

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



BALANCE SHEET AS AT 30TH SEPTEMBER, 2015 (Amounts in million shillings)

	Current Quarter 30.09.15	Previous Quarter 30.06.15
A. ASSETS		
1 Cash	191,952	231,182
2 Balances with Bank of Tanzania	550,152	552,122
3 Investments in Government securities	661,830	745,958
4 Balances with other banks and financial institutions	121,730	136,088
5 Cheques and items for clearing	2,149	(448)
6 Inter branch float items	-	-
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)	2,230,933	2,066,720
12 Other assets	150,132	132,895
13 Equity investments	20,600	20,600
14 Underwriting accounts	-	-
15 Property, Plant and equipment	136,888	123,973
16 TOTAL ASSETS	4,066,366	4,009,090
B. LIABILITIES		
17 Deposits from other banks and financial institutions	2,509	2,345
18 Customer deposits	3,111,007	3,093,281
19 Cash letters of credit	-	-
20 Special Deposits	14,805	24,690
21 Payment orders/transfers payable	-	-
22 Bankers' cheques and drafts issued	3,316	2,816
23 Accrued taxes and expenses payable	53,549	44,743
24 Acceptances outstanding	-	-
25 Inter branch float items	1,790	649
26 Unearned income and other deferred charges	20,007	18,668
27 Other liabilities	34,211	32,291
28 Borrowings	197,779	197,292
29 TOTAL LIABILITIES	3,438,973	3,416,775
30 NET ASSETS/(LIABILITIES)	627,393	592,315
C. SHAREHOLDERS' FUNDS		
31 Paid up share capital	20,000	20,000
32 Capital reserves	-	-
33 Retained earnings	472,623	469,816
34 Profit(Loss) account	112,103	77,025
35 Others capital accounts	22,667	25,474
36 Minority interest	-	-
37 TOTAL SHAREHOLDERS' FUNDS	627,393	592,315
38 Contingent liabilities	374,961	324,069
39 Non performing loans & advances	59,525	60,088
40 Allowances for probable losses	36,926	40,813
41 Other non performing assets	1,398	1,426
D. SELECTED FINANCIAL CONDITION INDICATORS		
(i) Shareholders Funds to total assets	15.4%	14.8%
(ii) Non performing loans to total gross loans	2.6%	2.9%
(iii) Gross loans and advances to total deposits	72.6%	67.6%
(iv) Loans and advances to total assets	54.9%	51.6%
(v) Earnings assets to total Assets	74.1%	73.6%
(vi) Deposits growth	0.3%	-0.2%
(vii) Assets growth	1.4%	-0.4%

CASH FLOW STATEMENT FOR THE QUARTER ENDED 30TH SEPTEMBER, 2015 (Amounts in million shillings)

	Current Quarter 30.09.2015	Previous Quarter 30.06.2015
I: Cash flow from Operating activities:		
Net income(loss)	50,114	55,227
Adjustment for:		
- Impairment/amortization	1,154	2,809
- Net change in loans and advances	(164,213)	7,127
- Gain/loss on sale of assets	3	-
- Net change in deposits	8,005	(5,945)
- Net change in short term negotiable securities	-	-
- Net change in other liabilities	13,706	3,179
- Net change in other assets	(17,327)	9,524
- Tax paid	(12,473)	(16,125)
- Others (Net change in SMR deposits)	11,268	(66,409)
Net cash provided (used) by operating activities	(109,763)	(10,613)
II: Cash flow from Investing activities:		
Dividends received	-	-
Purchase of fixed assets	(16,631)	(21,191)
Proceeds from sale of fixed assets	-	-
Purchase of non-dealing securities	-	-
Proceeds from sale of non-dealing securities	-	-
Others-(Treasury Bonds/Bills /Equity investment)	84,123	66,820
Net cash provided (used) by investing activities	67,492	45,629
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	-	(52,000)
Net change in other borrowings	487	(1,395)
Others (specify)	-	-
Net cash provided(used) by financing activities	487	(53,395)
IV: Cash and Cash equivalents:		
Net increase/(decrease) in cash and cash equivalents	(41,784)	(18,379)
Cash and cash equivalents at the beginning of the quarter	555,457	573,836
Cash and cash equivalents at the end of the quarter	513,673	555,457

FOR THE PERIOD ENDED 30TH SEPTEMBER, 2015 (Amounts in million shillings)

	Current Quarter '30.09.2015	Comparative Quarter 30.09.2014	Current Year Cumulative 30.09.2015	Comparative Year Cumulative 30.09.2014
1 Interest income	108,793	105,551	321,412	308,349
2 Interest expense	(17,359)	(10,751)	(50,010)	(25,546)
3 Net interest income (1minus2)	91,434	94,800	271,402	282,803
4 Bad debts written off	-	-	-	-
5 Impairment Losses on Loans and Advances	(932)	(5,939)	(9,887)	(15,262)
6 Non interest income:	42,153	38,473	122,633	110,442
6.1 Foreign currency dealings and translation gain/ (loss)	8,120	4,658	20,903	12,063
6.2 Fee and commissions	33,123	30,921	90,620	91,693
6.3 Dividend income	-	-	-	-
6.4 Others operating income	910	2,894	11,110	6,686
7 Non interest expense:	(82,541)	(72,637)	(224,001)	(205,402)
7.1 Salaries and benefits	(35,927)	(32,460)	(105,704)	(94,976)
7.2 Fees and commissions	(4,767)	(6,645)	(11,255)	(12,248)
7.3 Other operating expenses	(41,847)	(33,532)	(107,042)	(98,178)
8 Operating income/(loss)	50,114	54,697	160,147	172,581
9 Income tax provision	(15,034)	(17,169)	(48,044)	(52,535)
10 Net income(loss)after income tax	35,080	37,528	112,103	120,046
11 Number of employees	3,078	2,993	3,078	2,993
12 Basic earnings per share	70	75	224	240
13 Diluted earnings per share	70	75	224	240
14 Number of branches	169	163	169	163
SELECTED PERFORMANCE INDICATORS				
(i) Return on average total assets	3.5%	4.4%	3.7%	4.5%
(ii) Return on average shareholders funds	23.7%	28.8%	25.2%	31.5%
(iii) Non interest expense to gross income	54.7%	50.4%	50.4%	49.0%
(iv) Net interest income to average earning assets	12.3%	14.5%	12.0%	14.0%

Signed by

Ineke Bussemaker
Managing Director

Date

October 16, 2015

Waziri Barnabas
Chief Financial Officer

October 16, 2015

Augustino Mbogella
Chief Internal Auditor

October 16, 2015

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

October 16, 2015

Protase Tehingisa Director

October 16, 2015

Best Bank in Tanzania three times in a row

For the third time running, we are proud to announce that NMB has once again been recognized as the **Best Bank in Tanzania 2015** by Euromoney Awards for excellence. Every year the prestigious Euromoney Institute globally compares banks in their respective markets on financial indicators reflecting performance and strengths. The institute also analyzes how innovative and trustworthy a bank is. NMB is honored and humbled to once again win this award.

We like to thank all our customers, staff and investors for helping us achieve this impressive accolade. With our wide coverage of over 170 branches, more than 600 ATMs and presence in 95% districts in Tanzania, we believe we can and will do even more to stay true to being closer to you.

www.nmbtz.com