

# 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, 2016 (Amounts in million shillings)

	Current Quarter 30.09.16	Previous Quarter 30.06.16
<b>A. ASSETS</b>		
1 Cash	229,668	239,231
2 Balances with Bank of Tanzania	507,827	473,757
3 Investments in Government securities	609,063	740,573
4 Balances with other banks and financial institutions	126,923	175,389
5 Cheques and items for clearing	2,019	3,418
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)	2,856,434	2,709,548
12 Other assets	145,272	152,800
13 Equity investments	41,378	41,378
14 Underwriting accounts	-	-
15 Property, Plant and equipment	201,317	186,994
<b>16 TOTAL ASSETS</b>	<b>4,719,901</b>	<b>4,723,088</b>
<b>B. LIABILITIES</b>		
17 Deposits from other banks and financial institutions	1,689	2,540
18 Customer deposits	3,434,344	3,519,361
19 Cash letters of credit	978	1,491
20 Special Deposits	17,400	21,509
21 Payment orders/transfers payable	-	-
22 Bankers' cheques and drafts issued	3,692	3,343
23 Accrued taxes and expenses payable	62,031	47,096
24 Acceptances outstanding	-	-
25 Inter branch float items	3,879	7,042
26 Unearned income and other deferred charges	25,379	24,139
27 Other liabilities	25,749	28,085
28 Borrowings	408,957	370,740
<b>29 TOTAL LIABILITIES</b>	<b>3,984,098</b>	<b>4,025,346</b>
<b>30 NET ASSETS/(LIABILITIES)</b>	<b>735,803</b>	<b>697,742</b>
<b>C. SHAREHOLDERS' FUNDS</b>		
31 Paid up share capital	20,000	20,000
32 Capital reserves	-	-
33 Retained earnings	572,967	561,349
34 Profit(Loss) account	122,408	84,316
35 Others capital accounts	20,428	32,077
36 Minority interest	-	-
<b>37 TOTAL SHAREHOLDERS' FUNDS</b>	<b>735,803</b>	<b>697,742</b>
38 Contingent liabilities	320,332	267,289
39 Non performing loans & advances	82,391	85,526
40 Allowances for probable losses	46,196	41,636
41 Other non performing assets	567	583
<b>D. SELECTED FINANCIAL CONDITION INDICATORS</b>		
(i) Shareholders Funds to total assets	15.6%	14.8%
(ii) Non performing loans to total gross loans	2.8%	3.1%
(iii) Gross loans and advances to total deposits	84.1%	77.7%
(iv) Loans and advances to total assets	60.5%	57.4%
(v) Earnings assets to total Assets	77.0%	77.6%
(vi) Deposits growth	-2.6%	-0.8%
(vii) Assets growth	-0.1%	1.8%

## CASH FLOW STATEMENT FOR THE QUARTER ENDED 30TH SEPTEMBER, 2016 (Amounts in million shillings)

	Current Quarter 30.09.2016	Previous Quarter 30.06.2016
<b>I: Cash flow from Operating activities:</b>		
Net income(loss)	54,416	64,337
Adjustment for:		
- Impairment/amortization	(476)	4,313
- Net change in loans and advances	(146,886)	(142,916)
- Gain/loss on sale of assets	-	-
- Net change in deposits	(90,490)	(28,118)
- Net change in short term negotiable securities	-	-
- Net change in other liabilities	11,025	17,025
- Net change in other assets	7,459	3,707
- Tax paid	(10,880)	(23,384)
- Others (Net change in SMR deposits)	(3,087)	16,315
<b>Net cash provided (used) by operating activities</b>	<b>(178,919)</b>	<b>(88,721)</b>
<b>II: Cash flow from Investing activities:</b>		
Dividends received	-	-
Purchase of fixed assets	(19,292)	(33,053)
Proceeds from sale of fixed assets	-	-
Purchase of non-dealing securities	-	-
Proceeds from sale of non-dealing securities	-	-
Others-(Treasury Bonds/Bills /Equity investment)	131,480	(57,055)
<b>Net cash provided (used) by investing activities</b>	<b>112,188</b>	<b>(90,108)</b>
<b>III: Cash Flow from Financing activities:</b>		
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	38,217	101,026
Others (specify)	-	-
<b>Net cash provided(used) by financing activities</b>	<b>38,217</b>	<b>49,026</b>
<b>IV: Cash and Cash equivalents:</b>		
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(28,514)</b>	<b>(129,803)</b>
<b>Cash and cash equivalents at the beginning of the quarter</b>	<b>512,959</b>	<b>642,762</b>
<b>Cash and cash equivalents at the end of the quarter</b>	<b>484,445</b>	<b>512,959</b>

