

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 2020 **Current Quarter** **Previous Quarter**
(Amounts in million shillings) **30-Sept-2020** **30-Jun-2020**

A. ASSETS:		
1. Cash	514	141
2. Balances with Bank of Tanzania	5,290	2,621
3. Investments in government securities	-	-
4. Balances with other banks and financial institutions	49	281
5. Cheques and Items for clearing	24	-
6. Inter branch float items	268	132
7. Bills negotiated	-	-
8. Customers' liabilities for acceptances	-	-
9. Interbank loans receivables	4,000	1,000
10. Investment in other securities	-	-
11. Loans, advances and overdrafts (Net of allowance for probable losses)	15,766	15,347
12. Other assets	4,867	5,213
13. Equity investments	-	-
14. Underwriting accounts	-	-
15. Property, plant and equipment (net)	1,037	1,046
16. TOTAL ASSETS	31,814	25,781
B. LIABILITIES:		
17. Deposits from other banks and financial institutions	-	-
18. Customer deposits	15,802	8,926
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	836	616
24. Acceptances outstanding	-	-
25. Interbranch float items	294	421
26. Unearned income and other deferred charges	281	222
27. Other liabilities	1,215	1,165
28. Borrowings	-	-
29. TOTAL LIABILITIES	18,428	11,350
30. NET ASSETS/(LIABILITIES) (16 minus 29)	13,387	14,431
C. SHAREHOLDERS' FUNDS:		
31. Paid up share capital	30,912	30,912
32. Capital reserves	-	-
33. Retained Earnings	(14,445)	(14,555)
34. Profit (Loss) account	(3,080)	(1,926)
35. Others capital accounts (Provision General Reserve)	-	-
36. Minority interest	-	-
37. TOTAL SHAREHOLDERS' FUNDS	13,387	14,431
38. CONTINGENT LIABILITIES		
39. Non performing loans & advances	296	300
40. Allowances for probable losses	(266)	(266)
41. Other non performing assets	-	-
D. SELECTED FINANCIAL CONDITION INDICATORS		
- Shareholders' Funds to Total Assets	42%	56%
- Non Performing Loans to Total Gross Loans	1.8%	1.9%
- Gross Loans and Advances to Total Deposits	98%	169%
- Loans and Advances to Total Assets	49%	58%
- Earning Assets to Total Assets	62%	63%
- Deposits Growth	77%	-15%
- Assets Growth	23%	-10%

CONDENSED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 30 SEPTEMBER 2020 (Amounts in million shillings)	Current Quarter 30-Sept-2020	Previous Quarter 30-Jun-2020	Current Year Cumulative 30-Sept-2020	Comparative Year Cumulative 30-Sept-2019
I. Cash flow from operating activities:				
Net (loss)profit before tax	(1,153)	(975)	(3,080)	(4,027)
Adjustment for:				
- Impairment/amortisation/depreciation	379	319	993	1,346
- Net change in loans and advances	(3,419)	417	(2,614)	(199)
- Net change in deposits	6,876	(1,600)	4,729	3,711
- Net change in short term negotiable securities	-	-	-	-
- Net change in other liabilities	66	(329)	50	121
- Net change in other assets	76	472	1,067	(609)
- Tax paid	-	-	-	-
- Others	-	-	-	-
Net cash provided (used) by operating activities	2,824	(1,696)	1,144	343
II. Cash flow from investing activities:				
- Dividend received	-	-	-	-
- Purchase of fixed assets	-	-	-	(41)
- Proceeds from sale of fixed assets	-	-	-	-
- Purchase of non-dealing securities	-	-	-	946
- Proceeds from sale of non-dealing securities	-	-	-	-
- Others	-	-	-	-
Net cash provided (used) by investing activities	-	-	-	905
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	2,824	(1,696)	1,144	1,248
- Cash and cash equivalents at the beginning of the year	2,957	4,653	1,557	1,557
- Cash and cash equivalents at the end of the quarter	5,781	2,957	2,702	2,805



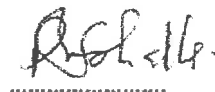
**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2020 (Amounts in million shillings)**

