

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

AUDITED FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31ST DECEMBER, 2019

	TZS '000	TZS '000
	Current Year 31 - 12 - 2019	Previous Year 31 - 12 - 2018
A. ASSETS		
1. Cash	12,308,710	10,160,903
2. Balances with Bank of Tanzania	18,756,238	25,939,729
3. Investment in Government securities	0	0
4. Balances with other Banks and Financial institution	5,854,327	6,405,995
5. Cheques and items for clearing	65,494	347,225
6. Interbranch float items	0	0
7. Bills negotiated	0	0
8. Customers' liabilities for acceptances	0	0
9. Interbank Loans Receivables	19,223,998	17,317,390
10. Investment in Other securities	0	0
11. Financing (net of allowances for probable losses)	162,644,151	152,450,514
12. Other assets	9,551,392	8,525,746
13. Equity investments	0	0
14. Underwriting Accounts	0	0
15. Property, Plant and Equipment	9,677,365	4,348,692
16. TOTAL ASSETS	238,081,675	225,496,194
B. LIABILITIES		
17. Deposits from other banks and Financial Institutions	0	0
18. Customer deposits	190,383,867	181,716,729
19. Cash Letters of Credit	0	0
20. Special deposits	13,170,304	14,588,970
21. Payment orders/ transfers, payables	0	0
22. Bankers Cheques and Drafts Issued	110,250	136,971
23. Accrued Taxes and Expenses Payable	772,342	568,447
24. Acceptances Outstanding	0	0
25. Interbranch float items	0	0
26. Unearned income and other deferred charges	97,441	296,213
27. Other Liabilities	6,422,850	1,796,202
28. Borrowings	0	0
29. TOTAL LIABILITIES	210,957,053	199,103,533
30. NET ASSETS/(LIABILITIES)(16 minus 29)	27,124,622	26,392,661
C. SHAREHOLDERS' FUNDS		
31. Paid up Share capital	39,697,089	39,697,089
32. Preference Share Capital	0	0
32. Capital Reserve	10,624,547	4,160,572
33. Retained Earnings	(23,928,976)	(18,081,493)
34. Profit (Loss) Account	731,962	616,493
35. Other Capital Accounts	0	0
36. Minority Interest	0	0
37. TOTAL SHAREHOLDERS' FUNDS	27,124,622	26,392,661
38. Contingent Liabilities	13,950,647	24,994,424
39. Non performing financing	18,910,750	8,290,865
40. Allowances for probable losses	2,167,030	1,758,824
41. Other non performing assets	0	0
D. SELECTED FINANCIAL CONDITION INDICATORS		
(i) Shareholders Funds to total assets	11.4%	11.7%
(ii) Nonperforming financing to total financing	11.5%	5.4%
(iii) Gross financing to total deposits	81.0%	78.6%
(iv) Financing to total assets	68.3%	67.6%
(v) Deposits Growth	3.7%	10.4%
(iv) Assets growth	5.6%	10.5%

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2019

	TZS '000	TZS '000
	Current Year 31 - 12 - 2019	Previous Year 31 - 12 - 2018
I. Cash Flow from Operating Activities:		
Net Income before tax	928,042	1,026,207
-Adjustment for Non-cash Items		
Impairment/Amortization/Depreciation	2,248,697	1,244,658
Gain/loss from sale of fixed assets	0	0
Finance cost	415,758	0
- net change in Financing	(10,449,554)	(22,615,740)
- net change in deposits	7,248,471	18,377,338
- net change in statutory minimum reserve	1,713,306	(1,015,873)
- net change in other liabilities	(155,424)	438,676
- net change in other assets	118,552	(1,632,856)
- Tax paid	(112,828)	(72,450)
- Others (Securities)	0	0
Net cash provided(used) by operating activities	1,955,020	(4,250,040)
II: Cash flow from investing activities		
Dividend received	0	0
Purchase of property and equipment	(1,754,341)	(2,510,798)
Purchase of computer software	(1,107,000)	(370,048)
Proceeds from sale of fixed assets	0	0
Purchase of non-dealing securities	0	0
Proceed from sale of non- dealing Securities	0	0
Adjustment to work in progress	0	0
Net cash provided(used) by investing activities	(2,861,341)	(2,880,846)
III. Cash flow from Financing activities		
Repayment of long-term debt	0	0
Proceeds from issuance of shares	0	3,999,809
Proceeds from issuance of Share Capital	0	0
Payment of cash dividends	0	0
Net change in other borrowings	0	0
Payment of lease liability	(1,061,117)	0
Net cash provided(used) by financing activities	(1,061,117)	3,999,809
IV. Cash and cash equivalents		
Net increase (decrease) in cash and cash equivalents	(1,967,438)	(3,131,077)
Cash and cash equivalents at the beginning of the year	44,267,838	47,398,915
Cash and cash equivalents at the end of the year	42,300,400	44,267,838

CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2019

	Share Capital	Share Premium	Retained Earnings	Regulatory Reserve	General Provision Reserve	Others	Total
Current Year 2019							
Balance as at the beginning of the Year	39,697,089	0	(17,465,000)	2,843,597	1,316,975	0	26,392,661
Profit for the year	0	0	0	0	0	0	-
Issue of share	0	0	0	0	0	0	-
Other Comprehensive Income	0	0	731,962	0	0	0	731,962
Transactions with owners	0	0	0	0	0	0	-
Dividends Paid	0	0	0	0	0	0	-
Transfer to Regulatory Reserve	0	0	(7,780,951)	7,780,950	0	0	(1)
Transfer from General provision	0	0	1,316,975	0	(1,316,975)	0	-
Others	0	0	0	0	0	0	-
Balance as at the end of the current period	39,697,089	0	(23,197,014)	10,624,547	0	0	27,124,622
Previous year 2018							
Balance as at the beginning of the year	35,697,280	0	(16,686,216)	3,451,838	1,263,376	0	23,726,278
Opening IFRS 9 Adjustment (Net of Deferred Tax)	0	0	(1,949,919)	0	0	0	(1,949,919)
Profit for the year	0	0	616,493	0	0	0	616,493
Issue of share	3999809	0	-	0	0	0	3,999,809
Other Comprehensive Income	0	0	0	0	0	0	0
Transactions with owners	0	0	0	0	0	0	0
Dividends Paid	0	0	0	0	0	0	0
Regulatory Reserve	0	0	608,241.00	-608241	0	0	0
General Provision Reserve	0	0	(53,599.00)	0	53,599	0	0
Others	0	0	-	-	-	0	0
Balance as at the end of the previous period	39,697,089	0	(17,465,000)	2,843,597	1,316,975	0	26,392,661

INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2019

	TZS '000	TZS '000
	Current Year 31 - 12 - 2019	Previous Year 31 - 12 - 2018
1. Income from Financing	19,567,061	19,430,994
2. Depositors' Profit	(5,810,968)	(6,646,796)
3. Net Financing Income	13,756,093	12,784,198
4. Bad debts written off	0	0
5. Impairment losses on Financing	(208,367)	(339,820)
6. Non Funded Income	7,273,804	7,138,710
6.1 Foreign currency Dealings and Translation Gains/(Loss)	1,725,884	965,903
6.2 Fees and Commissions	5,528,330	6,095,528
6.3 Dividend Income	0	0
6.4 Other Operating Income	19,590	77,279
7. Operating Expenses	(19,893,488)	(18,556,881)
7.1 Salaries and Benefits	(9,256,536)	(8,240,581)
7.2 Fees and Commissions	(157,549)	(59,359)
7.3 Other operating Expenses	(10,479,403)	(10,256,941)
7.4 Pre Operating Expenses	0	0
8. Operating Income/(Loss)	928,042	1,026,207
9. Income/deferred Tax Provision	(196,080)	(409,714)
10. Net Income/(loss) after Income Tax	731,962	616,493
11. Number of employees	239	218
12. Basic Earnings Per Share	18	16
13. Number of Branches	9	8
SELECTED PERFORMANCE INDICATORS		
Return on average total assets		
Return on ordinary shareholder's funds	0.3%	0.3%
Operating expenses to gross income	2.7%	2.3%
Profit margin to average earning assets	74.1%	69.8%
	7.7%	7.8%

The above extracts are from the Financial Statements of the Bank for year ended 31st December 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS), Islamic Sharia Principles and the provisions of the Tanzania Companies Act, 2002. The Financial Statements were audited by KPMG (Certified Public Accountants) and received unqualified audit report.

The Financial Statements were approved by the Board of Directors on March 31, 2020 and signed on their behalf by:

Abdallah Nahdi
(Director)

Signed on March 31, 2020

Dr. Muhsin Salim Masoud
(Managing Director)

Signed on March 31, 2020