

**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 2020**

(Amounts in million shillings)

Current Quarter  
31-Dec-2020

Previous Quarter  
30-Sep-2020

<b>A. ASSETS:</b>		
1. Cash	616	514
2. Balances with Bank of Tanzania	4,727	5,290
3. Investments in government securities	-	-
4. Balances with other banks and financial institutions	154	49
5. Cheques and Items for clearing	22	24
6. Inter branch float items	261	268
7. Bills negotiated	-	-
8. Customers' liabilities for acceptances	-	-
9. Interbank loans receivables	8,300	4,000
10. Investment in other securities	-	-
11. Loans, advances and overdrafts (Net of allowance for probable losses)	19,205	15,766
12. Other assets	5,064	4,867
13. Equity investments	-	-
14. Underwriting accounts	-	-
15. Property, plant and equipment (net)	918	1,037
<b>16. TOTAL ASSETS</b>	<b>39,267</b>	<b>31,815</b>
<b>B. LIABILITIES:</b>		
17. Deposits from other banks and financial institutions	-	-
18. Customer deposits	18,683	15,802
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	941	836
24. Acceptances outstanding	-	-
25. Interbranch float items	417	294
26. Unearned income and other deferred charges	425	281
27. Other liabilities	1,322	1,215
28. Borrowings	-	-
<b>29. TOTAL LIABILITIES</b>	<b>21,788</b>	<b>18,428</b>
<b>30. NET ASSETS/(LIABILITIES) (16 minus 29)</b>	<b>17,479</b>	<b>13,387</b>
<b>C. SHAREHOLDERS' FUNDS:</b>		
31. Paid up share capital	30,912	30,912
32. Capital reserves	-	-
33. Retained Earnings	(14,445)	(14,445)
34. Profit (Loss) account	(3,988)	(3,080)
35. Others capital accounts (Advance towards share capital)	5,000	-
36. Minority interest	-	-
<b>37. TOTAL SHAREHOLDERS' FUNDS</b>	<b>17,479</b>	<b>13,387</b>
<b>38. CONTINGENT LIABILITIES</b>		
39. Non-performing loans & advances	389	296
40. Allowances for probable losses	(266)	(266)
41. Other non-performing assets	-	-
<b>D. SELECTED FINANCIAL CONDITION INDICATORS</b>		

- Shareholders' Funds to Total Assets	45%	42%
- Non-Performing Loans to Total Gross Loans	2.0%	1.8%
- Gross Loans and Advances to Total Deposits	101%	98%
- Loans and Advances to Total Assets	48%	49%
- Earning Assets to Total Assets	70%	62%
- Deposits Growth	18%	77%
- Assets Growth	23%	23%

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2020 (Amounts in million shillings)	Current Quarter 31-Dec-2020	Comparative Quarter 31-Dec-2019	Current Year Cumulative 31-Dec-2020	Comparative Year Cumulative 31-Dec-2019
1. Interest income	807	721	2,765	2,936
2. Interest expense	334	98	694	547
<b>3. Net interest income (1 minus 2)</b>	<b>473</b>	<b>623</b>	<b>2,071</b>	<b>2,389</b>
4. Bad debts written-off	-	-	-	-
5. Impairment losses on loans and advances	-	(27)	(25)	(80)
6. Non- interest income:	192	144	388	454
6.1 Foreign currency dealings and translation gains/(loss)	1	6	7	27
6.2 Fees and commissions	189	114	370	403
6.3 Dividend income	-	-	-	-
6.4 Other operating income	2	24	11	24
7. Noninterest expenses	1,571	1,578	6,472	7,735
7.1 Salaries and benefits	708	708	2,801	3,337
7.2 Fees and commission	-	-	-	-
7.3 Other operating expenses	863	870	3,671	4,398
<b>8. Operating income/(loss)</b>	<b>(906)</b>	<b>(784)</b>	<b>(3,988)</b>	<b>(4,812)</b>
9. Income tax provision	-	15	-	15
<b>10. Net income/(loss) after income tax</b>	<b>(906)</b>	<b>(799)</b>	<b>(3,988)</b>	<b>(4,827)</b>
11. Other Comprehensive Income				-
<b>12. Total comprehensive Income/(loss) for the year</b>	<b>(906)</b>	<b>(799)</b>	<b>(3,988)</b>	<b>(4,827)</b>
13. Number of employees	65	59	65	59
14. Basic Earnings Per Share	-15	-13	-65	-78
15. Number of branches	2	2	2	2
<b>SELECTED PERFORMANCE INDICATORS</b>				
(i) Return on Average Total Assets	-2%	-3%	-13%	-16%
(ii) Return on Average Shareholders' Funds	-6%	-5%	-26%	-29%
(iii) Non-Interest Expense to Gross Income	236%	206%	263%	289%
(iv) Net Interest Income to Average Earning Assets	2%	4%	8%	12%

