

CANARA BANK (TANZANIA) LIMITED (IN LIQUIDATION)

**ANNUAL REPORT
AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024**

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BANK INFORMATION**BOARD OF DIRECTORS**

Mr. Debashish Mukherjee	Chairman (Non-executive)	Indian
Mr. Santanu Kumar Majumdar	Director (Non-executive)	Indian
Ms. Kota Kalyani	Director (Non-executive)	Indian
Mr. Mahesh M Pai	Director (Non-executive)	Indian
Ms. Mwanaidi A Mtanda	Director (Independent)	Tanzanian
Prof. Deus D Ngaruko	Director (Independent)	Tanzanian
Dr. Indiael D Kaaya	Director (Independent)	Tanzanian
Mr. Rajshekhar Somashetty	Director (Executive)	Indian
Mr. Raman Kumar	Director (Executive)	Indian

INDEPENDENT AUDITOR

M/S Nexia Tanzania
 2nd Floor, Oyster Plaza, Haile Selassie Road
 P O Box 12729,
 Dar es Salaam,
 T: +255 22 2926252/53; 0713 444 ;0756 444 254

BANKERS

- | | |
|--|--|
| i) Bank of Tanzania
P.O. Box 2939
Dar es Salaam | iv) CRDB Bank Plc
Azikiwe Street
P.O. Box 268
Dar es Salaam |
| ii) Citi Bank
New York
United States of America | v) Canara Bank, India
Integrated Treasury Wing
5 th & 6 th floor, Plot no. G-14, C Block
Bandra Kurla Complex, Bandra -East
Mumbai 400051, India |
| iii) Bank of India (T) Limited
Maktaba Street
P.O. Box 7581
Dar es Salaam | vi) Bank of Baroda (T) Limited
P.O. Box 5356
Dar es Salaam |

BANK INFORMATION (CONTINUED)

REGISTERED CORPORATE OFFICE

Canara Bank (Tanzania) Limited

16/1 Elia Complex
Zanaki, Bibi Titi Street
P.O. Box 491
Dar es Salaam
Telephone: +255 22 2112534
Email: mdcbtl@canarabank.co.tz

PARENT BANK CORPORATE OFFICE

Canara Bank India Head Office

112, J C Road
Bengaluru
Karnataka - India 560002

COMPANY SECRETARY

Mr. Vibhuti N. Roy Choudhary

16/1 Elia Complex, Zanaki, Bibi Titi Street
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TAX CONSULTANT

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LEGAL CONSULTANT

Lawfields Attorneys,

2nd Floor, TDFL Building, Ohio Street
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STRATEGIC CONSULTANT FOR DIVESTMENT

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India

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mauliksanhavi@bdo.on

REPORT OF THOSE CHARGED WITH GOVERNANCE

INTRODUCTION

We have great pleasure in presenting the Bank's 9th Annual Report along with the Audited financial statements for the year ended 31 December 2024.

Canara Bank (Tanzania) Ltd was registered under Tanzania Companies Act, 2002 on 2nd November 2015. The license to conduct Banking Business was granted to our Bank on 5th May 2016 by Bank of Tanzania in accordance with the provisions of Section 7 of the Banking and Financial Institutions Act 2006. However, actual Banking operations started on 9th May 2016 with opening of Dar es Salaam Branch.

PRINCIPAL ACTIVITIES

The principal activity of the Bank was to provide banking and related services stipulated by the Banking and Financial Institutions Act 2006. However, the banking business had ceased on 20th December 2024 after sale of its business assets and liabilities to Exim bank(Tanzania)Limited. More details are provided below and in note 15 of financial statements in this report

DIVESTMENT OF CANARA BANK TANZANIA LIMITED

Strategic Decision for Divestment

As part of its strategic initiative to rationalize international operations, the Board of Directors of Canara Bank India resolved on 15th February 2022 to divest CBTL. The valuation process commenced in July 2022, with the final valuation reports received in May 2023.

Selection & Finalization of Buyer

To facilitate the divestment, BDO India LLP was appointed as a strategic consultant on 6th October 2023. By 9th February 2024, three parties had submitted Non-Binding Offers (NBOs). Following the due diligence process, Exim Bank (Tanzania) Limited emerged as the successful bidder.

The Asset Purchase Agreement (APA) was signed on 3rd September 2024. Additionally, an Escrow Agreement was executed on 2nd September 2024, with an initial payment of USD 1.3 million.

Regulatory Approvals

Canara Bank obtained regulatory approvals for the sale transaction from the Bank of Tanzania (BoT) on 11th October 2024, from the Fair Competition Commission (FCC) on 18th November 2024 and from the Tanzania Revenue Authority (TRA) on 12th December 2024.

REPORT OF THOSE CHARGED WITH GOVERNANCE(CONTINUED)

DIVESTMENT OF CANARA BANK (TANZANIA) LIMITED(CONTINUED)

Operational Wind-Down

The data migration and business transfer to buyer were completed on 20th December 2024.

Canara Bank surrendered its banking and payment licenses to the Bank of Tanzania on 23rd December 2024.

Employee retrenchment was also executed in December 2024, with all employees, except for a few retained for the liquidation process. Further as part of terminal benefits Canara Bank Tanzania has provided to employee's medical insurance for the next 12 months, severance pay equal to 2.5 months for each completed years of service, transport of persons and personal effects to place of domicile, paid 13th cheque and had forgiven 100% staff outstanding loans.

Liquidation & Final Settlement

To oversee the liquidation, legal and tax consultants were engaged. The tax audit and clearance by the Tanzania Revenue Authority (TRA) are expected to be finalized by May 2025. The winding-up process is set to commence by June 2025 and conclude by December 2025. Once the liquidation process is complete, the funds will be repatriated to India.

As a result, the going concern basis of preparation was not deemed appropriate and the financial statements have been prepared on a break-up basis.

OUR PARENT BANK: CANARA BANK, INDIA

Widely known as a customer-centric Bank, Canara Bank was founded by Shri Ammembal Subba Rao Pai, a great visionary and philanthropist, in July 1906, at Mangalore, then a small port town in Karnataka. The Bank has gone through the various phases of its growth trajectory over hundred and seventeen years of its existence. Growth of Canara Bank was phenomenal, especially after nationalization in the year 1969, attaining the status of a national level player in terms of geographical reach and clientele segments. The eventful journey of the Bank has been characterized by several memorable milestones. Today, Canara Bank occupies a premier position in the comity of Indian banks, with a business mix as on 31st December 2024 stood at USD 284 Billion with Operating Profit of USD 3,583 Million and Net Profit of USD 1,854 Million.

Over the years, the Bank has scaled up its market position to emerge as a major 'Financial Conglomerate' with as many as thirteen subsidiaries/sponsored institutions/joint ventures in India and abroad. The amalgamation of Syndicate bank with Canara bank effective from April 1st, 2020 has led to further expansion of the Bank to 9,520 branches.

CANARA BANK (TANZANIA) LIMITED (IN LIQUIDATION) ANNUAL REPORT FOR YEAR 2024

REPORT OF THOSE CHARGED WITH GOVERNANCE(CONTINUED)

OUR PARENT BANK: CANARA BANK, INDIA(CONTINUED)

Not just in commercial banking, the Bank has also carved a distinctive mark, in various corporate social responsibilities, namely, serving national priorities, promoting rural development, enhancing rural self-employment through several training institutes and spearheading financial inclusion objective. A good bank is not only the financial heart of the community, but also one with an obligation of helping in every possible manner to improve the economic conditions of the common people".

These insightful words of the Bank's Founder continue to resonate even today in serving the society with a purpose. We strongly believe that the Bank's second century is going to be equally rewarding and eventful not only in service of the nation but also in helping the Bank emerge as a "Preferred Bank with Best Practices".

Presently, Government of India holds 62.93% of Bank's total shareholding.

CAPITAL STRUCTURE

The Bank's capital structure for the year under review is as follows:

Authorized

50,000,000 ordinary shares of TZS 1,000 each

Issued and fully paid

32,830,000 ordinary shares of TZS 1,000 each. Details of the capital structure are disclosed in Note 21 of this financial statements.

