

MWALIMU COMMERCIAL BANK PLC
PUBLICATION OF FINANCIAL STATEMENTS

Issued pursuant to regulation 7 and 8 of the Banking and Financial Institutions (Disclosures) Regulations,
2014

EXTRACTS FROM THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019
(Amounts in million shillings)

	Current Year 31-Dec-2019	Previous Year 31-Dec-2018
A. ASSETS:		
1. Cash	264	213
2. Balances with Bank of Tanzania	4,618	1,691
3. Investments in government securities	-	1,125
4. Balances with other banks and financial institutions	40	52
5. Cheques and Items for clearing	-	-
6. Inter branch float items	-	-
7. Bills negotiated	-	-
8. Customers' liabilities for acceptances	-	-
9. Interbank loans receivables	1,043	2,294
10. Investment in other securities	-	-
11. Loans, advances and overdrafts (Net of allowance for probable losses)	16,109	17,886
12. Other assets	6,560	5,560
13. Equity investments	-	-
14. Underwriting accounts	-	-
15. Property, plant and equipment (net)	1,214	1,874
16. TOTAL ASSETS	29,848	30,695
B. LIABILITIES:		
17. Deposits from other banks and financial institutions	-	-
18. Customer deposits	11,073	7,949
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	602	729
24. Acceptances outstanding	-	-
25. Interbranch float items	-	-
26. Unearned income and other deferred charges	-	-
27. Other liabilities	1,706	723
28. Borrowings	-	-
29. TOTAL LIABILITIES	13,381	9,401
30. NET ASSETS/(LIABILITIES) (16 minus 29)	16,467	21,294
C. SHAREHOLDERS' FUNDS:		
31. Paid up share capital	30,912	30,912
32. Capital reserves	-	179
33. Retained Earnings	(9,618)	(4,473)
34. Profit (Loss) account	(4,827)	(5,503)
35. Bond Revaluation Reserve	-	179
36. Minority interest	-	-
37. TOTAL SHAREHOLDERS' FUNDS	16,467	21,294
38. CONTINGENT LIABILITIES		
39. Non performing loans & advances	279	124
40. Allowances for probable losses	292	374
41. Other non performing assets	-	2,300
D. SELECTED FINANCIAL CONDITION INDICATORS		
- Shareholders' Funds to Total Assets	55%	69%
- Non Performing Loans to Total Gross Loans	1.8%	2.0%
- Gross Loans and Advances to Total Deposits	145%	225%
- Loans and Advances to Total Assets	55%	59%
- Earning Assets to Total Assets	58%	70%
- Deposits Growth	-5%	45%
- Assets Growth	-2%	-19%

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019 (Amounts in million shillings)	Current Year Cumulative 31-Dec-2019	Previous Year Cumulative 31-Dec-2018
1. Interest income	2,936	3,253
2. Interest expense	547	572
3. Net interest income (1 minus 2)	2,389	2,681
4. Bad debts written-off	-	-
5. Impairment losses on loans and advances	(80)	87
6. Non- interest income:	454	218
6.1 Foreign currency dealings and translation gains/(loss)	27	4
6.2 Fees and commissions	403	213
6.3 Dividend income	-	-
6.4 Other operating income	24	1
7. Non interest expenses	7,735	8,302
7.1 Salaries and benefits	3,337	3,523
7.2 Fees and commission	-	-
7.3 Other operating expenses	4,398	4,779
8. Operating income/(loss)	(4,812)	(5,490)
9. Income tax provision	15	14
10. Net income/(loss) after income tax	(4,827)	(5,476)
11. Other Comprehensive Income	-	(25)
12. Total comprehensive Income/(loss) for the year	(4,827)	(5,501)
13. Number of employees	59	62
14. Basic Earnings Per Share	-78	-89
15. Number of branches	2	2
SELECTED PERFORMANCE INDICATORS		
(i) Return on Average Total Assets	-16%	-18%
(ii) Return on Average Shareholders' Funds	-29%	-26%
(iii) Non Interest Expense to Gross Income	289%	295%
(iv) Net Interest Income to Average Earning Assets	12%	13%

CONDENSED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2019 (Amounts in million shillings)	Current Year Cumulative 31-Dec-2019	Previous Year Cumulative 31-Dec-2018
I. Cash flow from operating activities:		
Net (loss)profit before tax	(4,812)	(5,489)
Adjustment for:		
- Impairment/amortisation/depreciation	1,710	2,192
- Net change in loans and advances	3,104	5,831
- IFRS 9 day 1 impact	-	(288)
- Net change in deposits	3,284	(1,982)
- Net change in short term negotiable securities	(27)	-
- Net change in other liabilities	(764)	721
- Net change in other assets	(973)	121
- Tax paid	-	-
- Others	(270)	-
Net cash provided (used) by operating activities	1,252	1,106
II. Cash flow from investing activities:		
- Dividend received	-	-
- Purchase of fixed assets	(55)	(520)
- Proceeds from sale of fixed assets	-	-
- Purchase of non-dealing securities	-	625
- Proceeds from sale of non-dealing securities	1,121	-
- Others	-	(270)
Net cash provided (used) by investing activities	1,066	(165)
III. Cash 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	-	-
- Net change in other borrowings	-	-
- Others (Repayment of principal portion of lease liabilities)	375	-
Net cash provided (used) by financing activities	375	-
IV. Cash and cash equivalents:		
- Net increase/(decrease) in cash and cash equivalents	2,693	941
- Cash and cash equivalents at the beginning of the year	1,585	644
- Cash and cash equivalents at the end of the quarter	4,278	1,585

**SELECTED EXPLANATORY NOTES
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

<u>Name and Title</u>	<u>Signature</u>	<u>Date</u>
Richard L. Makungwa (Chief Executive Officer)	..... (signed)	14 APRIL 2020
Selemani Kijori (Head of Finance)	..... (signed)	14 APRIL 2020
Patrick Mashallah (Head of Internal Audit)	..... (signed)	14 APRIL 2020

We, the undersigned directors, attest to the faithful representation of the above statements. We declare that the statements have been examined by us and, to the best of our knowledge and belief, have been prepared in conformance with international Financial Reporting Standards and the requirements of the Banking and Financial Institutions Act, 2006 and they present a true and fair view.

<u>Name</u>	<u>Signature</u>	<u>Date</u>
1/ Herman Kessy	..... (signed)	14 APRIL 2020
2/ Ambrose Nshala	..... (signed)	14 APRIL 2020