

NATIONAL MICROFINANCE BANK PLC

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

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH, 2014

(Amounts in million shillings)

		Current Quarter 31.03.14	Previous Quarter 31.12.13
A.	<u>ASSETS</u>		
1	Cash	160,824	218,133
2	Balances with Bank of Tanzania	410,419	327,175
3	Investments in Government securities	816,570	820,744
4	Balances with other banks and financial institutions	105,572	153,377
5	Cheques and items for clearing	37,663	8,262
6	Inter branch float items	1,835	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)	1,729,973	1,614,292
12	Other assets	90,234	58,285
13	Equity investments	20,600	20,600
14	Underwriting accounts	-	-
15	Property, Plant and equipment	61,711	59,110
16	TOTAL ASSETS	3,435,401	3,280,186
B.	<u>LIABILITIES</u>		
17	Deposits from other banks and financial institutions	2,247	6,080
18	Customer deposits	2,664,833	2,563,309
19	Cash letters of credit	-	-
20	Special Deposits	15,789	19,316
21	Payment orders/transfers payable	-	-
22	Bankers' cheques and drafts issued	3,402	3,054
23	Accrued taxes and expenses payable	25,692	26,926
24	Acceptances outstanding	-	-
25	Inter branch float items	-	-
26	Unearned income and other deferred charges	15,386	15,194
27	Other liabilities	38,247	28,830
28	Borrowings	174,958	160,811
29	TOTAL LIABILITIES	2,940,554	2,823,520
30	NET ASSETS /(LIABILITIES)	494,847	456,666
C.	<u>SHAREHOLDERS' FUNDS</u>		
31	Paid up share capital	20,000	20,000
32	Capital reserves	-	-
33	Retained earnings	436,666	302,760
34	Profit(Loss) account	38,181	133,906
35	Other capital accounts	-	-
36	Minority interest	-	-
37	TOTAL SHAREHOLDERS' FUNDS	494,847	456,666
38	Contingent liabilities	167,629	167,281
39	Non performing loans & advances	44,477	42,957
40	Allowances for probable losses	38,746	38,137
41	Other non performing assets	601	104
D	<u>SELECTED FINANCIAL CONDITION INDICATORS</u>		
(i)	Shareholders Funds to total assets	14.4%	13.9%
(ii)	Non performing loans to total gross loans	2.5%	2.6%
(iii)	Gross loans and advances to total deposits	66.4%	64.5%
(iv)	Loans and advances to total assets	50.4%	49.2%
(v)	Earnings assets to total Assets	77.2%	78.9%
(vi)	Deposits growth	4.0%	-0.8%
(vii)	Assets growth	4.7%	3.7%

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31ST MARCH, 2014**

(Amounts in million shillings)

	Current Quarter 31.03.2014	Comparative Quarter 31.03.2013	Current Year Cumulative 31.03.2014	Comparative Year Cumulative 31.03.2013
1 Interest income	97,143	81,008	97,143	81,008
2 Interest expense	(7,140)	(5,813)	(7,140)	(5,813)
3 Net interest income (1 minus 2)	90,003	75,195	90,003	75,195
4 Bad debts written off	-	-	-	-
5 Impairment Losses on Loans and Advances	(4,653)	(3,495)	(4,653)	(3,495)
6 Non interest income:	32,729	23,510	32,729	23,510
6.1 Foreign currency dealings and translation gain/(loss)	3,301	1,621	3,301	1,621
6.2 Fee and commissions	27,138	21,622	27,138	21,622
6.3 Dividend income	-	-	-	-
6.4 Others operating income	2,290	267	2,290	267
7 Non interest expense:	(63,535)	(52,599)	(63,535)	(52,599)
7.1 Salaries and benefits	(29,996)	(23,421)	(29,996)	(23,421)
7.2 Fees and commissions	(2,893)	(2,945)	(2,893)	(2,945)
7.3 Other operation expenses	(30,646)	(26,233)	(30,646)	(26,233)
8 Operating income/(loss)	54,544	42,611	54,544	42,611
9 Income tax provision	(16,363)	(12,783)	(16,363)	(12,783)
10 Net income(loss)after income tax	38,181	29,828	38,181	29,828
11 Number of employees	2,869	2,798	2,869	2,798
12 Basic earnings per share	76	60	76	60
13 Diluted earnings per share	76	60	76	60
14 Number of branches	154	149	154	149
<u>SELECTED PERFORMANCE INDICATORS</u>				
(i) Return on average total assets	4.5%	4.0%	4.5%	4.0%
(ii) Return on average shareholders funds	31.1%	30.9%	31.1%	30.9%
(iii) Non interest expense to gross income	48.9%	50.3%	48.9%	50.3%
(iv) Net interest income to average earning assets	13.8%	14.0%	13.8%	14.0%

STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31ST MARCH, 2014
(Amounts in million shillings)

		Current Quarter 31.03.2014	Previous Quarter 31.12.2013
I:	Cash flow from Operating activities:		
	Net income(loss)	54,544	45,459
	Adjustment for:		
	- Impairment/amortization	5,332	6,307
	- Net change in loans and advances	(115,680)	(107,243)
	- Gain/loss on sale of assets	-	-
	- Net change in deposits	94,164	(23,857)
	- Net change in short term negotiable securities	-	-
	- Net change in other liabilities	8,724	(27,066)
	- Net change in other assets	(33,577)	(37,142)
- Tax paid	(17,155)	(23,311)	
- Others (Net change in SMR deposits)	(13,154)	384	
	Net cash provided (used) by operating activities	(16,802)	(166,469)
II:	Cash flow from Investing activities:		
	Dividends received	-	-
	Purchase of fixed assets	(7,141)	(3,043)
	Proceeds from sale of fixed assets	-	-
	Purchase of non-dealing securities	-	-
	Proceeds from sale of non-dealing securities	-	-
	Others-(Treasury Bonds/Bills /Equity investment)	6,245	2,775
	Net cash provided (used) by investing activities	(896)	(268)
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	-	-
	Net change in other borrowings	14,148	142,353
	Others (specify)	-	-
	Net cash provided(used) by financing activities	14,148	142,353
IV:	Cash and Cash equivalents:		
	Net increase/(decrease) in cash and cash equivalents	(3,550)	(24,384)
	Cash and cash equivalents at the beginning of the quarter	553,563	577,947
	Cash and cash equivalents at the end of the quarter	550,013	553,563

Signed by**Date**

Mark Wiessing
Chief Executive Officer

May 10, 2014

Waziri Barnabas
Chief Financial Officer

May 10, 2014

Augustino Mbogella
Chief Internal Auditor

May 10, 2014

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**

Margaret Ikongo Director

May 10, 2014

Protase Tehingisa Director

May 10, 2014