

FIRST HOUSING FINANCE (TANZANIA) LIMITED

PUBLICATION OF AUDITED FINANCIAL STATEMENTS



Issued pursuant to Regulation 58 of The Banking and Financial Institutions (Mortgage Finance) Regulations, 2015.

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022

(Amounts in thousand shillings)

| | Current Year | Previous Year |
|--|-------------------|-------------------|
| | 31st Dec. 2022 | 31st Dec. 2021 |
| A. ASSETS | | |
| 1. Cash | 1,532 | 615 |
| 2. Balances with Bank of Tanzania | - | - |
| 3. Investments in Government Securities | 3,601,363 | 3,601,639 |
| 4. Balances with Other Banks and Financial institutions | 6,695,407 | 945,171 |
| 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 | - | - |
| 11. Loans, Advances and Overdrafts (Net of Allowances for Expected Losses) | 19,561,504 | 13,570,278 |
| 12. Other Assets | 706,753 | 575,929 |
| 13. Equity Investments | 1,622,000 | 1,622,000 |
| 14. Underwriting Accounts | - | - |
| 15. Property, Plant and Equipment | 323,876 | 449,612 |
| 16. TOTAL ASSETS | 32,512,435 | 20,765,244 |
| B. LIABILITIES | | |
| 17. Deposits from Other Banks and Financial Institutions | - | - |
| 18. Customer Deposits | 911,787 | 488,087 |
| 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 | 1,054,642 | 1,008,249 |
| 24. Acceptances Outstanding | - | - |
| 25. Inter-branch Float Items | - | - |
| 26. Unearned Income, Other Deferred Charges & Taxes | 41,070 | 41,070 |
| 27. Other Liabilities | - | - |
| 28. Borrowings | 12,003,729 | 1,010,685 |
| 29. TOTAL LIABILITIES | 14,011,228 | 2,548,091 |
| 30. NET ASSETS/(LIABILITIES) (16 minus 29) | 18,501,207 | 18,217,153 |
| C. SHAREHOLDERS' FUNDS | | |
| 31. Paid up Share Capital | 21,800,000 | 21,800,000 |
| 32. Share premium | - | - |
| 33. Capital Reserve | - | - |
| 34. Retained Earnings | (3,678,678) | (3,911,640) |
| 35. Profit/(Loss) Account | 284,054 | 232,962 |
| 36. Fair Value Reserve | 95,831 | 95,831 |
| 37. Minority Interest | - | - |
| 38. TOTAL SHAREHOLDERS' FUNDS | 18,501,207 | 18,217,153 |
| 39. Contingent Liabilities | - | - |
| 40. Non-Performing Loans & Advances | 561,178 | 329,009 |
| 41. Allowance for Expected Losses | 135,812 | 55,648 |
| 42. Other Non-Performing Assets | - | - |
| D. SELECTED FINANCIAL CONDITION INDICATORS | | |
| (i). Shareholders' Funds to Total Assets | 56.91% | 87.73% |
| (ii). Non-Performing Loans to Total Gross Loans | 2.85% | 2.39% |
| (iii). Gross Loans & Advances to Total Deposits | 2160.30% | 2825.75% |
| (iv). Loans & Advances to Total Assets | 60.17% | 65.35% |
| (v). Earning Assets to Total Assets | 91.84% | 88.34% |
| (vi). Deposits Growth | 86.81% | 18.16% |
| (vii). Assets Growth | 56.57% | 2.94% |

The above extracts are from the Financial Statements of the Financial Institution for the year ended 31st December 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS). The Financial Statements were audited by Ernst & Young - Certified Public Accountants and received an unqualified audit report.

| Name and Title | Signature | Date |
|---|----------------|------------|
| Sasa M. Chonza (Chief Executive Officer) | (Signed) | 30.03.2023 |
| Amulike E. Kamwela (Chief Financial Officer) | (Signed) | 30.03.2023 |
| Isambo Binde (Internal Audit Manager) | (Signed) | 30.03.2023 |

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2022

(Amounts in Thousand shillings)

| | Current Year | Previous Year |
|---|--------------------|--------------------|
| | 31st Dec. 2022 | 31st Dec. 2021 |
| 1. Interest Income | 3,855,309 | 2,487,835 |
| 2. Interest Expense | (1,000,506) | (122,779) |
| 3. Net Interest Income | 2,854,803 | 2,365,056 |
| 4. Bad Debts Written-Off | - | - |
| 5. Impairment Reversal / (Losses) | (96,711) | (17,041) |
| 6. Non Interest Income : | 167,890 | 130,606 |
| 6.1 Foreign Currency Dealings and Translation Gains/ (Loss) | (1,480) | (1,464) |
| 6.2 Fees and Commissions | 93,770 | 53,781 |
| 6.3 Dividend Income | 27,590 | 35,130 |
| 6.4 Other Operating Income | 48,010 | 43,159 |
| 7. Non Interest Expenses : | (2,619,191) | (2,229,229) |
| 7.1 Salaries and Benefit | (1,568,574) | (1,165,923) |
| 7.2 Fees and Commissions | - | - |
| 7.3 Other Operating Expenses | (1,050,617) | (1,063,306) |
| 8. Operating Income/ (Loss) | 306,791 | 249,392 |
| 9. Income Tax Provision | (22,737) | (16,430) |
| 10. Net Income/ (Loss) after Income Tax | 284,054 | 232,962 |
| 11. Other Comprehensive Income | - | - |
| 12. Total Comprehensive Income/ (Loss) | 284,054 | 232,962 |
| 13. Number of Employees | 23 | 19 |
| 14. Basic Earnings Per Share | 1.30 | 1.07 |
| 15. Number of Branches | 1 | 1 |
| SELECTED PERFORMANCE INDICATORS | | |
| (i). Return on Average Total Assets | 1.07% | 1.12% |
| (ii). Return on Average Shareholder's Fund | 1.55% | 1.28% |
| (iii). Non Interest Expense to Gross Income | 86.65% | 89.32% |
| (iv). Net Interest Income to Average Earning Assets | 11.84% | 12.89% |

CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 31st DECEMBER 2022

(Amounts in Thousand shillings)

| | Share Capital | Share premium | Retained Earnings | Regulatory reserve | General Provision Reserve | Others (Fair Value Reserve) | Total |
|--|-------------------|---------------|--------------------|--------------------|---------------------------|-----------------------------|-------------------|
| Current Year (2022) | | | | | | | |
| Balance as at the beginning of the year | 21,800,000 | - | (3,703,026) | 24,348 | - | 95,831 | 18,217,153 |
| Profit (Loss) for the year | - | - | 284,054 | - | - | - | 284,054 |
| Transactions with owners | - | - | - | - | - | - | - |
| Dividends Paid | - | - | - | - | - | - | - |
| Regulatory Reserve | - | - | (37,980) | 37,980 | - | - | - |
| General Provision | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - |
| Balance as at the end of the year | 21,800,000 | - | (3,456,952) | 62,328 | - | 95,831 | 18,501,207 |
| Previous Year (2021) | | | | | | | |
| Balance as at the beginning of the Year | 21,800,000 | - | (3,911,640) | - | - | 95,831 | 17,984,191 |
| Profit (Loss) for the year | - | - | 232,962 | - | - | - | 232,962 |
| Other Comprehensive Income | - | - | - | - | - | - | - |
| Transactions with owners | - | - | - | - | - | - | - |
| Dividends Paid | - | - | (24,348) | 24,348 | - | - | - |
| Regulatory Reserve | - | - | - | - | - | - | - |
| General Provision | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - |
| Balance as at the end of the year | 21,800,000 | - | (3,703,026) | 24,348 | - | 95,831 | 18,217,153 |

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.

| Name | Signature | Date |
|------------------------------|----------------|------------|
| Conrad D'souza (Chairman) | (Signed) | 30.03.2023 |
| Vinod Rustagi (Director) | (Signed) | 30.03.2023 |

CONDENSED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER 2022

(Amounts in Thousand shillings)

| | Current Year | Previous Year |
|---|--------------------|--------------------|
| | 31st Dec. 2022 | 31st Dec. 2021 |
| I. Cash Flow from Operating Activities: | | |
| Net Income/ (Loss) before tax | 306,791 | 249,392 |
| Adjustments for | | |
| - Impairment/ Amortization/ Depreciation & Non-cash items | 297,712 | 321,866 |
| - Net Change in Loans and Advances | (6,075,097) | (7,376,039) |
| - Gain/Loss from Sale of Assets | - | - |
| - Net Change in Deposits | 423,700 | 75,000 |
| - Net Change in Short Term Negotiable Securities | - | - |
| - Net Change in Other Liabilities | 119,974 | (50,276) |
| - Net Change in Other Assets | (172,837) | (44,042) |
| - Tax Paid | (19,978) | (12,917) |
| - Others (Interest paid & Adjustments for previous items) | (4,195) | (5,640) |
| Net Cash (Used)/ Provided by Operating Activities | (5,123,930) | (6,842,656) |
| II. Cash Flow from Investing Activities | | |
| - Dividend Received | 27,590 | 35,130 |
| - Purchase of Fixed Assets | (30,904) | (48,243) |
| - Proceeds from Sale of Fixed Assets | - | - |
| - Purchase of TMRC Securities | - | - |
| - Investment in Govt Securities | 276 | (1,059,492) |
| - Purchase of Intangibles | (2,348) | - |
| Net Cash (Used) by Investing Activities | (5,386) | (1,072,605) |
| III. Cash Flow from Financing Activities | | |
| - Repayment of Long-Term Debt | - | - |
| - Proceeds from Issuance of Long Term Debt | - | - |
| - Proceeds from Issuance of Share Capital | - | - |
| - Payment of Cash Dividends | - | - |
| - Repayment of principal portion of lease liabilities | (99,297) | (95,154) |
| - Others (New Loan from TMRC) | 10,993,044 | - |
| Net Cash Provided by Financing Activities | 10,893,747 | (95,154) |
| IV. Cash and Cash Equivalents | | |
| Net Increase / (Decrease) in Cash and Cash equivalents | 5,764,431 | (8,010,415) |
| Cash and Cash Equivalents at the Beginning of the period | 945,786 | 8,921,409 |
| ECL on bank balances | (13,278) | 34,792 |
| Cash and Cash Equivalents at the End of the period | 6,696,939 | 945,786 |

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THE MORTGAGE FINANCIAL INSTITUTION
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