

# AUDITED FINANCIAL STATEMENT

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



CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023		
	Current Year 31-Dec-23 TZS '000'	Previous Year 31-Dec-22 TZS '000'
<b>A. ASSETS</b>		
1 Cash	3,768,172	2,557,197
2 Balances with Bank of Tanzania	9,499,595	4,503,578
3 Investment in Government securities	14,482,537	6,254,183
4 Balances with other banks	35,090,700	13,864,692
5 Cheques and items for clearing	-	-
6 Inter branch float items	-	-
7 Bills negotiated	-	-
8 Customers' liabilities for acceptances	-	-
9 Interbank Loans Receivables	-	-
10 Investments in other securities	500,000	-
11 Loans, advances and overdrafts (net of allowances for probable	131,438,264	80,686,335
12 Other assets	8,708,772	5,585,728
13 Equity Investments	-	0
14 Underwriting accounts	-	0
15 Property, plant and equipment(net)	4,545,116	2,599,557
<b>16 TOTAL ASSETS</b>	<b>208,033,156</b>	<b>116,051,270</b>
<b>B. LIABILITIES</b>		
17 Deposits from other banks	22,799,605	5,308,245
18 Customer Deposits	142,194,319	80,066,473
19 Cash letters of credit	0	0
20 Special deposits	0	0
21 Payment orders/transfers payable	0	0
22 Bankers' cheques and draft issued	0	0
23 Accrued taxes and expenses payable	529,262	435,424
24 Acceptances outstanding	0	0
25 Interbranch floats items	0	0
26 Unearned income and other deferred charge	1,905,589	1,067,158
27 Other liabilities	4,370,215	2,310,250
28 Borrowings	7,132,688	4,163,932
29 Other Capital Accounts	-	-
<b>30 TOTAL LIABILITIES</b>	<b>178,931,678</b>	<b>93,351,482</b>
<b>31 NET ASSETS/(LIABILITIES)</b>	<b>29,101,478</b>	<b>22,699,788</b>
<b>C. CAPITAL AND RESERVES</b>		
32 Paid up share capital	17,011,676	17,111,834
33 Capital Reserves	-	-
34 Retained earnings	5,587,954	2,762,240
35 Profit/(Loss) account	6,501,848	2,825,714
36 Minority Interest	0	0
<b>37 TOTAL SHAREHOLDERS' FUNDS</b>	<b>29,101,478</b>	<b>22,699,788</b>
38 Contingent liabilities	220,789,926	173,508,848
39 Non Performing Loans & Advances	2,322,957	1,173,363
40 Allowances for probable losses	1,572,998	1,208,931
41 Other non performing assets	0	0
<b>D. PERFORMANCE INDICATORS</b>		
i Shareholders funds to total assets	14%	20%
ii Non performing loans to total gross loans	1.7%	1.4%
iii Gross loans and advances to total deposits	81%	101%
iv Loans and advances to total assets	63%	70%
v Earning Assets to Total Assets	80%	81%
vi Deposits Growth	78%	0%
vii Assets growth	79%	0%

CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2023							
Year ended 31 December 2023	Share Capital	Share Premium	Retained Earnings	Regulatory Reserve	General Provision Reserve	Others	Total
<b>Balance as at 01.01.2023</b>	<b>17,111,834</b>	<b>0</b>	<b>5,587,954</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,699,788</b>
Profit for the year	0	0	6,501,848	0	0	0	6,501,848
Prior year adjustment	0	0	0	0	0	0	0
Adjustment during the year	-100,158	0	0	0	0	0	-100,158
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	0	0	0	0	0
General Provision Reserve	0	0	0	0	0	0	0
Issued during the year	0	0	0	0	0	0	-
Gain from Merger	0	0	0	0	0	0	0
Advance Toward share Capital	0	0	0	0	0	0	0
Transfer to retained earnings	0	0	0	0	0	0	0
<b>Balance as at 31.12.2023</b>	<b>17,011,676</b>	<b>0</b>	<b>12,089,802</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29,101,478</b>
<b>Previous Year ended 31 December 2022</b>	<b>16,031,834</b>	<b>0</b>	<b>1,127,852</b>	<b>1,634,388</b>	<b>0</b>	<b>0</b>	<b>18,794,074</b>
Loss/Profit for the year	0	0	2,825,714	0	0	0	2,825,714
Prior year adjustment	0	0	-	0	0	0	-
Adjustment during the year	0	0	0	0	0	0	0
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	0	0	0	0	0
General Provision Reserve	0	0	0	0	0	0	0
Issued during the year	1,080,000	0	0	0	0	0	1,080,000
Gain from Merger	-	0	0	0	0	0	-
Advance Toward share Capital	-	0	0	0	0	0	-
Transfer to retained earnings	0	0	1,634,388	(1,634,388)	0	0	0
<b>Balance as at the 31.12.2022</b>	<b>17,111,834</b>	<b>0</b>	<b>5,587,954</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,699,788</b>

The above extracts are from the audited financial statements of the bank for the year ended 31 December 2023 which have been prepared in accordance to the International Financial Reporting Standards (IFRS). The financial statements have been audited by PWC , Certified Public Accountants and received an unqualified opinion.

