

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 30 SEPTEMBER 2021 (Amounts in million shillings) | Current Quarter 30-Sep-2021 | Previous Quarter 30-Jun-2021 |
|---|--------------------------------|---------------------------------|
| A. ASSETS: | | |
| 1. Cash | 216 | 494 |
| 2. Balances with Bank of Tanzania | 7,483 | 2,369 |
| 3. Investments in government securities | - | - |
| 4. Balances with other banks and financial institutions | 61 | 41 |
| 5. Cheques and Items for clearing | (32) | - |
| 6. Inter branch float items | - | - |
| 7. Bills negotiated | - | - |
| 8. Customers' liabilities for acceptances | - | - |
| 9. Interbank loans receivables | 1,000 | 2,300 |
| 10. Investment in other securities | - | - |
| 11. Loans, advances and overdrafts (Net of allowance for probable losses) | 44,928 | 36,142 |
| 12. Other assets | 3,398 | 4,531 |
| 13. Equity investments | - | - |
| 14. Underwriting accounts | - | - |
| 15. Property, plant and equipment (net) | 873 | 896 |
| 16. TOTAL ASSETS | 57,927 | 46,773 |
| B. LIABILITIES: | | |
| 17. Deposits from other banks and financial institutions | - | - |
| 18. Customer deposits | 39,165 | 27,832 |
| 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 | 1,048 | 880 |
| 24. Acceptances outstanding | - | - |
| 25. Interbranch float items | 116 | 90 |
| 26. Unearned income and other deferred charges | 204 | 280 |
| 27. Other liabilities | 1,305 | 1,637 |
| 28. Borrowings | - | - |
| 29. TOTAL LIABILITIES | 41,838 | 30,719 |
| 30. NET ASSETS/(LIABILITIES) (16 minus 29) | 16,089 | 16,054 |
| C. SHAREHOLDERS' FUNDS: | | |
| 31. Paid up share capital | 30,912 | 30,912 |
| 32. Capital reserves | - | - |
| 33. Retained Earnings | (18,507) | (18,507) |
| 34. Profit (Loss) account | (1,316) | (1,351) |
| 35. Others capital accounts (Advance towards share capital) | 5,000 | 5,000 |
| 36. Minority interest | - | - |
| 37. TOTAL SHAREHOLDERS' FUNDS | 16,089 | 16,054 |
| 38. CONTINGENT LIABILITIES | | |
| 39. Non performing loans & advances | 500 | 346 |
| 40. Allowances for probable losses | (309) | (309) |
| 41. Other non performing assets | - | - |
| D. SELECTED FINANCIAL CONDITION INDICATORS | | |
| - Shareholders' Funds to Total Assets | 27.8% | 34.0% |
| - Non Performing Loans to Total Gross Loans | 1.1% | 0.9% |
| - Gross Loans and Advances to Total Deposits | 113.9% | 129.0% |
| - Loans and Advances to Total Assets | 77.0% | 76.6% |
| - Earning Assets to Total Assets | 79.3% | 82.0% |
| - Deposits Growth | 40.7% | 16.0% |
| - Assets Growth | 23.8% | 8.0% |

| CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2021 (Amounts in million shillings) | Current Quarter 30-Sep-2021 | Comparative Quarter 30-Sep-2020 | Current Year Cumulative 30-Sep-2021 | Comparative Year Cumulative 30-Sep-2020 |
|--|--------------------------------|---------------------------------------|---|---|
| 1. Interest income | 1,638 | 639 | 3,893 | 1,959 |
| 2. Interest expense | 501 | 137 | 1,207 | 360 |
| 3. Net interest income (1 minus 2) | 1,137 | 502 | 2,686 | 1,599 |
| 4. Bad debts written-off | - | - | - | - |
| 5. Impairment losses on loans and advances | - | - | (21) | (25) |
| 6. Non-interest income: | 487 | 75 | 766 | 196 |
| 6.1 Foreign currency dealings and translation gains/(loss) | - | - | 1 | 6 |
| 6.2 Fees and commissions | 470 | 69 | 748 | 181 |
| 6.3 Dividend income | - | - | - | - |
| 6.4 Other operating income | 17 | 6 | 17 | 9 |
| 7. Non interest expenses | 1,589 | 1,731 | 4,789 | 4,900 |
| 7.1 Salaries and benefits | 702 | 734 | 2,131 | 2,093 |
| 7.2 Fees and commission | - | - | - | - |
| 7.3 Other operating expenses | 887 | 997 | 2,658 | 2,807 |
| 8. Operating Income/(loss) | 35 | (1,154) | (1,316) | (3,080) |
| 9. Income tax provision | - | - | - | - |
| 10. Net income/(loss) after income tax | 35 | (1,154) | (1,316) | (3,080) |
| 11. Other Comprehensive Income | - | - | - | - |
| 12. Total comprehensive Income/(loss) for the year | 35 | (1,154) | (1,316) | (3,080) |
| 13. Number of employees | 55 | 62 | 55 | 62 |
| 14. Basic Earnings Per Share | 1 | -19 | -21 | -50 |
| 15. Number of branches | 2 | 2 | 2 | 2 |
| SELECTED PERFORMANCE INDICATORS | | | | |
| (i) Return on Average Total Assets | 0.1% | -3.7% | -2.8% | -11.0% |
| (ii) Return on Average Shareholders' Funds | 0.2% | -8.0% | -8.1% | -21.0% |
| (iii) Non Interest Expense to Gross Income | 97.8% | 300.0% | 138.7% | 273.0% |
| (iv) Net Interest Income to Average Earning Assets | 2.5% | 3.3% | 5.8% | 8.0% |

