

Ref: No. MKCB/HQ/FIN/2018/514

30th, January, 2018

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



Sir/ Madam,

RE: SUBMISSION QUARTERLY FINANCIAL STATEMENT FOR DECEMBER 2017

Reference is made to above captioned heading.

Please find herewith the copy of our quarterly financial statements for the quarter ended December 2017.

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,

A handwritten signature in black ink, appearing to read "Dennis F. Kejo".



DENNIS F. KEJO
DIRECTOR OF FINANCE AND ADMINISTRATION

Board of Directors

Mr. Method Anatoli Kashonda (Chairman), Prof. Marcellina Mvula Chijoriga (Deputy), Mrs. Edwin Agnellus Lupembe (MD), Most Rev Beatus Kinyaiya (Director),
Rev Fr. Raymond Saba (Director), Mr. Marcellino Kayombo (Director), Mr. Ayouv Mtafya (Director), Emmanuel Johannes (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 31ST DECEMBER 2017

(Amounts in million shillings)

		Current Quarter 31ST DEC 2017	Previous Quarter 30TH SEPT 2017
A. ASSETS			
1	Cash	4,950	3,949
2	Balances with Bank of Tanzania	8,465	12,412
3	Investments in Government securities	15,459	12,950
4	Balances with other banks and financial institutions	8,623	6,543
5	Cheques and items for clearing	(55)	133
6	Inter branch float items	-	-
7	Bills negotiated	-	-
8	Customers' liabilities for acceptances	-	-
9	Interbank Loans Receivables	24,357	23,760
10	Investments in other securities	-	-
11	Loans, advances and overdrafts (net of allowances for probable losses)	81,583	80,676
12	Other assets	5,302	6,225
13	Equity Investments	39	39
14	Underwriting accounts	-	-
15	Property, Plant and Equipment	2,518	2,608
16	TOTAL ASSETS	151,239	149,296
B. LIABILITIES			
17	Deposits from other banks and financial institutions	0	343
18	Customer deposits	118,054	118,334
19	Cash letters of credit	-	-
20	Special deposits	-	-
21	Payment orders/transfers payable	-	-
22	Bankers' cheques and drafts issued	10	9
23	Accrued taxes and expenses payable	5,927	6,093
24	Acceptances outstanding	0	0
25	Interbranch float items	0	0
26	Unearned income and other deferred charges	9	9
27	Other liabilities	704	1,082
28	Borrowings	3,314	0
29	TOTAL LIABILITIES	128,017	125,869
30	NET ASSETS/(LIABILITIES) (16 minus 29)	23,222	23,426
C. SHAREHOLDERS' FUNDS			
31	Paid up share capital	20,615	20,615
32	Capital reserves	1,645	1,651
33	Retained earnings	93	88
34	Profit (Loss) account	869	1,073
35	Other capital accounts	-	-
36	Minority interest	-	-
37	TOTAL SHAREHOLDERS' FUNDS	23,222	23,426
38	Contingent liabilities	967	586
39	Non performing loans & advances	6,083	6,005
40	Allowances for probable losses	4,771	4,075
41	Other non performing assets	617	500
D. SELECTED FINANCIAL CONDITION INDICATORS			
(i)	Shareholders Funds to total assets	15.4%	15.7%
(ii)	Non performing loans to total gross loans	7.00%	7.01%
(iii)	Gross loans and advances to total deposits	73.1%	71.6%
(iv)	Loans and Advances to total assets	57.1%	56.8%
(v)	Earning Assets to Total Assets	83.4%	81.4%
(vi)	Deposits Growth	0%	13.8%
(vii)	Assets growth	1.3%	11.3%

MKOMBOZI COMMERCIAL BANK PLC

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST DECEMBER 2017

Amounts in million of shillings

	Current Quarter 31st-Dec-17	Comparative Quarter 31-December-16	Current Year Cumulative 31-Dec-17	Comparative Cumulative 31-Dec-16
1 Interest Income	5,739	5,314	18,774	17,262
2 Interest Expense	(1,660)	(1,585)	(6,421)	(5,714)
3 Net Interest Income (1 minus 2)	4,079	3,729	12,353	11,549
4 Bad Debts Written-Off	-	-	-	-
5 Impairment Losses on Loans and Advances	(1,187)	(284)	(853)	(160)
6 Non Interest Income:	840	356	2,166	1,529
Gains/(Loss)	117	40	471	163
6.2 Fees and Commissions	608	265	1,276	1,203
6.3 Dividend Income	-	-	-	-
6.4 Other Operating Income	115	51	419	163
7 Non Interest Expenses:	(3,936)	(2,800)	(12,798)	(11,235)
7.1 Salaries and Benefits	(1,360)	(1,341)	(5,511)	(5,595)
7.2 Fees and Commission	-	-	-	-
7.3 Other Operating Expenses	(2,576)	(1,459)	(7,287)	(5,641)
8 Operating Income/(Loss)	(204)	1,001	869	1,683
9 Income Tax Provision	-	-	-	-
10 Net Income/ (Loss) After Income Tax	(204)	1,001	869	1,683
11 Other Comprehensive Income (itemize)	-	-	-	-
12 Total comprehensive income/(loss) for the year	(204)	1,001	869	1,683
13 Number of Employees	135	136	135	136
14 Basic Earnings Per Share	(0.04)	4.85	0.04	8.2
15 Number of Branches	6	6	6	6
SELECTED PERFORMANCE INDICATORS				
(i) Return on Average Total Assets	-0.1%	0.8%	0.6%	0.30%
(ii) Return on Average Shareholders' Fund	-0.9%	19.4%	3.7%	8.20%
(iii) Non Interest Expense to Gross Income	60%	49.4%	64%	59.8%
(iv) Net Interest Income to Average Earning Assets	3.4%	14.6%	10.3%	11.4%