Attested by:

<b>Jagjit Singh</b>	<b>Managing Director</b>	<b>March 27, 2024</b>
<b>Chomete Abdallah</b>	<b>Head of Finance&amp; Administration</b>	<b>March 27, 2024</b>
<b>Elifuraha Charles</b>	<b>Head of Internal Audit</b>	<b>March 27, 2024</b>

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.

Attested by:

<b>Eng. Ridhuan Mringo</b>	<b>Board Chairman</b>	<b>March 27, 2024</b>
<b>CPA(T) Zukra Ally</b>	<b>Board Member</b>	<b>March 27, 2024</b>

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2023		
	Curr Yr P & L cumm 31-Dec-23 TZS '000'	Previous Yr P & L cumm 31-Dec-22 TZS '000'
1 Interest Income	22,729,544	14,229,033
2 Interest Expense	9,204,616	4,222,491
<b>3 Net Interest Income (1 minus 2)</b>	<b>13,524,928</b>	<b>10,006,542</b>
4 Bad debts written off	0	0
5 Impairment losses on Loans and Advances	755,597	1,760,008
<b>6 Non Interest Income</b>	<b>7,287,399</b>	<b>5,169,029</b>
6.1 Foreign Currency Dealings and Translation Gains/(Loss)	714,185	489,985
6.2 Commissions and fees	5,945,053	4,128,892
6.3 Dividend Income	0	0
6.4 Other Operating Income	628,161	550,152
<b>7 Non Interest Expense</b>	<b>10,021,741</b>	<b>9,358,660</b>
7.1 Salaries and Benefits	4,346,340	3,640,327
7.2 Fees and Commission	0	0
7.3 Other Operating expenses	5,675,401	5,718,333
<b>8 Operating Profit/(Loss) before Income Tax</b>	<b>10,034,989</b>	<b>4,056,903</b>
9 Income Tax Provision	3,533,141	(1,231,188)
<b>10 Net Income/(Loss ) after Income Tax</b>	<b>6,501,848</b>	<b>2,825,714</b>
11 Other Comprehensive Income	0	0
<b>12 Total comprehensive income/{Loss} for the year</b>	<b>6,501,848</b>	<b>2,825,714</b>
13 Number of Employees	124	112
14 Basic Earnings Per Share	650	518
15 Number of Branches	7	7
<b>SELECTED PERFROMANCE INDICATORS</b>		
(i) Return on average total assets	4%	2%
(ii) Return on average shareholders funds	25%	12%
(iii) Non Interest Expense to Gross Income	33%	48%
(iv) Net Interest Income to Average EarningAssets	21%	21%

CONDENSED STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023		
	Current Yr Cumulative 31-Dec-23 TZS '000'	Previous Yr Cumulative 31-Dec-22 TZS '000'
<b>I Cash Flow from Operating Activities :</b>		
Net ( loss )/Income	10,034,989	4,056,903
<b>Adjustments for non cash items :</b>		
- Gain/loss on Sale of Assets	(8,268)	6,430
- Depreciation of property and equipment	479,771	648,388
- Amortization of Intangible Assets and Refurbishment	867,512	1,072,805
- Amortization of Capital Grant & Reserve	-	(278,682)
- Prior Year adjustment	-	-
-Expected credit loss IFRS 9	-	-
	<b>11,374,004</b>	<b>5,505,844</b>
- Change in Statutory minimum reserve (SMR)	(4,369,695)	(1,429,935)
- Net change in loans and advances	(50,751,929)	(32,140,006)
- Net change in other assets	(10,897,603)	(5,154,486)
- Net change in deposits	62,127,846	27,344,878
- Net change in placement with other bank	17,491,360	1,808,245
- Net change in other liabilities	2,143,884	562,158
	<b>15,743,863</b>	<b>(9,009,146)</b>
-Tax paid	(3,255,233)	(2,062,481)
<b>Net cash flows/(used) from operating activities</b>	<b>23,862,634</b>	<b>(5,565,783)</b>
<b>II</b>		
<b>Cash Flow from Investing Activities</b>		
Dividend Received	0	0
Purchase of property, plant & equipment	(2,426,148)	(890,520)
Proceeds from disposal of property and equipment	9,086	8,000
Purchase of Intangible assets	(73,847)	-
Goodwill	0	(0)
Proceeds from sale of Non-Dealing Securities	(500,000)	0
<b>Net cash provided (used) by investing activities</b>	<b>(2,990,909)</b>	<b>(882,520)</b>
<b>III</b>		
<b>Cash Flow from Financing Activities</b>		
Repayment of Long term Debt	(341,863)	(884,250)
Proceeds from issuance of long term debts	3,000,000	0
Capital Grants	-	95,191
Proceeds from issuance of paid up capital	(100,158)	1,080,000
Payment of Cash Dividends	-	0
Net change in other borrowings	(366,400)	0
<b>Net cash provided (used) by investing activities</b>	<b>2,191,579</b>	<b>290,941</b>
<b>IV</b>		
<b>Cash and Cash equivalents</b>		
Net increase (decrease) in cash & cash equivalents	23,063,304	(6,157,362)
Cash & equivalents, beginning of Year	17,247,318	23,404,680
Cash & equivalents, end of Year	<b>40,310,622</b>	<b>17,247,318</b>

