

**NATIONAL MICROFINANCE BANK PLC**

**Report of Condition of the Bank Published Pursuant to  
Section 32(3) of the Banking and Financial Institutions Act, 2006**

**AUDITED BALANCE SHEET AS AT 31 DECEMBER, 2014**

(Amounts in million shillings)

	GROUP		BANK	
	Current Year 31.12.2014	Previous Year 31.12.2013	Current Year 31.12.2014	Previous Year 31.12.2013
<b>A. ASSETS</b>				
1 Cash	207,987	218,133	207,987	218,133
2 Balances with Bank of Tanzania	599,415	327,175	599,415	327,175
3 Investments in Government securities	737,126	820,744	737,126	820,744
4 Balances with other banks and financial institutions	140,908	153,377	140,908	153,377
5 Cheques and items for clearing	5,091	8,262	5,091	8,262
6 Inter branch float items	-	208	-	208
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)	1,986,162	1,606,357	2,007,389	1,614,292
12 Other assets	83,544	63,139	77,632	58,285
13 Equity investments	1,740	1,740	20,600	20,600
14 Underwriting accounts	-	-	-	-
15 Property, Plant and equipment	126,695	88,040	85,847	59,110
<b>16 TOTAL ASSETS</b>	<b>3,888,668</b>	<b>3,287,175</b>	<b>3,881,995</b>	<b>3,280,186</b>
<b>B. LIABILITIES</b>				
17 Deposits from other banks and financial institutions	5,244	6,080	5,244	6,080
18 Customer deposits	2,973,013	2,558,630	2,974,068	2,563,309
19 Cash letters of credit	-	-	-	-
20 Special Deposits	32,572	19,316	32,572	19,316
21 Payment orders/transfers payable	-	-	-	-
22 Bankers' cheques and drafts issued	3,099	3,054	3,099	3,054
23 Accrued taxes and expenses payable	30,086	26,926	30,862	26,926
24 Acceptances outstanding	-	-	-	-
25 Inter branch float items	-	-	-	-
26 Unearned income and other deferred charges	-	-	-	-
27 Other liabilities	63,851	45,094	64,834	44,024
28 Borrowings	204,095	160,886	204,095	160,811
<b>29 TOTAL LIABILITIES</b>	<b>3,311,960</b>	<b>2,819,986</b>	<b>3,314,774</b>	<b>2,823,520</b>
<b>30 NET ASSETS /(LIABILITIES)</b>	<b>576,708</b>	<b>467,189</b>	<b>567,221</b>	<b>456,666</b>
<b>C. SHAREHOLDERS' FUNDS</b>				
31 Paid up share capital	20,000	20,000	20,000	20,000
32 Capital reserves	-	-	-	-
33 Retained earnings	402,264	313,551	391,666	302,760
34 Profit(Loss) account	154,512	133,638	155,623	133,906
35 Others capital accounts	(68)	-	(68)	-
36 Minority interest	-	-	-	-
<b>37 TOTAL SHAREHOLDERS' FUNDS</b>	<b>576,708</b>	<b>467,189</b>	<b>567,221</b>	<b>456,666</b>
38 Contingent liabilities	259,407	167,281	259,407	167,281
39 Non performing loans & advances	55,995	42,957	55,995	42,957
40 Allowances for probable losses	39,377	38,137	39,377	38,137
41 Other non performing assets	6	104	6	104
	-	-	-	-
<b>D SELECTED FINANCIAL CONDITION INDICATORS</b>				
(i) Shareholders Funds to total assets	17.4%	16.6%	17.1%	16.2%
(ii) Non performing loans to total gross loans	2.8%	2.6%	2.7%	2.6%
(iii) Gross loans and advances to total deposits	67.3%	63.6%	68.0%	63.8%
(iv) Loans and advances to total assets	51.1%	48.9%	51.7%	49.2%
(v) Earnings assets to total Assets	73.7%	78.6%	74.9%	79.5%
(vi) Deposits growth	16.5%	12.7%	16.3%	12.8%
(vii) Assets growth	18.3%	17.4%	18.3%	17.3%

**AUDITED INCOME STATEMENT  
FOR THE PERIOD ENDED 31 DECEMBER, 2014**

(Amounts in million shillings)

