

NATIONAL MICROFINANCE BANK PLC

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

BALANCE SHEET AS AT 30 JUNE, 2011

(Amounts in million shillings)

		Current Quarter 30.06.2011	Previous Quarter 31.03.2011
A.	<u>ASSETS</u>		
1	Cash	159,312	150,351
2	Balances with Bank of Tanzania	259,797	267,215
3	Investments in Government securities	512,998	611,913
4	Balances with other banks and financial institutions	131,331	116,399
5	Cheques and items for clearing	5,951	8,408
6	Inter branch float items	191	153
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)	1,051,052	946,693
12	Other assets	23,902	28,431
13	Equity investments	3,431	2,831
14	Underwriting accounts	-	-
15	Property, Plant and equipment	53,827	51,126
16	TOTAL ASSETS	2,201,792	2,183,520
B.	<u>LIABILITIES</u>		
17	Deposits from other banks and financial institutions	-	-
18	Customer deposits	1,852,321	1,844,182
19	Cash letters of credit	-	-
20	Special Deposits	8,740	7,698
21	Payment orders/transfers payable	-	-
22	Bankers' cheques and drafts issued	2,872	2,812
23	Accrued taxes and expenses payable	17,996	13,827
24	Acceptances outstanding	-	-
25	Inter branch float items	-	-
26	Unearned income and other deferred charges	-	-
27	Other liabilities	14,194	12,341
28	Borrowings	58,057	52,703
29	TOTAL LIABILITIES	1,954,180	1,933,563
30	NET ASSETS /(LIABILITIES)	247,612	249,957
C.	<u>SHAREHOLDERS' FUNDS</u>		
31	Paid up share capital	20,000	20,000
32	Capital reserves	0	0
33	Retained earnings	192,518	210,518
34	Profit(Loss) account	35,094	19,438
35	Others capital accounts	-	-
36	Minority interest	-	-
37	TOTAL SHAREHOLDERS' FUNDS	247,612	249,956
38	Contingent liabilities	73,471	30,052
39	Non performing loans & advances	19,840	15,176
40	Allowances for probable losses	14,182	10,170
41	Other non performing assets	6,343	4,508
D	<u>SELECTED FINANCIAL CONDITION INDICATORS</u>		
(i)	Shareholders Funds to total assets	11.25%	10.94%
(ii)	Non performing loans to total gross loans	1.86%	2.29%
(iii)	Gross loans and advances to total deposits	57.24%	48.06%
(iv)	Loans and advances to total assets	47.74%	40.71%
(v)	Earnings assets to total Assets	77.00%	76.97%
(vi)	Deposits growth	0.50%	7.60%
(vii)	Assets growth	0.84%	8.65%

INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE, 2011
(Amounts in million shillings)

	Current Quarter 30.06.2011	Comparative Quarter 30.06.2010	Current Year Cumulative 30.06.2011	Comparative Year Cumulative 31.06.2010
1 Interest income	46,705	34,494	89,315	69,956
2 Interest expense	(1,600)	(2,532)	(5,045)	(5,301)
3 Net interest income (1minus2)	45,105	31,962	84,270	64,655
4 Bad debts written off	(1)	-	(1)	-
5 Impairment Losses on Loans and Advances	(3,409)	1,839	(5,980)	0
6 Non interest income:	22,352	17,291	44,062	29,904
6.1 Foreign currency dealings and translation gain/(loss)	1,585	3,959	3,355	4,919
6.2 Fee and commissions	17,214	11,375	35,051	21,580
6.3 Dividend income	-	-	-	-
6.4 Others operating income	3,553	1,957	5,656	3,405
7 Non interest expense:	(40,430)	(29,510)	(70,966)	(55,041)
7.1 Salaries and benefits	(15,518)	(12,482)	(30,244)	(24,079)
7.2 Fees and commissions	(2,807)	(4,357)	(5,158)	(6,329)
7.3 Other operation expenses	(22,105)	(12,671)	(35,564)	(24,633)
8 Operating income/(loss)	23,617	21,582	51,385	39,518
9 Income tax provision	(7,961)	(6,475)	(16,291)	(11,855)
10 Net income(loss)after income tax	15,656	15,107	35,094	27,663
11 Number of employees	2,701	2,521	2,701	2,521
12 Basic earnings per share	31	30	70	55
13 Diluted earnings per share	31	30	70	55
14 Number of branches	139	136	139	136
<u>SELECTED PERFORMANCE INDICATORS</u>				
(i) Return on average total assets	2.86%	2.72%	3.20%	2.72%
(ii) Return on average shareholders funds	25.62%	24.98%	28.71%	24.98%
(iii) Non interest expense to gross income	58.55%	56.99%	53.21%	53.11%
(iv) Net interest income to average earning assets	11.11%	9.88%	10.37%	9.88%

CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 JUNE, 2011
(Amounts in million shillings)

	Current Quarter 30.06.2011	Previous Quarter 31.03.2011
I: Cash flow from Operating activities:		
Net income(loss)	23,617	27,769
Adjustment for:		
- Impairment/amortization	2,239	453
- Net change in loans and advances	(104,359)	(88,909)
- Gain/loss on sale of assets	0	0
- Net change in deposits	9,181	31,743
- Net change in short term negotiable securities	0	0
- Net change in other liabilities	6,082	1,921
- Net change in other assets	4,491	(1,140)
- Tax paid	(8,280)	(6,748)
- Others (Net change in SMR deposits)	0	(14,010)
<i>Net cash provided (used) by operating activities</i>	(67,029)	(48,921)
II: Cash flow from Investing activities:		
Dividends received	0	0
Purchase of fixed assets	(4,478)	(4,700)
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 /Equity investment)	6,928	29,229
<i>Net cash provided (used) by investing activities</i>	2,450	24,529
III: Cash Flow from Financing activities:		
Repayment of long-term debt	0	0
Proceeds from issuance of long term debt	0	0
Proceeds from issuance of share capital	0	0
Payment of cash dividends	(18,000)	0
Net change in other borrowings	5,354	23,339
Others (specify)	0	0
<i>Net cash provided(used) by financing activities</i>	(12,646)	23,339
IV: Cash and Cash equivalents:		
Net increase/(decrease) in cash and cash equivalents	(77,225)	(1,054)
Cash and cash equivalents at the beginning of the quarter	586,117	587,171
<i>Cash and cash equivalents at the end of the quarter</i>	508,892	586,117

Signed by**Date**

Mark Wiessing
Chief Executive Officer

February 25, 2016

Waziri Barnabas
Chief Financial Officer

February 25, 2016

Augustino Mbogella
Chief Internal Auditor

February 25, 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**Date**

Misheck Ngatunga Board Chairman

February 25, 2016

Protase Tehingisa Director

February 25, 2016