Shareholders

S/No	Name of Shareholder	No. of Shares Subscribed	Amount Subscribed
1	CANARA BANK (INDIA)	32,829,999	32,829,999,000
2	TANJORE RAMACHANDRA BALAJI RAO	1	1,000

RELATED PARTY TRANSACTIONS

No loans/advances were due from the related parties to the Bank by virtue of common ownership. Further as at 31st December 2024 no deposits were due to Parent bank. Directors' remuneration for the year amounted to TZS 26.7 million. Details of related party transactions are disclosed under Note 22 of this financial statements.

REPORT OF THOSE CHARGED WITH GOVERNANCE(CONTINUED)

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The Board is responsible and accountable for providing effective corporate governance, direction and control of the company. The directors have a duty to exercise leadership, enterprise, integrity and judgment based on transparency, fairness, accountability and responsibility. Directors are committed to the principles of good corporate governance and recognize the need to conduct the Banking business with best practices. Therefore, Directors confirm that:

- The Board of Directors conducted the meeting regularly during the year 2024.
- The position of the Chairman & Chief Executive officer is held by different persons.
- They have effective control over the company and its executive management.
- Board exercises the responsibility for policy decisions, budgeting & monitoring performance.

Composition of Board of Directors

The names of Board of Directors of Canara Bank (Tanzania) Limited for the Financial Year 2024 are as under:

No.	Name of directors	Date of Birth	Nationality	Qualification/Expertise	Date of appointment/Resignation
1	Mr. Debashish Mukherjee	09.05.1965	Indian	Banking/Economics/Finance	23.03.2021
2	Mr. Santanu K. Majumdar	15.01.1969	Indian	Banking/Accounting	13.05.2019
3	Ms. Kota Kalyani	18.03.1965	Indian	Banking	27.01.2020
4	Mr. Mahesh M Pai	04.01.1976	Indian	Banking/Treasury	18.09.2024
5	Ms. Mwanaidi A Mtanda	27.09.1955	Tanzanian	Accounting	26.06.2020
6	Prof. Deus D Ngaruko	30.05.1969	Tanzanian	Economics	09.03.2020
7	Dr. Indiael D Kaaya	15.03.1979	Tanzanian	Accounting	26.03.2020
8	Mr. Rajshekhar Somashetty	22.07.1971	Indian	Banking/Finance /Law	02.04.2024
9	Mr. Raman Kumar	11.10.1988	Indian	Banking, Accounting	06.07.2024
10	Mr. T R Balaji Rao	27.09.1965	Indian	Banking/Economics/Finance	Resigned on 30.03.2024
11	Mr. Vibhuti N R Choudhary	01.05.1975	Indian	Banking, PGPM in Finance & HR	Resigned on 12.07.2024

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

BOARD OF DIRECTORS(CONTINUED)

Board Committees

The Board was supported by the following committees during the year 2024.

Board Audit committee

No.	Name of directors	'Nationality	Position
1	Dr. Indiael D. Kaaya	Tanzanian	Chairperson
2	Ms. Mwanaidi A Mtanda	Tanzanian	Member
3	Mr. Mahesh M Pai	Indian	Member

Board Credit committee

No.	Name of directors	Nationality	Position
1	Mr. Santanu K. Majumdar	Indian	Chairperson
2	Prof. Deus D Ngaruko	Tanzanian	Member
3	Ms. Kota Kalyani	Indian	Member

Board Risk management committee

No.	Name of directors	Nationality	Position
1	Prof. Deus D Ngaruko	Tanzanian	Chairperson
2	Mr. Santanu K. Majumdar	Indian	Member
3	Ms. Kota Kalyani	Indian	Member

Board Remuneration committee

No.	Name of directors	Nationality	Position
1	Ms. Kota Kalyani	Indian	Chairperson
2	Mr. Santanu K. Majumdar	Indian	Member
3	Prof. Deus D Ngaruko	Tanzanian	Member

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

BOARD OF DIRECTORS(CONTINUED)

Board Meetings

Board met three times during the year 2024. Board meetings during year 2024 were held on 20th March 2024, 24th May 2024 and 25st September 2024

The following is a summary of directors' attendance to the meetings for the year 2024.

<i>Name of director</i>	<i>BOARD</i>	<i>BRMC</i>	<i>BCC</i>	<i>BRC</i>	<i>BAC</i>
Mr. Debashish Mukherjee	03/03	N/A	N/A	N/A	N/A
Mr. Santanu K. Majumdar	03/03	03/03	03/03	03/03	N/A
Ms. Kota Kalyani	02/03	02/03	02/03	02/03	N/A
Mr. Mahesh M Pai	03/03	N/A	N/A	N/A	01/03
Ms. Mwanaidi A Mtanda	03/03	N/A	N/A	N/A	03/03
Prof. Deus D Ngaruko	03/03	03/03	03/03	03/03	N/A
Dr. Indiael D Kaaya	02/03	N/A	N/A	N/A	03/03
Mr. T R Balaji Rao(i)	01/03	01/03	01/03	01/03	01/03
Mr. Vibhuti N. R. Choudhary(i)	02/03	02/03	02/03	02/03	02/03
Mr. Rajshekhar Somashetty(ii)	02/03	02/03	02/03	02/03	02/03
Mr. Raman Kumar(ii)	01/03	01/03	01/03	01/03	01/03

During the year 2024 there were the following changes to Board of directors

- The tenure and directorship of two Executive Directors, Mr. T. R. Balaji Rao and Mr. Vibhuti N. R. Choudhary, concluded on March 30, 2024, and July 12, 2024, respectively.
- Meanwhile, Mr. Rajshekhar Somashetty and Mr. Raman Kumar joined as directors on April 2, 2024, and July 6, 2024, respectively, replacing the outgoing directors.

Directors' Responsibility

The Board of Directors confirms that in the preparation of Annual financial statement for the year ended 31st December 2024.

- Accounting policies formed in accordance with the guidelines of Bank of Tanzania, were consistently applied.
- The applicable accounting standards have been followed.
- Proper and sufficient care was taken for maintenance of adequate accounting records with the provisions of applicable guidelines governing Banks in Tanzania.
- True and fair view of the state of affairs of the Bank and profit of the Bank is given at the year ended 31 December 2024.

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Management

The management of the bank was under the Managing Director organized into the following departments

- Credit
- Treasury and Trade Finance
- Business Operations
- Information Communication Technology
- Finance & Human Resources
- Risk and Compliance
- Internal Audit

Management Team

<i>Name</i>	<i>Position</i>
Mr. Rajshekhar Somashetty	Managing Director
Mr. Raman Kumar	Deputy CEO & COO
Mr. Raveendra Nath Maurya	General Manager Credit
Ms. Salma Mrisho	Head of Treasury and Trade Finance
Mr. Jacob Kitonga	Head of Information Technology
Mr. Fadhili Sanga	Head of Finance and Human Resources
Mr. Ally Ramadhan	Head of Risk and Compliance
Mr. Fredrick Hippolite	Head of Internal Audit

REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)

STATEMENT OF COMPLIANCE

The Report by those charged with governance has been prepared in compliance with the Tanzania Financial Reporting Standard No. 1 (The Report by those charged with governance).

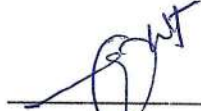
ACKNOWLEDGEMENTS

The Board expresses its gratitude to the Bank of Tanzania and various department of Government of Tanzania for the valuable guidance and support provided to the bank.

The Board also acknowledges the support of its customers, other financial institutions and correspondent Banks for their support & cooperation. The Board also wishes to place on record its appreciation for all the staff members of the Bank for their dedicated services and contributions for the performance of the Bank. Lastly, we thank the management and staff of Canara Bank, India, (Parent Bank), for their continued support and guidance.

The directors are required in terms of the Tanzanian Companies Act 2002 to maintain adequate accounting records and are responsible for the content, integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements present fairly the state of affairs of the Bank as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

For and On Behalf of Board of Directors:



RAJSHEKHAR SOMASHETTY

Managing Director

Place: Dar Es Salaam

Date: 12/03/2025

STATEMENT OF RESPONSIBILITIES OF THOSE CHARGED WITH GOVERNANCE

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards, requirements of the Companies Act, 2002 & the Banking and Financial Institution Act, 2006, the guidelines of Bank of Tanzania and National Board of Accountants and Auditors (NBAA).

