

**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 31 MARCH, 2012**

(Amounts in million shillings)

		<b>Current Quarter 31.03.12</b>	<b>Previous Quarter 31.12.11</b>
<b>A.</b>	<b><u>ASSETS</u></b>		
1	Cash	152,595	186,638
2	Balances with Bank of Tanzania	249,248	243,606
3	Investments in Government securities	470,196	361,943
4	Balances with other banks and financial institutions	176,949	159,946
5	Cheques and items for clearing	14,454	12,791
6	Inter branch float items	-	1
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)	1,180,629	1,123,518
12	Other assets	35,132	19,198
13	Equity investments	3,805	3,805
14	Underwriting accounts	-	-
15	Property, Plant and equipment	59,609	58,804
<b>16</b>	<b>TOTAL ASSETS</b>	<b>2,342,617</b>	<b>2,170,250</b>
<b>B.</b>	<b><u>LIABILITIES</u></b>		
17	Deposits from other banks and financial institutions	-	-
18	Customer deposits	1,948,822	1,797,479
19	Cash letters of credit	-	-
20	Special Deposits	6,142	7,220
21	Payment orders/transfers payable	-	-
22	Bankers' cheques and drafts issued	3,839	7,037
23	Accrued taxes and expenses payable	19,972	15,184
24	Acceptances outstanding	-	-
25	Inter branch float items	356	-
26	Unearned income and other deferred charges	-	-
27	Other liabilities	35,414	27,001
28	Borrowings	19,357	31,970
<b>29</b>	<b>TOTAL LIABILITIES</b>	<b>2,033,901</b>	<b>1,885,891</b>
<b>30</b>	<b>NET ASSETS /(LIABILITIES)</b>	<b>308,716</b>	<b>284,359</b>
<b>C.</b>	<b><u>SHAREHOLDERS' FUNDS</u></b>		
31	Paid up share capital	20,000	20,000
32	Capital reserves	-	-
33	Retained earnings	262,633	190,794
34	Profit(Loss) account	24,357	71,839
35	Others capital accounts	1,726	1,726
36	Minority interest	-	-
<b>37</b>	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>308,716</b>	<b>284,359</b>
38	Contingent liabilities	66,435	59,397
39	Non performing loans & advances	36,898	18,128
40	Allowances for probable losses	21,748	15,689
41	Other non performing assets	489	161
<b>D</b>	<b><u>SELECTED FINANCIAL CONDITION INDICATORS</u></b>		
(i)	Shareholders Funds to total assets	13.18%	13.10%
(ii)	Non performing loans to total gross loans	3.07%	1.59%
(iii)	Gross loans and advances to total deposits	61.50%	63.12%
(iv)	Loans and advances to total assets	50.40%	51.77%
(v)	Earnings assets to total Assets	78.02%	75.82%
(vi)	Deposits growth	8.33%	-0.43%
(vii)	Assets growth	7.94%	2.81%

