

# COMMERCIAL BANK OF AFRICA TANZANIA LIMITED FINANCIAL STATEMENTS EXTRACTS FROM THE UNAUDITED FINANCIAL STATEMENTS PURSUANT TO SECTION 32(3) OF THE BANKING AND FINANCIAL INSTITUTIONS ACT, 2006

## CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018 (Amounts in millions of shillings)

	As at 30-Jun-18	As at 31-Mar-18
<b>A. ASSETS</b>		
1. Cash	16,326	23,134
2. Balances with Bank of Tanzania	25,305	22,169
3. Investments in Government securities	114,922	125,767
4. Balances with other banks and financial institutions	2,856	4,283
5. Cheques and items for clearing	-	-
6. Inter branch float items	-	-
7. Bills negotiated	41	162
8. Customers' liabilities for acceptances	-	-
9. Interbank Loans Receivables	19,995	12,471
10. Investments in other securities	-	-
11. Loans, advances and overdrafts (net of allowances for probable losses)	203,661	205,411
12. Other assets	26,830	26,455
13. Equity Investments	20	20
14. Underwriting accounts	-	-
15. Property, Plant and Equipment	6,023	6,462
<b>16. TOTAL ASSETS</b>	<b>415,980</b>	<b>426,334</b>
<b>B. LIABILITIES</b>		
17. Deposits from other banks and financial institutions	88,154	85,151
18. Customer deposits	222,887	235,242
19. Cash letters of credit	330	1,269
20. Special deposits	-	-
21. Payment orders/transfers payable	-	-
22. Bankers' cheques and drafts issued	357	357
23. Accrued taxes and expenses payable	4,101	5,206
24. Acceptances outstanding	-	-
25. Interbranch float items	-	-
26. Unearned income and other deferred charges	13,418	14,495
27. Other liabilities	14,108	12,809
28. Borrowings	-	-
<b>29. TOTAL LIABILITIES</b>	<b>343,356</b>	<b>354,530</b>
<b>30. NET ASSETS/(LIABILITIES)</b>	<b>72,624</b>	<b>71,804</b>
<b>C. CAPITAL AND RESERVES</b>		
31. Paid up share capital	101,985	101,985
32. Capital reserves	3,421	3,421
33. Retained earnings	(28,507)	(28,508)
34. Profit (Loss) account	(8,384)	(8,449)
35. Other capital accounts	4,109	3,356
36. Minority Interest	-	-
<b>37. TOTAL SHAREHOLDERS' FUNDS</b>	<b>72,624</b>	<b>71,804</b>
38. Contingent liabilities	31,828	42,988
39. Non-performing loans and advances	47,034	47,477
40. Allowance for probable losses	43,635	40,645
41. Other Non-performing assets	-	-
<b>D. SELECTED FINANCIAL CONDITION INDICATORS</b>		
(i) Shareholders funds to total assets	17.5%	16.8%
(ii) Non-performing loans to gross loans	20%	20.3%
(iii) Gross loans to total deposits	79.4%	73.0%
(iv) Loans and advances to total assets	49.0%	48.2%
(v) Earning assets to total assets	81.4%	80.6%
(vi) Deposits growth	(2.9%)	(6.2%)
(vii) Assets growth	(2.4%)	(4.8%)

## BRANCHES COUNTRY - WIDE

- SAMORA BRANCH - SAMORA/MOROGORO ROAD, DAR ES SALAAM
- NYERERE BRANCH - NYERERE ROAD, DAR ES SALAAM
- OHIO BRANCH - OHIO STREET, DAR ES SALAAM
- MWANZA BRANCH - KENYATTA ROAD, MWANZA
- ARUSHA BRANCH - FIRE ROAD, TFA BUILDING, ARUSHA
- KIJITONYAMA BRANCH, DAR ES SALAAM

## CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 30 June 2018 (Amounts in millions of shillings)

	Share Capital	Share Premium	Retained Earnings	Regulatory Reserve	General Provision Reserve	Others	Total
<b>Current Year - 30 June 2018</b>							
Balance as at the beginning of the year	101,985	3,420	(40,120)	9,487	1,276	2,248	78,296
Profit for the year	-	-	(8,384)	-	-	-	(8,384)
Other Comprehensive Income	-	-	-	-	-	1,760	1,760
Transactions with owners	-	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-	-
Regulatory Reserve	-	-	-	-	-	-	-
General Provision Reserve	-	-	-	(12,019)	-	-	(12,019)
Others - 1 Jan 2018 - IFRS 9 Adjustment	-	-	11,613	1,358	-	-	12,972
<b>Balance as at the end of the current period</b>	<b>101,985</b>	<b>3,420</b>	<b>(36,890)</b>	<b>(1,174)</b>	<b>1,276</b>	<b>4,008</b>	<b>72,624</b>
<b>Previous Year - 31 December 2017</b>							
Balance as at the beginning of the year	76,430	3,420	(36,004)	12,358	1,514	(1,500)	56,218
Profit for the year	-	-	(7,225)	-	-	-	(7,225)
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-	-
Regulatory Reserve	-	-	3,110	(2,872)	(238)	-	(0)
General Provision Reserve	-	-	-	-	-	3,749	3,749
Others - Capital Injection	25,555	-	-	-	-	-	25,555
<b>Balance as at the end of the previous period</b>	<b>101,985</b>	<b>3,420</b>	<b>(40,120)</b>	<b>9,487</b>	<b>1,276</b>	<b>2,248</b>	<b>78,296</b>

## CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED ON 30 JUNE 2018 (Amounts in millions of shillings)

	Current Qtr ended 30-Jun-18	Comparative Qtr ended 31-Mar-18	Current Year Cumulative 30-Jun-18	Previous Year Cumulative 30-Jun-17
1. Interest income	10,976	10,701	21,677	22,696
2. Interest expense	(3,696)	(4,809)	(8,505)	(11,722)
<b>3. Net interest income</b>	<b>7,280</b>	<b>5,892</b>	<b>13,172</b>	<b>10,974</b>
4. Bad debts written off	(1,589)	(12,609)	(14,198)	-
5. Impairment losses	(1,402)	(571)	(1,973)	(3,537)
<b>6. Non-interest income</b>	<b>3,445</b>	<b>3,133</b>	<b>6,578</b>	<b>9,277</b>
6.1 Foreign Currency Dealings and Translation Gains/(Loss)	470	452	922	1,623
6.2 Fees and Commissions	2,625	2,209	4,834	7,590
6.3 Dividend income	-	-	-	-
6.4 Other Operating Income	350	472	822	65
<b>7 Non-interest expenses</b>	<b>(7,640)</b>	<b>(7,915)</b>	<b>(15,555)</b>	<b>(15,937)</b>
7.1 Salaries and benefits	(3,438)	(3,342)	(6,780)	(6,249)
7.2 Fees and Commissions	(150)	(249)	(399)	(1,143)
7.3 Other Operating Expenses	(4,053)	(4,324)	(8,377)	(8,545)
8. Operating Income/(Loss)	94	(12,070)	(11,977)	778
9. Income Tax provision/(Credit)	(28)	3,621	3,593	(233)
10. Profit / (loss) after income tax	66	(8,449)	(8,384)	545
11 Other Comprehensive Income	753	1,007	1,760	-
12 Total comprehensive income/(loss) for the year	<b>819</b>	<b>(7,442)</b>	<b>(6,624)</b>	<b>545</b>
<b>13. Number of employees</b>	<b>160</b>	<b>182</b>	<b>160</b>	<b>181</b>
<b>14. Basic Earning Per Share</b>	<b>4.6</b>	<b>(592)</b>	<b>(588)</b>	<b>76</b>
<b>15. Diluted Earning Per Share</b>	<b>4.6</b>	<b>(592)</b>	<b>(588)</b>	<b>76</b>
<b>16. Number of branches</b>	<b>6</b>	<b>11</b>	<b>6</b>	<b>11</b>
<b>SELECTED PERFORMANCE INDICATORS</b>				
(i) Return on average total assets	0.0%	-1.0%	-1.0%	0.7%
(ii) Return on average shareholders' funds	0.1%	-5.6%	-5.8%	3.4%
(iii) Non-interest expense to gross income	71.2%	87.7%	78.8%	78.7%
(iv) Net interest margin	8.19%	6.8%	7.3%	8.1%

## CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED ON 30 JUNE 2018 (Amounts in millions of shillings)

	Current Qtr Ended 30-Jun-18	Previous Qtr Ended 31-Mar-18	Current Year Cumulative 30-Jun-18	Comparative Year Cumulative 30-Jun-17
<b>I. Cash flows from operating activities</b>				
<b>Net income(loss)</b>	66	(8,449)	(8,384)	545
<b>Adjustments for:</b>				
-Impairment/amortisation	(3,239)	(29,064)	(32,303)	(3,281)
-Net change in Loans and Advances	5,444	25,411	30,856	(7,029)
-Net change in Statutory Minimum Reserve	1,186	4,001	5,187	5,276
-Net change in Deposits	(10,291)	(21,257)	(31,548)	(20,857)
-Net change in Short Term Negotiable Securities	-	-	-	-
-Net change in Other Liabilities	(883)	4,727	3,845	13,761
-Net change in Other Assets	(254)	(3,896)	(4,150)	(4,650)
-Tax paid	-	1,736	1,736	(98)
-Others (specify)	-	-	-	-
<b>Net cash flow from operating activities</b>	<b>(7,971)</b>	<b>(26,790)</b>	<b>(34,761)</b>	<b>(16,334)</b>
<b>II. Cash flows from investing activities:</b>				
Dividend received	-	-	-	-
Purchase of Fixed Assets	(17)	(424)	(442)	323
Proceeds from Sale of Fixed Assets	-	-	-	38
Purchase of Non-Dealing Securities	11,598	(9,064)	2,535	18,986
Proceeds from Sale of Non-Dealing Securities	-	-	-	-
Others	-	-	-	-
<b>Net cash provided (used) by investing activities</b>	<b>11,581</b>	<b>(9,488)</b>	<b>2,093</b>	<b>19,348</b>
<b>III. Cash flows from financing activities:</b>				
Repayment of Long-term Debt	-	-	-	-
Proceeds from Issuance of Long Term Debt	-	-	-	-
Proceeds from Issuance of Share Capital	-	-	-	8,830
Payment of Cash Dividends	-	-	-	-
Net Change in Other Borrowings	-	-	-	-
Others	-	11,612	11,612	-
<b>Net Cash Provided (used) by Financing Activities</b>	<b>-</b>	<b>11,612</b>	<b>11,612</b>	<b>8,830</b>
<b>IV. Cash and Cash Equivalents:</b>				
Net Increase/(Decrease) in Cash and Cash Equivalents	3,610	(24,666)	(21,056)	18,894
Cash and Cash Equivalents at the Beginning of the Quarter	43,630	68,297	68,297	94,972
<b>Cash and Cash Equivalents at the end of the Quarter</b>	<b>47,241</b>	<b>43,630</b>	<b>47,241</b>	<b>113,867</b>

## SELECTED EXPLANATORY NOTES FOR THE QUARTER ENDED 30 JUNE 2018

In preparation of the quarterly financial statements, consistent accounting policies have been used as those applicable to the previous year audited financial statements (if there were changes during the quarter, the changes to be explained as per IAS 34 & IAS 8). Of the Impairment Losses of TShs 13.1 billion booked in Quarter 1 2018, TShs 12.6 billion is a result of the requirement by Bank of Tanzania for Banks to write off any loans which have not performed in 4 consecutive quarters instead of 12 consecutive quarters as was previously the case. This write off has not taken account of the value of securities held for the non performing loans being written off in line with provisions of IFRS 9.

Gift Shoko  
**Chief Executive Officer**  
19 July 2018

Paul Nganga  
**Head of Finance**  
19 July 2018

Christopher Chuwa  
**Head of Internal Audit**  
19 July 2018

We, the under-named non-executive members of the board of directors of Commercial Bank of Africa (Tanzania) Limited, attest to the truth and fairness of the above unaudited financial statements. We declare that the statements have been examined by us and, to the best of our knowledge and belief, have been prepared in compliance with the instructions and present a true and fair view of the bank's financial position as at 30 June 2018 and of its results from operations for the period then ended.

N N Kitomari  
19 July 2018

I O Awuondo  
19 July 2018