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Bank and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Bank and all employees are required to maintain the highest ethical standards in ensuring the Bank's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Bank is on identifying, assessing, managing and monitoring all known forms of risk across the Bank. While operating risk cannot be fully eliminated, the Bank endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The Directors acknowledge that they are responsible for establishing appropriate policies and procedures to prevent non-compliance with laws and regulations (NOCLAR), including whistleblowing procedures as a necessary part of good internal governance.

The directors are of the opinion, based on the information and explanations given by management, which the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

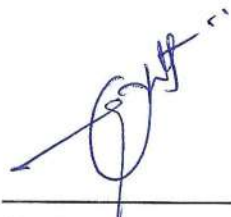
The directors are aware and have discussed the matter of divestment of the bank. The transaction of sale of assets and liabilities has been done on 20th December 2024 with all customer liabilities and business assets being transferred to Exim bank(Tanzania)Limited after obtaining all relevant approvals from regulators. Further employees have been retrenched as on 31st December 2024 after settling all their terminal benefits in compliance with laws and regulation of Tanzania.

The external auditors are responsible for independently auditing and reporting on the bank's financial statements. The financial statements have been examined by the bank's external auditors and their report is presented on pages 14 to 17.

STATEMENT OF RESPONSIBILITIES OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)

Approval of Financial Statements

The financial statements set out on pages 18 to 48, which have been prepared on breakup basis were approved by the board of directors on 12.03.2025 and were signed on their behalf by:



RAJSHEKHAR SOMASHETTY

Managing Director

Place: Dar Es Salaam

Date: 12/03/2025



RAMAN KUMAR

Director

DECLARATION OF HEAD OF FINANCE

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as under Directors Responsibility statement on an earlier page.

I, ACPA FADHILI PETRO SANGA, being the Head of Finance of Canara Bank (Tanzania) Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2024 have been prepared in compliance with applicable International Financial Reporting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Canara Bank (Tanzania) Limited as on 31 December 2024 and that they have been prepared based on properly maintained financial records.

Signed by



FADHILI PETRO SANGA

Position: HEAD OF FINANCE

NBAA Membership No. ACPA 4573

Date: 12/03/2025

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF CANARA BANK (TANZANIA) LIMITED (IN LIQUIDATION)

Report on the Audit of the Financial Statements

Unqualified Opinion

We have audited the financial statements of Canara Bank (Tanzania) Limited “Bank” (In Liquidation), which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the requirements of the Companies Act, 2002 and the Banking and Financial Institutions Act, 2006 of Tanzania, where applicable.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Bank in accordance with the International Ethics Standards Board for Accountant’s Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics and we have fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to departure from the going concern basis of accounting

In forming our opinion on the financial statements, which is not modified, we have considered the presentation of the financial statements on a break-up (liquidation) basis, the adjustments arising from this presentation, and the adequacy of the disclosures made in the Directors’ Report and Notes to the financial statements. The break-up (liquidation) basis of accounting has been adopted by the Directors in preparing the financial statements as, they are certain that the bank is currently undergoing the process of winding down after sale of assets and is expected to be finalized before 31st December 2025. It is therefore appropriate to prepare these financial statements on the break-up (liquidation) basis of accounting. Adjustments have been made in these financial statements to reduce assets to their realisable values and to provide for liabilities arising from the decision.

Other Matter

The process of change of name to remove the word “Bank” from the company’s name, has not been completed as of the date of the audit report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REPORT OF THE INDEPENDENT AUDITOR (CONTINUED)

TO THE MEMBERS OF CANARA BANK (TANZANIA) LIMITED (IN LIQUIDATION)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

No.	Key audit matters	How our audit addressed the key audit matter
1.	Sale of assets	
	<p>Sale of assets is a subjective area due to the nature of the transaction involved and the judgement applied by management in selling its assets. The Bank is required to calculate loss or gain on disposal in accordance with both the regulations of the local tax authorities and IFRSs.</p> <p>The disclosure associated with sale of assets is set out in the financial statements, under Note 15 and conclusions relating to departure from the going concern basis of accounting (indicated on page 14)</p>	<ul style="list-style-type: none"> • Our audit procedures included the review of the initiation of the sale process, approval from the respective authorities, estimates, inputs and assumptions used by the Bank in determining and calculating the loss or gain on sale of assets together with the transaction price, and assessing the adequacy of the loss and gain on disposal. • We also assessed whether the disclosures in the financial statements appropriately reflect the Bank's sale of assets.

Other Information

Other information consists of the information included in the corporate information, report of the directors, statement of directors' responsibility and declaration of the head of finance, other than the financial statements and our auditor's opinion thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.

Directors are responsible for the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

**REPORT OF THE INDEPENDENT AUDITOR (CONTINUED)
TO THE MEMBERS OF CANARA BANK (TANZANIA) LIMITED (IN LIQUIDATION)****Report on the Audit of the Financial Statements (continued)****Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is given in the Appendix to Independent Auditor's report. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

This report, including the opinion, has been prepared for, and only for, the Bank's members as a body in accordance with the Companies Act, 2002 and for no other purpose.

As required by the Companies Act, 2002 we report to you, based on our audit that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) in our opinion proper books of account have been kept by the Bank, so far as appears from our examination of those books; and
- (iii) the Bank's statement of financial position and statement of comprehensive income are in agreement with the books of account.
- (iv) Up to 20th December 2024 before the Sale of Assets, it complied with the requirements of the Banking and Financial Institutions Act, 2006 of Tanzania. The Banking Act was not applicable as of 31st December 2024 due to completion of the sale process.



Nexia Tanzania
Certified Public Accountants
2nd Floor, Oyster Plaza, Haile Selassie Road
P.O. Box 12729, Dar es Salaam, Tanzania.



Sujata Jaffer
Engagement Partner
NBAA registration no. ACPA 718
Dar es Salaam
Ref: NTZ/02/2025
Date: 12/03/2025

REPORT OF THE INDEPENDENT AUDITOR(CONTINUED)
TO THE MEMBERS OF CANARA BANK (TANZANIA) LIMITED (IN LIQUIDATION)

Report on the Audit of the Financial Statements (continued)

Appendix to Independent Auditors Report

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CANARA BANK (TANZANIA) LIMITED (IN LIQUIDATION) ANNUAL REPORT FOR YEAR 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31.12.2024 TZS '000	31.12.2023 TZS '000
Interest income	5	8,077,899	8,529,504
Interest expenses	6	(2,368,281)	(3,031,013)
Net Interest Income		5,709,618	5,498,491
Fees & commission income	7(i)	388,247	516,602
Fees & commission expense	7(ii)	(56,656)	(28,591)
Foreign exchange income	7(iii)	44,989	122,864
Other income	7(iv)	9,242	7,374
Operating Income		6,095,440	6,116,740
Net Impairment charge	24(ii)	(783,840)	(358,803)
Net Operating Income		5,311,600	5,757,937
Employment expenses	8(i)	(3,418,981)	(1,580,947)
Depreciation and amortization expenses	8(ii)	(593,742)	(419,830)
Loss on sale of assets and liabilities	15.(iii)	(10,284,888)	-
Other operating expenses	8(iii)	(3,580,609)	(2,132,974)
Operating expenses		(17,878,220)	(4,133,751)
(Loss) Profit before taxation		(12,566,620)	1,624,186
Income tax charge	16(i)	(160,122)	(794,299)
(Loss) Profit for the year		(12,726,742)	829,887
Other comprehensive income		-	-
Total comprehensive (Loss) income for the year		(12,726,742)	829,887


The notes set out on pages 22 to 48 form an integral part of the financial statements. Report of the independent auditor on page 14 to 17.

