



PUBLICATION OF AUDITED FINANCIAL STATEMENTS

Issued pursuant to regulations 7 and 8 of the Banking and Financial Institutions (Disclosures)
Regulations,
2014

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE PERIOD ENDED 31ST DECEMBER 2019**

(Amounts in million shillings)

	Current Year	Previous Year
	2019	2018
1 Interest Income	29,279	48,339
2 Interest Expense	(6,749)	(10,918)
3 Net Interest Income	22,531	37,421
4 Bad Debts Written-Off	-	-
5 Impairment Losses on Loans and Advances	(4,626)	(4,089)
6 Non Interest Income:	2,048	1,963
6.1 Foreign Currency Dealings and Translation Gains/(Loss)	273	33
6.2 Fees and Commissions	1,581	1,670
6.3 Dividend Income	-	-
6.4 Other Operating Income	195	260
7 Non Interest Expenses:	(26,747)	(37,886)
7.1 Salaries and Benefits	(13,476)	(17,614)
7.2 Fees and Commission	(1,271)	(1,019)
7.3 Other Operating Expenses	(12,000)	(19,253)
8 Operating (Loss)/Income	(6,793)	(2,591)
9 Income Tax (charge)/credit	(1,295)	(1,638)
10 Net (Loss)/Income After Income Tax	(5,499)	(953)
12 Total comprehensive (Loss)/income for the year	(5,499)	(953)
13 Number of Employees	386	421
14 Basic Earnings Per Share	(137.5)	(23.8)
15 Number of Branches	9	9
<u>SELECTED PERFORMANCE INDICATORS</u>		
(i) Return on Average Total Assets	-4.12%	-0.54%
(ii) Return on Average Shareholders' Fund	-19.05%	-3.08%
(iii) Non Interest Expense to Gross Income	85.38%	75.32%
(iv) Net Interest Income to Average Earning Assets	27.34%	31.35%

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2019

(Amounts in million shillings)

	Current Year 2019	Previous Year 2018
A. ASSETS		
1 Cash	9,528	8,864
2 Balances with Bank of Tanzania	17,488	20,732
3 Investments in Government securities	-	-
4 Balances with other banks and financial institutions	1,470	2,049
5 Cheques and items for clearing	15	57
6 Inter branch float items	-	-
7 Bills negotiated	-	-
8 Customers' liabilities for acceptances	-	-
9 Interbank Loans Receivables	17,729	6,693
10 Investments in other securities	-	-
11 Loans, advances and overdrafts (net of allowances for probable losses)	49,034	91,376
12 Other assets	21,286	15,060
13 Equity Investments	-	-
14 Underwriting accounts	-	-
15 Property, Plant and Equipment	2,322	3,037
16 TOTAL ASSETS	118,871	147,868
B. LIABILITIES		
17 Deposits from other banks and financial institutions	-	9,494
18 Customer deposits	76,947	95,421
19 Cash letters of credit	-	-
20 Special deposits	-	-
21 Payment orders/transfers payable	-	-
22 Bankers' cheques and drafts issued	-	-
23 Accrued taxes and expenses payable	2,653	2,002
24 Acceptances outstanding	-	-
25 Interbranch float items	-	-
26 Unearned income and other deferred charges	5,080	4,259
27 Other liabilities	8,073	5,076
28 Borrowings	-	-
29 TOTAL LIABILITIES	92,754	116,252
30 NET ASSETS/(LIABILITIES)(16 minus 29)	26,117	31,616
C. SHAREHOLDERS' FUNDS		
31 Paid up share capital	40,000	40,000
32 Deposit for shares	-	-
33 Retained earnings	(8,384)	(8,304)
34 Profit (Loss) account	(5,499)	(953)
35 General Provision Reserve	-	873
36 Minority Interest	-	-
37 TOTAL SHAREHOLDERS' FUNDS	26,117	31,616
38 Contingent liabilities	1,339	8,933
39 Non performing loans & advances	22,440	20,192
40 Allowances for probable losses	18,079	20,314
41 Other non performing assets	64	64
D. SELECTED FINANCIAL CONDITION INDICATORS	2019	2018
(i) Shareholders Funds to total assets	21.97%	21.38%
(ii) Non performing loans to total gross loans	33.44%	18.08%
(iii) Gross loans and advances to total deposits	87.22%	117.05%
(iv) Loans and Advances to total assets	41.25%	61.80%
(v) Earning Assets to Total Assets	56.16%	66.32%
(vi) Deposits Growth	-26.66%	-36.16%
(vii) Assets growth	-19.61%	-28.76%