	Current Quarter 30-Sept-2020	Comparative Quarter 30-Sept-2019	Current Year Cumulative 30-Sept-2020	Comparative Year Cumulative 30-Sept-2019
1. Interest income	639	709	1,958	2,215
2. Interest expense	138	172	360	449
3. Net interest income (1 minus 2)	502	537	1,599	1,766
4. Bad debts written-off	-	-	-	-
5. Impairment losses on loans and advances	(0)	62	(25)	(53)
6. Non- interest income:	75	169	196	311
6.1 Foreign currency dealings and translation gains/(loss)	0	12	6	21
6.2 Fees and commissions	69	157	181	289
6.3 Dividend income	-	-	-	-
6.4 Other operating income	6	-	9	1
7. Non-interest expenses	1,731	2,161	4,901	6,157
7.1 Salaries and benefits	734	922	2,093	2,629
7.2 Fees and commission	-	-	-	-
7.3 Other operating expenses	997	1,239	2,808	3,528
8. Operating income/(loss)	(1,153)	(1,517)	(3,080)	(4,027)
9. Income tax provision	-	-	-	-
10. Net income/(loss) after income tax	(1,153)	(1,517)	(3,080)	(4,027)
11. Other Comprehensive Income	-	-	-	-
12. Total comprehensive income/(loss) for the year	(1,153)	(1,517)	(3,080)	(4,027)
13. Number of employees	62	56	62	56
14. Basic Earnings Per Share	-19	-25	-50	-65
15. Number of branches	2	2	2	2
SELECTED PERFORMANCE INDICATORS				
(i) Return on Average Total Assets	-4%	-5%	-11%	-14%
(ii) Return on Average Shareholders' Funds	-8%	-9%	-21%	-21%
(iii) Non-Interest Expense to Gross Income	300%	306%	273%	296%
(iv) Net interest income to Average Earning Assets	3%	3%	8%	9%

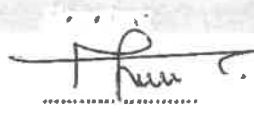
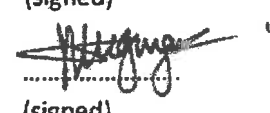
CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 30 SEPTEMBER 2020 (Amounts in million shillings)						
Current Year	Share Capital	Retained Earnings	Regulatory Reserve	Bond Revaluation Reserve	Provision General Reserve	Total
Balance as at the beginning of the year	30,912	(14,445)	-	-	-	16,467
Profit for the year	-	(3,080)	-	-	-	(3,080)
Other Comprehensive Income	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-
Bond Revaluation Reserve	-	-	-	-	-	-
Provision General Reserve	-	-	-	-	-	-
Others	-	-	-	-	-	-
Balance as at the end of the current period	30,912	(17,526)	-	-	-	13,387
Previous Year						
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	-	-	-	-	-	-
Bond Revaluation Reserve	-	179	-	179	-	0
Provision General Reserve	-	179	-	-	179	0
Others	-	-	-	-	-	-
Balance as at the end of the previous period	30,912	(14,445)	-	-	0	16,467

**SELECTED EXPLANATORY NOTES
FOR THE QUARTER ENDED 30 SEPTEMBER 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)	21 October 2020
Selemani Kijori (Head of Finance)	 (signed)	21 October 2020
Patrick Mashallah (Head of Internal Audit)	 (signed)	21 October 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.

1/ Francis Ramadhani	 (signed)	21 October 2020
2/ Celestine Muganga	 (signed)	21 October 2020

OUT don urges employers to contribute in developing universities' curriculums

By Correspondent Vincent Mpepo

EMPLOYERS have been urged to contribute in development of universities' curricular content to enable them prepare graduates who fit in the labour market.

Open University of Tanzania (OUT) Deputy Vice Chancellor for Academic Affairs, Prof Deus Ngaruko was concerned that since employers are directly dealing with the graduates in their day to day activities, they are in a good position to help universities improve their teaching.

Prof Ngaruko was speaking over the weekend during the open day stakeholders' workshop and closure of the EPICA project.

EPICA Project Coordinator, Dr Edefora Nuka said the project's findings have revealed a possibility of getting employable people from the university since it involves all stakeholders

in the student's learning processes to ensure they acquire tangible skills that are compatible with the working environment.

He said the process of evaluating student's learning process involves three phases as organizational, academic and professional whereby all stakeholders do their part towards attaining the desired goals.

"OUT is welcoming all higher learning institutions towards adoption and implementation of the programme as it has potential in meeting the employer's needs", said Dr Nuka.

Director for Undergraduate Studies (OUT) Dr Helen Kiungi said the EPICA project has established a clear gap between the graduates, employers and universities thus coming up with the ePortfolio that enable to track students' development in the process of learning towards archiving competent graduates.


"The ePortfolio is a well-designed programme to ensure that universities produce competent graduates who are capable of solving problems in their working environment", said Dr Kiungi.

OUT Coordinator of Teaching and Learning Services, Dr Yohana Lawi said the EPICA project is in line with the 2014 Education Policy in Tanzania which emphasizes on competency education rather than theories from knowledge based education.

