

**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 JUNE, 2013**

(Amounts in million shillings)

		<b>Current Quarter 30.06.13</b>	<b>Previous Quarter 31.03.13</b>
<b>A.</b>	<b><u>ASSETS</u></b>		
1	Cash	178,152	195,403
2	Balances with Bank of Tanzania	472,452	482,027
3	Investments in Government securities	793,074	701,576
4	Balances with other banks and financial institutions	170,941	138,159
5	Cheques and items for clearing	11,356	23,899
6	Inter branch float items	5,633	-
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)	1,425,533	1,385,991
12	Other assets	100,221	56,683
13	Equity investments	19,137	19,137
14	Underwriting accounts	-	-
15	Property, Plant and equipment	58,808	57,880
<b>16</b>	<b>TOTAL ASSETS</b>	<b>3,235,307</b>	<b>3,060,755</b>
<b>B.</b>	<b><u>LIABILITIES</u></b>		
17	Deposits from other banks and financial institutions	3,252	1,863
18	Customer deposits	2,614,549	2,470,759
19	Cash letters of credit	-	-
20	Special Deposits	37,191	24,059
21	Payment orders/transfers payable	-	-
22	Bankers' cheques and drafts issued	3,294	3,305
23	Accrued taxes and expenses payable	39,091	27,795
24	Acceptances outstanding	-	-
25	Inter branch float items	-	399
26	Unearned income and other deferred charges	13,051	12,815
27	Other liabilities	38,520	37,854
28	Borrowings	86,121	79,969
<b>29</b>	<b>TOTAL LIABILITIES</b>	<b>2,835,069</b>	<b>2,658,818</b>
<b>30</b>	<b>NET ASSETS /(LIABILITIES)</b>	<b>400,238</b>	<b>401,937</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	302,760	336,760
34	Profit(Loss) account	62,973	29,828
35	Others capital accounts	14,505	15,349
36	Minority interest	-	-
<b>37</b>	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>400,238</b>	<b>401,937</b>
38	Contingent liabilities	107,543	93,209
39	Non performing loans & advances	27,930	33,595
40	Allowances for probable losses	30,498	33,674
41	Other non performing assets	355	371
<b>D</b>	<b><u>SELECTED FINANCIAL CONDITION INDICATORS</u></b>		
(i)	Shareholders Funds to total assets	12.37%	13.13%
(ii)	Non performing loans to total gross loans	1.92%	2.37%
(iii)	Gross loans and advances to total deposits	54.91%	56.90%
(iv)	Loans and advances to total assets	44.06%	45.28%
(v)	Earnings assets to total Assets	73.86%	72.72%
(vi)	Deposits growth	6.42%	9.03%
(vii)	Assets growth	5.70%	9.47%