| CONDENSED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 30 SEPTEMBER 2021 (Amounts in million shillings) | | | | |
|---|--------------------------------|---------------------------------|---|---|
| | Current Quarter 30-Sep-2021 | Previous Quarter 30-Jun-2021 | Current Year Cumulative 30-Sep-2021 | Comparative Year Cumulative 30-Sep-2020 |
| I. Cash flow from operating activities: | | | | |
| Net (loss)/profit before tax | 35 | (403) | (1,316) | (1,927) |
| Adjustment for: | | | | |
| - Impairment/amortisation/depreciation | | | | |
| - Net change in loans and advances | 326 | 343 | 1,015 | 614 |
| - Net change in deposits | (7,486) | (5,279) | (18,531) | 805 |
| - Net change in short term negotiable securities: | 8,133 | 6,996 | 20,640 | (2,147) |
| - Net change in other liabilities | | | | |
| - Net change in other assets | (215) | 296 | (161) | (16) |
| - Tax paid | 893 | 100 | 191 | 991 |
| - Others | | | | |
| Net cash provided (used) by operating activities | 1,686 | 2,053 | 1,838 | (1,680) |
| II. Cash flow from investing activities: | | | | |
| - Dividend received | | | | |
| - Purchase of fixed assets | | | | |
| - Proceeds from sale of fixed assets | (30) | (120) | (150) | (12) |
| - Purchase of non-dealing securities | | | | |
| - Proceeds from sale of non-dealing securities: | | | | |
| - Others | | | | |
| Net cash provided (used) by investing activities | (30) | (120) | (150) | (12) |
| 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 (Advance towards share capital) | | | | |
| Net cash provided (used) by financing activities | | | | |
| IV. Cash and cash equivalents: | | | | |
| - Net increase/(decrease) in cash and cash equivalent: | 1,656 | 1,933 | 1,688 | (1,692) |
| - Cash and cash equivalents at the beginning of the quarter/year | 4,891 | 2,958 | 4,485 | 4,274 |
| - Cash and cash equivalents at the end of the quarter/year | 6,547 | 4,891 | 6,173 | 2,582 |

| CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 30 SEPTEMBER 2021 (Amounts in million shillings) | | | | | | |
|--|---------------|-------------------|--------------------|-------------------------------|---------------|--|
| | Share Capital | Retained Earnings | Regulatory Reserve | Advance towards share capital | Total | |
| Current Year | | | | | | |
| Balance as at the beginning of the year | 30,912 | (18,507) | - | - | 12,405 | |
| Profit for the year | - | (1,316) | - | - | (1,316) | |
| Advance towards share capital | - | - | - | 5,000 | 5,000 | |
| Transactions with owners | - | - | - | - | - | |
| Dividends Paid | - | - | - | - | - | |
| Others | - | - | - | - | - | |
| Balance as at the end of the current period | 30,912 | (19,823) | - | 5,000 | 16,089 | |
| Previous Year | | | | | | |
| Balance as at the beginning of the year | 30,912 | (14,445) | - | - | 16,467 | |
| Profit for the year | - | (4,062) | - | - | (4,062) | |
| Advance towards share capital | - | - | - | 5,000 | 5,000 | |
| Transactions with owners | - | - | - | - | - | |
| Dividends Paid | - | - | - | - | - | |
| Others | - | - | - | - | - | |
| Balance as at the end of the previous period | 30,912 | (18,507) | - | 5,000 | 17,405 | |

**SELECTED EXPLANATORY NOTES
FOR THE QUARTER ENDED 30 SEPTEMBER 2021**

In preparation of the quarterly 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) | 8 October 2021 |
| Selemani Kijori (Head of Finance) | (signed) | 8 October 2021 |
| Patrick Mashalla (Head of Internal Audit) | (signed) | 8 October 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.

| <u>Name</u> | <u>Signature</u> | <u>Date</u> |
|--|-------------------|----------------|
| 1/ Francis Ramadhani (Chairman) | (signed) | 8 October 2021 |
| 2/ Enna Victor Mwakipesile (Director) | (signed) | 8 October 2021 |