MKOMBOZI COMMERCIAL BANK

a bank with integrity

ISSUED PURSUANT TO REGULATIONS 7 AND 8 OF THE BANKING AND FINANCIAL INSTITUTIONS (DISCLOSURES) REGULATIONS, 2014

PUBLICATION OF FINANCIAL STATEMENTS

10TH ANNIVERSARY

MKOMBOZI COMMERCIAL BANK PLC

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2018

(Amounts in million shillings)

		Year Ended 31st Dec 2018	Year Ended 31st Dec 2017
A.	**ASSETS**		
1	Cash	5,833	4,950
2	Balances with Bank of Tanzania	11,646	10,135
3	Investments in Government securities	27,793	15,517
4	Balances with other banks and financial institutions	9,001	6,264
5	Cheques and items for clearing	37	-
6	Inter branch float items	-	-
7	Bills negotiated	-	-
8	Customers' liabilities for acceptances	-	-
9	Interbank Loans Receivables	15,905	25,144
10	Investments in other securities	2,002	-
11	Loans, advances and overdrafts	-	-
	(net of allowances for probable losses)	99,036	81,806
12	Other assets	3,195	3,485
13	Equity Investments	539	39
14	Underwriting accounts	-	-
15	Property, Plant and Equipment	3,845	3,334
16	**TOTAL ASSETS**	**178,831**	**150,674**
B.	**LIABILITIES**		
17	Deposits from other banks and financial institutions	-	-
18	Customer deposits	135,067	121,122
19	Cash letters of credit	-	-
20	Special deposits	1,400	-
21	Payment orders/transfers payable	-	-
22	Bankers' cheques and drafts issued	-	-
23	Accrued taxes and expenses payable	-	-
24	Acceptances outstanding	-	-
25	Interbranch float items	-	-
26	Unearned income and other deferred charges	-	-
27	Other liabilities	5,189	2,441
28	Borrowings	13,870	3,314
29	**TOTAL LIABILITIES**	**155,525**	**126,876**
30	**NET ASSETS/(LIABILITIES)(16 minus 29)**	**23,306**	**23,798**
C.	**SHAREHOLDERS' FUNDS**		
31	Paid up share capital	20,615	20,615
32	Capital reserves	781	721
33	Retained earnings	1,092	2,462
34	Profit (Loss) account	806	-
35	Other capital accounts	11	-
36	Minority Interest	-	-
37	**TOTAL SHAREHOLDERS' FUNDS**	**23,306**	**23,798**
38	Contingent liabilities	1,612	967
39	Non performing loans & advances	10,299	6,496
40	Allowances for probable losses	5,190	3,418
41	Other non performing assets	-	-
D.	**SELECTED FINANCIAL CONDITION INDICATORS**		
(i)	Shareholders Funds to total assets	13.0%	19.6%
(ii)	Non performing loans to total gross loans	9.9%	7.0%
(iii)	Gross loans and advances to total deposits	77.2%	72.9%
(iv)	Loans and Advances to total assets	58.3%	56.6%
(v)	Earning Assets to Total Assets	85.0%	85.0%
(vi)	Deposits Growth	13.0%	18.0%
(vii)	Assets growth	19.0%	18.0%

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2018

(Amounts in million shillings)

		Current Year 31st Dec 18	Comparative Year 31st Dec 17
1	Interest Income	23,770	19,452
2	Interest Expense	(7,520)	(6,527)
3	**Net Interest Income (1 minus 2)**	**16,251**	**12,925**
4	Bad Debts Written-Off	(1,789)	(1,516)
5	Impairment Losses on Loans and Advances	(2,485)	(950)
6	**Non Interest Income:**	**3,169**	**2,809**
	6.1 Foreign Currency Dealings and Translation Gains/(Loss)	447	383
	6.2 Fees and Commissions	2,586	2,426
	6.3 Dividend Income	-	-
	6.4 Other Operating Income	135	-
7	**Non Interest Expenses:**	**(15,524)**	**(12,839)**
	7.1 Salaries and Benefits	(7,013)	(5,720)
	7.2 Fees and Commission	-	-
	7.3 Other Operating Expenses	(8,511)	(7,119)
8	**Operating Income/(Loss)**	**1,410**	**1,945**
9	Income Tax Provision	604	502
10	Net Income/ (Loss) After Income Tax	806	1,443
11	Other Comprehensive Income (itemize)	-	-
12	**Total comprehensive income/(loss) for the year**	**806**	**1,443**
13	Number of Employees	134	134
14	Basic Earnings Per Share	39	70
15	Number of Branches	8	6
	SELECTED PERFORMANCE INDICATORS		
(i)	Return on Average Total Assets	0.2%	1.3%
(ii)	Return on Average Shareholders' Fund	1.5%	8.2%
(iii)	Non Interest Expense to Gross Income	57.6%	57.7%
(iv)	Net Interest Income to Average Earning Assets	12.2%	10.6%