	GROUP		BANK	
	Current Year 31.12.2014	Previous Year 31.12.2013	Current Year 31.12.2014	Previous Year 31.12.2013
1 Interest income	416,490	355,686	417,603	355,686
2 Interest expense	(39,264)	(25,893)	(39,264)	(25,893)
<b>3 Net interest income (1minus2)</b>	<b>377,226</b>	<b>329,793</b>	<b>378,339</b>	<b>329,793</b>
4 Bad debts written off	-	-	-	-
5 Impairment Losses on Loans and Advances	(16,589)	(23,766)	(16,589)	(23,766)
<b>6 Non interest income:</b>	<b>143,983</b>	<b>113,303</b>	<b>144,019</b>	<b>113,402</b>
6.1 Foreign currency dealings and translation gain/(loss)	17,620	8,378	17,620	8,378
6.2 Fee and commissions	117,113	98,279	117,149	98,378
6.3 Dividend income	-	-	-	-
6.4 Others operating income	9,250	6,646	9,250	6,646
<b>7 Non interest expense:</b>	<b>(281,072)</b>	<b>(231,467)</b>	<b>(281,110)</b>	<b>(231,298)</b>
7.1 Salaries and benefits	(116,693)	(99,675)	(116,693)	(99,675)
7.2 Fees and commissions	(7,369)	(6,000)	(7,369)	(6,000)
7.3 Other operation expenses	(157,010)	(125,792)	(157,048)	(125,623)
<b>8 Operating income/(loss)</b>	<b>223,548</b>	<b>187,863</b>	<b>224,659</b>	<b>188,131</b>
9 Income tax provision	(69,036)	(54,225)	(69,036)	(54,225)
<b>10 Net income(loss)after income tax</b>	<b>154,512</b>	<b>133,638</b>	<b>155,623</b>	<b>133,906</b>
			-	
11 Number of employees	3,009	2,871	3,009	2,871
12 Basic earnings per share	310	267	311	268
13 Diluted earnings per share	310	267	311	268
14 Number of branches	163	152	163	152
<b><u>SELECTED PERFORMANCE INDICATORS</u></b>				
(i) Return on average total assets	4.0%	4.1%	4.0%	4.1%
(ii) Return on average shareholders funds	27.0%	28.6%	27.0%	29.3%
(iii) Non interest expense to gross income	50.1%	49.4%	50.1%	49.3%
(iv) Net interest income to average earning assets	14.0%	13.6%	14.0%	13.4%

**AUDITED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 DECEMBER, 2014**

(Amounts in million shillings)

	GROUP	GROUP	BANK	BANK
	Current Year 31.12.2014	Previous Year 31.12.2013	Current Year 31.12.2014	Previous Year 31.12.2013
<b>I: Cash flow from Operating activities:</b>				
Net income(loss)	223,548	187,863	224,659	188,131
Adjustment for:				
- Impairment/amortization	19,456	17,570	19,456	17,570
- Net change in loans and advances	(379,805)	(260,425)	(393,097)	(268,360)
- Gain/loss on sale of assets	(325)	(153)	(325)	(153)
- Net change in deposits	426,803	223,295	423,179	226,069
- Net change in short term negotiable securities	-	-	-	-
- Net change in other liabilities	21,962	5,453	24,791	3,537
- Net change in other assets	(9,483)	(23,704)	(8,425)	(21,385)
- Tax paid	(72,850)	(67,431)	(72,850)	(67,431)
- Others (SMR and Securities)	66,993	(258,575)	66,993	(258,575)
<b>Net cash provided (used) by operating activities</b>	<b>296,299</b>	<b>(176,107)</b>	<b>284,381</b>	<b>(180,597)</b>
<b>II: Cash flow from Investing activities:</b>				
Dividends received	-	-	-	-
Purchase of fixed assets	(61,852)	(34,923)	(49,934)	(21,739)
Proceeds from sale of fixed assets	337	300	337	300
Purchase of non-dealing securities	-	-	-	-
Proceeds from sale of non-dealing securities	-	-	-	-
Others-(Equity investment)	-	(540)	-	(5,988)
<b>Net cash provided (used) by investing activities</b>	<b>(61,515)</b>	<b>(35,163)</b>	<b>(49,597)</b>	<b>(27,427)</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	-	3,246	-	-
Payment of cash dividends	(45,000)	(34,000)	(45,000)	(34,000)
Net change in other borrowings	43,284	160,811	43,284	160,811
Others (Specify)	-	-	-	-
<b>Net cash provided(used) by financing activities</b>	<b>(1,716)</b>	<b>130,057</b>	<b>(1,716)</b>	<b>126,811</b>
<b>IV: Cash and Cash equivalents:</b>				
Net increase/(decrease) in cash and cash equivalents	233,068	(81,213)	233,068	(81,213)
Cash and cash equivalents at the beginning of the quarter	388,930	470,143	388,930	470,143
<b>Cash and cash equivalents at the end of the quarter</b>	<b>621,998</b>	<b>388,930</b>	<b>621,998</b>	<b>388,930</b>