CONDENSED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 31 DECEMBER 2020 (Amounts in million shillings)	Current Quarter 31-Dec-2020	Previous Quarter 30-Sep-2020	Current Year Cumulative 31-Dec-2020	Comparative Year Cumulative 31-Dec-2019
<b>I. Cash flow from operating activities:</b>				
Net (loss)profit before tax	(906)	(1,153)	(3,988)	(4,812)
Adjustment for:	-	-	-	-
- Impairment/amortisation/depreciation	389	379	1,413	1,710
- Net change in loans and advances	(7,739)	(3,419)	(10,353)	3,104
- Net change in deposits	2,881	6,876	7,610	3,284
- Net change in short term negotiable securities	-	-	-	(27)
- Net change in other liabilities	487	65	536	(764)
- Net change in other assets	(427)	76	599	(973)
- Tax paid	-	-	-	-
- Others	-	-	-	(270)
<b>Net cash provided (used) by operating activities</b>	<b>(5,315)</b>	<b>2,824</b>	<b>(4,183)</b>	<b>1,252</b>
<b>II. Cash flow from investing activities:</b>				
- Dividend received	-	-	-	-
- Purchase of fixed assets	(17)	-	(29)	(55)
- Proceeds from sale of fixed assets	-	-	-	-
- Purchase of non-dealing securities	-	-	-	-
- Proceeds from sale of non-dealing securities	-	-	-	1,121
- Others	-	-	-	-
<b>Net cash provided (used) by investing activities</b>	<b>(17)</b>	<b>-</b>	<b>(29)</b>	<b>1,066</b>
<b>III. Cash from financing activities:</b>				
- 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 (Advance towards share capital)	5,000	-	5,000	375
<b>Net cash provided (used) by financing activities</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>375</b>
<b>IV. Cash and cash equivalents:</b>				
- Net increase/(decrease) in cash and cash equivalents	(332)	2,824	788	2,693
- Cash and cash equivalents at the beginning of the year	5,781	2,957	1,557	1,585
- Cash and cash equivalents at the end of the quarter	5,449	5,781	2,345	4,278

CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2020 (Amounts in million shillings)	Share Capital	Retained Earnings	Regulatory Reserve	Bond Revaluation Reserve	Provision General Reserve	Total
<b>Current Year</b>						
Balance as at the beginning of the year	30,912	(14,445)	-	-	-	16,467
Profit for the year	-	(3,988)	-	-	-	(3,988)
Other Comprehensive Income	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-
Advance towards share capital	5,000	-	-	-	-	5,000
Provision General Reserve	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Balance as at the end of the current period</b>	<b>35,912</b>	<b>(18,433)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,479</b>
<b>Previous Year</b>	-	-	-	-	-	-
Balance as at the beginning of the year	30,912	(9,976)	-	179	179	21,294
Profit for the year	-	(4,827)	-	-	-	(4,827)
Other Comprehensive Income						
Transactions with owners	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-
Advance towards share capital	-	179	-	179	-	-
Provision General Reserve	-	179	-	-	179	-
Others	-	-	-	-	-	-
<b>Balance as at the end of the previous period</b>	<b>30,912</b>	<b>(14,445)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,467</b>

**SELECTED EXPLANATORY NOTES  
FOR THE QUARTER ENDED 31 DECEMBER 2020**

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)	22 January 2021
Selemani Kijori (Head of Finance)	..... (signed)	22 January 2021
Patrick Mashallah (Head of Internal Audit)	..... (signed)	22 January 2021

**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/ Francis Ramadhani	..... (signed)	22 January 2021
2/ Celestin Muganga	..... (signed)	22 January 2021