CANARA BANK (TANZANIA) LIMITED (IN LIQUIDATION) ANNUAL REPORT FOR YEAR 2024

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	31.12.2024 TZS '000	31.12.2023 TZS '000
ASSETS			
Cash	9(i)	1,509	511,517
Restricted cash (escrow account)	15.(iv)	21,584,746	-
Balances with Bank of Tanzania	9(ii)	-	9,797,158
Deposits and balances due from Banking institutions	10	1,996,667	4,635,178
Government securities	11	-	38,180,411
Loans and advances to customers	13	-	46,709,055
Other assets	14	2,619	1,038,652
Consideration receivable from Exim Bank	15.(iv)	4,301,041	-
Income tax recoverable	16(ii)	526,096	75,483
Deferred tax asset	16(iii)	-	160,122
Property and equipment	17 (i)	920,457	464,609
Intangible assets -Computer Software	17 (ii)	-	272,439
Right to use assets	17 (iii)	-	359,586
Total assets		29,333,136	102,204,209
LIABILITIES			
Customer deposits	18(i)	-	56,378,313
Deposits from banks	18(ii)	-	1,700,000
Lease liabilities	19.(i)	-	367,828
Other liabilities	19.(ii)	732,640	2,310,392
Income tax payable	16(ii)	-	140,083
Total liabilities		732,640	60,896,615
SHAREHOLDERS' EQUITY			
Share capital	20(i)	32,830,000	32,830,000
Retained earnings		(4,249,148)	8,216,293
Statutory reserve	20(ii)	-	261,301
Revaluation Reserve	17 (i)(a)	19,643	-
Total shareholders' equity		28,600,495	41,307,594
Total equity and liabilities		29,333,136	102,204,209

The Financial statements on pages 18 to 48 were approved and authorized for issue by Board of Directors on 12th March 2025 and signed on its behalf by:


Rajshekhar Somashetty
Managing Director


Raman Kumar
Director

The notes set out on pages 22 to 48 form an integral part of the financial statements. Report of the independent auditor on page 14 to 17.

CANARA BANK (TANZANIA) LIMITED (IN LIQUIDATION) ANNUAL REPORT FOR YEAR 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to equity holders of the Bank				
	Share Capital TZS '000	Statutory Reserve TZS '000	Retained earnings TZS '000	Revaluation Reserve TZS '000	Total equity TZS '000
Balance at 1st January 2023	32,830,000	467,694	7,344,163	-	40,641,857
Dividend paid	-	-	(164,150)	-	(164,150)
Transfer to retained earnings	-	-	-	-	-
Transfer (from)to statutory reserve	-	-	-	-	-
Transfer to general reserve	-	(206,393)	206,393	-	-
Total comprehensive income for the year	-	-	829,887	-	829,887
Balance at 31st December 2023	<u>32,830,000</u>	<u>- 261,301</u>	<u>8,216,293</u>	<u>-</u>	<u>41,307,594</u>
Balance at 1st January 2024	32,830,000	261,301	8,216,293	-	41,307,594
Dividend paid	-	-	-	-	-
Revaluation gain/(losses) on Fixed assets	-	-	-	19,643	19,643
Transfer to retained earnings	-	-	-	-	-
Transfer to statutory reserve	-	(261,301)	261,301	-	-
Total comprehensive income for the year	-	-	(12,726,742)	-	(12,726,742)
Balance at 20th December 2024	<u>32,830,000</u>	<u>-</u>	<u>(4,249,148)</u>	<u>19,643</u>	<u>28,600,495</u>

The notes set out on pages 22 to 48 form an integral part of the financial statements.

Report of the independent auditor on page 14 to 17.

CANARA BANK (TANZANIA) LIMITED (IN LIQUIDATION) ANNUAL REPORT FOR YEAR 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31.12.2024 TZS '000	31.12.2023 TZS '000
Cash flows from operating activities			
Loss before taxation		(12,566,620)	1,624,187
Adjustments for:			
Depreciation	8(ii)	593,742	419,829
Provision for Impairment of assets	24(ii)	783,840	358,803
Loss on disposal of fixed assets	17 (ii)(a)	411,531	-
Loss on Revaluation of fixed asset	17 (i)(a)	10,184	-
Loss on derecognition of lease	17 (iii)(a)	87,650	-
Fixed assets donated as CSR		-	503
NBV of Fixed Asset Transferred to EBTL	15.(ii)	6,350	-
Net foreign exchange gain	7(iii)	(44,989)	(122,864)
Net cash flow before changes in working capital		(10,718,312)	2,280,459
Change in statutory minimum reserve	9(ii)	3,271,166	(193,482)
Change in investment in Treasury Bills & Bonds	11	37,908,442	(7,776)
Change in loans and advances to customers	13	45,902,396	2,990,973
Change in Other Assets	14	1,005,445	63,058
Change in Restricted cash (Escrow account)	15.(iv)	(21,584,746)	-
Change in Receivable from EBTL	15.(iv)	(4,301,041)	-
Change in loans to other financial institutions	10	1,008,854	(70,106)
Change in deposits	18.	(58,078,313)	(5,240,420)
Change in other Liabilities	19.(ii)	(1,577,752)	456,910
Cash generated from operations before tax		(7,163,860)	279,615
Income tax paid	16(ii)	(590,696)	(694,800)
Net cash flow from operating activities		(7,754,556)	(415,185)
Cash flows from investing activities			
Purchase of property, plant & equipment	17	(959,588)	(417,755)
Net cash used in investing activities		(959,588)	(417,755)
Cash flows from financing activities			
Payment of lease liabilities	19.(i)	(290,368)	(253,881)
Dividend paid	20(iii)	-	(164,150)
Net cash generated from financing activities		(290,368)	(418,031)
Net cash flow for the Year		(9,004,513)	(1,250,970)
Effect of exchange rate changes on cash and cash equivalents	7(iii)	44,989	122,864
Cash and cash equivalents as at 1st January 2024		10,957,700	12,085,809
Cash and cash equivalents as at 31st December 2024	12	1,998,177	10,957,700

The notes set out on pages 22 to 48 form an integral part of the financial statements. Report of the independent auditor on page 14 to 17.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Canara Bank (Tanzania) Limited is a wholly owned, subsidiary of Canara Bank India. It has been incorporated under the Tanzanian Companies Act, 2002 on 2 November 2015. The Bank of Tanzania issued license to conduct banking business under section 7 of the Banking and Financial Institutions Act, 2006 on 5 May 2016. The Bank commenced business on 09 May 2016. However, the bank has ceased banking operations effective 20th December 2024 and has surrendered its banking license on 23rd December 2024 following divestment decision of its shareholder that has resulted into sale of its business assets and liabilities and now is in the windup processes.

2. ACCOUNTING CONVENTION

Canara Bank has prepared its financial statements on a break-up basis. Under the break-up basis, assets are valued at the amounts they are expected to realize, while liabilities include any obligations resulting from the decision to wind up the bank. Additionally, costs related to the winding-up process, are accounted for. Despite this, the financial statements otherwise comply with the International Financial Reporting Standards (IFRS)

3. ADOPTION OF NEW AND REVISED STANDARDS & INTERPRETATIONS.

3.1 STANDARDS, AMENDMENTS TO THE STANDARDS AND INTERPRETATIONS EFFECTIVE ON OR AFTER JANUARY 2024.

The following new and revised IFRSs have been applied in the current year and had no material impact on the amounts reported in these financial statements, except where stated.

i. Classification of Liabilities as Current or Non-current, and Non-Current Liabilities with Covenants (Amendments to IAS 1, Presentation of Financial Statements)

- Clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement for at least 12 months at the reporting date. The right needs to exist at the reporting date and must have substance.
- Only covenants with which a company must comply on or before the reporting date may affect this right. Covenants to be complied with after the reporting date do not affect the classification of a liability as current or noncurrent at the reporting date.
- The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability.
- If a liability has any conversion options, then those generally affect its classification as current or noncurrent, unless these conversion options are recognized as equity under IAS 32, Financial Instruments: Presentation.
- Effective for accounting periods beginning on or after 1 January 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. ADOPTION OF NEW AND REVISED STANDARDS & INTERPRETATIONS (CONTINUED)

3.1 STANDARDS, AMENDMENTS TO THE STANDARDS AND INTERPRETATIONS EFFECTIVE ON OR AFTER JANUARY 2024 (CONTINUED)

ii. Lease Liability in a Sale and Leaseback (Amendments to IFRS 16, Leases)

Requires a seller-lessee to account for variable lease payments that arise in a sale-and-leaseback transaction as follows:

- On initial recognition, include variable lease payments when measuring a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, apply the general requirements for subsequent accounting of the lease liability such that no gain or loss relating to the retained right of use is recognized.
- Seller-lessees are required to reassess and potentially restate sale-and- leaseback transactions entered into since the implementation of IFRS 16 in 2019.
- Effective for accounting periods beginning on or after 1 January 2024

iii. *Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7*

The amendments in Supplier Finance Arrangements (Proposed amendments to IAS 7 and IFRS 7):

