

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 SEPTEMBER, 2011 (Amounts in million shillings)

	Current Quarter 30.09.2011	Previous Quarter 30.06.2011
A. ASSETS		
1 Cash	168,394	150,312
2 Balances with Bank of Tanzania	321,435	259,797
3 Investments in Government securities	364,106	512,998
4 Balances with other banks and financial institutions	213,931	131,331
5 Cheques and bills for clearing	8,748	5,951
6 Inter branch float items	178	191
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)	1,078,029	1,051,052
12 Other assets	22,867	23,902
13 Equity investments	3,431	3,431
14 Underwriting accounts	-	-
15 Property, Plant and equipment	57,438	53,827
16 TOTAL ASSETS	2,221,674	2,203,792
B. LIABILITIES		
17 Deposits from other banks and financial institutions	-	-
18 Customer deposits	1,836,237	1,852,321
19 Cash letters of credit	-	-
20 Special Deposits	15,948	8,740
21 Payment orders/transfers payable	-	-
22 Bankers' cheques and drafts issued	3,904	2,872
23 Accrued taxes and expenses payable	14,890	17,936
24 Acceptances outstanding	-	-
25 Inter branch float items	-	-
26 Unearned income and other deferred charges	-	-
27 Other liabilities	7,650	14,194
28 Borrowings	78,441	58,037
29 TOTAL LIABILITIES	1,954,070	1,954,180
30 NET ASSETS / (LIABILITIES)	267,604	247,612
C. SHAREHOLDERS' FUNDS		
31 Paid up share capital	20,000	20,000
32 Capital reserves	0	0
33 Retained earnings	192,518	192,518
34 Profit/(Loss) account	55,086	35,094
35 Other capital accounts	-	-
36 Minority interest	-	-
37 TOTAL SHAREHOLDERS' FUNDS	267,604	247,612
38 Contingent liabilities	68,872	73,471
39 Non performing loans & advances	14,817	19,840
40 Allowances for probable losses	14,209	14,192
41 Other non performing assets	4,448	6,343
D. SELECTED FINANCIAL CONDITION INDICATORS		
(i) Shareholders Funds to total assets	12.05%	11.25%
(ii) Non performing loans to total gross loans	1.39%	1.86%
(iii) Gross loans and advances to total deposits	57.99%	67.24%
(iv) Loans and advances to total assets	47.70%	47.74%
(v) Earnings assets to total Assets	73.72%	77.00%
(vi) Deposits growth	0.49%	0.50%
(vii) Assets growth	0.97%	0.84%

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

	Current Quarter 30.09.2011	Previous Quarter 30.06.2011
I: Cash flow from Operating activities:		
Net income/loss	26,561	23,617
Adjustment for:		
- Impairment/amortization	2,116	2,239
- Net change in loans and advances	(8,777)	(104,339)
- Gain/loss on sale of assets	6	-
- Net change in deposits	(8,676)	9,181
- Net change in short term negotiable securities	-	-
- Net change in other liabilities	(8,618)	6,082
- Net change in other assets	928	4,491
- Tax paid	(7,961)	(5,206)
- Others (Net change in SFR deposits)	1,348	-
Net cash provided (used) by operating activities	(1,292)	(67,629)
II: Cash flow from Investing activities:		
Dividends received	-	-
Purchase of fixed assets	(6,314)	(4,478)
Proceeds from sale of fixed assets	-	-
Purchase of non-dealing securities	-	-
Proceeds from sale of non-dealing securities	-	-
Others (Treasury Bonds/Bills (Equity Investment))	272,035	6,928
Net cash provided (used) by investing activities	215,721	2,450
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	-	(18,000)
Net change in other borrowings	17,384	5,354
Others (Specify)	-	-
Net cash provided/used by financing activities	17,384	(12,646)
IV: Cash and Cash equivalents:		
Net increase/(decrease) in cash and cash equivalents	231,812	(77,225)
Cash and cash equivalents at the beginning of the quarter	508,892	586,117
Cash and cash equivalents at the end of the quarter	740,704	508,892

Signed by	Date
Mark Wising Chief Executive Officer	November 7, 2011
Waczi Bagabas Chief Financial Officer	November 7, 2011
Augustino Mbogila Chief Internal Auditor	November 7, 2011

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	November 7, 2011
Prataze Tshigaja Director	November 7, 2011

INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER, 2011 (Amount in million shillings)

	Current Quarter 30.09.2011	Comparative Quarter 30.09.2010	Current Year Cumulative 30.09.2011	Comparative Year Cumulative 30.09.2010
1 Interest income	48,633	35,795	138,008	105,751
2 Interest expense	(1,329)	(2,687)	(6,174)	(7,988)
3 Net interest income (Income 2)	47,304	33,108	131,834	97,763
4 Bad debts written off	0	0	(1)	-
5 Impairment Losses on Loans and Advances	(2,931)	(1,760)	(8,911)	(1,760)
6 Non interest income:	22,142	22,004	66,204	51,998
6.1 Foreign currency dealings and transaction gain/(loss)	1,466	6,733	4,821	11,632
6.2 Fee and commissions	16,710	12,384	51,761	33,864
6.3 Dividend income	-	-	-	-
6.4 Others operating income	3,966	3,987	6,622	6,392
7 Non interest expense:	(38,014)	(31,844)	(108,980)	(86,885)
7.1 Salaries and benefits	(14,786)	(12,690)	(45,631)	(38,760)
7.2 Fees and commissions	(2,632)	(2,247)	(7,794)	(8,576)
7.3 Other operation expenses	(20,596)	(16,907)	(56,117)	(41,549)
8 Operating Income/(loss)	26,561	21,508	79,946	61,026
9 Income tax provision	(3,568)	(7,822)	(24,899)	(18,778)
10 Net income/(loss) after income tax	19,993	13,586	55,047	41,248
11 Number of employees	2,659	2,583	2,659	2,593
12 Basic earnings per share	40	27	110	82
13 Diluted earnings per share	40	27	110	82
14 Number of branches	140	138	140	138
SELECTED PERFORMANCE INDICATORS				
(i) Return on average total assets	3.64%	2.84%	3.35%	2.94%
(ii) Return on average shareholders funds	30.59%	25.46%	28.91%	26.46%
(iii) Non interest expense to gross income	53.67%	55.09%	53.37%	55.11%
(iv) Net interest income to average earning assets	11.32%	9.15%	10.56%	9.44%



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