

# NMB BANK PLC AUDITED FINANCIAL STATEMENTS

Issued pursuant to regulations 7 and 8 of the Banking and Financial Institutions (Disclosures) Regulations, 2014



**4.1**  
Trillion  
Loans & Advances  
**14%** YoY

**7.1**  
Trillion  
Total Assets  
**8%** YoY

**5.2**  
Trillion  
Customer Deposits  
**7%** YoY

**Profit**  
Before Tax  
**295.7**  
Billion  
**40%** YoY

**Profit**  
After Tax  
**205.8**  
Billion  
**45%** YoY

**Return on Average Shareholders Funds**  
**18%**

**Non Performing Loans to Gross Loans**  
**5%**

**Non Interest Expenses to Gross Income**  
**51%**

\*YoY - Year on Year

## AUDITED STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER, 2020 (Amounts in million shillings)

	GROUP		BANK	
	Current Year 31.12.2020	Previous Year 31.12.2019	Current Year 31.12.2020	Previous Year 31.12.2019
<b>A. ASSETS</b>				
1 Cash	661,689	498,231	661,689	498,231
2 Balances with Bank of Tanzania	385,799	842,909	385,799	842,909
3 Investments in Government securities	1,304,253	761,554	1,304,253	761,554
4 Balances with other banks and financial institutions	170,829	264,326	170,829	264,326
5 Cheques and items for clearing	1,449	4,152	1,449	4,152
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)	4,108,789	3,590,006	4,109,260	3,595,688
12 Other assets	206,893	214,162	280,336	383,191
13 Equity investments	2,920	2,920	2,920	2,920
14 Underwriting accounts	-	-	-	-
15 Property, Plant and equipment	215,715	239,167	181,562	203,044
<b>16 TOTAL ASSETS</b>	<b>7,058,336</b>	<b>6,417,427</b>	<b>7,098,097</b>	<b>6,556,015</b>
<b>B. LIABILITIES</b>				
17 Deposits from other banks and financial institutions	131,224	33,446	131,224	33,446
18 Customer deposits	5,247,973	4,882,123	5,247,978	4,887,850
19 Cash letters of credit	36,645	19,833	36,645	19,833
20 Special Deposits	40,833	14,595	40,833	14,595
21 Payment orders/transfers payable	-	-	-	-
22 Bankers' cheques and drafts issued	2,118	-	2,118	2,133
23 Accrued taxes and expenses payable	36,682	33,355	36,683	33,355
24 Acceptances outstanding	-	-	-	-
25 Inter branch float items	-	-	-	-
26 Unearned income and other deferred charges	-	-	-	-
27 Other liabilities	107,977	117,530	148,943	244,971
28 Borrowings	323,740	347,443	323,740	347,443
<b>29 TOTAL LIABILITIES</b>	<b>5,927,191</b>	<b>5,448,325</b>	<b>5,968,163</b>	<b>5,583,626</b>
<b>30 NET ASSETS/(LIABILITIES)</b>	<b>1,131,145</b>	<b>969,102</b>	<b>1,129,934</b>	<b>972,389</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	896,141	799,733	903,340	809,173
34 Profit(Loss) account	210,300	144,739	205,802	142,167
35 Other capital accounts	792	1,049	792	1,049
36 Minority interest	3,912	3,581	-	-
<b>37 TOTAL SHAREHOLDERS' FUNDS</b>	<b>1,131,145</b>	<b>969,102</b>	<b>1,129,934</b>	<b>972,389</b>
38 Contingent liabilities	624,881	652,654	624,881	652,654
39 Non performing loans & advances	231,287	254,241	231,287	254,241
40 Allowances for probable losses	204,809	173,110	204,809	173,110
41 Other non performing assets	10,055	2,850	10,055	2,850
<b>D. SELECTED FINANCIAL CONDITION INDICATORS</b>				
(i) Shareholders Funds to total assets	16%	15%	16%	15%
(ii) Non performing loans to total gross loans	5%	7%	5%	7%
(iii) Gross loans and advances to total deposits	78%	73%	78%	73%
(iv) Loans and advances to total assets	58%	56%	58%	55%
(v) Earnings assets to total Assets	79%	72%	79%	71%
(vi) Deposits growth	8%	14%	8%	14%
(vii) Assets growth	10%	13%	8%	15%

## AUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020 (Amounts in million shillings)

	GROUP		BANK	
	Current Year 31.12.2020	Previous Year 31.12.2019	Current Year 31.12.2020	Previous Year 31.12.2019
1 Interest income	712,648	653,195	712,977	653,974
2 Interest expense	(141,483)	(130,820)	(147,322)	(136,333)
<b>3 Net interest income (1minus2)</b>	<b>571,165</b>	<b>522,375</b>	<b>565,655</b>	<b>517,641</b>
4 Bad debts written off	-	-	-	-
5 Impairment Losses on Loans and Advances	(119,312)	(100,410)	(119,312)	(100,410)
<b>6 Non interest income:</b>	<b>271,279</b>	<b>204,409</b>	<b>271,279</b>	<b>204,409</b>
6.1 Foreign currency dealings and translation gain/(loss)	30,484	25,554	30,484	25,554
6.2 Fee and commissions	226,400	169,153	226,400	169,153
6.3 Dividend income	-	-	-	-
6.4 Other operating income	14,395	9,702	14,395	9,702
<b>7 Non interest expense:</b>	<b>(421,852)</b>	<b>(410,513)</b>	<b>(421,879)</b>	<b>(410,552)</b>
7.1 Salaries and benefits	(195,515)	(182,579)	(195,515)	(182,579)
7.2 Fees and commissions	(10,603)	(10,793)	(10,603)	(10,793)
7.3 Other operating expenses	(215,734)	(217,141)	(215,761)	(217,180)
<b>8 Operating income/(loss)</b>	<b>301,280</b>	<b>215,861</b>	<b>295,743</b>	<b>211,088</b>
9 Income tax expense	(90,980)	(71,122)	(89,941)	(68,921)
<b>10 Net income/(loss)after income tax</b>	<b>210,300</b>	<b>144,739</b>	<b>205,802</b>	<b>142,167</b>
<b>11 Other comprehensive income, net of tax</b>				
Fair value gain/ (loss) on FVOCI - net of tax	(257)	168	(257)	168
<b>Total comprehensive income for the year</b>	<b>210,043</b>	<b>144,907</b>	<b>205,545</b>	<b>142,335</b>
12 Number of employees	3,474	3,450	3,474	3,450
13 Basic earnings per share	420	289	412	284
14 Diluted earnings per share	420	289	412	284
15 Number of branches	226	224	226	224
<b>SELECTED PERFORMANCE INDICATORS</b>				
(i) Return on average total assets	3%	2%	3%	2%
(ii) Return on average shareholders funds	19%	15%	18%	15%
(iii) Non interest expense to gross income	50%	56%	51%	57%
(iv) Net interest income to average earning assets	10%	11%	13%	14%

## AUDITED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2020 (Amounts in million shillings)

	GROUP		BANK	
	Current Year 31.12.2020	Previous Year 31.12.2019	Current Year 31.12.2020	Previous Year 31.12.2019
<b>I. Cash flow from Operating activities:</b>				
Net income/loss	301,280	215,861	295,743	211,088
Adjustment for:				
- Impairment/amortization	68,308	73,367	68,550	73,608
- Net change in loans and advances	(518,783)	(348,605)	(513,572)	(343,894)
- Gain/loss on sale of assets	(159)	(131)	(159)	(131)
- Net change in deposits	506,677	614,007	500,955	607,347
- Net change in short term negotiable securities	(7,970)	(2,717)	(12,202)	(2,717)
- Net change in other liabilities	42,333	36,843	49,370	54,422
- Net change in other assets	28,297	(18,499)	30,247	(33,659)
- Tax paid	(123,140)	(60,418)	(122,089)	(56,357)
- Others (SMR)	64,078	10,003	64,078	10,003
<b>Net cash provided (used) by operating activities</b>	<b>360,921</b>	<b>519,710</b>	<b>360,921</b>	<b>519,710</b>
<b>II. Cash flow from Investing activities:</b>				
Dividends received	(18,755)	(12,649)	(18,755)	(12,649)
Purchase of fixed assets	174	292	174	292
Proceeds from sale of fixed assets	(1,096,690)	(659,892)	(1,096,690)	(659,892)
Purchase of non-dealing securities	560,401	641,480	560,401	641,480
Others (Equity investment and Securities)	(4,325)	(10,967)	(4,325)	(10,967)
<b>Net cash provided (used) by investing activities</b>	<b>(559,195)</b>	<b>(41,736)</b>	<b>(559,195)</b>	<b>(41,736)</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	(48,000)	(33,000)	(48,000)	(33,000)
Payment of cash dividends	(67,297)	(71,102)	(67,297)	(71,102)
Net change in other borrowings	(11,944)	(60)	(11,944)	(60)
Others (Effect of movement in Foreign Exchange)	-	-	-	-
<b>Net cash provided(used) by financing activities</b>	<b>(127,241)</b>	<b>(104,162)</b>	<b>(127,241)</b>	<b>(104,162)</b>
<b>IV. Cash and Cash equivalents:</b>				
Net increase/(decrease) in cash and cash equivalents	(325,515)	373,812	(325,515)	373,812
Cash and cash equivalents at the beginning of the year	1,232,544	858,732	1,232,544	858,732
<b>Cash and cash equivalents at the end of the year</b>	<b>907,029</b>	<b>1,232,544</b>	<b>907,029</b>	<b>1,232,544</b>