- **Do not define supplier finance arrangements.** Instead, the amendments describe the characteristics of an arrangement for which an entity is required to provide the information. The amendments note that arrangements that are solely credit enhancements for the entity or instruments used by the entity to settle directly with a supplier the amounts owed are not supplier finance arrangements.
- **Add two disclosure objectives.** Entities will have to disclose in the notes information that enables users of financial statements to assess how supplier finance arrangements, affect an entity's liabilities and cash flows and to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.
- **Complement current requirements in IFRSs by adding to IAS 7 additional disclosure requirements about:**
 - ✓ the terms and conditions of the supplier finance arrangements;
 - ✓ for the arrangements, as at the beginning and end of the reporting period:
 - the carrying amounts of financial liabilities that are part of the arrangement and the associated line item presented;
 - the carrying amount of financial liabilities disclosed under a) for which suppliers have already received payment from the finance providers;
 - the range of payment due dates (for example, 30 to 40 days after the invoice date) of financial liabilities disclosed under a) and comparable trade payables that are not part of a supplier finance arrangement; and

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. ADOPTION OF NEW AND REVISED STANDARDS & INTERPRETATIONS (CONTINUED)

3.1 STANDARDS, AMENDMENTS TO THE STANDARDS AND INTERPRETATIONS EFFECTIVE ON OR AFTER JANUARY 2024 (CONTINUED)

iii. Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7(Continued)

- ✓ the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of the arrangement.
- The IASB decided that, in most cases, aggregated information about an entity's supplier finance arrangements will satisfy the information needs of users of financial statements.
- Add supplier finance arrangements as an example within the liquidity risk disclosure requirements in IFRS 7.
- Effective for accounting periods beginning on or after 1 January 2024

iv. IFRS S1- General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2- Climate-related Disclosures.

- The objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity.
- IFRS S2 requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term.
- IFRS S2 applies to climate-related risks to which the entity is exposed, which are: climate-related physical risks; and climate-related transition risks; and climate-related opportunities available to the entity.
- IFRS S2 sets out the requirements for disclosing information about an entity's climate-related risks and opportunities. In particular, IFRS S2 requires an entity to disclose information that enables users of general purpose financial reports to understand:
 - ✓ The governance processes, controls and procedures the entity uses to monitor, manage and oversee climate-related risks and opportunities;
 - ✓ The entity's strategy for managing climate-related risks and opportunities;
 - ✓ The processes the entity uses to identify, assess, prioritize and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process; and
 - ✓ The entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.
- Effective for accounting periods beginning on or after 1 January 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

Canara Bank (Tanzania) Limited has prepared its financial statements on a basis other than going concern basis which is described as break-up basis. The break-up basis requires the carrying value of the assets to be at the amounts they are expected to realize and liabilities include any amounts which have crystallized as a result of the decision to wind up the Bank. Costs incurred or expected to be incurred during winding up or in future periods until the winding up is completed, including administrative costs and professional fees have been accrued. In all other respects the financial statements have been prepared in accordance with the accounting framework.

4.2 Revenue recognition

Income is recognized on an accrual basis. When an account is classified as non-performing, the interest accrued on that account is suspended and kept in interest suspense account until it is realized in cash.

4.3 Foreign currency transactions

In preparing the financial statements of the entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rate of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except of differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognized directly in equity.

4.4 Financial assets

The bank classifies its financial assets in the following categories: Financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available for sale financial assets. The classification is done on the basis of following criteria:

- i. *Financial assets at fair value through profit or loss*
A financial asset is classified in this category if acquired principally or the purpose of selling in the short term or if so designated by the management.
- ii. *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 Financial assets (Continued)

They arise when the bank provides money, goods or services directly to debtor with no intention of trading the receivables.

- *Held-to-maturity*

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the bank management has the positive intention and ability to hold to maturity.

- *Available for sale*

Available for sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or change in interest rates, exchange rates or equity price.

Purchase and sales of financial assets at fair value through profit or loss, held to maturity and available for sale are recognized on trade date. Loans and receivables are recognized when cash is advanced to the borrowers. All financial assets are initially recognized at fair value plus transaction cost. Financial assets are de-recognized when the rights to receive cash flows from the financial assets have expired.

Subsequently, financial assets at fair value through profit or loss and available for sale, are carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method.

4.5 Impairment of financial assets

The bank assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the financial asset and that loss event has an impact on the estimated future cash flows of the financial assets that can be reliably estimated.

If there is objective evidence that an impairment loss has been incurred on "Financial assets at fair value through profit or loss", "Financial assets Held-to-maturity" or financial assets available for sale", the amount is measured as difference between the assets carrying cost and its present value of estimated future cash flow discounted at the effective interest rate. The carrying amount is reduced through an allowance account and the amount of loss is recognized in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.5 Impairment of financial assets. (Continued)**

In case of loans and receivables, if there is an evidence of impairment loss, specific provisions is made in line with the requirements of the guidelines issued by the Bank of Tanzania (BOT) as follows:

The provisions are to be compared using both International Financial Reporting Standard (IFRS) 9 approach and Bank of Tanzania (BOT) regulatory approach as under:

No. of days Overdue	Classification	Provision (%)
Below 30	Standard	Nil
31 - 90	Especially mentioned	3
91 - 180	Substandard	20
181 - 360	Doubtful	50
Above 361	Loss	100

In case IFRS-9 provision is less than BOT provision, then a special non-distributable reserve is to be created through an appropriation of distributable reserve to eliminate the shortfall. The transfer is to be made in the statement of changes in equity and the purpose of the reserve shall be stated in a note to the accounts.

Profit for the year should be transferred to retained earnings and an appropriate charge to the regulatory non-distributable reserve made before any dividend is declared.

The special non-distributable reserve created, shall not be part of bank's core capital. In other words, the reserve will not be taken into account when computing Core capital of the bank. Where the bank has made a loss or has negative retained earnings, the excess provision should be added to accumulated losses when computing core capital.

4.6 Property & equipment

Property & equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.6 Property and equipment (Continued)

Subsequent costs are included in the asset's carrying amount or are recognized as separate asset, as appropriate, only when it is probable that future economic benefit associated with the asset will flow to the bank for more than one year. All other repairs and maintenance expenses are charged to the income statement.

Depreciation is provided in full in the month of additions. No depreciation is provided in the month of sale/disposal. Depreciation is calculated to write off the cost of the fixed assets on a reducing balance basis over their estimated useful lives. The annual depreciation rates in use are:

• Computer hardware	37.50% (WDV)
• Motor vehicle	37.50% (WDV)
• Office furniture & equipment	12.50% (WDV)
• Computer software	33.33% (Flat)

All of the above assets are reviewed for impairment once annually where ever there is circumstantial evidence of impairment.

4.7 Lease

The bank is having lease transactions during the year. Bank has lease agreement for the office premises and residential premises.

Bank as a lessee

The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Bank recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Leases (Continued)

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Bank at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right of use assets have been shown separately on the face of the financial statements.

Lease liabilities

At the commencement date of the lease, the Bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Bank uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Bank's lease liabilities have been shown separately on the face of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.7 Leases (Continued)***Short-term leases and leases of low-value assets*

The Bank applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

4.8 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprises of balances with less than three months' maturity from the date of acquisition, including cash, non-restricted balances with Bank of Tanzania, balances with other commercial banks, money market and investments in government securities.

4.9 Taxation

Income tax expense represents the sum of the current tax payable and the deferred taxation. Current taxation is provided on the basis of the profit for the year, as shown in the financial statement, adjusted in accordance with the Income Tax Act, 2004.

Deferred tax is provided on all temporary differences. Temporary differences are differences between the carrying amount of assets and liabilities for financial reporting purpose and their tax base.

The amount of deferred tax provided is based on the tax rate that has been enacted or substantially enacted by the balance sheet date and is expected to apply when the related deferred income tax is realized or the deferred tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****4.10 Provisions**

Provisions are recognized when the Bank has a present legal or contractual obligation as a result of past events, which will result in an economic outflow and where a reliable estimate can be made of the amount of the obligation.

4.11 Employee benefits

All short-term employee benefits are provided for in the income statement on accrual basis. Further, employees are members of a defined contribution scheme, employees contribute ten percent of their salary and employer contributes ten percent of the employees' salary to the scheme. The employers' contribution is accounted for in the period it falls due.

