

CRDB BANK PLC

AUDITED FINANCIAL STATEMENTS

ISSUED PURSUANT TO REGULATIONS 7 AND 8 OF THE BANKING AND FINANCIAL INSTITUTIONS (DISCLOSURES) REGULATIONS, 2014

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2017	Amount in Million Shillings			
	GROUP		BANK	
	Current Year	Previous Year	Current Year	Previous Year
	31/12/2017	31/12/2016 Restated	31/12/2017	31/12/2016 Restated
A. ASSETS				
1. Cash	303,607	228,824	299,916	225,674
2. Balances with Bank of Tanzania	843,234	674,358	826,357	665,426
3. Investment in Government Securities	1,104,547	580,787	1,057,862	532,138
4. Balances with Other Banks and financial institutions	252,917	248,381	274,122	275,595
5. Cheques and items for clearing	12,225	15,688	10,839	15,338
6. Interbranch float items	0	0	0	0
7. Bills negotiated	46	46	46	46
8. Customers Liabilities on acceptances	0	0	0	0
9. Interbank Loans Receivables	0	0	0	0
10. Investment in other securities	0	0	0	0
11. Loans, Advances and Overdrafts (Net of Allowances for Probable Losses)	2,893,838	3,247,257	2,844,786	3,208,333
12. Other Assets	244,630	199,264	235,981	184,063
13. Equity Investments	2,747	2,608	25,158	25,018
14. Underwriting accounts	0	0	0	0
15. Property, Plant and Equipment	243,817	207,946	231,041	190,962
16. TOTAL ASSETS	5,901,608	5,405,159	5,806,107	5,322,594
B. LIABILITIES				
17. Deposits from other banks and financial institutions	79,722	121,596	80,679	124,116
18. Customer deposits	4,325,871	4,109,974	4,238,104	4,046,333
19. Cash letters of credit	0	0	0	0
20. Special deposits	0	0	0	0
21. Payment orders / transfers payable	4,795	5,647	4,788	4,203
22. Bankers' cheques and drafts issued	1,431	1,790	948	1,605
23. Accrued taxes and expenses payable	27,653	24,316	26,773	23,357
24. Acceptances outstanding	0	0	0	0
25. Interbranch float items	0	0	0	0
26. Unearned income and other deferred charges	23,474	35,504	23,043	24,991
27. Other Liabilities	50,321	16,437	68,856	28,003
28. Borrowings	654,880	382,269	654,881	382,269
29. TOTAL LIABILITIES	5,168,148	4,697,533	5,098,072	4,634,878
30. NET ASSETS / (LIABILITIES)	733,460	707,626	708,035	687,716
C. SHAREHOLDERS' FUNDS				
31. Paid up share capital	65,296	65,296	65,296	65,296
32. Capital Reserves	0	0	0	0
33. Retained earnings	427,213	337,094	411,686	325,454
34. Profit / (Loss) account	36,212	69,578	30,809	63,770
35. Others Capital Accounts	204,740	235,659	200,244	233,196
36. Minority Interest	0	0	0	0
37. TOTAL SHAREHOLDERS' FUNDS	733,460	707,626	708,035	687,716
38. Contingent Liabilities	645,012	675,243	635,096	637,509
39. Non performing loans & advances	393,435	474,905	393,295	351,555
40. Allowances for probable losses	230,658	152,316	230,426	81,621
41. Other non performing assets	0	0	0	0
D. SELECTED FINANCIAL CONDITION INDICATORS				
(i) Shareholders Funds to Total assets	12.4%	13.1%	12.2%	12.9%
(ii) Non performing loans to Total gross loans	12.4%	14.0%	12.6%	14.1%
(iii) Gross Loans and advances to Total deposits	71.7%	82.8%	72.0%	83.7%
(iv) Loans and Advances to Total assets	49.0%	60.1%	49.0%	60.3%
(v) Earnings Assets to Total Assets	72.0%	75.4%	71.9%	75.5%
(vi) Deposits Growth	5.3%	-3.2%	4.7%	-3.2%
(vii) Assets growth	9.2%	0.0%	9.1%	-0.2%

STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2017	Amount in Million Shillings			
	GROUP		BANK	
	Current year	Previous Year	Current Year	Previous Year
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
I: Cash flow from operating activities:				
Net income (Loss)	53,578	111,798	46,947	105,408
Adjustment for :				
- Impairment / Amortization	212,713	173,056	208,319	168,490
- Net change in loans and Advances	166,587	(82,270)	186,414	(79,923)
- Gain / loss on Sale of Assets	452	157	480	62
- Net change in Deposits	168,232	(86,314)	145,301	(81,535)
- Net change in Short Term Negotiable Securities	(280,582)	307,271	(288,101)	307,043
- Net change in Other Liabilities	(73,809)	(145,105)	(74,993)	(142,916)
- Net change in Other Assets	441,718	441,895	428,047	443,178
- Tax paid	(53,556)	(76,269)	(51,790)	(73,419)
- Others (specify)	(416,759)	(434,296)	(403,929)	(425,203)
Net cash provided (used) by operating activities	218,574	209,923	196,695	221,185
II: Cash flow from investing activities:				
Dividend Received				
Purchase of Fixed Assets	(76,432)	(83,448)	(62,120)	(72,565)
Proceeds from Sale of Fixed Assets	237	371	-	433
Purchase of Non - Dealing Securities	(139)	(328)	(139)	(328)
Proceeds from Sale Non - Dealing Securities				
Others (Intangible)	(11,940)	(11,291)	(11,666)	(11,342)
Net cash provided (used) by investing activities	(88,274)	(94,696)	(73,925)	(83,802)
III: Cash flow from financing activities:				
Repayment of Long-term Debt	(112,344)	(35,546)	(112,344)	(35,546)
Proceeds from Issuance of Long Term Debt	-	-	-	-
Proceeds from Issuance of Share Capital	-	-	-	-
Payment of Cash Dividends	(25,582)	(43,208)	(25,582)	(43,208)
Proceeds from borrowings and subordinated debt	348,524	97,554	348,524	97,554
Others (Grant received and refund)	1,010	9,905	-	-
Net Cash Provided (used) by Financing activities	211,608	28,705	210,598	18,800
IV: Cash and Cash Equivalents:				
Net Increase/ (Decrease) in Cash and Cash Equivalent	341,908	143,932	333,368	156,183
Cash and Cash Equivalents at the Beginning of the Year	726,584	582,652	714,169	557,986
Cash and Cash Equivalents at the end of the Year	1,068,492	726,584	1,047,537	714,169

The above extracts are from the Financial Statements of the Bank for the year ended December 31, 2017 which have been prepared in accordance with International Financial Reporting Standards, and Companies Act, CAP 212 Act No. 12 of 2002. The Financial Statements were audited by PricewaterhouseCoopers Certified Public Accountants (T) and received a clean audit report.

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

Signed by:

Mr. Ally H. Laay
Dr. Charles S. Kimei
Mr. Juma A. Abdulrahman

Board Chairman
Managing Director
Board Member

Date:

29th March 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST DECEMBER, 2017	Amount in Million Shillings			
	GROUP		BANK	
	Current year	Previous year	Current year	Previous year
	31/12/2017	31/12/2016 Restated	31/12/2017	31/12/2016 Restated
1. Interest Income	560,344	569,273	547,754	558,349
2. Interest expense	(150,628)	(136,128)	(146,982)	(133,420)
3. Net interest income	409,716	433,145	400,772	424,929
4. Bad debts written off				
5. Impairment Losses on Loans and Advances	(153,374)	(123,383)	(152,327)	(122,076)
6. Non-Interest Income	225,624	203,131	213,578	191,993
6.1 Foreign Currency Dealings and Translation Gain / (Loss)	37,351	34,842	36,033	31,354
6.2 Fees and Commissions	182,712	165,939	174,245	159,443
6.3 Dividend Income				
6.3 Other Operating Income	5,561	2,350	3,300	1,196
7. Non-Interest Expense	(428,388)	(401,095)	(415,075)	(389,438)
7.1 Salaries and Benefits	(195,393)	(184,370)	(176,311)	(164,819)
7.2 Fees and Commissions	(13,997)	(11,405)	(33,723)	(36,092)
7.3 Other Operating Expenses	(218,998)	(205,320)	(205,041)	(188,526)
8. Operating Income/(Loss)	53,578	111,798	46,947	105,408
9. Income tax provision	(17,366)	(42,221)	(16,138)	(41,638)
10. Net Income (Loss) After Income Tax	36,212	69,577	30,809	63,770
11. Other Comprehensive Income				
Translation+Revaluation Reserve+Shares Traded	15,574	2,040	15,628	2,844
12. Total Comprehensive income/(loss)for the year	51,786	71,617	46,438	66,614
13. Number of Employees	3,164	3,196	2,902	2,760
14. Basic Earnings Per Share	13.9	26.6	11.8	24.4
15. Number of Branches	255	250	252	180
SELECTED PERFORMANCE INDICATORS:				
(i)Return on Average Total Assets	1.0%	2.1%	0.9%	2.1%
(ii)Return on Average Shareholders' Funds	4.8%	10.0%	4.2%	9.9%
(iii)Non interest Expense to Gross Income	67.4%	63.0%	67.6%	63.2%
(iv)Net Interest Income to Average Earning Assets	9.7%	10.1%	9.7%	10.4%

Highlights from CRDB 2017 Audited Results

During the year 2017 CRDB Bank together with its subsidiaries (Group) continued to maintain strong balance sheet recording 9 percent growth of total assets from TZS 5.4 trillion in December 2016 to TZS 5.9 trillion in December 2017, while total deposits recorded a growth of 5 percent to TZS 4.3 trillion from TZS 4.1 trillion. CRDB Group continue to command 20 percent of industry deposits, supported by a network of 255 branches, 551 ATM, 1,184 Point of Sales (POS) terminals, 3,286 agents (Fahari-Huduma) and a strong digital proposition in Simbanking, SimAccount and internet banking. As at December 2017 the Group's employment reached 3,164 staff.

