

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 30TH SEPTEMBER, 2012

(Amounts in million shillings)

		Current Quarter 30.09.12	Previous Quarter 30.06.12
A.	<u>ASSETS</u>		
1	Cash	172,807	144,543
2	Balances with Bank of Tanzania	352,923	375,325
3	Investments in Government securities	532,515	486,292
4	Balances with other banks and financial institutions	171,949	52,079
5	Cheques and items for clearing	12,815	23,427
6	Inter branch float items	-	-
7	Bills negotiated	2,005	-
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)	1,244,471	1,211,315
12	Other assets	58,757	53,520
13	Equity investments	8,556	3,805
14	Underwriting accounts	-	-
15	Property, Plant and equipment	58,949	56,663
16	TOTAL ASSETS	2,615,747	2,406,969
B.	<u>LIABILITIES</u>		
17	Deposits from other banks and financial institutions	-	-
18	Customer deposits	2,165,079	2,013,684
19	Cash letters of credit	-	-
20	Special Deposits	4,917	6,166
21	Payment orders/transfers payable	-	-
22	Bankers' cheques and drafts issued	2,863	3,111
23	Accrued taxes and expenses payable	31,736	28,409
24	Acceptances outstanding	-	-
25	Inter branch float items	85	953
26	Unearned income and other deferred charges	11,274	8,086
27	Other liabilities	25,034	33,076
28	Borrowings	35,161	2,236
29	TOTAL LIABILITIES	2,276,149	2,095,722
30	NET ASSETS /(LIABILITIES)	339,598	311,247
C.	<u>SHAREHOLDERS' FUNDS</u>		
31	Paid up share capital	20,000	20,000
32	Capital reserves	-	-
33	Retained earnings	237,633	237,633
34	Profit(Loss) account	80,239	51,888
35	Others capital accounts	1,726	1,726
36	Minority interest	-	-
37	TOTAL SHAREHOLDERS' FUNDS	339,598	311,247
38	Contingent liabilities	105,152	113,529
39	Non performing loans & advances	43,774	39,243
40	Allowances for probable losses	34,487	26,810
41	Other non performing assets	675	648
D	<u>SELECTED FINANCIAL CONDITION INDICATORS</u>		
(i)	Shareholders Funds to total assets	12.98%	12.93%
(ii)	Non performing loans to total gross loans	3.42%	3.17%
(iii)	Gross loans and advances to total deposits	58.94%	61.30%
(iv)	Loans and advances to total assets	47.58%	50.33%
(v)	Earnings assets to total Assets	74.51%	72.69%
(vi)	Deposits growth	7.43%	3.32%
(vii)	Assets growth	8.67%	2.75%

INCOME STATEMENT
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2012
(Amounts in million shillings)

	Current Quarter 30.09.2012	Comparative Quarter 30.09.2011	Current Year Cumulative 30.09.2012	Comparative Year Cumulative 30.09.2011
1 Interest income	75,396	48,693	208,994	138,008
2 Interest expense	(1,588)	(1,329)	(5,048)	(6,374)
3 Net interest income (1minus2)	73,808	47,364	203,946	131,634
4 Bad debts written off	-	-	-	(1)
5 Impairment Losses on Loans and Advances	(4,302)	(2,931)	(15,422)	(8,911)
6 Non interest income:	23,186	22,142	73,780	66,204
6.1 Foreign currency dealings and translation gain/(loss)	2,268	1,466	6,893	4,821
6.2 Fee and commissions	20,551	16,710	66,052	51,761
6.3 Dividend income	-	-	-	-
6.4 Others operating income	367	3,966	835	9,622
7 Non interest expense:	(47,671)	(38,014)	(143,155)	(108,980)
7.1 Salaries and benefits	(21,280)	(14,786)	(62,478)	(45,031)
7.2 Fees and commissions	(15,781)	(2,633)	(9,470)	(7,791)
7.3 Other operation expenses	(10,610)	(20,595)	(71,207)	(56,158)
8 Operating income/(loss)	45,021	28,561	119,149	79,946
9 Income tax provision	(16,671)	(8,568)	(38,910)	(24,859)
10 Net income(loss)after income tax	28,350	19,993	80,239	55,087
11 Number of employees	2,726	2,659	2,726	2,659
12 Basic earnings per share	57	40	160	110
13 Diluted earnings per share	57	40	160	110
14 Number of branches	143	140	143	140
<u>SELECTED PERFORMANCE INDICATORS</u>				
(i) Return on average total assets	4.40%	3.64%	4.41%	3.35%
(ii) Return on average shareholders funds	34.07%	30.59%	33.58%	28.91%
(iii) Non interest expense to gross income	48.36%	53.67%	50.63%	53.37%
(iv) Net interest income to average earning assets	16.08%	11.32%	15.36%	10.56%

CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30TH SEPTEMBER, 2012
(Amounts in million shillings)

		Current Quarter 30.09.2012	Previous Quarter 30.06.2012
I:	Cash flow from Operating activities:		
	Net income(loss)	45,021	39,333
	Adjustment for:		
	- Impairment/amortization	223	1,403
	- Net change in loans and advances	(33,156)	(30,686)
	- Gain/loss on sale of assets	-	-
	- Net change in deposits	150,146	64,886
	- Net change in short term negotiable securities	(2,005)	-
	- Net change in other liabilities	(2,644)	14,055
	- Net change in other assets	(5,237)	(18,388)
- Tax paid	(13,330)	(9,909)	
- Others (Net change in SMR deposits)	(5,037)	(27,571)	
	Net cash provided (used) by operating activities	133,981	33,123
II:	Cash flow from Investing activities:		
	Dividends received	-	-
	Purchase of fixed assets	(5,851)	(347)
	Proceeds from sale of fixed assets	-	-
	Purchase of non-dealing securities	-	-
	Proceeds from sale of non-dealing securities	-	-
	Others-(Treasury Bonds/Bills /Equity investment)	(27,958)	(64,472)
	Net cash provided (used) by investing activities	(33,809)	(64,819)
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	-	(25,000)
	Net change in other borrowings	32,925	(17,121)
	Others (specify)	-	-
	Net cash provided(used) by financing activities	32,925	(42,121)
IV:	Cash and Cash equivalents:		
	Net increase/(decrease) in cash and cash equivalents	133,097	(73,817)
	Cash and cash equivalents at the beginning of the quarter	440,804	514,621
	Cash and cash equivalents at the end of the quarter	573,901	440,804

Signed by**Date**

Mark Wiessing
Chief Executive Officer

November 12, 2012

Waziri Barnabas
Chief Financial Officer

November 12, 2012

Augustino Mbogella
Chief Internal Auditor

November 12, 2012

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**

Mike Laiser Ag. Board Chairman

November 12, 2012

Protase Tehingisa Director

November 12, 2012