

Ref: No. MKCB/HQ/FIN/2018/706

09<sup>th</sup>, August, 2018



CHIEF EXECUTIVE OFFICER,  
DAR ES SALAAM STOCK EXCHANGE,  
P.O.BOX 70081,  
DAR ES SALAAM.

Sir/ Madam,

**RE: SUBMISSION QUARTERLY FINANCIAL STATEMENT FOR JUNE 2018**

Reference is made to above captioned heading.

Please find herewith the copy of our quarterly financial statements for the quarter ended June 2018.

Please acknowledge receipt by signing copy of this letter.

Thanking you for the continued cooperation

Yours Sincerely

For and on behalf of Mkombozi Commercial Bank Plc,



ROBERT A. KIBONA  
FINANCE MANAGER

Board of Directors

Mr. Method Anatoli Kashonda (Chairman), Prof. Marcellina Mvula Chjoriga (Deputy), Mr. George R. Shumbusho (MD), Most Rev Beatus Kinyaiya (Director),  
Rev Fr. Raymond Saba (Director), Mr. Marcellino Kayombo (Director), Mr. Ayouv Mtafya (Director),



Issued pursuant to regulations 7 and 8 of the Banking and Financial Institutions (Disclosures) Regulations, 2014

**PUBLICATION OF FINANCIAL STATEMENTS**

**MKOMBOZI COMMERCIAL BANK PLC**

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2018

(Amounts in million shillings)

		Current Quarter 30- JUNE- 2018	Previous Quarter 31- MAR -2018
<b>A. ASSETS</b>			
1	Cash	5,497	4,181
2	Balances with Bank of Tanzania	19,184	18,275
3	Investments in Government securities	19,869	21,898
4	Balances with other banks and financial institutions	4,785	4,939
5	Cheques and items for clearing	26	(30)
6	Inter branch float items	-	-
7	Bills negotiated	-	-
8	Customers' liabilities for acceptances	-	-
9	Interbank Loans Receivables	24,004	22,134
10	Investments in other securities	-	-
11	Loans, advances and overdrafts (net of allowances for probable losses)	83,190	80,235
12	Other assets	5,522	7,927
13	Equity Investments	539	39
14	Underwriting accounts	-	-
15	Property, Plant and Equipment	2,556	2,357
16	<b>TOTAL ASSETS</b>	<b>165,172</b>	<b>161,956</b>
<b>B. LIABILITIES</b>			
17	Deposits from other banks and financial institutions	-	-
18	Customer deposits	130,830	128,244
19	Cash letters of credit	-	-
20	Special deposits	-	-
21	Payment orders/transfers payable	-	-
22	Bankers' cheques and drafts issued	11	10
23	Accrued taxes and expenses payable	5,054	5,553
24	Acceptances outstanding	-	-
25	Interbranch float items	-	-
26	Unearned income and other deferred charges	9	9
27	Other liabilities	246	1,173
28	Borrowings	6,856	2,909
29	<b>TOTAL LIABILITIES</b>	<b>143,006</b>	<b>137,899</b>
30	<b>NET ASSETS/(LIABILITIES)(16 minus 29)</b>	<b>22,166</b>	<b>24,058</b>
<b>C. SHAREHOLDERS' FUNDS</b>			
31	Paid up share capital	20,615	20,615
32	Capital reserves	752	732
33	Retained earnings	2,430	2,450
34	Profit (Loss) account	(1,632)	260
35	Other capital accounts	-	-
36	Minority interest	-	-
37	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>22,166</b>	<b>24,058</b>
38	Contingent liabilities	1,570	1,016
39	Non performing loans & advances	8,045	5,632
40	Allowances for probable losses	5,430	3,451
41	Other non performing assets	-	-
<b>D. SELECTED FINANCIAL CONDITION INDICATORS</b>			
(i)	Shareholders Funds to total assets	13.4%	14.9%
(ii)	Non performing loans to total gross loans	9.46%	7.00%
(iii)	Gross loans and advances to total deposits	67.7%	65.3%
(iv)	Loans and Advances to total assets	50.4%	49.5%
(v)	Earning Assets to Total Assets	76.9%	76.7%
(vi)	Deposits Growth	2%	9%
(vii)	Assets growth	2%	7.1%

