

Report of Condition of the Bank Published Pursuant to Section 32(3) of the Banking and Financial Institutions Act, 2006



BALANCE SHEET AS AT 31ST DECEMBER, 2014 (Amounts in million shillings)

	Current Quarter 31.12.14	Previous Quarter 30.09.14
A. ASSETS		
1 Cash	207,987	173,016
2 Balances with Bank of Tanzania	599,415	524,462
3 Investments in Government securities	687,766	773,683
4 Balances with other banks and financial institutions	135,128	142,508
5 Cheques and items for clearing	5,094	4,954
6 Inter branch float items	-	219
7 Bills negotiated	-	-
8 Customers' liabilities for acceptances	-	-
9 Interbank loans receivables	-	-
10 Investments in other securities	-	-
11 Loans, advances and overdrafts (net of allowances for probable losses)	2,008,918	1,949,361
12 Other assets	134,052	121,587
13 Equity investments	20,600	20,600
14 Underwriting accounts	-	-
15 Property, Plant and equipment	87,127	75,952
16 TOTAL ASSETS	3,886,087	3,786,342
B. LIABILITIES		
17 Deposits from other banks and financial institutions	2,253	2,493
18 Customer deposits	2,981,809	2,861,985
19 Cash letters of credit	-	-
20 Special Deposits	32,572	44,723
21 Payment orders/transfers payable	-	-
22 Bankers' cheques and drafts issued	3,099	3,465
23 Accrued taxes and expenses payable	40,200	48,716
24 Acceptances outstanding	-	-
25 Inter branch float items	534	-
26 Unearned income and other deferred charges	18,673	16,270
27 Other liabilities	33,218	65,281
28 Borrowings	206,274	211,697
29 TOTAL LIABILITIES	3,318,632	3,254,630
30 NET ASSETS/(LIABILITIES)	567,455	531,712
C. SHAREHOLDERS' FUNDS		
31 Paid up share capital	20,000	20,000
32 Capital reserves	-	-
33 Retained earnings	391,666	391,666
34 Profit(Loss) account	155,789	120,046
35 Others capital accounts	-	-
36 Minority interest	-	-
37 TOTAL SHAREHOLDERS' FUNDS	567,455	531,712
38 Contingent liabilities	259,434	237,277
39 Non performing loans & advances	53,912	55,448
40 Allowances for probable losses	39,733	41,447
41 Other non performing assets	11	257
D. SELECTED FINANCIAL CONDITION INDICATORS		
(i) Shareholders Funds to total assets	14.6%	14.0%
(ii) Non performing loans to total gross loans	2.6%	2.8%
(iii) Gross loans and advances to total deposits	68.0%	68.5%
(iv) Loans and advances to total assets	51.7%	51.5%
(v) Earnings assets to total Assets	72.9%	75.7%
(vi) Deposits growth	3.7%	10.5%
(vii) Assets growth	2.6%	8.9%

INCOME STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER, 2014 (Amounts in million shillings)

	Current Quarter 31.12.2014	Comparative Quarter 31.12.2013	Current Year Cumulative 31.12.2014	Comparative Year Cumulative 31.12.2013
1 Interest income	109,256	99,336	417,604	355,686
2 Interest expense	(13,718)	(6,743)	(39,264)	(25,893)
3 Net interest income (1minus2)	95,538	92,593	378,340	329,793
4 Bad debts written off	-	-	-	-
5 Impairment Losses on Loans and Advances	(1,683)	(14,993)	(16,945)	(23,766)
6 Non interest income:	33,771	30,750	144,213	113,402
6.1 Foreign currency dealings and translation gain/(loss)	5,559	2,191	17,622	8,383
6.2 Fee and commissions	25,647	26,520	117,341	98,372
6.3 Dividend income	-	-	-	-
6.4 Others operating income	2,565	2,039	9,250	6,647
7 Non interest expense:	(75,902)	(62,889)	(281,304)	(231,298)
7.1 Salaries and benefits	(30,753)	(26,182)	(125,729)	(106,044)
7.2 Fees and commissions	(3,714)	(359)	(15,962)	(9,456)
7.3 Other operating expenses	(41,435)	(36,348)	(139,613)	(115,798)
8 Operating income/(loss)	51,724	45,461	224,304	188,131
9 Income tax provision	(15,980)	(7,535)	(68,515)	(54,225)
10 Net income/(loss)after income tax	35,744	37,926	155,789	133,906
11 Number of employees	2,993	2,871	2,993	2,871
12 Basic earnings per share	71	76	312	268
13 Diluted earnings per share	71	76	312	268
14 Number of branches	163	152	163	152
SELECTED PERFORMANCE INDICATORS				
(i) Return on average total assets	4.2%	4.9%	4.3%	4.2%
(ii) Return on average shareholders funds	25.7%	33.4%	30.0%	32.0%
(iii) Non interest expense to gross income	53.1%	49.0%	50.1%	49.5%
(iv) Net interest income to average earning assets	14.6%	17.0%	13.7%	14.0%

Signed by

Mark Wiessing
Managing Director

Date

February 5, 2014

Waziri Barnabas
Chief Financial Officer

February 5, 2014

Augustino Mbogella
Chief Internal Auditor

February 5, 2014

We, the under-named, non-executive members of the board of directors, attest to the correctness 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 the instructions and are true and correct.

Signed by

Prof. Joseph Semboja Board Chairman

Date

February 5, 2014

Protase Tehingisa Director

February 5, 2014

CASH FLOW STATEMENT FOR THE QUARTER ENDED 31ST DECEMBER, 2014 (Amounts in million shillings)

	Current Quarter 31.12.2014	Previous Quarter 30.09.2014
I: Cash flow from Operating activities:		
Net income(loss)	51,724	54,697
Adjustment for:		
- Impairment/amortization	10,647	4,403
- Net change in loans and advances	(59,557)	(51,445)
- Gain/loss on sale of assets	-	-
- Net change in deposits	107,433	276,204
- Net change in short term negotiable securities	-	-
- Net change in other liabilities	(38,008)	34,633
- Net change in other assets	(12,246)	(1,969)
- Tax paid	(21,384)	(17,155)
- Others (Net change in SMR deposits)	1,633	(10,026)
Net cash provided (used) by operating activities	40,242	289,342
II: Cash flow from Investing activities:		
Dividends received	-	-
Purchase of fixed assets	(16,418)	(14,451)
Proceeds from sale of fixed assets	-	-
Purchase of non-dealing securities	-	-
Proceeds from sale of non-dealing securities	-	-
Others-(Treasury Bonds/Bills/Equity investment)	86,812	59,917
Net cash provided (used) by investing activities	70,394	45,466
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	-	-
Net change in other borrowings	(5,423)	(40,214)
Others (specify)	-	-
Net cash provided(used) by financing activities	(5,423)	(40,214)
IV: Cash and Cash equivalents:		
Net increase/(decrease) in cash and cash equivalents	105,213	294,594
Cash and cash equivalents at the beginning of the quarter	692,244	397,650
Cash and cash equivalents at the end of the quarter	797,457	692,244



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