4.12 Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

4.13 Statutory reserves

As per the circular of BOT, for provision of non-performing assets, Bank is required to compute provision using both IFRS-9 approach and BOT regulatory approach. IFRS- 9 provision should be charged to the income statement. In case IFRS-9 provisions is less than BOT provision, then a special non-distributable reserve should be immediately created through an appropriation of distributable reserves to eliminate the shortfall. This reserve should be termed as "Statutory Reserve". However as at 31st December there is no statutory reserve as bank reversed its Expected credit loss allowances as all loans and advances have been migrated to buyer.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31.12.2024 TZS '000	31.12.2023 TZS '000
5 INTEREST INCOME		
Interest on loans and advances	4,494,153	4,977,355
Interest on Government securities	3,093,389	3,271,161
Interest on loans to other banks	490,357	280,988
	8,077,899	8,529,504
6 INTEREST EXPENSE		
Interest on customer deposits	2,316,732	2,588,271
Interest on deposits from other banks	30,383	396,823
Interest expense on lease liability	21,166	45,919
	2,368,281	3,031,013
7(i) FEES & COMMISSION INCOME		
Commissions		
Commission on fund transfers	113,617	110,102
Commission on Trade Finance	38,973	66,727
Bancassurance Commission	11,356	14,001
	163,947	190,830
Service fees		
Processing fees	193,275	285,843
Cash withdrawal and deposit fees	23,123	28,235
Cheque book fees	1,645	6,006
Other service fees	6,257	5,688
	224,300	325,772
Gross fees and Commission Income	388,247	516,602
7(ii) FEES & COMMISSION EXPENSE		
Interbank transaction fees	56,656	28,591
	56,656	28,591
7(iii) FOREIGN EXCHANGE INCOME		
Income from foreign exchange dealings	44,989	122,864
	44,989	122,864

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31.12.2024 TZS '000	31.12.2023 TZS '000
7(iv) OTHER OPERATING INCOME		
Locker rent income	9,242	7,374
	9,242	7,374
8 OPERATING EXPENSES		
8(i) Employment expenses		
Salaries	1,211,361	1,099,279
Entertainment allowance	43,220	31,544
Conveyance allowance	10,142	8,604
Other allowances	416,106	218,088
Education fee reimbursement	42,508	19,362
Skills and development levy	62,941	54,679
Workers compensation fund	8,942	7,333
Pension fund contribution	167,001	123,484
Medical assistance	8,005	7,661
Staff welfare	17,004	10,913
Staff Retrenchment Package	1,431,751	-
	3,418,981	1,580,947
8(ii) Depreciation and Amortization Expenses		
Depreciation of Property and equipments(Note 17 i)	257,993	92,329
Amortization of Intangible assets(Note 17 ii)	141,273	65,378
Amortization of Right of use assets IFRS 16 (Note 17 iii)	194,476	262,123
	593,742	419,830

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31.12.2024 TZS '000	31.12.2023 TZS '000
8(iii) Other Operating Expenses		
Director fees (Note 22(c))	26,773	23,052
Training expenses	28,484	32,481
Transportation expenses	9,862	14,531
Travelling and hotel expenses	115,925	64,973
Advertisement & publicity	37,494	62,679
Audit fees	31,843	27,632
Excise duty	41,257	52,370
City service levy	11,530	11,586
License fees	84,921	98,100
Postage & courier charges	2,024	3,981
Telephone & internet charges	123,864	137,213
Insurance	262,801	236,203
Legal & professional fees	324,403	73,948
Membership & subscription	30,436	29,692
Miscellaneous expenses	25,514	30,417
Swift & reuters service charges	159,004	111,856
Printing & stationery	21,209	11,479
Annual maintenance charges	926,176	602,296
Repairs and maintenance	36,165	1,644
Security charges	65,576	48,439
Utility expenses	48,167	24,001
Unrecoverable VAT	466,626	317,553
Loss on disposal of fixed assets-Note 17(ii)(a)	411,531	-
Loss on revaluation of fixed asset-Note 17(i)(a)	10,184	-
Prior years taxes-Note 16(iv)	191,189	116,847
Loss on derecognition of lease-Note 17(iii)(a)	87,650	-
	3,580,609	2,132,974
Total Operating Expenses	7,593,332	4,133,751

9. CASH AND BALANCES WITH BANK OF TANZANIA

9(i) Cash balance	1,509	511,517
9(ii) Balance with Bank of Tanzania		
Statutory minimum reserve (SMR)	-	3,271,166
Current account/clearing account	-	6,537,201
	-	9,808,367
Less;ECL Allowance on BOT Balance (Note 24 i)	-	(11,209)
Net Balance with Bank of Tanzania	-	9,797,158

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31.12.2024 TZS '000	31.12.2023 TZS '000
10 DEPOSITS AND BALANCES DUE FROM BANKING INSTITUTIONS		
Due from Banks in Tanzania	1,996,667	2,698,774
Due from Banks in abroad	-	1,946,816
	1,996,667	4,645,590
Less:ECL Allowance on dues from other banks (Note 24 i)	-	(10,412)
	1,996,667	4,635,178
Related party (Note 22)	-	1,031,300
Other banks	1,996,667	3,614,290
	1,996,667	4,645,590
Maturing within 3 months	1,996,667	3,636,736
Maturing after 3 months	-	998,442
	1,996,667	4,645,590
11 GOVERNMENT SECURITIES		
Investments in Treasury Bills	-	13,484,234
Investments in Treasury Bonds	-	24,696,456
Less:ECL Allowance on Government Securities (Note 24 i)	-	(279)
	-	38,180,411
Maturing within 3 months	-	272,248
Maturing after 3 months	-	37,908,163
	-	38,180,411
12 CASH AND CASH EQUIVALENTS		
Cash balance - see note 9(i)	1,509	511,517
Balance with Bank of Tanzania (excluding SMR) - see note 9(ii)	-	6,537,201
Deposits and balances due from other banks and financial institution maturing within 3 months - see note 10	1,996,667	3,636,736
Government securities maturing within 3 months - see note 11	-	272,248
	1,998,176	10,957,702

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31.12.2024 TZS '000	31.12.2023 TZS '000
13 LOANS & ADVANCES TO CUSTOMERS		
Corporate loans	-	45,287,716
Staff loans	-	469,305
Personal loans	-	1,107,348
Gross Loans and Advances to Customers	-	46,864,369
Less: Interest in suspense	-	-
Less:ECL Allowance on Loans and Advances(Note 24 i)	-	(155,314)
Net Loans and Advances to Customers	-	46,709,055
Sector wise analysis of loans and advances		
Manufacturing	-	13,721,569
Real estate	-	4,710,266
Trade and commerce	-	4,264,684
Transport and Communication	-	10,047,580
Warehousing & Storage	-	26,622
Mining and Quarrying	-	29,331
Other services	-	7,313,029
Personal Loans	-	1,602,354
Agriculture	-	5,148,932
	-	46,864,369
Maturity analysis		
Repayable on demand	-	-
Repayable in 3 months or less	-	3,888,947
Repayable between 3 months and 1 year	-	25,105,781
Repayable after 1 year	-	17,869,640
	-	46,864,369
14 OTHER ASSETS		
Interest receivable	-	465,048
Prepaid expenses	-	220,511
Other assets	2,619	353,336
	2,619	1,038,896
Less:ECL Allowance on Other Assets (Note 24 i)	-	(244)
	2,619	1,038,652

CANARA BANK (TANZANIA) LIMITED (IN LIQUIDATION) ANNUAL REPORT FOR YEAR 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 ASSETS AND LIABILITIES SALE TO EXIM BANK (TANZANIA) LIMITED

15.(i) ASSETS AND LIABILITIES BEFORE AND AFTER SALE

	BEFORE SALE 20.12.2024	SOLD TO BUYER 20.12.2024	AFTER SALE 31.12.2024
ASSETS			
Cash	154,648	(154,648)	1,509
Balances with Bank of Tanzania	11,262,846	(11,262,846)	0
Deposits and balances due from Banking institutions	11,679,780	(8,660,629)	1,996,667
Government securities	22,410,878	(22,410,878)	-
Loans and advances to customers	33,614,007	(33,614,007)	-
Other assets	305,687	(301,644)	2,619
Property and equipment	917,613	(6,350)	920,721
Total assets	80,345,459	(76,411,002)	2,921,516
LIABILITIES			
Customer deposits	38,842,575	(38,842,575)	-
Other liabilities	3,146,506	(1,397,752)	732,112
Total liabilities	41,989,081	(40,240,327)	732,112
Net Assets	38,356,377	(36,170,675)	2,189,404

