

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 2017

Current Quarter
30-Sep-2017

Previous Quarter
30-Jun-2017

(Amounts in million shillings)

A. ASSETS:		
1. Cash	286	124
2. Balances with Bank of Tanzania	827	464
3. Investments in government securities	4,923	4,923
4. Balances with other banks and financial institutions	35	17
5. Cheques and Items for clearing	-	-
6. Inter branch float items	-	-
7. Bills negotiated	-	-
8. Customers' liabilities for acceptances	-	-
9. Interbank loans receivables	9,450	15,050
10. Investment in other securities	-	-
11. Loans, advances and overdrafts (Net of allowance for probable losses)	10,156	5,045
12. Other assets	7,294	7,865
13. Equity investments	-	-
14. Underwriting accounts	-	-
15. Property, plant and equipment (net)	2,496	2,605
16. TOTAL ASSETS	35,467	36,093
B. LIABILITIES:		
17. Deposits from other banks and financial institutions	-	-
18. Customer deposits	5,760	5,504
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	1,275	1,349
24. Acceptances outstanding	-	-
25. Interbranch float items	(5)	-
26. Unearned income and other deferred charges	525	576
27. Other liabilities	65	22
28. Borrowings	-	-
29. TOTAL LIABILITIES	7,620	7,451
30. NET ASSETS/(LIABILITIES) (16 minus 29)	27,847	28,642
C. SHAREHOLDERS' FUNDS:		
31. Paid up share capital	30,912	30,912
32. Capital reserves	74	53
33. Retained Earnings	195	(1,043)
34. Profit (Loss) account	(3,334)	(1,280)
35. Others capital accounts	-	-
36. Minority interest	-	-
37. TOTAL SHAREHOLDERS' FUNDS	27,847	28,642
38. CONTINGENT LIABILITIES		
39. Non-performing loans & advances	39	-
40. Allowances for probable losses	39	-
41. Other non-performing assets	-	-
D. SELECTED FINANCIAL CONDITION INDICATORS		
- Shareholders' Funds to Total Assets	79%	79%
- Non-Performing Loans to Total Gross Loans	0%	0%

- Gross Loans and Advances to Total Deposits	177%	92%
- Loans and Advances to Total Assets	29%	14%
- Earning Assets to Total Assets	69%	69%
- Deposits Growth	5%	71%
- Assets Growth	(2%)	4%

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CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2017 (Amounts in million shillings)	Comparative			
	Current Quarter 30-Sep-2017	Quarter 30-Sep-2016	Current Year Cumulative 30-Sep-2017	Year Cumulative 30-Sep-2016
1. Interest income	975	3,228	2,739	3,228
2. Interest expense	141	-	312	-
3. Net interest income (1 minus 2)	834	3,228	2,427	3,228
4. Bad debts written-off	-	-	-	-
5. Impairment losses on loans and advances	39	-	39	-
6. Non- interest income:	57	1	219	1
6.1 Foreign currency dealings and translation gains/(loss)	(1)	-	(8)	-
6.2 Fees and commissions	56	1	225	1
6.3 Dividend income	-	-	-	-
6.4 Other operating income	2	-	2	-
7. Non-interest expenses	1,647	2,682	5,941	2,682
7.1 Salaries and benefits	998	1,167	2,341	1,167
7.2 Fees and commission	-	56	-	56
7.3 Other operating expenses	649	1,459	3,600	1,459
8. Operating income/(loss)	(795)	547	(3,334)	547
9. Income tax provision	-	-	-	-
10. Net income/(loss) after income tax	(795)	547	(3,334)	547
11. Other Comprehensive Income				
12. Total comprehensive Income/(loss) for the year				
13. Number of employees	58	44	58	44
14. Basic Earnings Per Share	(13)	9	(54)	9
15. Number of branches	1	1	1	1
SELECTED PERFORMANCE INDICATORS				
(i) Return on Average Total Assets	(2)	2%	(9)	2%
(ii) Return on Average Shareholders' Funds	(3)	2%	(12)	2%
(iii) Non-Interest Expense to Gross Income	185%	83%	225%	83%
(iv) Net Interest Income to Average Earning Assets	3%	15%	10%	15%