The ePortfolio is a well-designed programme to ensure that universities produce competent graduates who are capable of solving



Christopher Dioni (L), chairman of Dodoma's Tusumuke poultry keeping group, briefs Dodoma regional commissioner Dr Binitish Mshenge (in jacket) at the group's pavilion at an entrepreneurship exhibition held in the city yesterday. Photo: Correspondent Ibrahim Joseph



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CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020		Current Quarter 30-Sep-2020	Previous Quarter 30-Sep-2019
A. ASSETS			
1. Cash	814	241	
2. Balances with Bank of Tanzania	5,300	3,483	
3. Investments in government securities	1,000	1,000	
4. Balances with other financial institutions	49	281	
5. Cheques and bills for clearing	34	34	
6. Other assets	38	132	
7. Bills negotiated	-	-	
8. Customers' liabilities for acceptance	-	-	
9. Interbank loan receivables	4,181	1,000	
10. Investments in other securities	-	-	
11. Loans, advances and overdrafts (Net of allowance for probable losses)	18,756	15,367	
12. Other assets	4,547	-	
13. Intangible assets	-	-	
14. Underwriting accounts	-	-	
15. Property, plant and equipment (net)	1,807	1,268	
16. TOTAL ASSETS	37,924	30,797	
B. LIABILITIES			
17. Deposits from other banks and financial institutions	-	-	
18. Customer deposits	35,802	6,426	
19. Cash letters of credit	-	-	
20. Special deposits	-	-	
21. Payment orders/bills payable	-	-	
22. Bankers' cheques and drafts issued	636	616	
23. Accepted bills and other payables	-	-	
24. Acceptance guarantee	-	-	
25. Interbank loan payable	294	423	
26. Unsettled interest and other deferred charges	1,319	223	
27. Other liabilities	1,319	2,163	
28. Provisions	-	-	
29. TOTAL LIABILITIES	38,420	11,300	
30. NET ASSETS/LIABILITIES (16 below 29)	13,381	19,497	
C. SHAREHOLDERS' FUNDS:			
31. Paid up share capital	30,913	30,913	
32. Capital reserve	-	-	
33. Retained earnings	-	-	
34. Profit (if any) account	(14,444)	(14,501)	
35. Other capital accounts (Reserve General Reserve)	-	-	
36. Minority interest	-	-	
37. TOTAL SHAREHOLDERS' FUNDS	16,469	16,412	
D. CONTINGENT LIABILITIES			
38. Non performing loans & advances	296	300	
39. Allowances for probable losses	(28)	(28)	
40. Other non performing assets	-	-	
E. RISK-RATED FINANCIAL CONDITION INDICATORS			
41. Shareholders' Funds to Total Assets	43%	56%	
42. Non Performing Loans to Total Gross Loans	1.8%	1.9%	
43. Gross Loans and Advances to Total Deposits	90%	84%	
44. Loans and Advances to Total Assets	49%	53%	
45. Funding Assets to Total Assets	42%	50%	
46. Unimpaired Growth	27%	15%	
47. Assets Growth	25%	10%	

CONDENSED STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2020		Current Quarter 30-Sep-2020	Previous Quarter 30-Sep-2019
1. Interest Income	602	599	
2. Interest Expense	(128)	(111)	
3. Net Interest Income (1 above 2)	474	488	
4. Fee and commission income	31	31	
5. Net Income before tax	505	519	
6. Income tax expense	(62)	(62)	
7. Net Income	443	457	
8. Other comprehensive income	29	169	
9. Total comprehensive income	472	626	
10. Dividend income	69	157	
11. Other comprehensive income	6	9	
12. Net interest expense	1,251	3,161	
13. Salaries and benefits	126	222	
14. Fees and commission	997	1,259	
15. Other operating expenses	1,878	2,388	
16. Depreciation	(1,878)	(1,878)	
17. Income tax expense	(1,174)	(1,174)	
18. Net operating (loss) after income tax	(1,174)	(1,174)	
19. Other comprehensive income	-	-	
20. Total comprehensive income (loss) for the year	(1,174)	(1,174)	
21. Number of employees	43	42	
22. State financing the share	-	-	
23. Number of branches	2	2	

CONDENSED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 30 SEPTEMBER 2020		Current Quarter 30-Sep-2020	Previous Quarter 30-Sep-2019
I. Cash flow from operating activities:			
Net Income	443	457	
Adjustments for:			
- Impairment/Reversal/Impairment/Reversal	379	395	
- Net change in loans and advances	(4,418)	(4,241)	
- Net change in deposits	(6,674)	(5,279)	
- Net change in short term negotiable securities	-	-	
- Net change in other liabilities	46	(22)	
- Net change in other assets	-	-	
- Depreciation	1,878	1,878	
- Other	-	-	
Net cash provided (used) by operating activities	824	588	
II. Cash flow from investing activities:			
Dividend received	-	-	
Proceeds from sale of assets	-	-	
Proceeds from sale of fixed assets	-	-	
Purchase of intangible assets	-	-	
Other	-	-	
Net cash provided (used) by investing activities	-	-	
III. Cash flow from financing activities:			
Proceeds from long term loan	-	-	
Proceeds from issuance of term debt	-	-	
Proceeds from issuance of share capital	-	-	
Payment of cash dividends	-	-	
Net change in other financing	-	-	
Other	-	-	
Net cash provided (used) by financing activities	-	-	
IV. Cash and cash equivalents:			
Net Income	1,318	1,144	
Cash and cash equivalents at the beginning of the year	1,807	1,807	
Cash and cash equivalents at the end of the quarter	3,125	2,951	

