

MWALIMU COMMERCIAL BANK PLC
PUBLICATION OF FINANCIAL STATEMENTS

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

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

Current Quarter
31-Dec-2019

Previous Quarter
30-Sep-2019

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (Amounts in million shillings)	Current Quarter 31-Dec-2019	Previous Quarter 30-Sep-2019
A. ASSETS:		
1. Cash	264	512
2. Balances with Bank of Tanzania	4,618	2,720
3. Investments in government securities	-	-
4. Balances with other banks and financial institutions	199	210
5. Cheques and Items for clearing	10	63
6. Inter branch float items	-	-
7. Bills negotiated	-	-
8. Customers' liabilities for acceptances	-	-
9. Interbank loans receivables	1,000	4,000
10. Investment in other securities	-	-
11. Loans, advances and overdrafts (Net of allowance for probable losses)	16,099	16,378
12. Other assets	5,503	5,282
13. Equity investments	-	-
14. Underwriting accounts	-	-
15. Property, plant and equipment (net)	1,226	1,296
16. TOTAL ASSETS	28,919	30,461
B. LIABILITIES:		
17. Deposits from other banks and financial institutions	-	-
18. Customer deposits	11,063	11,660
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	775	841
24. Acceptances outstanding	-	-
25. Interbranch float items	426	19
26. Unearned income and other deferred charges	139	170
27. Other liabilities	32	544
28. Borrowings	-	-
29. TOTAL LIABILITIES	12,435	13,234
30. NET ASSETS/(LIABILITIES) (16 minus 29)	16,484	17,227
C. SHAREHOLDERS' FUNDS:		
31. Paid up share capital	30,912	30,912
32. Capital reserves	-	179
33. Retained Earnings	(9,597)	(9,658)
34. Profit (Loss) account	(4,831)	(4,027)
35. Others capital accounts (Provision General Reserve)	-	-
36. Minority interest	-	-
37. TOTAL SHAREHOLDERS' FUNDS	16,484	17,227
38. CONTINGENT LIABILITIES		
39. Non-performing loans & advances	279	289
40. Allowances for probable losses	302	302
41. Other non-performing assets	-	-
D. SELECTED FINANCIAL CONDITION INDICATORS		
- Shareholders' Funds to Total Assets	57%	57%
- Non- Performing Loans to Total Gross Loans	1.7%	1.7%
- Gross Loans and Advances to Total Deposits	148%	143%
- Loans and Advances to Total Assets	57%	55%
- Earning Assets to Total Assets	59%	67%
- Deposits Growth	-5%	41%
- Assets Growth	-5%	7%

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2019 (Amounts in million shillings)	Current Quarter 31-Dec-2019	Comparative Quarter 31-Dec-2018	Current Year Cumulative 31-Dec-2019	Comparative Year Cumulative 31-Dec-2018
1. Interest income	721	797	2,936	3,253
2. Interest expense	87	124	536	572
3. Net interest income (1 minus 2)	634	673	2,400	2,681
4. Bad debts written-off	-	-	-	-
5. Impairment losses on loans and advances	(1)	79	(54)	87
6. Non- interest income:	140	56	450	218
6.1 Foreign currency dealings and translation gains/(loss)	6	-	27	4
6.2 Fees and commissions	112	57	401	213
6.3 Dividend income	-	-	-	-
6.4 Other operating income	22	(1)	22	1
7. Non-interest expenses	1,578	2,121	7,735	8,302
7.1 Salaries and benefits	708	828	3,337	3,523
7.2 Fees and commission	-	-	-	-
7.3 Other operating expenses	870	1,293	4,398	4,779
8. Operating income/(loss)	(803)	(1,471)	(4,831)	(5,490)
9. Income tax provision	-	-	-	14
10. Net income/(loss) after income tax	(803)	(1,471)	(4,831)	(5,476)
11. Other Comprehensive Income	-	-	-	(25)
12. Total comprehensive Income/(loss) for the year	(803)	(1,471)	(4,831)	(5,501)
13. Number of employees	59	62	59	62
14. Basic Earnings Per Share	-13	-24	-78	-89
15. Number of branches	2	2	2	2
SELECTED PERFORMANCE INDICATORS				
(i) Return on Average Total Assets	-3%	-5%	-17%	-18%
(ii) Return on Average Shareholders' Funds	-5%	-9%	-26%	-26%
(iii) Non- Interest Expense to Gross Income	204%	291%	271%	295%
(iv) Net Interest Income to Average Earning Assets	3%	3%	14%	13%

