

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

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

(Amounts in millions of Tanzania shillings)

	As at 31-Dec-18	As at 31-Dec-17
A. ASSETS		
1. Cash	12,967	17,070
2. Balances with Bank of Tanzania	32,321	29,214
3. Investments in Government securities	75,006	106,190
4. Balances with other banks and financial institutions	19,834	13,581
5. Cheques and items for clearing	-	-
6. Inter branch float items	-	-
7. Bills negotiated	-	127
8. Customers' liabilities for acceptances	-	-
9. Interbank Loans Receivables	16,894	30,860
10. Investments in other securities	-	-
11. Loans, advances and overdrafts (net of allowances for probable losses)	171,489	210,946
12. Other assets	32,327	22,594
13. Equity Investments	20	20
14. Underwriting accounts	-	-
15. Property, Plant and Equipment	4,955	6,504
16. TOTAL ASSETS	365,813	437,106
B. LIABILITIES		
17. Deposits from other banks and financial institutions	109,496	67,825
18. Customer deposits	180,855	273,757
19. Cash letters of credit	569	1,338
20. Special deposits	-	-
21. Payment orders/transfers payable	-	-
22. Bankers' cheques and drafts issued	502	358
23. Accrued taxes and expenses payable	-	1,736
24. Acceptances outstanding	-	-
25. Interbranch float items	-	-
26. Unearned income and other deferred charges	-	-
27. Other liabilities	6,548	13,797
28. Borrowings	-	-
29. TOTAL LIABILITIES	297,970	358,811
30. NET ASSETS/(LIABILITIES)	67,843	78,295
C. CAPITAL AND RESERVES		
31. Paid up share capital	112,297	101,984
32. Capital reserves	3,420	3,420
33. Retained earnings	(38,046)	(32,894)
34. Profit (Loss) account	(13,723)	(7,225)
35. Other capital accounts	3,895	13,010
36. Minority Interest	-	-
37. TOTAL SHAREHOLDERS' FUNDS	67,843	78,295
38. Contingent liabilities	40,917	49,872
39. Non-performing loans and advances	48,979	82,826
40. Allowance for probable losses	40,136	57,885
41. Other Non-performing assets	-	-
D. SELECTED FINANCIAL CONDITION INDICATORS		
(i) Shareholders funds to total assets	18.5%	17.9%
(ii) Non-performing loans to gross loans	23.1%	30.6%
(iii) Gross loans to total deposits	72.7%	78.2%
(iv) Loans and advances to total assets	46.9%	48.3%
(v) Earning assets to total assets	72.0%	79.6%
(vi) Deposits growth	(34.1%)	(4.9%)
(vii) Assets growth	(16.3%)	3.7%

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

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CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2018

	Share Capital	Share Premium	Retained Earnings	Regulatory Reserve	General Provision Reserve	Others	Total
Current Year - 31 December 2018							
Balance as at the beginning of the year	101,984	3,420	(40,119)	9,486	1,276	2,248	78,295
Changes from initial application of IFRS 9	-	-	(7,591)	-	-	-	(7,591)
Profit / (loss) for the year	-	-	(13,723)	-	-	-	(13,723)
Other Comprehensive Income	-	-	-	-	-	549	549
Transactions with owners-Capital Injection	10,313	-	-	-	-	-	10,313
Dividends Paid	-	-	-	-	-	-	-
Regulatory Reserve	-	-	9,486	(9,486)	-	-	-
General Provision Reserve	-	-	178	-	(178)	-	-
Others	-	-	-	-	-	-	-
Balance as at the end of the current period	112,297	3,420	(51,769)	-	1,098	2,797	67,843
Previous Year - 31 December 2017							
Balance as at the beginning of the year							
Previous Year - 31 December 2017							
Balance as at the beginning of the year	76,429	3,420	(36,004)	12,358	1,514	(1,501)	56,216
Profit for the year	-	-	(7,225)	-	-	-	(7,225)
Other Comprehensive Income	-	-	-	-	-	3,749	3,749
Transactions with owners - Capital injection	25,555	-	-	-	-	-	25,555
Dividends Paid	-	-	-	-	-	-	-
Regulatory Reserve	-	-	3,110	(2,872)	(238)	-	-
General Provision Reserve	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Balance as at the end of the previous period	101,984	3,420	(40,119)	9,486	1,276	2,248	78,295

Disclosure on Penalty and sanctions

- During the year, the bank was charged a penalty of TZS 1.1M for cash shortages.
- The Bank was suspended from the Interbank Foreign Exchange Market for a period of 4 weeks (28th November to 28th December 2018) on account of violation of market norms and the IFEM code of conduct.

CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED ON 31 DECEMBER 2018

(Amounts in millions of Tanzania shillings)

	Current 31- Dec- 18	Previous Year 31- Dec- 17
1. Interest income	46,823	49,036
2. Interest expense	(15,386)	(21,604)
3. Net interest income	31,437	27,432
4. Bad debts written off	(25,589)	-
5. Impairment losses	(9,790)	(20,314)
6. Non-interest income	9,094	15,099
6.1 Foreign Currency Dealings and Translation Gains/(Loss)	1,857	2,659
6.2 Fees and Commissions	7,446	11,802
6.3 Dividend income	-	-
6.4 Other Operating Income	(209)	638
7 Non-interest expenses	(23,340)	(32,229)
7.1 Salaries and benefits	(13,618)	(12,329)
7.2 Fees and Commissions	-	-
7.3 Other Operating Expenses	(9,722)	(19,900)
8. Operating Income/(Loss)	(18,188)	(10,012)
9. Income Tax provision/(Credit)	4,465	2,787
10. Profit / (loss) after income tax	(13,723)	(7,225)
11 Other Comprehensive Income	549	3,749
12 Total comprehensive income/(loss) for the year	(13,174)	(3,477)
13. Number of employees	158	180
14. Basic Earning Per Share	(962)	(507)
15. Diluted Earning Per Share	(962)	(507)
16. Number of branches	6	11
SELECTED PERFORMANCE INDICATORS		
(i) Return on average total assets	(3.4%)	(1.7%)
(ii) Return on average shareholders' funds	(18.8%)	(10.7%)
(iii) Non-interest expense to gross income	22.4%	35.5%
(iv) Net interest margin	10.3%	8.2%

CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED ON 31 DECEMBER 2018

(Amounts in millions of Tanzania shillings)

	Current 31-Dec-18	Previous 31-Dec-17
I. Cash flows from operating activities		
Net income(loss)	(18,188)	(10,012)
Adjustments for:		
-Impairment/amortisation	40,114	22,531
-Net change in Loans and Advances	(8,796)	(21,716)
-Net change in Statutory Minimum Reserve	8,863	3,548
-Net change in Deposits	(51,999)	(12,492)
-Net change in Short Term Negotiable Securities	-	-
-Net change in Other Liabilities	(7,104)	4,071
-Net change in Other Assets	(2,123)	69
-Tax paid	(1,736)	(756)
-Others (specify)	-	-
Net cash flow from operating activities	(40,969)	(14,757)
II. Cash flows from investing activities:		
Dividend received	-	-
Purchase of Fixed Assets	(1,242)	(1,307)
Proceeds from Sale of Fixed Assets	85	42
Purchase of Non- Dealing Securities	(10,305)	(23,429)
Proceeds from Sale of Non-Dealing Securities	42,274	574
Others	-	-
Net cash provided (used) by investing activities	30,812	(24,120)
III. Cash flows from financing activities:		
Repayment of Long-term Debt	-	-
Proceeds from Issuance of Long Term Debt	-	-
Proceeds from Issuance of Share Capital	10,313	25,555
Payment of Cash Dividends	-	-
Net Change in Other Borrowings	-	-
Others	-	-
Net Cash Provided (used) by Financing Activities	10,313	25,555
IV. Cash and Cash Equivalents:		
Net Increase/(Decrease) in Cash and Cash Equivalents	156	(13,322)
Cash and Cash Equivalents at the Beginning of the Quarter	68,297	81,619
Cash and Cash Equivalents at the end of the Quarter	68,453	68,297

SELECTED EXPLANATORY NOTES FOR THE YEAR ENDED 31 DECEMBER 2018

In preparation of the Annual financial statements, consistent accounting policies have been used as those applicable to the previous year audited financial statements except for the changes necessitated by the new standards i.e IFRS 9, Financial Instruments.

Gift Shoko
Chief Executive Officer
27 March 2019

Genes Kunda
Head of Finance
27 March 2019

Christopher Chuwa
Head of Internal Audit
27 March 2019

The above extract are from the Financial Statements of the Bank for the year ended 31st December 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS). The Financial Statements were Audited by KPMG Certified Public Accountants and received an unqualified audit report. The Financial Statements were approved by the Board of Directors on 27 March 2019 and signed on their behalf by:

N N Kitomari
27 March 2019

I O Awuondo
27 March 2019