## INCOME STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER, 2016 (Amounts in million shillings)

	Current Quarter 30.09.2016	Comparative Quarter 30.09.2015	Current Year Cumulative 30.09.2016	Comparative Year Cumulative 30.09.2015
1 Interest income	144,011	108,793	408,960	321,412
2 Interest expense	(30,881)	(17,359)	(72,902)	(50,010)
<b>3 Net interest income (1minus2)</b>	<b>113,130</b>	<b>91,434</b>	<b>336,058</b>	<b>271,402</b>
4 Bad debts written off	-	-	-	-
5 Impairment Losses on Loans and Advances	(7,935)	(932)	(20,073)	(9,887)
<b>6 Non interest income:</b>	<b>40,958</b>	<b>42,153</b>	<b>122,707</b>	<b>122,633</b>
6.1 Foreign currency dealings and translation gain/ (loss)	3,824	8,120	11,744	20,903
6.2 Fee and commissions	35,668	33,123	105,975	90,620
6.3 Dividend income	-	-	-	-
6.4 Others operating income	1,466	910	4,988	11,110
<b>7 Non interest expense:</b>	<b>(91,737)</b>	<b>(82,541)</b>	<b>(263,824)</b>	<b>(224,001)</b>
7.1 Salaries and benefits	(42,037)	(35,927)	(125,633)	(105,704)
7.2 Fees and commissions	(2,400)	(4,767)	(6,911)	(11,255)
7.3 Other operating expenses	(47,300)	(41,847)	(131,280)	(107,042)
<b>8 Operating income/(loss)</b>	<b>54,416</b>	<b>50,114</b>	<b>174,868</b>	<b>160,147</b>
9 Income tax provision	(16,325)	(15,034)	(52,460)	(48,044)
<b>10 Net income(loss)after income tax</b>	<b>38,091</b>	<b>35,080</b>	<b>122,408</b>	<b>112,103</b>
11 Number of employees	3,374	3,078	3,374	3,078
12 Basic earnings per share	76	70	245	224
13 Diluted earnings per share	76	70	245	224
14 Number of branches	185	169	185	169
<b>SELECTED PERFORMANCE INDICATORS</b>				
(i) Return on average total assets	3.2%	3.5%	3.5%	3.7%
(ii) Return on average shareholders funds	21.1%	23.7%	23.0%	25.2%
(iii) Non interest expense to gross income	49.6%	54.7%	49.6%	50.4%
(iv) Net interest income to average earning assets	12.3%	12.3%	12.6%	12.0%

### Signed by

Ineke Bussemaker  
Managing Director

Waziri Barnabas  
Chief Financial Officer

Augustino Mbogella  
Chief Internal Auditor

### Date

October 21, 2016

October 21, 2016

October 21, 2016

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

Protase Tehingisa Director

### Date

October 21, 2016

October 21, 2016

**If three's a charm... 4th EUROMONEY AWARDS FOR EXCELLENCE IN TANZANIA proves NMB is BEST at being the BEST BANK 2016**

Best Bank in Tanzania  
National Microfinance Bank

We thank you for making NMB the Best Bank in Tanzania for the 4th time in a row.

www.nmbtz.com