**INCOME STATEMENT**  
**FOR THE PERIOD ENDED 31 MARCH, 2012**  
(Amounts in million shillings)

	<b>Current Quarter 31.03.2012</b>	<b>Comparative Quarter 31.03.2011</b>	<b>Current Year Cumulative 31.03.2012</b>	<b>Comparative Year Cumulative 31.03.2011</b>
1 Interest income	62,579	42,610	62,579	42,610
2 Interest expense	(1,301)	(3,446)	(1,301)	(3,446)
<b>3 Net interest income (1minus2)</b>	<b>61,278</b>	<b>39,164</b>	<b>61,278</b>	<b>39,164</b>
4 Bad debts written off	-	-	-	-
5 Impairment Losses on Loans and Advances	(6,057)	(2,571)	(6,057)	(2,571)
<b>6 Non interest income:</b>	<b>20,977</b>	<b>21,710</b>	<b>20,977</b>	<b>21,710</b>
6.1 Foreign currency dealings and translation gain/(loss)	2,189	1,770	2,189	1,770
6.2 Fee and commissions	18,547	17,837	18,547	17,837
6.3 Dividend income	-	-	-	-
6.4 Others operating income	241	2,103	241	2,103
<b>7 Non interest expense:</b>	<b>(41,403)</b>	<b>(30,535)</b>	<b>(41,403)</b>	<b>(30,535)</b>
7.1 Salaries and benefits	(18,752)	(14,727)	(18,752)	(14,727)
7.2 Fees and commissions	(3,159)	(2,351)	(3,159)	(2,351)
7.3 Other operation expenses	(19,492)	(13,457)	(19,492)	(13,457)
<b>8 Operating income/(loss)</b>	<b>34,795</b>	<b>27,768</b>	<b>34,795</b>	<b>27,768</b>
9 Income tax provision	(10,438)	(8,331)	(10,438)	(8,331)
<b>10 Net income(loss)after income tax</b>	<b>24,357</b>	<b>19,437</b>	<b>24,357</b>	<b>19,437</b>
11 Number of employees	2,686	2,670	2,686	2,610
12 Basic earnings per share	49	39	49	39
13 Diluted earnings per share	49	39	49	39
14 Number of branches	142	139	142	139
<b><u>SELECTED PERFORMANCE INDICATORS</u></b>				
(i) Return on average total assets	4.24%	3.55%	4.24%	3.55%
(ii) Return on average shareholders funds	32.13%	31.81%	32.13%	31.81%
(iii) Non interest expense to gross income	49.55%	47.47%	49.55%	47.47%
(iv) Net interest income to average earning assets	14.28%	9.66%	14.28%	9.66%

**CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED 31 MARCH, 2012**  
(Amounts in million shillings)

		<b>Current Quarter 31.03.2012</b>	<b>Previous Quarter 31.12.2011</b>
<b>I:</b>	<b>Cash flow from Operating activities:</b>		
	Net income(loss)	34,795	22,822
	Adjustment for:		
	- Impairment/amortization	2,942	8,726
	- Net change in loans and advances	(57,111)	(63,689)
	- Gain/loss on sale of assets	-	-
	- Net change in deposits	150,264	(62,095)
	- Net change in short term negotiable securities	-	-
	- Net change in other liabilities	10,359	22,945
	- Net change in other assets	(15,933)	3,965
	- Tax paid	(9,909)	(11,500)
- Others (Net change in SMR deposits)	(3,966)	(7,293)	
<b>Net cash provided (used) by operating activities</b>	<b>111,441</b>	<b>(86,119)</b>	
<b>II:</b>	<b>Cash flow from Investing activities:</b>		
	Dividends received	-	-
	Purchase of fixed assets	(4,276)	(5,078)
	Proceeds from sale of fixed assets	16	-
	Purchase of non-dealing securities	-	-
	Proceeds from sale of non-dealing securities	-	-
	Others-(Treasury Bonds/Bills /Equity investment)	(65,388)	(120,587)
<b>Net cash provided (used) by investing activities</b>	<b>(69,648)</b>	<b>(125,665)</b>	
<b>III:</b>	<b>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	(12,613)	(43,479)
	Others (specify)	-	-
<b>Net cash provided(used) by financing activities</b>	<b>(12,613)</b>	<b>(43,479)</b>	
<b>IV:</b>	<b>Cash and Cash equivalents:</b>		
	Net increase/(decrease) in cash and cash equivalents	<b>29,180</b>	<b>(255,263)</b>
	Cash and cash equivalents at the beginning of the quarter	485,441	740,704
	<b>Cash and cash equivalents at the end of the quarter</b>	<b>514,621</b>	<b>485,441</b>

**Signed by****Date**

Mark Wiessing  
Chief Executive Officer

May 11, 2012

Waziri Barnabas  
Chief Financial Officer

May 11, 2012

Augustino Mbogella  
Chief Internal Auditor

May 11, 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**

Misheck Ngatunga     Board Chairman

May 11, 2012

Protase Tehingisa     Director

May 11, 2012