**CONDENSED STATEMENT OF CASH FLOW STATEMENT
FOR THE QUARTER/ YEAR ENDED 31ST DECEMBER 2017**
(Amounts in million shillings)

	Current Quarter 31-Dec-17	Previous Quarter 30-Sept-17	Current Year Cumulative 31-Dec-17	Comparative Year (Previous Year) 31-Dec-16
I:	Cash flow from operating activities:			
	(205)	325	869	1683
	Net income(loss)			
	Adjustments for:			
	1,840	(104)	1,548	(787)
	- Impairment/Amortization			
	(907)	(7,076)	(7,776)	(10,264)
	- Net change in Loans and Advances			
	- Gain/loss on Sale of Assets			
	(280)	14,380	15,498	16,165
	- Net change in Deposits			
	- Net change in Short Term Negotiable			
	(543)	399	4,441	(1,233)
	- Net change in Other Liabilities			
	923	(5,209)	(3,497)	(3,982)
	- Net change in Other Assets			
	(16)	(16)	(288)	
	- Tax Paid			
	(191)	(752)	654	800
	- Others SMR			
	622	1,947	11,449	2,382
	Net cash provided (used) by operating activities			
II:	Cash flow from investing activities:			
	-	5	5	-
	Dividend Received			
	564	(682)	(1,393)	(1,128)
	Purchase of Fixed Assets			
	Proceeds from Sale of Fixed Assets			
	Purchase of Non- Dealing Securities			
	Proceeds from Sale of Non-Dealing			
	Others (specify)			
	564	(677)	(1,388)	(1,128)
	Net cash provided (used) by investing activities			
III:	Cash flow from financing activities:			
	Repayment of Long-term Debt			
	Proceeds from Issuance of Long Term			
	Proceeds from Issuance of Share Capital			
	Payment of Cash Dividends			
	3,314	(39)	(88)	(1,118)
	Net Change in Other Borrowings			
	Others (specify)			
	3,314	(39)	(88)	(1,118)
	Net Cash Provided (used) by Financing Activities			
IV:	Cash and Cash Equivalents:			
	4,500	1,231	9,972	136
	Net Increase/ (Decrease) in Cash and			
	47,643	46,412	36,357	34,603
	Cash and Cash Equivalents at the Beginning of the Quarter/Year			
	52,143	47,643	46,329	34,739
	Cash and Cash Equivalents at the end of the Quarter/Year			

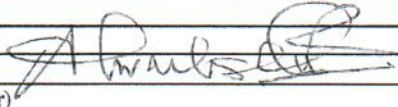


CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 31ST-DECEMBER-2017

Amounts in million of shillings

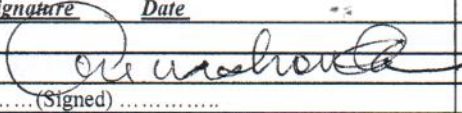
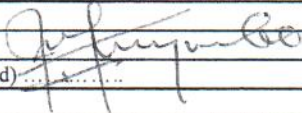
	Share Capital	Share Premium	Retained Earnings	Regulatory Reserve	General Provision Reserve	Others	Total
Current Year (2017)							
Balance as at the beginning of the year	20,615	-	568	929	654	-	22,767
Profit for the year	-	-	869	-	-	-	869
Other Comprehensive Income							
Transactions with owners			-	-			
Dividends Paid			(412)				(412)
Regulatory Reserve			-				
General Provision Reserve			(62)		62		
Others							
Balance as at the end of December 2017	20,615	-	963	929	716	-	23,223
Previous Year (2016)							
Balance as at the beginning of the year 2015	20,615	-	(811)	1,350	566	-	21,721
Profit for the year			1,046				1,046
Other Comprehensive Income							
Transactions with owners			(88)		88		(0)
Dividends Paid							
Regulatory Reserve			421	(421)			
General Provision Reserve							
Others							
Balance as at the end of the year 2016	20,615	-	569	929	654	-	22,767

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		25 01 2018			
(Chief Executive Officer)					
Dennis F. Kejo		25 01 2018			
(Head of Finance)					
Thomas Enock		25 01 2018			
(Chief Internal Auditor)					

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>			
Method A. Kashonda					
1. (Signed)					
Marcellino X Kayombo					
2. (Signed)					