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**FOR THE PERIOD ENDED 30TH JUNE 2018**

Amounts in million of shillings

	Current Quarter 30-June-18	Comparative Quarter 30-June-17	Current Year Cumulative 30-June-18	Comparative Cumulative 30-June-17
1 Interest Income	5,053	4,252	10,144	8,222
2 Interest Expense	(1,918)	1,503	(3,764)	3,076
<b>3 Net Interest Income (1 minus 2)</b>	<b>3,135</b>	<b>2,750</b>	<b>6,379</b>	<b>5,146</b>
4 Bad Debts Written-Off	-	-	-	-
5 Impairment Losses on Loans and Advances	(1,979)	(89)	(2,012)	505
<b>6 Non Interest Income:</b>	<b>723</b>	<b>424</b>	<b>1,424</b>	<b>850</b>
6.1 Foreign Currency Dealings and Translation Gains/(Loss)	5	76	171	175
6.2 Fees and Commissions	611	320	1,026	601
6.3 Dividend Income	-	-	-	-
6.4 Other Operating Income	107	29	227	75
<b>7 Non Interest Expenses:</b>	<b>(3,560)</b>	<b>(3,032)</b>	<b>(7,000)</b>	<b>(5,841)</b>
7.1 Salaries and Benefits	(1,740)	(1,389)	(3,498)	(2,814)
7.2 Fees and Commission	-	-	-	-
7.3 Other Operating Expenses	(1,820)	(1,643)	(3,502)	(3,028)
<b>8 Operating Income/(Loss)</b>	<b>(1,681)</b>	<b>54</b>	<b>(1,209)</b>	<b>660</b>
9 Income Tax Provision	(212)	-	(424)	-
<b>10 Net Income/ (Loss) After Income Tax</b>	<b>(1,893)</b>	<b>54</b>	<b>(1,632)</b>	<b>660</b>
11 Other Comprehensive Income (itemize)	-	-	-	-
<b>12 Total comprehensive income/(loss) for the year</b>	<b>(1,893)</b>	<b>54</b>	<b>(1,632)</b>	<b>660</b>
13 Number of Employees	133	132	133	132
14 Basic Earnings Per Share	(0.09)	0.00	(0.08)	0.03
15 Number of Branches	6	6	6	6
<b>SELECTED PERFORMANCE INDICATORS</b>				
(i) Return on Average Total Assets	-1.5%	0.2%	-0.2%	0%
(ii) Return on Average Shareholders' Fund	-8.2%	1%	-1.8%	3%
(iii) Non Interest Expense to Gross Income	62%	65%	61%	64%
(iv) Net Interest Income to Average Earning Assets	2.2%	3%	5.1%	5%

**CONDENSED STATEMENT OF CASH FLOW STATEMENT  
FOR THE QUARTER/ YEAR ENDED 30TH JUNE 2018  
(Amounts in million shillings)**