**INCOME STATEMENT**  
**FOR THE PERIOD ENDED 30TH JUNE, 2013**  
(Amounts in million shillings)

		Current	Comparative	Current Year	Comparative
		Quarter	Quarter	Cumulative	Year Cumulative
		30.06.2013	30.06.2012	30.06.2013	30.06.2012
1	Interest income	85,615	71,019	166,622	133,598
2	Interest expense	(6,522)	(2,159)	(12,335)	(3,460)
<b>3</b>	<b>Net interest income (1minus2)</b>	<b>79,093</b>	<b>68,860</b>	<b>154,287</b>	<b>130,138</b>
4	Bad debts written off	-	-	-	-
5	Impairment Losses on Loans and Advances	(2,738)	(5,063)	(6,233)	(11,121)
<b>6</b>	<b>Non interest income:</b>	<b>30,687</b>	<b>29,617</b>	<b>54,197</b>	<b>50,593</b>
	6.1 Foreign currency dealings and translation gain/(loss)	1,835	2,436	3,455	4,624
	6.2 Fee and commissions	25,618	26,953	47,240	45,501
	6.3 Dividend income	-	-	-	-
	6.4 Others operating income	3,234	228	3,502	468
<b>7</b>	<b>Non interest expense:</b>	<b>(58,302)</b>	<b>(54,081)</b>	<b>(110,900)</b>	<b>(95,484)</b>
	7.1 Salaries and benefits	(27,192)	(18,877)	(53,074)	(37,628)
	7.2 Fees and commissions	(2,976)	(3,249)	(5,921)	(6,409)
	7.3 Other operation expenses	(28,134)	(31,955)	(51,905)	(51,447)
<b>8</b>	<b>Operating income/(loss)</b>	<b>48,740</b>	<b>39,333</b>	<b>91,351</b>	<b>74,126</b>
9	Income tax provision	(15,594)	(11,800)	(28,378)	(22,238)
<b>10</b>	<b>Net income(loss)after income tax</b>	<b>33,146</b>	<b>27,533</b>	<b>62,973</b>	<b>51,888</b>
11	Number of employees	2,827	2,693	2,827	2,693
12	Basic earnings per share	66	55	126	104
13	Diluted earnings per share	66	55	126	104
14	Number of branches	150	142	150	142
<b><u>SELECTED PERFORMANCE INDICATORS</u></b>					
(i)	Return on average total assets	4.47%	4.57%	4.08%	4.41%
(ii)	Return on average shareholders funds	34.34%	34.45%	31.56%	33.32%
(iii)	Non interest expense to gross income	50.13%	53.74%	50.22%	51.84%
(iv)	Net interest income to average earning assets	14.78%	15.66%	13.84%	14.97%

**CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED 30TH JUNE, 2013**  
(Amounts in million shillings)

		<b>Current Quarter 30.06.2013</b>	<b>Previous Quarter 31.03.2013</b>
<b>I:</b>	<b>Cash flow from Operating activities:</b>		
	Net income(loss)	48,740	42,611
	Adjustment for:		
	- Impairment/amortization	(1,726)	3,538
	- Net change in loans and advances	(39,542)	(40,059)
	- Gain/loss on sale of assets	-	-
	- Net change in deposits	158,311	204,691
	- Net change in short term negotiable securities	-	-
	- Net change in other liabilities	11,788	5,686
	- Net change in other assets	(49,171)	(17,986)
- Tax paid	(12,438)	(12,438)	
- Others (Net change in SMR deposits)	(23,350)	(45,018)	
	<b>Net cash provided (used) by operating activities</b>	<b>92,612</b>	<b>141,025</b>
<b>II:</b>	<b>Cash flow from Investing activities:</b>		
	Dividends received	-	-
	Purchase of fixed assets	(2,358)	(7,193)
	Proceeds from sale of fixed assets	50	-
	Purchase of non-dealing securities	-	-
	Proceeds from sale of non-dealing securities	-	-
	Others-(Treasury Bonds/Bills /Equity investment)	(65,175)	(77,129)
	<b>Net cash provided (used) by investing activities</b>	<b>(67,483)</b>	<b>(84,322)</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	(34,000)	-
	Net change in other borrowings	6,152	9,323
	Others (specify)	-	-
	<b>Net cash provided(used) by financing activities</b>	<b>(27,848)</b>	<b>9,323</b>
<b>IV:</b>	<b>Cash and Cash equivalents:</b>		
	Net increase/(decrease) in cash and cash equivalents	<b>(2,719)</b>	<b>66,026</b>
	Cash and cash equivalents at the beginning of the quarter	680,144	614,118
	<b>Cash and cash equivalents at the end of the quarter</b>	<b>677,425</b>	<b>680,144</b>

**Signed by****Date**

Mark Wiessing  
Chief Executive Officer

August 2, 2013

Waziri Barnabas  
Chief Financial Officer

August 2, 2013

Augustino Mbogella  
Chief Internal Auditor

August 2, 2013

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**

Prof. Joseph Semboja                      Board Chairman

August 2, 2013

Protase Tehingisa                      Director

August 2, 2013