## CONDENSED BANK'S STATEMENT OF CHANGES IN EQUITY AS AT 31<sup>ST</sup> DECEMBER 2020 (Amounts in million shillings)

	Share Capital	Share Premium	Retained Earnings	Regulatory Reserve	General Provision Reserve	Others (Fair Valuation)	Total
<b>Current Year 2020</b>							
Balance as at the beginning of the year	20,000	-	951,340	-	-	1,049	972,389
Profit for the year	-	-	205,802	-	-	-	205,802
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-
Dividends Paid	-	-	(48,000)	-	-	-	(48,000)
Regulatory Reserve	-	-	-	-	-	-	-
General Provision Reserve	-	-	-	-	-	-	-
Others	-	-	-	-	-	(257)	(257)
<b>Balance as at the end of the current period</b>	<b>20,000</b>	<b>-</b>	<b>1,109,142</b>	<b>-</b>	<b>-</b>	<b>792</b>	<b>1,129,934</b>
<b>Previous Year 2019</b>							
Balance as at the beginning of the year	20,000	-	808,448	-	33,725	881	863,054
Profit for the year	-	-	142,167	-	-	-	142,167
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-
Dividends Paid	-	-	(33,000)	-	-	-	(33,000)
Regulatory Reserve	-	-	-	-	-	-	-
General Provision Reserve	-	-	33,725	-	(33,725)	-	-
Others	-	-	-	-	-	168	168
<b>Balance as at the end of the Previous period</b>	<b>20,000</b>	<b>-</b>	<b>951,340</b>	<b>-</b>	<b>-</b>	<b>1,049</b>	<b>972,389</b>

## CONDENSED GROUP'S CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31<sup>ST</sup> DECEMBER 2020 (Amounts in million shillings)

	Share Capital	Share Premium	Retained Earnings	Regulatory Reserve	General Provision Reserve	Others (Fair Valuation)	Total
<b>Current Year 2020</b>							
Balance as at the beginning of the year	20,000	-	944,472	-	-	4,630	969,102
Profit for the year	-	-	209,969	-	-	331	210,300
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-
Dividends Paid	-	-	(48,000)	-	-	-	(48,000)
Regulatory Reserve	-	-	-	-	-	-	-
General Provision Reserve	-	-	-	-	-	-	-
Others	-	-	-	-	-	(257)	(257)
<b>Balance as at the end of the current period</b>	<b>20,000</b>	<b>-</b>	<b>1,106,441</b>	<b>-</b>	<b>-</b>	<b>4,704</b>	<b>1,131,145</b>
<b>Previous Year 2019</b>							
Balance as at the beginning of the year	20,000	-	799,128	-	33,725	4,342	857,195
Profit for the year	-	-	144,619	-	-	120	144,739
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-
Dividends Paid	-	-	(33,000)	-	-	-	(33,000)
Regulatory Reserve	-	-	33,725	-	(33,725)	-	-
General Provision Reserve	-	-	-	-	-	-	-
Others	-	-	-	-	-	168	168
<b>Balance as at the end of the Previous period</b>	<b>20,000</b>	<b>-</b>	<b>944,472</b>	<b>-</b>	<b>-</b>	<b>4,630</b>	<b>969,102</b>

Name and Title	Signature	Date
Ruth Zaipuna Chief Executive Officer		March 30, 2021
Juma Kimori Chief Financial Officer		March 30, 2021
Benedicto Baragomwa Ag. Chief Internal Auditor		March 30, 2021

We, the undersigned directors, attest to the faithful representation of the above statements. We declare that the statements have been examined by us and, to the best of our knowledge and belief, have prepared in conformance with International Financial Reporting Standards and the requirements of the Banking and Financial Institutions Act, 2006 The Financial Statements were audited by PricewaterhouseCoopers, Certified Public Accountants(T), and they present a true and fair view.

Name and Title	Signature
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