CONDENSED STATEMENT OF CASH FLOW STATEMENT FOR THE QUARTER/ YEAR ENDED 31ST DECEMBER 2018

(Amounts in million shillings)

		Current Year 31st Dec 18	Comparative Year 31st Dec 17
I:	Cash flow from operating activities:		
	Net income(loss)	**1,410**	**1,945**
	Adjustments for:		
	- Impairment/Amortization	3,981	1,532
	- Net change in Loans and Advances	(17,230)	(7,999)
	- Gain/loss on Sale of Assets	-	-
	- Net change in Deposits	15,345	18,565
	- Net change in Short Term Negotiable Securities	3,745	2,506
	- Net change in Other Liabilities	2,594	(40)
	- Net change in Other Assets	11,171	(533)
	- Tax Paid	(716)	(308)
	- Others SMR	(1,279)	989
	Net cash provided (used) by operating activities	**19,021**	**16,659**
II:	Cash flow from investing activities:		
	Dividend Received	-	-
	Purchase of Fixed Assets	(2,161)	(1,377)
	Proceeds from Sale of Fixed Assets		
	Purchase of Non- Dealing Securities	(12,277)	(2,791)
	Proceeds from Sale of Non-Dealing Securities	-	-
	Others (specify)		
	Net cash provided (used) by investing activities	**(14,438)**	**(4,168)**
III:	Cash flow 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	(516)	(340)
	Net Change in Other Borrowings	-	-
	Others (specify)		
	Net Cash Provided (used) by Financing Activities	**(516)**	**(340)**
IV:	Cash and Cash Equivalents:		
	Net Increase/ (Decrease) in Cash and Cash Equivalents	4,067	12,151
	Cash and Cash Equivalents at the Beginning of the Quarter/Year	38,354	26,203
	Cash and Cash Equivalents at the end of the Year	**42,422**	**38,354**

CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 31ST DECEMBER 2018

(Amounts in million shillings)

	Share Capital	Share Premium	Retained Earnings	Regulatory Reserve	General Provision Reserve	Others	Total
Current Year (2018)							
At 1 January 2018	**20,615**	**-**	**2,462**	**-**	**721**	**-**	**23,798**
IFRS 9 Day 1 Adjustment	**-**	**-**	**(782)**	**-**	**-**	**-**	**-**
Restated Balance as at 01 January 2018	**20,615**	**-**	**1,680**	**-**	**721**	**-**	**23,016**
Profit for the year	-	-	806	-	-	-	806
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-
Dividends Paid	-	-	(516)	-	-	-	(516)
Regulatory Reserve	-	-	(11)	11	-	-	-
General Provision Reserve	-	-	(60)	-	60	-	-
Others	-	-	-	-	-	-	-
Balance as at the end of December 2018	**20,615**	**-**	**1,898**	**11**	**781**	**-**	**23,306**
Previous Year (2017)							
Balance as at the beginning of the year 2017	**20,615**	**-**	**568**	**929**	**654**	**-**	**22,767**
Profit for the year	-	-	1,443	-	-	-	1,443
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners	-	-	929	(929)	-	-	-
Dividends Paid	-	-	(412)	-	-	-	(412)
Regulatory Reserve	-	-	-	-	-	-	-
General Provision Reserve	-	-	(67)	-	67	-	-
Others	-	-	-	-	-	-	-
Balance as at the end of the year 2017	**20,615**	**-**	**2,462**	**(0)**	**721**	**-**	**23,798**

SELECTED EXPLANATORY NOTES

Name and Title	***Signature***	***Date***
George R. Shumbusho (Chief Executive Officer)		
Dennis F. Kejo (Head of Finance)		
Thomas Enock (Chief Internal Auditor)		

The above extracts are from the financial statemates of the bank for the year ended 31st December 2018 which have been prepared in accordance with International Financial Reporting Standard (IFRS) and companies act, cap 212, act mo. 12 of 2002.The financial Statements were audited by Ernst & Young,Certified Public Accountants and received a clean audit report.

Name	***Signature***	***Date***
1. Prof. Marcellina Mvula Chijoriga (Deputy -Chairperson)		
2. Ms. Uphoo Swai (Board Member)		