



PUBLICATION OF FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30TH SEPTEMBER 2019

**REPORT OF CONDITION OF BANK 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 QUARTER ENDED
30th September 2019**

| | <i>(Amounts in million shillings)</i> | | | |
|--|---------------------------------------|------------------------|----------------------------|--------------------------------|
| | Current Quarter | Comparative Quarter | Current Year Cumulative | Comparative Year Cumulative |
| | 30 September 2019 | 30 September 2018 | 30 September 2019 | 30 September 2018 |
| 1 Interest income | 6,922 | 11,619 | 23,065 | 37,617 |
| 2 Interest expense | (1,564) | (2,434) | (4,520) | (9,019) |
| 3 Net interest income | 5,359 | 9,185 | 18,545 | 28,598 |
| 4 Bad debts written-off | 0 | (0) | (0) | (0) |
| 5 Impairment losses on loans and advances | (345) | (1,531) | (4,116) | (5,763) |
| 6 Non- interest income: | 757 | 649 | 2,062 | 1,884 |
| 6.1 Foreign currency dealings and translation gains/(losses) | 160 | 3 | 520 | 75 |
| 6.2 Fees and commissions | 333 | 436 | 1,063 | 1,255 |
| 6.3 Dividend income | - | - | - | - |
| 6.4 Other operating income | 264 | 210 | 480 | 554 |
| 7 Non interest expenses | (7,394) | (9,509) | (21,854) | (27,938) |
| 7.1 Salaries and benefits | (3,499) | (4,211) | (10,462) | (12,982) |
| 7.2 Fees and commission | (292) | (329) | (892) | (1,001) |
| 7.3 Other operating expense | (3,603) | (4,968) | (10,499) | (13,955) |
| 8 Operating income/(loss) | (1,623) | (1,205) | (5,362) | (3,219) |
| 9 Income tax provision | 487 | 362 | 1,609 | 952 |
| 10 Net profit/(loss) after income tax | (1,136) | (843) | (3,753) | (2,267) |
| 11 Other Comprehensive Income (itemize) | - | - | - | - |
| 12 Total comprehensive income/(loss) for the year | (1,136) | (843) | (3,753) | (2,267) |
| 13 Number of employees | 395 | 617 | 395 | 617 |
| 14 Basic Earnings Per Share | (114) | (84.3) | (125.11) | (75.6) |
| 15 Number of branches | 9 | 13 | 9 | 13 |
| <u>SELECTED PERFORMANCE INDICATORS</u> | | | | |
| (i) Return on average total assets | -4.0% | -2.0% | -4.1% | -1.6% |
| (ii) Return on average ordinary shareholders' funds | -16.1% | -10.5% | -17.0% | -9.2% |
| (iii) Non interest expense to gross income | 96.3% | 77.5% | 87.0% | 70.7% |
| (iv) Net Interest income to average earning assets | 29.4% | 29.4% | 29.8% | 28.3% |

ACCESSBANK TANZANIA LIMITED
CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30th September 2019

(Amounts in million shillings)

30 September 2019

30 June 2019

A. ASSETS

| | | | |
|----|--|----------------|----------------|
| 1 | Cash | 9,970 | 8,942 |
| 2 | Balances with Bank of Tanzania | 14,652 | 9,270 |
| 3 | Investment in government securities | - | - |
| 4 | Balances with other banks and financial institutions | 1,060 | 979 |
| 5 | Cheques and Items for clearing | 88 | 106 |
| 6 | Inter branch float items | - | - |
| 7 | Bills negotiated | - | - |
| 8 | Customers' liabilities for acceptances | - | - |
| 9 | Interbank loans receivable | 14,200 | 13,732 |
| 10 | Investment in other securities | - | - |
| 11 | Loans, advances and overdrafts (Net of allowances for probable losses) | 55,195 | 66,659 |
| 12 | Other assets | 16,045 | 15,489 |
| 13 | Equity investments | - | - |
| 14 | Underwriting accounts | - | - |
| 15 | Property, plant and equipment (net) | 2,529 | 2,603 |
| 16 | TOTAL ASSETS | 113,738 | 117,779 |