CONDENSED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 31 DECEMBER 2019 (Amounts in million shillings)	Current Quarter 31-Dec-2019	Previous Quarter 30-Sep-2018	Current Year Cumulative 31-Dec-2019	Comparative Year Cumulative 31-Dec-2018
I. Cash flow from operating activities:				
Net (loss)profit before tax	(804)	(1,517)	(4,831)	(5,489)
Adjustment for:				
- Impairment/amortisation/depreciation	107	212	1,453	1,904
- Net change in loans and advances	3,279	(67)	3,080	5,831
- Gain/loss on sale of assets	-	-	-	-
- Net change in deposits	(597)	3,392	3,114	(1,982)
- Net change in short term negotiable securities	-	-	-	-
- Net change in other liabilities	(202)	63	(81)	721
- Net change in other assets	(108)	(105)	(717)	121
- Tax paid	-	-	-	-
- Others	-	-	-	-
Net cash provided (used) by operating activities	1,675	1,978	2,018	1,106
II. Cash flow from investing activities:				
- Dividend received	-	-	-	-
- Purchase of fixed assets	(37)	(36)	(77)	(520)
- Proceeds from sale of fixed assets	-	-	-	-
- Purchase of non-dealing securities	-	-	946	625
- Proceeds from sale of non-dealing securities	-	-	-	-
- Others	-	-	-	-
Net cash provided (used) by investing activities	(37)	(36)	869	(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	-	-	-	-
Net cash provided (used) by financing activities	-	-	-	-
IV. Cash and cash equivalents:				
- Net increase/(decrease) in cash and cash equivalents	1,638	1,942	2,887	941
- Cash and cash equivalents at the beginning of the year	2,908	965	1,557	644
- Cash and cash equivalents at the end of the quarter	4,546	2,907	4,444	1,585

CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2019 (Amounts in million shillings)	Share Capital	Retained Earnings	Regulatory Reserve	Bond Revaluation Reserve	Provision General Reserve	Total
Current Year						
Balance as at the beginning of the year	30,912	(9,976)	-	179	179	21,294
Profit for the year	-	(4,831)	-	-	-	(4,831)
Other Comprehensive Income	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-
Transfer from Bond Revaluation Reserve	-	179	-	(179)	-	-
Transfer from Provision General Reserve	-	179	-	-	(179)	-
Others	-	21	-	-	-	21
Balance as at the end of the current period	30,912	(14,428)	-	-	-	16,484
Previous Year						
Balance as at the beginning of the year	30,912	(4,120)	114	204	-	27,110
Decrease resulting from adopting IFRS9	-	(288)	-	-	-	(288)
Profit for the year	-	(5,503)	-	-	-	(5,503)
Loss on fair valuation of bonds	-	-	-	(25)	-	(25)
Other Comprehensive Income	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Transfer from Regulatory Reserve	-	114	(114)	-	-	-
Transfer to Provision General Reserve	-	(179)	-	-	179	-
Balance as at the end of the previous period	30,912	(9,976)	-	179	179	21,294

FOR THE QUARTER ENDED 31 DECEMBER 2019

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

<i>Name and Title</i>	<i>Signature</i>	<i>Date</i>
Richard L. Makungwa (Chief Executive Officer)	..... (signed)	29 January 2020
Selemani Kijori (Head of Finance)	..... (signed)	29 January 2020
Patrick Mashalla (Chief Internal Auditor)	..... (signed)	29 January 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.

<i>Name</i>	<i>Signature</i>	<i>Date</i>
1/ Herman Kessy	..... (signed)	29 January 2020
2/ Ambrose Nshala	..... (signed)	29 January 2020