



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

## National Microfinance Bank Plc

### BALANCE SHEET AS AT 31 MARCH, 2010 (Amounts in million shillings)

	Current Quarter 31.03.2010	Previous Quarter 31.12.2009
<b>A. ASSETS</b>		
1 Cash	103,338	115,858
2 Balances with Bank of Tanzania	355,203	217,523
3 Investments in Government securities	520,097	513,687
4 Balances with other banks and financial institutions	92,521	74,066
5 Cheques and items for clearing	12,023	14,588
6 Inter branch float items	0	179
7 Bills negotiated	0	0
8 Customers' liabilities for acceptances	0	0
9 Interbank loans receivables	0	0
10 Investments in other securities	0	0
11 Loans, advances and overdrafts (net of allowances for probable losses)	689,942	672,579
12 Other assets	34,844	28,997
13 Equity investments	0	0
14 Underwriting accounts	0	0
15 Property, Plant and equipment	35,019	31,855
16 <b>TOTAL ASSETS</b>	<b>1,842,988</b>	<b>1,669,333</b>
<b>B. LIABILITIES</b>		
17 Deposits from other banks and financial institutions	0	0
18 Customer deposits	1,612,541	1,452,719
19 Cash letters of credit	0	0
20 Special Deposits	6,042	6,680
21 Payment orders/transfers payable	0	0
22 Bankers' cheques and drafts issued	3,158	2,241
23 Accrued taxes and expenses payable	7,007	5,577
24 Acceptances outstanding	0	0
25 Inter branch float items	447	0
26 Unearned income and other deferred charges	0	0
27 Other liabilities	8,998	9,877
28 Borrowings	0	0
29 <b>TOTAL LIABILITIES</b>	<b>1,638,194</b>	<b>1,477,094</b>
30 <b>NET ASSETS /(LIABILITIES)</b>	<b>204,794</b>	<b>192,239</b>
<b>C. SHAREHOLDERS' FUNDS</b>		
31 Paid up share capital	20,000	20,000
32 Capital reserves	2,205	2,205
33 Retained earnings	170,034	122,484
34 Profit(Loss) account	12,555	47,550
35 Others capital accounts	0	0
36 Minority interest	0	0
37 <b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>204,794</b>	<b>192,239</b>
38 Contingent liabilities	41,928	57,162
39 Non performing loans & advances	29,441	25,811
40 Allowances for probable losses	18,437	16,598
41 Other non performing assets	227	271
<b>D. SELECTED FINANCIAL CONDITION INDICATORS</b>		
(i) Shareholders Funds to total assets	11.11%	11.52%
(ii) Non performing loans to total gross loans	4.16%	3.75%
(iii) Gross loans and advances to total deposits	43.77%	47.22%
(iv) Loans and advances to total assets	37.44%	40.29%
(v) Earnings assets to total Assets	70.68%	75.50%
(vi) Deposits growth	10.91%	-3.23%
(vii) Assets growth	10.40%	-3.45%

### INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH, 2010 (Amounts in million shillings)

	Current Quarter 31.03.2010	Comparative Quarter 31.03.2009	Current Year Cumulative 31.03.2010	Comparative Year Cumulative 31.03.2009
1 Interest income	35,461	35,551	35,461	35,551
2 Interest expense	(2,769)	(3,299)	(2,769)	(3,299)
3 <b>Net interest income (Iminus2)</b>	<b>32,692</b>	<b>32,253</b>	<b>32,692</b>	<b>32,253</b>
4 Bad debts written off	0	0	0	0
5 Impairment Losses on Loans and Advances	(1,839)	(2,169)	(1,839)	(2,169)
6 <b>Non interest income:</b>	<b>12,614</b>	<b>9,590</b>	<b>12,614</b>	<b>9,590</b>
6.1 Foreign currency dealings and translation gain/(loss)	960	1,133	960	1,133
6.2 Fee and commissions	10,206	6,590	10,206	6,590
6.3 Dividend income	0	0	0	0
6.4 Others operating income	1,448	1,867	1,448	1,867
7 <b>Non interest expense:</b>	<b>(25,531)</b>	<b>(20,493)</b>	<b>(25,531)</b>	<b>(20,493)</b>
7.1 Salaries and benefits	(11,597)	(9,629)	(11,597)	(9,629)
7.2 Fees and commissions	(330)	(488)	(330)	(488)
7.3 Other operation expenses	(13,603)	(10,377)	(13,603)	(10,377)
8 <b>Operating income/(loss)</b>	<b>17,936</b>	<b>19,181</b>	<b>17,936</b>	<b>19,181</b>
9 Income tax provision	(5,381)	(5,754)	(5,381)	(5,754)
10 <b>Net income(loss)after income tax</b>	<b>12,555</b>	<b>13,427</b>	<b>12,555</b>	<b>13,427</b>
11 Number of employees	2,521	2,110	2,521	2,110
12 Basic earnings per share	25	27	25	27
13 Diluted earnings per share	25	27	25	27
14 Number of branches	134	130	134	130
<b>SELECTED PERFORMANCE INDICATORS</b>				
(i) Return on average total assets	2.72%	3.70%	2.72%	3.70%
(ii) Return on average shareholders funds	24.98%	33.97%	24.98%	33.97%
(iii) Non interest expense to gross income	53.11%	45.40%	53.11%	45.40%
(iv) Net interest income to average earning assets	9.88%	11.45%	9.88%	11.45%

### CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 MARCH, 2010 (Amounts in million shillings)

	Current Quarter 31.03.2010	Previous Quarter 31.12.2009
<b>I: Cash flow from Operating activities:</b>		
Net income(loss)	17,936	17,431
Adjustment for:		
- Impairment/amortization	1,863	4,617
- Net change in loans and advances	(17,363)	(82,599)
- Gain/loss on sale of assets	(0)	0
- Net change in deposits	159,184	(48,749)
- Net change in short term negotiable securities	0	0
- Net change in other liabilities	1,916	(23,082)
- Net change in other assets	(5,668)	(4,751)
- Tax paid	(5,412)	(5,084)
- Others (specify)	0	0
<b>Net cash provided (used) by operating activities</b>	<b>152,456</b>	<b>(142,218)</b>
<b>II: Cash flow from Investing activities:</b>		
Dividends received	0	0
Purchase of fixed assets	(4,996)	(5,908)
Proceeds from sale of fixed assets	0	0
Purchase of non-dealing securities	0	0
Proceeds from sale of non-dealing securities	0	0
Others-(Treasury Bonds/Bills and Private securities)	(5,034)	17,807
<b>Net cash provided (used) by investing activities</b>	<b>(10,029)</b>	<b>11,899</b>
<b>III: Cash Flow from Financing activities:</b>		
Repayment of long-term debt	0	0
Proceeds from issuance of long term debt	0	0
Proceeds from issuance of share capital	0	0
Net change in other borrowings	0	0
Others (specify)	0	0
<b>Net cash provided(used) by financing activities</b>	<b>0</b>	<b>0</b>
<b>IV: Cash and Cash equivalents:</b>		
Net increase/(decrease) in cash and cash equivalents	142,426	(130,319)
Cash and cash equivalents at the beginning of the quarter	424,130	554,449
<b>Cash and cash equivalents at the end of the quarter</b>	<b>566,557</b>	<b>424,130</b>

SIGNED BY DATE

Ben Christiaanse  
Chief Executive Officer 30/04/2010

Waziri Barnabas  
Chief Financial Officer 30/04/2010

Augustino Mbogella  
Chief Internal Auditor 30/04/2010

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

Misheck Ngatunga  
Board Chairman 30/04/2010

Protase Tebingisa  
Director 30/04/2010



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