	Current Quarter 30-June-18	Previous Quarter 31st-Mar-18	Current Year Cumulative 30-June-18	Comparative Year (Previous Year) 30-June-17	
<b>I:</b>	<b>Cash flow from operating activities:</b>				
	<b>Net income(loss)</b>	(1,681)	472	(1,632)	660
	Adjustments for:				
	- Impairment/Amortization	319	319	319	603
	- Net change in Loans and Advances	(2,955)	1,347	1,347	-
	- Gain/loss on Sale of Assets	-	-	-	-
	- Net change in Deposits	2,586	10,190	10,190	3,835
	- Net change in Short Term Negotiable Securities				
	- Net change in Other Liabilities	(1,427)	96	96	1,608
	- Net change in Other Assets	2,404	(2,625)	(2,625)	(3,497)
	- Tax Paid	(212)	(212)	(424)	-
	- Others SMR	-	-	-	7,248
	<b>Net cash provided (used) by operating activities</b>	<b>(965)</b>	<b>9,588</b>	<b>9,588</b>	<b>10,457</b>
<b>II:</b>	<b>Cash flow from investing activities:</b>				
	Dividend Received	-	-	-	-
	Purchase of Fixed Assets	(199)	(313)	(272)	-166
	Proceeds from Sale of Fixed Assets	-	-	-	-
	Purchase of Non- Dealing Securities	2,030	(6,439)	(6,782)	273
	Securities	-	-	-	-
	Others (specify)	-	-	-	-
	<b>Net cash provided (used) by investing activities</b>	<b>1,831</b>	<b>(6,752)</b>	<b>(7,095)</b>	<b>107</b>
<b>III:</b>	<b>Cash flow from financing activities:</b>				
	Repayment of Long-term Debt				
	Debt				
	Proceeds from Issuance of Share Capital				
	Payment of Cash Dividends				
	Net Change in Other Borrowings	3,947	(404)	(404)	(46)
	Others (specify)				
	<b>Net Cash Provided (used) by Financing Activities</b>	<b>3,947</b>	<b>(404)</b>	<b>3,947</b>	<b>(46)</b>
<b>IV:</b>	<b>Cash and Cash Equivalents:</b>				
	Net Increase/ (Decrease) in Cash and Cash Equivalents	4,813	2,432	4,813	10,518
	Cash and Cash Equivalents at the Beginning of the Quarter/Year	54,575	52,143	54,575	35,811
	<b>Cash and Cash Equivalents at the end of the Quarter/Year</b>	<b>59,388</b>	<b>52,575</b>	<b>59,388</b>	<b>46,329</b>


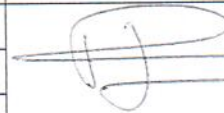

**CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 30TH JUNE 2018**

*Amounts in million of shillings*

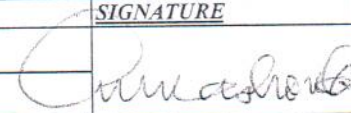

	Share		Retained Earnings	Regulatory Reserve	General Provision Reserve	Others	Total
	Capital	Premium					
<b>Current Year (2018)</b>							
<b>Balance as at the beginning of the year</b>	20,615	-	2,451	-	732	-	23,798
Profit for the year	-	-	(1,632)	-	-	-	(1,632)
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners	-	-	(20)	-	20	-	-
Dividends Paid	-	-	-	-	-	-	-
Regulatory Reserve	-	-	-	-	-	-	-
General Provision Reserve	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Balance as at the end of June 2018</b>	20,615	-	798	-	752	-	22,166
<b>Previous Year (2017)</b>							
<b>Balance as at the beginning of the year 2017</b>	20,615	-	568	929	655	-	22,767
Profit for the year	-	-	1,443	-	-	-	1,443
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners	-	-	(412)	-	-	-	(412)
Dividends Paid	-	-	929	(929)	-	-	-
Regulatory Reserve	-	-	(66)	-	66	-	-
General Provision Reserve	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Balance as at the end of the year 2017</b>	20,615	-	2,462	-	721	-	23,798

**SELECTED EXPLANATORY NOTES**

In preparation of the quarterly financial statements, consistent accounting policies have been used as those applicable to the previous year audited financial statements (if there were changes during the quarter, the changes be explained as per IAS 34 & IAS 8)

<u>Name and Title</u>	<u>SIGNATURE</u>	<u>DATE</u>
George R. Shumbusho		27/07/18
(Managing Director)		
Robert A. Kibona		26/07/2018
(Ag. Director of Finance)		
Thomas Enock		26/07/2018
(Director of Internal Audit)		

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. Method A. Kashonda-Chairperson		27/07/2018
2. Prof. Marcellina Mvula Chijoriga-Deputy -Chairperson		27/07/2018