Tanzania comes up with initiative to fast track agro-industrialisation

By Guardian Correspondent, Dodoma

THE newly established Tanzania Agro-industries Development Flagship (TAIDF) is set to accelerate agro-industry based inclusive economic growth, characterized by agro-processing for domestic and export markets.

Prof Riziki Shemdoe, Permanent Secretary, in the Ministry of Industry and Trade made the remarks recently in Dodoma when speaking at the official launch of TAIDF, which is part of the implementation of Agriculture Sector Development Programme (ASDP II), a framework strategy designed and developed through a public-private partnership process.

The event was attended by Alliance for a Green Revolution in Africa (AGRA) Regional Head (Tanzania, Uganda and Rwanda), Prof Nuhu Hatibu, AGRA Tanzania Country Manager, Vianey Rweyendela, Donald Muzambwa, AGRA Program Officer and United Nations Industrial Development Organization (UNIDO) representative, Dr Stephen Kargbo.

Prof Shemdoe, who was speaking on behalf of Permanent Secretary in the Prime Minister's Office, Policy Coordination and Investment, Dr Dorothy Mwaluko, said that the initiative is meant to catalyze earlier and current efforts in agro-industrialization by providing a coherent framework for coordinating actors and resource mobilization in support of agro-industries development in Tanzania.

At the moment, he said that Tanzanian markets most agricultural products in their raw forms due to low levels of agro-processing.

He said the flagship will change the tide, affirming that its focus was strengthening, consolidating and improving agricultural processing, which will create a more reliable market for farmers.

According to Prof Shemdoe, the framework will lead to the enhanced and more coordinated development of the agricultural value chains, with a private sector induced investment in the production of agro-inputs and value addition.

The framework seeks to increase the contribution of the manufacturing sub-sector to Gross Domestic Product (GDP) from 8.1% (MoFP, 2019), to 17.8% (8.1%+ 9.7%) by 2025.

The flagship seeks to increase the total GDP by 5% and add 1 million jobs (mainly women and youth) with new employment opportunities by 2025, which will have a positive impact to over 7 million households directly or indirectly.

This, in essence, will have a direct multiplier effect to the agriculture sector's contribution to GDP, which at the moment stands at 29%, contributes over 68% of employment, 65% raw materials used in the manufacturing sector and 30% of gross exports.

Prof Shemdoe noted that the framework strategy was in the making from 2019, involving multiple stakeholders in the public and private sector, as well as development partners.

"I thank Alliance for a Green Revolution in Africa (AGRA) and other development partners that have played a key role in the realization of the framework," he noted.

AGRA provided expertise and funding of the process backed up by its resource partners-Bill & Melinda Gates Foundation (BMGF), Rockefeller Foundation (RF), United States Agency for International Development (USAID), Department for International Development (DFID), and German Federal Ministry for Economic Cooperation and Development (BMZ).

Prof Shemdoe noted that Tanzania was ready for huge investments in agro-processing, thanks to strategic infrastructure projects put up by the government.

"The government has put in place a friendly policy environment backed up by strategic infrastructure projects for efficient road, rail and air transport," he noted. They include a modernized Julius Nyerere International Airport, international highways, regional and track roads linking up the country with Africa, as well as SGR Railway.

He noted after completion of Rufiji Power Station, there will be increased power for use by industries. Prof Shemdoe said the framework opens the way for the private sector to decide on myriad niche agro-investment opportunities in Tanzania, which can be scaled up to capture domestic and export markets.

Permanent Secretary, Ministry of Agriculture, Gerald Kusaya also said the implementation of the framework will catalyze an agro-industrialization revolution, which Tanzania was ready for.

"We want more people to be attracted to investing in agriculture. The presence of more industries means that agriculture will pay more and Tanzania can produce billions of tons of agriculture development," he said.

He said the framework implementation on the government side was inter-ministerial and reiterated that Tanzania had a good business environment and supportive infrastructure.



Mwalimu Wakala

Sasa patia huduma za kibenki kupitia Mwalimu wakala popote ulipo nchini