**CONDENSED STATEMENT OF CASH FLOW STATEMENT
FOR THE YEAR ENDED ON 31 DECEMBER 2019**

(Amounts in million shillings)

**Current Year Previous Year
2019 2018**

I: Cash flow from operating activities:		
Net income(loss)	(6,793)	(2,591)
Adjustments for:		
- Depreciation/Amortization	7,519	7,201
- Net change in Loans and Advances	38,425	40,197
- Gain/loss on Sale of Assets	(87)	5
- Net change in Deposits	(18,473)	(54,044)
- Net change in Short Term Negotiable Securities	-	-
- Net change in Other Liabilities	(2,717)	3,036
- Net change in Other Assets	3,402	3,261
- Tax Paid	(1,142)	(1,314)
<i>Net cash provided (used) by operating activities</i>	20,133	(4,248)
II: Cash flow from investing activities:		
Dividend Received	-	-
Purchase of Fixed Assets	(203)	(1,161)
Proceeds from Sale of Fixed Assets	39	6
Purchase of Non- Dealing Securities	-	-
Proceeds from Sale of Non-Dealing Securities	-	-
Increase/(Decrease) in deferred revenue grant	1,128	
<i>Net cash provided (used) by investing activities</i>	965	(1,155)
III: Cash flow from financing activities:		
Repayment of Long-term Debt	(9,494)	(7,513)
Proceeds from Issuance of Long Term Debt	-	-
Proceeds from Issuance of Share Capital	-	7,000
Payment of Cash Dividends	-	-
Net Change in Other Borrowings	-	-
Lease payments	(1,440)	-
<i>Net Cash Provided (used) by Financing Activities</i>	(10,934)	(513)
IV: Cash and Cash Equivalents:		
Net Increase/ (Decrease) in Cash and Cash Equivalents	10,163	(5,916)
Cash and Cash Equivalents at the Beginning of the Year	30,729	36,644
Cash and Cash Equivalents at the end of the Year	40,892	30,729

CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 31st DECEMBER 2019

	<i>(Amounts in million shillings)</i>				
	Share Capital	Retained Earnings	General Provision Reserve	Deposit for shares	Total
Current Year-2019					
Balance as at the beginning of the year	40,000	(9,257)	873	-	31,616
Profit/(Loss) for the year	-	(5,499)	-	-	(5,499)
General Provision Reserve	-	873	(873)	-	-
Balance as at the end of the current period	40,000	(13,883)	-	-	26,117
Previous Year-2018					
Balance as at the beginning of the year	33,000	(8,791)	1,359	-	25,568
Profit/(Loss) for the year	-	(953)	-	-	(953)
General Provision Reserve	-	486	(486)	-	-
Issue of share capital	7,000	-	-	-	7,000
Balance as at the end of the previous period	40,000	(9,257)	873	-	31,616

We, the undersigned directors, attest to the faithful representation of the above statements. We declare that the statements have been examined by us and, to the best of our knowledge and belief, have been prepared in conformance with International Financial Reporting Standards and the requirements of the Banking and Financial Institutions Act, 2006 and they present a true and fair view.

The Financial Statements were approved by the Board of Directors and signed on their behalf by

Name: Jennifer Bash

Position: director

Date signed 31st March 2020.