B. LIABILITIES

| | | | |
|----|--|---------------|---------------|
| 17 | Deposits from other banks and financial institutions | - | - |
| 18 | Customer deposits | 76,472 | 77,097 |
| 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 | 1,872 | 3,881 |
| 24 | Acceptances outstanding | - | - |
| 25 | Inter branch float items | - | - |
| 26 | Unearned income and other deferred charges | 3,389 | 3,815 |
| 27 | Other liabilities | 4,144 | 3,987 |
| 28 | Borrowings | - | 0 |
| 29 | TOTAL LIABILITIES | 85,876 | 88,781 |
| 30 | NET ASSETS / (LIABILITIES) (16 minus 29) | 27,862 | 28,998 |

C. SHAREHOLDERS' FUNDS

| | | | |
|----|----------------------------------|---------------|---------------|
| 31 | Paid up share capital | 40,000 | 40,000 |
| 32 | Deposits for shares | - | - |
| 33 | Retained Earnings | (8,384) | (8,975) |
| 34 | Profit/(Loss) account | (3,754) | (2,618) |
| 35 | General Provision Reserve | - | 590 |
| 36 | Minority interest | - | - |
| 37 | TOTAL SHAREHOLDERS' FUNDS | 27,862 | 28,998 |

| | | | |
|----|---------------------------------|--------|--------|
| 38 | Contingent liabilities | 1,390 | 5,028 |
| 39 | Non performing loans & advances | 21,631 | 21,674 |
| 40 | Allowances for probable losses | 19,192 | 19,346 |
| 41 | Other non performing assets | 64 | 64 |

D. SELECTED FINANCIAL CONDITION INDICATORS

| | | | |
|-------|--|--------|---------|
| (i) | Shareholders' funds to total assets | 24.50% | 24.62% |
| (ii) | Non performing loans to total gross loans | 29.08% | 25.20% |
| (iii) | Gross loans and advances to total deposits | 97.27% | 111.55% |
| (iv) | Loans and advances to total assets | 48.53% | 56.60% |
| (v) | Earning assets to total assets | 61.01% | 68.26% |
| (vi) | Deposits growth | -0.81% | -8.30% |
| (vii) | Assets growth | -3.43% | -7.19% |

**CONDENSED STATEMENT OF CASH FLOW STATEMENT
FOR THE QUARTER ENDED ON 30th SEPTEMBER 2019**

| | (Amounts in million shillings) | | | |
|--|--------------------------------------|----------------------------------|---|--|
| | Current Quarter 30 September 2019 | Previous Quarter 30 June 2019 | Cumulative Current Year 30 September 2019 | Cumulative Previous Year 30 September 2018 |
| I: Cash flow from operating activities: | | | | |
| Net (loss)/profit before tax | (1,623) | (2,843) | (5,362) | (3,219) |
| Adjustments for: | | | | |
| - Impairment charges and Amortization/depreciation charges | 815 | 2,943 | 5,579 | 7,607 |
| - net change in loans and advances | 11,464 | 12,525 | 36,294 | 38,838 |
| - gain/(loss) on sale of assets | 53 | 7 | 86 | 6 |
| - net change in deposits | (626) | (6,980) | (18,949) | (41,708) |
| - net change in short term negotiable securities | - | - | - | - |
| Negotiable Securities | - | - | - | - |
| - net change in other liabilities | (2,279) | (149) | (1,870) | 4,253 |
| - net change in other assets | (505) | (927) | (2,326) | (3,960) |
| - tax paid | (1,540) | - | (1,540) | - |
| - others Net change in SMR | (655) | (771) | (2,257) | (2,697) |
| Net cash provided (used) by operating activities | 5,105 | 3,805 | 9,656 | (879) |
| II: Cash flow from investing activities: | | | | |
| Dividend received | - | - | - | - |
| Purchase of fixed assets | (150) | (3) | (186) | (670) |
| Proceeds from sale of fixed assets | 0 | 7 | 39 | 7 |
| Purchase of non-dealing securities | - | - | - | - |
| Proceeds from sale of non-dealing securities | - | - | - | - |
| Deferred revenue grant | - | - | - | - |
| Net cash provided (used) by investing activities | (150) | 4 | (147) | (663) |
| III: Cash from financing activities: | | | | |
| Repayment of long term debt | - | - | - | (2,372) |
| Proceeds from issuance of long term debt | - | - | (9,494) | - |
| Proceeds from issuance of share capital | - | - | - | 7,000 |
| Payment of cash dividends | - | - | - | - |
| Net change in other borrowings | - | - | - | - |
| Others | - | - | - | - |
| Net cash provided (used) by financing activities | - | - | (9,494) | 4,628 |
| IV: Cash and cash equivalents: | | | | |
| Net decrease in cash and cash equivalents | 4,954 | 3,808 | 14 | 3,084 |
| Cash and cash equivalents at the beginning of the quarter/period | 25,789 | 21,980 | 30,729 | 20,164 |
| Cash and cash equivalents at the end of the quarter/period | 30,743 | 25,789 | 30,743 | 23,248 |

| CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED ON 30TH SEPTEMBER 2019 | | | | | | | |
|---|---------------------------------------|---------------|-------------------|--------------------|---------------------------|--------------------|---------------|
| | <i>(Amounts in million shillings)</i> | | | | | | |
| | Share Capital | Share Premium | Retained Earnings | Regulatory Reserve | General Provision Reserve | Deposit for shares | Total |
| Current period up to 30th SEPTEMBER 2019 | | | | | | | |
| Balance as at the beginning of the year | 40,000 | - | (9,257) | - | 873 | - | 31,616 |
| Profit/(Loss) for the year | - | - | (3,754) | - | - | - | (3,754) |
| Other Comprehensive Income | - | - | - | - | - | - | - |
| Transfers to Share Capital | - | - | - | - | - | - | - |
| Dividends Paid | - | - | - | - | - | - | - |
| Regulatory Reserve | - | - | - | - | - | - | - |
| General Provision Reserve | - | - | 873 | - | (873) | - | - |
| Others - (IFRS-9) | - | - | - | - | - | - | - |
| Balance as at 30th SEPTEMBER 2019 | 40,000 | - | (12,138) | - | - | - | 27,862 |
| Previous Year-period up to 31st December 2018 | | | | | | | |
| Balance as at the beginning of the year-2018 | 33,000 | - | (4,078) | - | 1,359 | - | 30,280 |
| Profit/(Loss) for the year | - | - | (953) | - | - | - | (953) |
| Other Comprehensive Income | - | - | - | - | - | - | - |
| Transfers to Share Capital | 7,000 | - | - | - | - | - | 7,000 |
| Dividends Paid | - | - | - | - | - | - | - |
| Regulatory Reserve | - | - | - | - | - | - | - |
| General Provision Reserve | - | - | 486 | - | (486) | - | - |
| Others - Net impact of IFRS 9 Transitional adjustment (net of tax). | - | - | (4,712) | - | - | - | (4,712) |
| Balance as at 31st December 2018 | 40,000 | - | (9,257) | - | 873 | - | 31,616 |

In preparation of the quarterly financial statements, consistent accounting policies have been used as those applicable to the previous year audited financial statements.

| <u>Name and Title</u> | <u>Signature</u> | <u>Date</u> |
|--|------------------|-------------------|
| Armando Massimiliano Sirolla (Chief Executive Officer) | | 25th October 2019 |
| Julius Ruwaichi (Chief Financial Officer) | | 25th October 2019 |
| Andrew Mollel (Head of Internal Audit) | | 25th October 2019 |

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.

| <u>Name</u> | <u>Signature</u> | <u>Date</u> |
|------------------------------------|------------------|-------------------|
| Thomas Engelhardt (Chairperson) | | 25th October 2019 |
| Johannes Mainhardt (Director) | | 25th October 2019 |