



SUMMARY KEY DISCLOSURE STATEMENT

For the Financial Year Ended 30 June 2019

Principal Activities

Tonga Development Bank (TDB) is 100% owned by Tongans. The major shareholders are Government of Tonga, National Retirement Benefit Fund Board and the Retirement Fund Board. The principal activities are to promote Tonga's economic and social advancement of the people while operating profitability as a financial banking institution.

Directors

The Directors of TDB during the Financial Year end 30th June 2019 are:

Lord Matoto, Paula Taumoepeau, Obey Samate, Leta Kami (*resigned on October 2018*), Dr Leimoni Taufu'i (*resigned on June 2019*), Meleseini Lomu and Kaho 'Ofa.

| Statement of Profit or Loss and Comprehensive Statement | Year ended 30 June 2019 | Year ended 30 June 2018 | Balance Sheet | Year ended 30 June 2019 | Year ended 30 June 2018 |
|--|------------------------------------|------------------------------------|---|------------------------------------|------------------------------------|
| | | \$ | Cash on hand and at Bank | 63,997,670 | 50,847,142 |
| Interest income | 6,349,041 | 5,621,896 | Due from other financial institutions | 625,262 | 347,862 |
| Interest and other borrowing expenses | (2,353,783) | (2,710,349) | Investment securities – held to maturity | 9,366,541 | 9,230,609 |
| Net interest income | 3,995,258 | 2,911,547 | Loans and advances | 69,241,124 | 62,624,356 |
| Fees and commission income | 2,905,691 | 2,653,777 | Other assets | 510,072 | 768,791 |
| Other operating income | 2,356,902 | 1,857,912 | Amounts receivable from shareholder | 724,921 | 452,994 |
| Fair value gains on investment property | (5,000) | (45,000) | Statutory reserve deposit | 10,929,000 | 10,645,000 |
| Net operating income | 9,252,851 | 7,378,236 | Property, plant and equipment | 9,460,721 | 9,395,378 |
| Losses on loans and advances | (264,773) | 360,389 | Investment property | 149,167 | 155,000 |
| Bad debts written off | (80,891) | (16,478) | Intangible Assets | - | - |
| Bad debts recovered/reversed | 59,110 | 87,957 | Deferred tax asset | 605,421 | 596,770 |
| Other operating expenses | (6,327,963) | (5,607,361) | Total Assets | 165,609,899 | \$145,063,902 |
| Profit before income tax | 2,638,334 | 2,202,743 | LIABILITIES | | |
| Income tax expense | (605,346) | 203,628 | Savings deposits | 43,805,818 | 41,530,313 |
| Profit for the year from continuing operations | 2,032,988 | \$2,406,371 | Other liabilities | 2,307,477 | 2,186,061 |
| Other comprehensive income | - | - | Amount payable to NRBT | 776,000 | 843,000 |
| Total comprehensive income for the year | 2,032,988 | \$2,406,371 | Borrowings and deposits | 67,171,005 | 68,042,219 |
| Earnings per share | \$ 0.55 | \$1.72 | Current tax liability | 643,899 | 423,047 |
| Profitability | | | Managed funds | 6,282,281 | 4,789,299 |
| Net operating profit after tax | 2,032,988 | 2,406,371 | Deferred tax liability | - | - |
| Return on Equity | 4.56% | 8.83% | Dividend payable | - | - |
| Return on Asset | 1.23% | 1.66% | Total Liabilities | 120,986,480 | 117,813,939 |
| Size as at end of financial year | | | SHAREHOLDERS' EQUITY | | |
| Total Assets | 165,609,899 | \$145,063,902 | Share capital | 37,000,000 | 14,000,000 |
| Capital Adequacy | | | Retained earnings | 5,136,884 | 10,763,428 |
| Total Tier 1 Capital | 42,136,884 | 24,763,428 | Asset Revaluation Reserve | 2,486,535 | 2,486,535 |
| Capital Adequacy Ratio | 60.86% | 39.54% | Total Shareholders' Equity | 44,623,419 | 27,249,963 |
| | | | Total Equity and Liabilities | 165,609,899 | \$145,063,902 |
| | | | <i>Auditors: PricewaterhouseCoopers, Fiji</i> | | |