

# 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 MARCH, 2016 (Amounts in million shillings)			
	Current Quarter 31.03.16	Previous Quarter 31.12.15	
<b>A. ASSETS</b>			
1 Cash	220,868	267,219	
2 Balances with Bank of Tanzania	642,890	704,887	
3 Investments in Government securities	683,414	673,269	
4 Balances with other banks and financial institutions	172,430	193,053	
5 Cheques and items for clearing	1,786	-	
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)	2,566,632	2,481,753	
12 Other assets	152,364	65,365	
13 Equity investments	41,378	41,379	
14 Underwriting accounts	-	-	
15 Property, Plant and equipment	158,253	153,166	
<b>16 TOTAL ASSETS</b>	<b>4,640,015</b>	<b>4,580,091</b>	
<b>B. LIABILITIES</b>			
17 Deposits from other banks and financial institutions	1,172	1,600	
18 Customer deposits	3,561,002	3,553,541	
19 Cash letters of credit	-	-	
20 Special Deposits	10,845	14,330	
21 Payment orders/transfers payable	-	-	
22 Bankers' cheques and drafts issued	2,991	246	
23 Accrued taxes and expenses payable	41,228	25,215	
24 Acceptances outstanding	-	-	
25 Inter branch float items	397	-	
26 Unearned income and other deferred charges	22,343	-	
27 Other liabilities	25,721	53,977	
28 Borrowings	269,714	265,753	
<b>29 TOTAL LIABILITIES</b>	<b>3,935,413</b>	<b>3,914,662</b>	
<b>30 NET ASSETS/(LIABILITIES)</b>	<b>704,602</b>	<b>665,429</b>	
<b>C. SHAREHOLDERS' FUNDS</b>			
31 Paid up share capital	20,000	20,000	
32 Capital reserves	-	-	
33 Retained earnings	616,367	470,613	
34 Profit(Loss) account	39,280	150,288	
35 Others capital accounts	28,955	24,528	
36 Minority interest	-	-	
<b>37 TOTAL SHAREHOLDERS' FUNDS</b>	<b>704,602</b>	<b>665,429</b>	
38 Contingent liabilities	242,139	237,638	
39 Non performing loans & advances	63,311	51,701	
40 Allowances for probable losses	38,785	36,224	
41 Other non performing assets	867	1,493	
<b>D. SELECTED FINANCIAL CONDITION INDICATORS</b>			
(i) Shareholders Funds to total assets	15.2%	14.5%	
(ii) Non performing loans to total gross loans	2.3%	2.3%	
(iii) Gross loans and advances to total deposits	72.9%	70.6%	
(iv) Loans and advances to total assets	55.3%	54.2%	
(v) Earnings assets to total Assets	74.7%	74.0%	
(vi) Deposits growth	0.1%	14.1%	
(vii) Assets growth	1.3%	12.6%	

CASH FLOW STATEMENT FOR THE QUARTER ENDED 31ST MARCH, 2016 (Amounts in million shillings)			
	Current Quarter 31.03.2016	Previous Quarter 31.12.2015	
<b>I: Cash flow from Operating activities:</b>			
Net income(loss)	56,114	57,180	
Adjustment for:			
- Impairment/amortization	4,365	(3,819)	
- Net change in loans and advances	(84,879)	(250,820)	
- Gain/loss on sale of assets	-	(798)	
- Net change in deposits	3,548	441,150	
- Net change in short term negotiable securities	-	-	
- Net change in other liabilities	13,242	(33,435)	
- Net change in other assets	(85,449)	84,785	
- Tax paid	(18,384)	(12,473)	
- Others (Net change in SMR deposits)	(15,091)	(27,861)	
<b>Net cash provided (used) by operating activities</b>	<b>(126,534)</b>	<b>253,909</b>	
<b>II: Cash flow from Investing activities:</b>			
Dividends received	-	-	
Purchase of fixed assets	(10,251)	(18,184)	
Proceeds from sale of fixed assets	-	-	
Purchase of non-dealing securities	-	-	
Proceeds from sale of non-dealing securities	-	-	
Others-(Treasury Bonds/Bills /Equity investment)	(9,379)	(32,407)	
<b>Net cash provided (used) by investing activities</b>	<b>(19,630)</b>	<b>(50,591)</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	-	-	
Net change in other borrowings	3,961	67,974	
Others (specify)	-	-	
<b>Net cash provided(used) by financing activities</b>	<b>3,961</b>	<b>67,974</b>	
<b>IV: Cash and Cash equivalents:</b>			
Net increase/(decrease) in cash and cash equivalents	(142,203)	271,292	
Cash and cash equivalents at the beginning of the quarter	784,965	513,673	
<b>Cash and cash equivalents at the end of the quarter</b>	<b>642,762</b>	<b>784,965</b>	

INCOME STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016 (Amounts in million shillings)				
	Current Quarter 31.03.2016	Comparative Quarter 31.03.2015	Current Year Cumulative 31.03.2016	Comparative Year Cumulative 31.03.2015
1 Interest income	126,393	105,143	126,393	105,143
2 Interest expense	(20,375)	(15,289)	(20,375)	(15,289)
<b>3 Net interest income (1minus2)</b>	<b>106,018</b>	<b>89,854</b>	<b>106,018</b>	<b>89,854</b>
4 Bad debts written off	-	-	-	-
5 Impairment Losses on Loans and Advances	(5,498)	(5,033)	(5,498)	(5,033)
<b>6 Non interest income:</b>	<b>39,413</b>	<b>35,702</b>	<b>39,413</b>	<b>35,702</b>
6.1 Foreign currency dealings and translation gain/(loss)	3,474	5,126	3,474	5,126
6.2 Fee and commissions	33,633	28,032	33,633	28,032
6.3 Dividend income	-	-	-	-
6.4 Others operating income	2,307	2,544	2,307	2,544
<b>7 Non interest expense:</b>	<b>(83,819)</b>	<b>(65,715)</b>	<b>(83,819)</b>	<b>(65,715)</b>
7.1 Salaries and benefits	(40,623)	(34,442)	(40,623)	(34,442)
7.2 Fees and commissions	(1,856)	(2,830)	(1,856)	(2,830)
7.3 Other operating expenses	(41,340)	(28,443)	(41,340)	(28,443)
<b>8 Operating income/(loss)</b>	<b>56,114</b>	<b>54,808</b>	<b>56,114</b>	<b>54,808</b>
9 Income tax provision	(16,834)	(16,442)	(16,834)	(16,442)
<b>10 Net income(loss)after income tax</b>	<b>39,280</b>	<b>38,366</b>	<b>39,280</b>	<b>38,366</b>
11 Number of employees	3,159	3,007	3,159	3,007
12 Basic earnings per share	79	77	79	77
13 Diluted earnings per share	79	77	79	77
14 Number of branches	177	166	177	166
<b>SELECTED PERFORMANCE INDICATORS</b>				
(i) Return on average total assets	3.4%	3.8%	3.4%	3.8%
(ii) Return on average shareholders funds	22.7%	25.9%	22.7%	25.9%
(iii) Non interest expense to gross income	50.6%	46.7%	50.6%	46.7%
(iv) Net interest income to average earning assets	12.6%	12.1%	12.6%	12.1%

**Signed by** **Date**

Ineke Bussemaker April 22, 2016  
Managing Director

Waziri Barnabas April 22, 2016  
Chief Financial Officer

Augustino Mbogella April 22, 2016  
Chief Internal Auditor

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** **Date**

Prof. Joseph Semboja April 22, 2016 Board Chairman

Protase Tehingisa April 22, 2016 Director

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