

NATIONAL MICROFINANCE BANK PLC
Report of Condition of the Bank Pursuant To Section 32(3)
Of The Banking and Financial Institutions Act, 2006
AUDITED BALANCE SHEET AS AT 31 DECEMBER, 2008
(Amounts in million shillings)

		Current Year	Previous Year
		31.12.2008	31.12.2007
A. ASSETS			
1	Cash	96.406	66.410
2	Balances with Bank of Tanzania	82.180	76.955
3	Balances with other banks	134.046	165.574
4	Cheques and items for clearing	21.856	11.613
5	Investments in Government securities	436.662	466.564
6	Investments in other securities	746	2.204
7	Loans, advances and overdrafts (net of allowances for probable losses)	570.578	345.210
8	Bills negotiated	0	0
9	Equity investments	0	0
10	Customer liability on acceptances	0	0
11	Fixed assets (less depreciation)	25.049	18.304
12	Interbranch suspense (net)	242	431
13	Other assets	16.504	5.045
14	TOTAL ASSETS	1.384.268	1.158.309
B. LIABILITIES			
15	Customer deposits	1.200.484	1.012.824
16	Deposits from other banks	0	5.664
17	Cash letters of credit	0	0
18	Bills payable	0	0
19	Bankers cheques and drafts issued	8.096	5.248
20	Accrued taxes and expenses payable	7.169	6.734
21	Acceptances outstanding	0	0
22	Inter branch suspense (net)	0	0
23	Other liabilities	8.830	5.856
24	TOTAL LIABILITIES	1.224.579	1.036.326
25	NET ASSETS /(LIABILITIES)	159.689	121.982
C. CAPITAL AND RESERVES			
26	Paid up share capital	20.000	20.000
27	Capital reserves	5.439	2.741
28	Retained earnings	85.543	60.406
29	Profit (Loss) account	48.707	38.835
30	Others	0	0
31	TOTAL SHAREHOLDERS' FUNDS	159.689	121.982
32	Contingent liabilities	30.066	46.452
33	Non performing loans & advances	32.290	15.759
34	Allowances for probable losses	9.556	5.748
35	Other non performing assets	0	0
D. PERFORMANCE INDICATORS			
(I)	Total Capital to total assets	11,54%	10,53%
(II)	Non performing loans & advances to total loans and advances	5,54%	4,49%
(III)	Gross loans and advances to total deposits	48,56%	34,66%
(IV)	Loans and advances to total assets	41,22%	29,80%

**AUDITED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008
(Amounts in million shillings)**

		Current Year	Previous Year
		31.12.2008	31.12.2007
1	Interest income	134.507	114.125
2	Interest expense	-11.806	-9.281
3	Net interest income (1minus2)	122.701	104.844
4	Bad debts written off	0	0
5	Provision for bad and doubtful debts	-6.222	-2.785
6	Non interest income:	32.551	30.277
	6.1 Foreign exchange profit/(loss)	3.761	255
	6.2 Commissions and fees	21.865	28.380
	6.3 Others	6.926	1.646
7	Non interest expense:	-78.095	-74.409
8	Operating income/(loss) before tax and extraordinary items	70.935	57.927
9	Extraordinary gains (losses)	0	0
10	Income tax provision	-22.228	-19.092
11	Net income (loss) after income tax and extraordinary items	48.707	38.835
12	Number of employees	2.020	1.869
PERFORMANCE INDICATORS			
(I)	Return on average total assets	3,71%	4,11%
(II)	Return on ordinary shareholders funds	34,57%	38,75%
(III)	Non interest expense to gross income	46,75%	51,53%
(IV)	Interest margin to average earning assets	11,78%	13,67%