELECTED FINANCIAL CONDITION INDICATORS</b>		
(I) Shareholders Funds to total assets	25%	19%
(II) Non performing loans to total gross loans	22%	10%
(III) Gross loans and advances to total deposits	95%	60%
(IV) Loans and advances to total assets	64%	47%
(V) Earning Assets to Total Assets	82%	83%
(VI) Deposits Growth	-40%	-6%
(VII) Assets Growth	-29%	-5%

#### CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st DEC 2019

(All Amounts in millions of Tanzanian shillings)

	Current Year 31.12.2019	Previous Year 31.12.2018
1 Interest income	7,260	8,922
2 Interest Expense	3,384	3,499
3 <b>Net Interest Income (1 minus 2)</b>	<b>3,876</b>	<b>5,423</b>
4 Bad debts Written-off	400	271
5 Impairment Losses on Loans and Advances	584	1,130
6.1 <b>Non interest income</b>	<b>1,329</b>	<b>1,902</b>
6.1 Foreign Currency Dealings and Translation Gains/(losses)	70	181
6.2 Fees and Commissions	542	969
6.3 Dividend Income	-	-
6.4 Other Operating Income	718	752
7.1 <b>Non Interest Expense</b>	<b>5,653</b>	<b>6,213</b>
7.1 Salaries and Benefits	2,019	2,301
7.2 Fees and Commission	267	384
7.3 Other operating Expenses	3,368	3,528
8 <b>Operating Income/(Losses)</b>	<b>(1,432)</b>	<b>(288)</b>
9 Income Tax Provision	343	92
10 <b>Net Income(Losses) After Income Tax</b>	<b>(1,089)</b>	<b>(196)</b>
11 <b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>
12 <b>Total Comprehensive</b>	<b>(1,089)</b>	<b>(196)</b>
13 Number of employees	65	69
14 Basic Earnings Per Share	(54)	(10)
15 Dilute Earnings Per Share	(54)	(10)
16 Number of Branches	5	5
<b>SELECTED PERFORMANCE INDICATORS</b>		
(i) Return on Average Total Assets	-1.13%	-0.17%
(ii) Return on Average Shareholders' Fund	-5.30%	-0.93%
(iii) Non Interest Expenses to Gross Income	65.82%	57.40%
(iv) Net Interest Income to Average Earning Assets	4.90%	5.66%

#### CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st DEC 2019

(All Amounts in millions of Tanzanian shillings)

	Current Year 31.12.2019	Previous Year 31.12.2018
<b>I Cash flow from operating activities</b>		
Net Income (Loss)	(1,432)	(288)
<b>Adjustments for:-</b>		
-Impairment/Amortization	1,332	1,750
-Net change in Loans and Advances	1,336	(4,113)
-Gain/Loss on Sale of Assets	-	(1)
-Net change in Deposits	(36,517)	(6,144)
-Net change in Short Term Negotiable Securities	-	-
-Net change in Other Liabilities	1,152	23
-Net change in Other Assets	(3,973)	14,931
-Tax Paid	-	(120)
-SMR	1,640	1,516
-Other	219	-
<b>Net cash provided (used) by operating activities</b>	<b>(36,242)</b>	<b>7,553</b>
<b>II Cash flow from investing activities</b>		
Dividend Receivable	-	-
Purchase of Fixed Assets	(83)	(582)
Proceeds from sale of Fixed Assets	-	1
Purchase of Non-Dealing Securities	-	-
Proceeds from Sale of Non-Dealing Securities	-	-
Others (T-bill/bond/Placement)	-	-
<b>Net cash provided (used) by investing activities</b>	<b>(83)</b>	<b>(581)</b>
<b>III Cash flow from financing activities</b>		
Repayment of Long-term Debt	-	-
Proceeds from Insurance of Long-term Debt	-	-
Proceeds from Insurance of Share Capital	-	-
Payment of Cash Dividends	-	-
Net Change in Other Borrowings	-	-
Other	-	-
<b>Net cash provided (used) by Financing activities</b>	<b>-</b>	<b>-</b>
<b>IV Cash and Cash Equivalents:</b>		
Net Increase/(Decrease) in Cash and Cash equivalent	(36,324)	6,972
Cash and Cash Equivalents at the Beginning of the year	47,754	40,782
<b>Cash and Cash Equivalents at the end of the year</b>	<b>11,430</b>	<b>47,754</b>

#### CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 31st DEC 2019

	Share capital	Share premium	Retained Earning	Regulatory reserve	General Provision Reserve	Others	Total
Balance as at the beginning of the year 2019	20,025	-	(1,825)	2,445	396	-	21,041
Prior year adjustments			126				126
Profit for the year			(1,089)				(1,089)
Other Comprehensive							
Transactions with owners							
Dividend paid							
Regulatory Reserve			(1,299)	1,695	(396)	-	-
General Provision Reserve							
Others							
Balance as at the end of the period 31.12.2019	20,025	-	(4,086)	4,140	-	-	20,079
Previous Year							
Balance as at the beginning of the year 2018	20,025	-	(1,487)	3,132	464	9	22,143
Changes in initial application IFRS 9			(905)				(905)
Profit for the year			(196)				(196)
Other Comprehensive Income							-
Transactions with owners							
Dividend paid							
Regulatory reserve			763	(687)	(68)	(9)	-
General Provision reserve							
Others							
Balance as at the end of the period 31.12.2018	20,025	-	(1,825)	2,445	396	-	21,041

The extract from audited financial statements of the Bank for the year ended 31 December, 2019 which has been prepared in accordance with International Financial Reporting Standards (IFRSs). Financial Statements were audited by Baker Tilly DGP & Co. and received a clean audit report.

The financial were approved by Board of Directors on 31st March, 2020 and signed by:-

Mr. Charles Rwechungura

Director

Mr. Alfred Mkombo

Director