Additional information

- ✓ **Cash**-All cash balance as on 20th December 2024 was transferred to buyer, however the balance of TZS 1.509 Million was Petty cash established after transfer of assets and liabilities.
- ✓ **Deposits and balances due from banking institutions**-All balances from current accounts that were owned by Canara Bank (Tanzania) Limited were transferred to buyer and thereafter closed, except for 2 accounts from Bank of Baroda and same was agreed in Asset Purchase Agreement. The balance was to facilitate necessary payments.
- ✓ **Other Assets**-From other assets only interest related to government Securities was transferred to buyer.
- ✓ **Property and Equipment**-locker safe was transferred to buyer at a Net book value. Further as at 31st December 2024, the Fixed assets were revalued and there was a total increase of TZS 9.464 Million.
- ✓ **Other Liabilities**-The transferred liabilities to buyer under other liabilities was interest payable on customer deposits

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31.12.2024
TZS '000**15.(ii) GROSS CONSIDERATION**

Cash and Balance with banks transferred-Note 15(i)	20,078,123
Government securities transferred-Note 15(i)	22,712,522
Customer Loans transferred--Note 15(i)	33,614,007
Locker safe Taken-Note 15(i)	6,350
Customer Deposits Transferred-Note 15(i)	(40,240,327)
Gross consideration	36,170,675

15.(iii) LOSS ON SALE OF ASSETS AND LIABILITIES

Loan loss provision	(527,132)
Pricing discount(10%)	(3,564,211)
Shared Legal cost	(90,392)
Foreign Exchange loss	(6,103,152)
Loss on Sale of Assets and Liabilities	(10,284,888)

Exchange Loss

Gross Consideration	36,170,675
Less: Loan loss, price discount and shared costs	(4,181,735)
Consideration in TZS before conversion(A)	31,988,939
Consideration in USD using rate as per APA (B) =A/3040	10,523
Consideration in TZS using book rate (C)=B*2460	25,885,787
Exchange Loss(D)=A-C	6,103,152

15.(iv) NET CONSIDERATION RECEIVABLE

Gross consideration-Note 15(ii)	36,170,675
Loss on Sale of Assets and Liabilities-Note 15(iii)	(10,284,888)
Net Consideration Receivable in TZS	25,885,787
Consideration from Exim	
<i>Restricted cash (escrow account)</i>	21,584,746
<i>Receivable from Exim Bank</i>	4,301,041
Net Consideration Receivable in TZS	25,885,787

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31.12.2024	31.12.2023
	TZS '000	TZS '000
16 TAXATION		
16(i) Income tax expense/(credit)		
Income tax-Current (note 16(ii))	-	619,317
Income tax-Previous years	-	259,249
Deferred tax written off- note 16 (iii)	160,122	-
Deferred tax expense/(credit) Current year- note 16 (iii)	-	(84,267)
	160,122	794,299
16(ii) Income tax receivable/(payable)		
Opening balance	(64,600)	119,921
Tax paid for current year	450,000	694,800
Withholding Tax on receipts	613	-
Prior year Recoverable amounts utilized	-	(119,921)
Tax paid for previous year	140,083	-
Tax payable from prior years audit	-	(140,083)
	526,096	554,717
Less: tax charge for current year	-	(619,317)
Net Income tax recoverable/(payable)	526,096	(64,600)
Less: Recoverable Corporate tax	526,096	75,483
Income tax payable	-	(140,083)
	526,096	(64,600)
16(iii) DEFERRED TAX LIABILITY/(ASSET)		
Balance at the beginning of the year	(160,122.024)	(75,855)
Deferred tax written off- note 16 (i)	160,122.024	-
Charge/(credit) for the year - See Note 16	(1,405,816)	(84,267)
Deferred tax not recognised	1,405,816	-
Balance at the end of the year	-	(160,122)

Additional information

- As of 31st December 2024, the Bank has provisions, capital deduction and unrelieved losses that would result in deferred tax assets of TZS 1.4 billion. However, due to the shareholder's decision to liquidate the Bank, the deferred tax assets have not been recognized, as there is no reasonable expectation of generating future taxable income against which these assets can be utilized.

CANARA BANK (TANZANIA) LIMITED (IN LIQUIDATION) ANNUAL REPORT FOR YEAR 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- Further the prior year deferred tax asset of TZS 160.12 Million has been written off to Profit and Loss and under Income tax expense.
- Under current tax, TZS 450 Million was paid in year 2024, while TZS 613,438.85 is withholding tax that Canara bank Tanzania had paid on receipts of incomes from Bancassurance business. The same are being recognized as recoverable tax as bank has no taxable profits in the year.

	31.12.2024 TZS '000	31.12.2023 TZS '000
16(iv) PRIOR YEARS TAXES		
Tax Paid from Tax audit 2018-2022		
Principle tax other than Corporate tax	-	116,847
Interest not waived-Paid	24,637	0
Tax paid	24,637	116,847
Withholding Tax on Deemed Dividend for year 2017-2018		
Tax paid in year 2020 that was receivable now expensed	25,400	0
Provision for tax liability relating to unpaid amount	141,151	0
Tax expense-relating to deemed dividend	166,551	0
Total tax expense	191,189	116,847
Tax Liability		
Taxes already Paid	50,037	-
Prior years Tax Liability to be Paid	141,151	116,847

The normal procedure for agreeing final income tax liability in Tanzania involves the company filing its final income tax returns with the Tanzania Revenue Authority (TRA) followed by TRA performing their own review of the company's submissions and issuing their notice of income tax assessments to the company. The final income tax liability as determined by TRA after their review may differ from the liability determined by the company and procedures are in place for the company to object and appeal against such assessments. It is common that a timeframe from the company's own submission of its final tax returns and for TRA performing their review and issuing of notice of final tax assessment may take several months or years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 (i) PROPERTY AND EQUIPMENT

	Computer & hardware	Motor vehicle	Office furniture & equipment	Total
	TZS '000	TZS '000	TZS '000	TZS '000
Cost				
At 1 January 2023	1,445,695	62,819	658,042	2,166,556
Additions	126,500	-	1,841	128,341
Revaluation	-	-	-	-
Disposals	-	-	(1,332)	(1,332)
At 31 December 2023	1,572,195	62,819	658,551	2,293,565
At 1 January 2024	1,572,195	62,819	658,551	2,293,565
Additions	710,733	-	-	710,733
Revaluation (Note 17(i)(a))	10,311	9,332	(10,184)	9,459
Disposals	-	-	(15,436)	(15,436)
At 31 December 2024	2,293,239	72,151	632,931	2,998,321
Depreciation				
At 31 December 2023	1,365,993	61,039	401,924	1,828,957
At 1 January 2024	1,365,993	61,039	401,924	1,828,957
Charge for the year	227,901	612	29,480	257,993
Disposals	-	-	(9,086)	(9,086)
At 31 December 2024	1,593,894	61,651	422,319	2,077,864
Net Book Value				
At 31 December 2023	206,202	1,780	256,627	464,609
At 31 December 2024	699,345	10,500	210,612	920,457

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 (i)(a) REVALUATION OF FIXED ASSETS