During the financial year ended December 31, 2017, the Group posted a profit before tax of TZS 53.6 billion compared to TZS 111.8 billion recorded in 2016, a decrease of 52 percent. The decrease is primarily attributed to accelerated provisioning to enhance coverage of impaired loans from 32 percent in 2016 to 59 percent being part of the initiative to clean up the loan book.

The focus for 2018 is to continuously enhance its service delivery ecosystem geared to achieve customer experience. The Bank is also working towards transforming its credit management process to achieve efficiency and maintain quality loan portfolio. We are confident that the Group will continue to maintain a strong balance sheet with positive performance trend.

Dr. Charles Kimei
MANAGING DIRECTOR

STATEMENTS OF CHANGES IN EQUITY AS AT 31ST DECEMBER, 2017	Amount in Million Shillings							Total
	Share capital	Share Premium	Retained Earnings	Regulatory Reserves	General Provision Reserves	Others		
GROUP								
Current Year - 31st December, 2017								
Balance as at the beginning of the year								
-As previously reported	65,296	158,314	417,231	48,843	26,537	1,966	718,187	
-Prior year adjustment			(10,561)				(10,561)	
Balance as at the beginning of the year (Restated)	65,296	158,314	406,670	48,843	26,537	1,966	707,626	
Profit for the year			36,212				36,212	
Other Comprehensive Income			-			15,574	15,574	
Transactions with owners							-	
Dividend paid			(26,118)				(26,118)	
Regulatory Reserve			48,843	(48,843)			-	
General Provision Reserve			(680)		680		-	
Others (Excess depreciation and Legal provision)			(1,502)			1,670	166	
Balance as at the end of the current period	65,296	158,314	463,424	-	27,217	19,210	733,460	
Previous Year - 31st December 2016								
Balance as at the beginning of the year								
-As pprevious reported	65,296	158,314	355,487	79,221	28,707	373	687,398	
-Prior year adjustment			(6,045)				(6,045)	
Balance as at the beginning of the year (Restated)	65,296	158,314	349,442	79,221	28,707	373	681,353	
Profit for the year (Previous)			74,093				74,093	
Prior year adjustment			(4,516)				(4,516)	
Profit for the year (Restated)			69,577				69,577	
Other Comprehensive Income			(1,292)			2,040	748	
Transactions with owners							-	
Dividend paid			(44,401)				(44,401)	
Regulatory Reserve			30,378	(30,378)			-	
General Provision Reserve			2,170		(2,170)		-	
Others			796			(447)	349	
Balance as at the end of the previous period	65,296	158,314	406,670	48,843	26,537	1,966	707,626	
BANK								
Current Year - 31/12/2017								
Balance as at the beginning of the year								
-As pprevious reported	65,296	158,314	399,784	48,533	26,537	(187)	698,277	
-Prior year adjustment			(10,561)				(10,561)	
Balance as at the beginning of the year (Restated)	65,296	158,314	389,223	48,533	26,537	(187)	687,716	
Profit for the year			30,809				30,809	
Other Comprehensive Income						15,628	15,628	
Transactions with owners							-	
Dividend paid			(26,118)				(26,118)	
Regulatory Reserve			48,533	(48,533)			-	
General Provision Reserve			(259)		259		-	
Others (Excess depreciation)			306			(306)	-	
Balance as at the end of the current period	65,296	158,314	442,494	-	26,796	15,135	708,035	
Previous Year - 31 December 2016								
Balance as at the beginning of the year								
-As pprevious reported	65,296	158,314	342,708	79,020	28,707	(2,497)	671,548	
-Prior year adjustment			(6,045)				(6,045)	
Balance as at the beginning of the year (Restated)	65,296	158,314	336,663	79,020	28,707	(2,497)	665,503	
Profit for the year			68,286				68,286	
Prior year adjustment			(4,516)				(4,516)	
Profit for the year (Restated)			63,770				63,770	
Other Comprehensive Income						2,844	2,844	
Transactions with owners							-	
Dividend paid			(44,401)				(44,401)	
Regulatory Reserve			30,487	(30,487)			-	
General Provision Reserve			2,170		(2,170)		-	
Others			534			(534)	0	
Balance as at the end of the previous period	65,296	158,314	389,223	48,533	26,537	(187)	687,716	

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