



# 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, 2012 (Amounts in million shillings)

	Current Quarter 30.06.12	Previous Quarter 31.03.12
<b>A. ASSETS</b>		
1 Cash	144,543	152,595
2 Balances with Bank of Tanzania	375,325	249,248
3 Investments in Government securities	486,292	470,196
4 Balances with other banks and financial institutions	52,079	176,949
5 Cheques and items for clearing	23,427	14,454
6 Inter branch float items	-	-
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)	1,211,315	1,180,629
12 Other assets	53,520	35,132
13 Equity investments	3,805	3,805
14 Underwriting accounts	-	-
15 Property, Plant and equipment	56,663	59,609
<b>16 TOTAL ASSETS</b>	<b>2,406,969</b>	<b>2,342,617</b>
<b>B. LIABILITIES</b>		
17 Deposits from other banks and financial institutions	-	-
18 Customer deposits	2,013,684	1,948,822
19 Cash letters of credit	-	-
20 Special Deposits	6,166	6,142
21 Payment orders/transfers payable	-	-
22 Bankers' cheques and drafts issued	3,111	3,839
23 Accrued taxes and expenses payable	28,409	19,972
24 Acceptances outstanding	-	-
25 Inter branch float items	954	356
26 Unearned income and other deferred charges	-	-
27 Other liabilities	41,162	35,414
28 Borrowings	2,236	19,357
<b>29 TOTAL LIABILITIES</b>	<b>2,095,722</b>	<b>2,033,901</b>
<b>30 NET ASSETS / (LIABILITIES)</b>	<b>311,247</b>	<b>308,716</b>
<b>C. SHAREHOLDERS' FUNDS</b>		
31 Paid up share capital	20,000	20,000
32 Capital reserves	-	-
33 Retained earnings	237,633	262,633
34 Profit(Loss) account	51,888	24,357
35 Others capital accounts	1,726	1,726
36 Minority interest	-	-
<b>37 TOTAL SHAREHOLDERS' FUNDS</b>	<b>311,247</b>	<b>308,716</b>
38 Contingent liabilities	113,529	66,435
39 Non performing loans & advances	39,243	36,898
40 Allowances for probable losses	26,810	21,748
41 Other non performing assets	648	489
<b>D. SELECTED FINANCIAL CONDITION INDICATORS</b>		
(i) Shareholders Funds to total assets	12.93%	13.18%
(ii) Non performing loans to total gross loans	3.17%	3.07%
(iii) Gross loans and advances to total deposits	61.30%	61.50%
(iv) Loans and advances to total assets	50.33%	50.40%
(v) Earnings assets to total Assets	72.69%	78.02%
(vi) Deposits growth	3.32%	8.33%
(vii) Assets growth	2.75%	7.94%

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

	Current Quarter 30.06.2012	Previous Quarter 31.03.2012
<b>I: Cash flow from Operating activities:</b>		
Net income(loss)	39,333	34,795
Adjustment for:		
- Impairment/amortization	1,403	2,942
- Net change in loans and advances	(30,686)	(57,111)
- Gain/loss on sale of assets	-	-
- Net change in deposits	64,886	150,264
- Net change in short term negotiable securities	-	-
- Net change in other liabilities	14,054	10,359
- Net change in other assets	(18,388)	(15,933)
- Tax paid	(9,909)	(9,909)
- Others (Net change in SMR deposits)	(27,571)	(3,966)
<b>Net cash provided (used) by operating activities</b>	<b>33,122</b>	<b>111,441</b>
<b>II: Cash flow from Investing activities:</b>		
Dividends received	-	-
Purchase of fixed assets	(347)	(4,276)
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)	(64,472)	(65,388)
<b>Net cash provided (used) by investing activities</b>	<b>(64,819)</b>	<b>(69,648)</b>
<b>III: 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	(25,000)	-
Net change in other borrowings	(17,121)	(12,613)
Others (specify)	-	-
<b>Net cash provided(used) by financing activities</b>	<b>(42,121)</b>	<b>(12,613)</b>
<b>IV: Cash and Cash equivalents:</b>		
Net increase/(decrease) in cash and cash equivalents	(73,818)	29,180
Cash and cash equivalents at the beginning of the quarter	514,621	485,441
<b>Cash and cash equivalents at the end of the quarter</b>	<b>440,803</b>	<b>514,621</b>

Signed by

Date

Mark Wiessing  
Chief Executive Officer

August 10, 2012

Waziri Barnabas  
Chief Financial Officer

August 10, 2012

Augustino Mbogella  
Chief Internal Auditor

August 10, 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

August 10, 2012

Protase Tehingisa

Director

August 10, 2012

## INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2012 (Amounts in million shillings)

	Current Quarter 30.06.2012	Comparative Quarter 30.06.2011	Current Year Cumulative 30.06.2012	Comparative Year Cumulative 30.06.2011
1 Interest income	71,019	46,705	133,598	89,315
2 Interest expense	(2,159)	(1,600)	(3,460)	(5,045)
<b>3 Net interest income (1minus2)</b>	<b>68,860</b>	<b>45,105</b>	<b>130,138</b>	<b>84,270</b>
4 Bad debts written off	-	(1)	-	(1)
5 Impairment Losses on Loans and Advances	(5,063)	(3,409)	(11,121)	(5,980)
<b>6 Non interest income:</b>	<b>29,617</b>	<b>22,352</b>	<b>50,593</b>	<b>44,062</b>
6.1 Foreign currency dealings and translation gain/(loss)	2,436	1,585	4,624	3,355
6.2 Fee and commissions	26,953	17,214	45,501	35,051
6.3 Dividend income	-	-	-	-
6.4 Others operating income	228	3,553	468	5,656
<b>7 Non interest expense:</b>	<b>(54,081)</b>	<b>(40,430)</b>	<b>(95,484)</b>	<b>(70,966)</b>
7.1 Salaries and benefits	(20,794)	(15,518)	(41,198)	(30,244)
7.2 Fees and commissions	(3,249)	(2,807)	(6,409)	(5,158)
7.3 Other operation expenses	(30,038)	(22,105)	(47,877)	(35,564)
<b>8 Operating income/(loss)</b>	<b>39,333</b>	<b>23,617</b>	<b>74,126</b>	<b>51,385</b>
9 Income tax provision	(11,800)	(7,961)	(22,238)	(16,292)
<b>10 Net income(loss)after income tax</b>	<b>27,533</b>	<b>15,656</b>	<b>51,888</b>	<b>35,093</b>
11 Number of employees	2,693	2,701	2,693	2,701
12 Basic earnings per share	55	31	104	70
13 Diluted earnings per share	55	31	104	70
14 Number of branches	142	139	142	139
<b>SELECTED PERFORMANCE INDICATORS</b>				
(i) Return on average total assets	4.57%	2.86%	4.41%	3.20%
(ii) Return on average shareholders funds	34.45%	25.62%	33.32%	28.71%
(iii) Non interest expense to gross income	53.74%	58.55%	51.84%	53.21%
(iv) Net interest income to average earning assets	15.66%	11.11%	14.97%	10.37%

**Jenga maisha yako na NMB**

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