	Computer & hardware TZS '000	Motor vehicle TZS '000	Office furniture & equipment TZS '000	Total TZS '000
Cost of asset before revaluation	2,282,928	62,819	643,115	2,988,863
Accumulated depreciation before revaluation	(1,593,894)	(61,651)	(422,319)	(2,077,864)
Net Book Value before revaluation	689,034	1,168	220,796	910,998
Revaluation amount	699,345	10,500	210,612	920,457
Net Change in Asset	10,311	9,332	(10,184)	9,459
LOSS AND RESERVE ON REVALUATION				
Increase/Revaluation reserve	10,311	9,332	-	19,643
Decrease/Loss on revaluation	-	-	(10,184)	(10,184)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31.12.2024 TZS '000	31.12.2023 TZS '000
17 (ii) INTANGIBLE ASSETS-COMPUTER SOFTWARE		
Cost		
At 1 January	3,262,822	2,973,408
Additions	248,855	289,415
Reclassification	31,509	-
Write off	(3,543,187)	-
At 31 December	-	3,262,822
Amortization		
At 1 January	2,990,383	2,925,005
Charge for the year(Note 8(ii))	141,273	65,378
Write off	(3,131,656)	-
At 31 December	-	2,990,383
Net Book Value		
At 31st December	-	272,439
17 (ii)(a) LOSS ON DISPOSAL OF FIXED ASSETS		
Cost of computer software disposed-off	3,543,187	-
Less:Accumulated Depreciation of Computer software disposed off	(3,131,656)	-
Loss on disposal of computer software	411,531	-
17 (iii) RIGHT OF USE ASSET		
Opening right to use assets	359,586	720,263
Addition of new Right of Use Asset	-	-
Adjustment of Opening balance	-	(98,555)
Less;Depreciation Charge on Right to Use Assets (Note 8-ii)	(194,476)	(262,123)
Derecognition (Note 17 iii(a))	(165,110)	-
Closing Right to use Assets	-	359,586
17 (iii)(a) LOSS ON DE-RECOGNITION OF LEASE		
Right of Use Asset de-recognized-Note 17(iii)	(165,110)	-
Less:Lease Liability de-recognized-Note 19(i)	77,460	-
Loss on derecognition of lease	(87,650)	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31.12.2024 TZS '000	31.12.2023 TZS '000
18. DEPOSITS		
18(i) CUSTOMER DEPOSITS		
Savings Accounts	-	5,010,028
Current Accounts	-	7,877,179
Fixed Deposits	-	43,491,105
	-	56,378,313
18(ii) DEPOSITS FROM BANKS		
Interbank deposits-other banks	-	1,700,000
	-	1,700,000
TOTAL DEPOSITS	-	58,078,313
Total deposits Maturity analysis		
Repayable on demand	-	12,887,207
Repayable in 3 months or less	-	18,915,573
Repayable between 3 months and 1 year	-	23,592,021
Repayable after 1 year	-	2,683,512
	-	58,078,313

	31.12.2024 TZS '000	31.12.2023 TZS '000
19.(i) LEASE LIABILITY		
Opening lease liability	367,828	720,263
Adjustment to Opening balance	-	(98,555)
Addition of new lease liability	-	-
Payment of lease Liability for the year	(290,368)	(253,881)
Derecognition	(77,460)	-
Closing lease liability	-	367,828
19.(ii) OTHER LIABILITIES		
Accrued expenses payable	258,566	156,138
Accrued interest payable	-	1,655,352
Accrued Interest on Lease Liability	-	9,196
Duties and taxes payable	330,303	51,372
Prior years taxes payable(Note 16(iv))	141,151	116,847
ECL Allowance financial guarantees and LC (Note 24 i)	-	675
Other payable	2,619	320,812
	732,640	2,310,392

CANARA BANK (TANZANIA) LIMITED (IN LIQUIDATION) ANNUAL REPORT FOR YEAR 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31.12.2024 TZS '000	31.12.2023 TZS '000
20(i) SHARE CAPITAL		
Authorized:		
50,000,000 ordinary shares of Tzs 1,000 each (2023 - 50,000,000 ordinary shares of Tzs 1,000 each)	50,000,000	50,000,000
Issued and fully paid up:		
32,830,000 ordinary shares of Tzs 1,000 each (2023 - 32,830,000 ordinary shares of Tzs 1,000 each)	32,830,000	32,830,000
20(ii) STATUTORY RESERVE		
Opening balance as at 1st January	261,301	467,694
Transfer to Retained Earnings	(261,301)	(206,393)
Closing balance as at 31st December	-	261,301
20(iii) DIVIDEND PAID DURING THE YEAR		
Number of issued full paid ordinary shares	-	32,830
Dividend per share	-	5
Dividend paid	-	164,150
21 CORE CAPITAL		
Issued and fully paid up capital	32,830,000	32,830,000
Retained earnings	(4,249,148)	8,216,293
Prepayments	-	(220,511)
Deferred tax assets	-	(160,122)
	28,580,852	40,665,660
22. RELATED PARTY TRANSACTIONS AND BALANCES		
(a) Amount due to Related Parties		
Canara Bank India (Note 18)	0	0
	0	0
(b) Amount due from Related Party (Note 10)		
Canara Bank India	-	23,700
Canara Bank London	-	503,800
Canara Bank Dubai	-	503,800
	0	1,031,300
(c) Directors Remuneration		
Directors Annual fees (Note 10 iii)	26,773	23,052
	26,773	23,052
(d) Key Management Compensation		
Salaries and benefits to senior management	1,475,465	1,069,324
	1,475,465	1,069,324

CANARA BANK (TANZANIA) LIMITED (IN LIQUIDATION) ANNUAL REPORT FOR YEAR 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31.12.2024 TZS '000	31.12.2023 TZS '000
23. CONTINGENT LIABILITIES		
Contingent liabilities as at balance sheet date are as follows:		
Bank guarantees given	-	3,028,254
Letter of credit issued	-	0
Undrawn loan commitments	-	3,577,902
Withholding tax payable on deemed dividend	-	141,151
Gross Contingent Liabilities	-	6,747,307
Less:ECL Allowance as per IFRS 9 (Note 24 i)	-	(9)
Net Contingent Liabilities	-	6,747,298

- All bank guarantees as on 20th December 2024, were taken by Buyer of assets and liabilities.
- The withholding tax payable on deemed dividends have been recognized in balance sheet as a liability as per note 16(iv)

24 PROVISION FOR IMPARMENT LOSSES

24 (i) Movement of ECL Allowances	As at 01-Jan-2024 TZS '000	Charge to P&L for year 2024 TZS '000	Provision Write off TZS '000	As at 31-Dec-2024 TZS '000
Loans and advances (Note 15)	155,314	(131,562)	(23,752)	0
Deposits and balances due from other banks(Note 12)	10,412	(10,412)	0	0
Balance with Bank of Tanzania (Note 11)	11,209	(11,209)	0	0
Government securities (Note 13)	279	(279)	0	0
Other Assets (Note 16)	244	(244)	0	0
Off balance sheet (Note 24)	675	(675)	0	0
Total for year	178,132	(154,380)	(23,752)	0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24(ii)	Breakdown of impairment loss to profit and Loss for year 2024	Impairment charge for credit losses	Loan Written off	Charge to profit and Loss for year 2023
		TZS '000	TZS '000	TZS '000
	Loans and advances	(131,562)	938,221	806,659
	Deposits and balances due from other banks.	(10,412)	0	(10,412)
	Balance with Bank of Tanzania	(11,209)	0	(11,209)
	Government securities	(279)	0	(279)
	Other Assets	(244)	0	(244)
	Off balance sheet items	(675)	0	(675)
	Total for the year	(154,380)	938,221	783,840

24(iii)	Breakdown of impairment loss to profit and loss for the year 2023.	Impairment charge for credit losses	Loan Write off	Charge to profit and Loss for year 2021
		TZS '000	TZS '000	TZS '000
	Loans and advances	86,435	258,714	345,149
	Deposits and balances due from other banks.	9,795	0	9,795
	Balance with Bank of Tanzania	11,159	0	11,159
	Government securities	(159)	0	(159)
	Other Assets	(7,807)	0	(7,807)
	Off balance sheet items	666	0	666
	Total for the year	100,089	258,714	358,803

25. INCORPORATION

The Bank is incorporated as a limited liability company under the Tanzanian Companies Act, 2002.

26. CURRENCY

These financial statements are presented in Tanzanian Shillings (TZS. '000) unless otherwise stated.

27. COMPARATIVES

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. SUBSEQUENT EVENTS

As per decision of shareholder, the business assets and liabilities of Canara Bank Tanzania Limited were sold to Exim Bank Tanzania Limited on 20th December 2024. Further employees have been retrenched as on 31st December 2024 after settling all their terminal benefits in compliance with laws and regulation of Tanzania.

After year end all the escrow account balance has been released and consideration receivable from Exim Bank Tanzania has been paid to Canara Bank Tanzania except for USD 500,000 which is still under escrow account as per Asset Purchase Agreement.

The Bank of Tanzania requires that the term "bank" should not be used for an institution that has surrendered its license. We have initiated the necessary process to comply with this requirement; however, as of the reporting date, the process has not yet been finalized.