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CONDENSED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 30 SEPTEMBER 2017 (Amounts in million shillings)	Current Quarter 30-Sep-2017	Previous Quarter 30-Jun-2017	Current Year Cumulative 30-Sep-2017	Comparative Year Cumulative 30-Sep-2016
I. Cash flow from operating activities:				
Net (loss)profit before tax	(795)	(1,280)	(3,334)	547
Adjustment for:				
- Impairment/amortisation/depreciation	421	400	844	333
- Net change in loans and advances	9,939	(6,489)	731	(648)
- Gain/loss on sale of assets	-	-	-	-
- Net change in deposits	256	2,279	4,324	105
- Net change in short term negotiable securities	-	5,139	7,817	(10,483)
- Net change in other liabilities	(86)	322	860	32
- Net change in other assets	220	(46)	(1,121)	(8,709)
- Tax paid	-	-	-	-
- Others	-	-	-	-
Net cash provided (used) by operating activities	9,955	325	10,121	(18,823)
II. Cash flow from investing activities:				
- Dividend received	-	-	-	-
- Purchase of fixed assets	(125)	(501)	(179)	(7,250)
- Proceeds from sale of fixed assets	-	-	-	-
- Purchase of non-dealing securities	-	-	-	-
- Proceeds from sale of non-dealing securities	-	-	-	-
- Others	-	-	-	-
Net cash provided (used) by investing activities	(125)	(501)	(179)	(7,250)
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	9,830	(176)	9,942	(26,073)
- Cash and cash equivalents at the beginning of the year	302	478	190	-
- Cash and cash equivalents at the end of the quarter	10,132	302	10,132	(26,073)

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CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 30 SEPTEMBER 2017 (Amounts in million shillings)					
	Share Capital	Retained Earnings	Regulatory Reserve	General Provision Reserve	Total
Current Year					
Balance as at the beginning of the year	30,912	259	6	-	31,177
Profit for the year	-	(3,334)	-	-	(3,334)
Other Comprehensive Income	-	-	-	-	-
Transactions with owners	-	-	-	-	-
Dividends Paid	-	-	-	-	-
Regulatory Reserve	-	(68)	68	-	-
General Provision Reserve	-	-	-	-	-
Others	-	4	-	-	4
Balance as at the end of the current period	30,912	(3,139)	74	-	27,847
Previous Year					
Balance as at the beginning of the year	30,912	994	-	-	31,906
Profit for the year	-	(729)	-	-	(729)
Other Comprehensive Income	-	-	-	-	-
Transactions with owners	-	-	-	-	-
Dividends paid	-	-	-	-	-
Regulatory Reserve	-	(6)	6	-	-
Others	-	-	-	-	-
Balance as at the end of the previous period	30,912	259	6	-	31,177

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MINIMUM DISCLOSURE OF CHARGES AND FEES MADE UNDER REGULATION 11		
S/N	ITEM/TRANSACTION	CHARGE/FEE
1	Current Accounts	
	(a) Required minimum opening balance	TZS 50,000
	(b) Monthly service fee (breakdown per customer type)	TZS 7,500
	(c) Cheque withdrawal over the counter	TZS 2,500 for amounts less than 5Mil otherwise 0.1% max TZS 100,000
	(d) Fees per ATM withdrawal	TZS 1,300
	(e) ATM mini statement	TZS 300
	(f) Interim statement per page	TZS 2,500
	(g) Periodic scheduled statement	0
	(h) Cheque book	TZS 500 per leaf
	(i) Dishonoured cheque	TZS 64,000
	(j) Special clearance	n/a
	(k) Counter cheque	TZS 6,000
	(l) Stop payment	TZS 38,400
	(m) Standing order (Same bank)	Free
	(n) Balance enquiry	TZS 200
	(o) New ATM card issuance	TZS 8,000
	(p) ATM card renewal or replacement (indicate costs for different card types)	TZS 15,000
	(q) Overdrawn account interest charge	20%
	(r) Unarranged overdraft	20%
	(s) Interbank transfer	TZS 10,000
	(t) Bill payments through ATM	n/a
	(u) Deposit fee	0
	(v) Other (please specify)	n/a
2	Savings Accounts (Disclose for product specific types)	
	(a) Required minimum opening balance	TZS 10,000
	(b) Monthly service fee	TZS 1,000
	(c) Interim statement	TZS 2,500
	(d) Account closure	TZS 20,000
3	Electronic Banking	
	(a) Internet banking monthly fee	n/a
	(b) Internet transfers	n/a
	(c) SMS banking	n/a
	(d) Other	n/a
4	Foreign Exchange Transaction	
	(a) Purchase/sale of TCs transactions over the counter	n/a
	(b) Purchase of foreign cheque	n/a
	(c) Sale/purchase of cash passport	n/a
	(d) Telegraphic transfer	n/a
	(e) Telex/SWIFT	n/a
	(f) Transfer from foreign currency denominated account to local current account (within bank and to other bank)	0
5	Personal Loans	
	(a) Processing/Arrangement/Appraisal fee	2%
	(i) Personal loans	n/a

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(ii) Overdrafts	n/a
(iii) Mortgage finance	n/a
(iv) Asset finance	n/a
(b) Unpaid loan instalment	n/a
(c) Early repayment	n/a
(d) Valuation fees	n/a
(e) Other	n/a

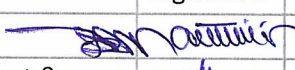
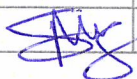
Deposit Rates

Fixed Deposit - TZS	3 Months	6 Months	12 Months
1 - 2 Mln	2.0%	3.5%	6.5%
2 - 10Mln	3.0%	6.5%	9.5%
10 - 50 Mln	3.5%	7.0%	10.0%
50 - 100 Mln	4.0%	7.5%	10.5%
100 - 300 Mln	4.5%	8.0%	11.0%
300 - 500 Mln	5.0%	8.5%	11.5%
500m - 1Bln	5.5%	9.0%	12.0%
Above 1 Bln	Contact Treasury		
Savings Account - TZS	Accrue on Daily Cleared balance paid Monthly		
0- 50k	0.5%		
50k - 1mln	2.0%		
1 - 10mln	2.5%		
10 - 100mln	3.0%		
Over 1mln	3.5%		

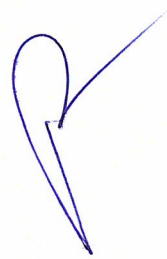
Base Lending Rates

	Loan Type	Base rate	
1	Short term (up to 1year)	19.5%	+/-4.5%
2	Medium term (2-4 years)	21.5%	+/-1.5%
3	Long term (above 5 years)	19.0%	+/-4.0%

We, the undersigned have examined the above information and hereby declare that the information is true and correct to the best of our knowledge and information.

	Name	Designation	Signature	Date
1	Ronald Manongi	Chief Executive Officer		25 OCTOBER 2017
2	Valence Luteganya	Head of Business Development & Marketing		25 OCTOBER 2017
3	Selemani Kijori	Head of Finance		25 OCTOBER 2017





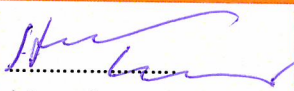
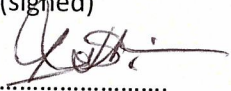


**SELECTED EXPLANATORY NOTES
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

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>
Ronald Manongi (Chief Executive Officer)	 (signed)	25 OCTOBER 2017
Selemani Kijori (Head of Finance)	 (signed)	25 OCTOBER 2017
Hemed Mauly (Chief Internal Auditor)	 (signed)	25 OCTOBER 2017

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)	25 OCTOBER 2017
2/ Saidi Kambi	 (signed)	25 OCTOBER 2017