

AUDITED FINANCIAL STATEMENTS

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

AUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2015 (Amounts in million shillings)				
	GROUP Current Year 31.12.2015	GROUP Previous Year 31.12.2014	BANK Current Year 31.12.2015	BANK Previous Year 31.12.2014
A. ASSETS				
1 Cash	267,219	207,987	267,219	207,987
2 Balances with Bank of Tanzania	704,887	599,415	704,887	599,415
3 Investments in Government securities	673,269	737,126	673,269	737,126
4 Balances with other banks and financial institutions	193,053	140,908	193,053	140,908
5 Cheques and items for clearing	-	5,091	-	5,091
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)	2,457,282	1,986,162	2,481,753	2,007,389
12 Other assets	84,846	83,544	65,365	77,632
13 Equity investments	1,740	1,740	41,379	20,600
14 Underwriting accounts	-	-	-	-
15 Property, Plant and equipment	194,217	126,695	153,166	85,847
16 TOTAL ASSETS	4,576,513	3,888,668	4,580,091	3,881,995
B. LIABILITIES				
17 Deposits from other banks and financial institutions	1,600	5,244	1,600	5,244
18 Customer deposits	3,550,440	2,973,013	3,553,541	2,974,068
19 Cash letters of credit	-	-	-	-
20 Special Deposits	14,330	32,572	14,330	32,572
21 Payment orders/transfers payable	-	-	-	-
22 Bankers' cheques and drafts issued	246	3,099	246	3,099
23 Accrued taxes and expenses payable	43,145	30,086	25,215	30,086
24 Acceptances outstanding	-	-	-	-
25 Inter branch float items	-	-	-	-
26 Unearned income and other deferred charges	-	-	-	-
27 Other liabilities	35,888	63,851	53,977	65,610
28 Borrowings	265,753	204,095	265,753	204,095
29 TOTAL LIABILITIES	3,911,402	3,311,960	3,914,662	3,314,774
30 NET ASSETS/(LIABILITIES)	665,111	576,708	665,429	567,221
C. SHAREHOLDERS' FUNDS				
31 Paid up share capital	20,000	20,000	20,000	20,000
32 Capital reserves	-	-	-	-
33 Retained earnings	469,352	391,350	470,613	391,666
34 Profit/(Loss) account	148,813	154,512	150,288	155,623
35 Others capital accounts	24,528	-68	24,528	-68
36 Minority interest	2,418	10,914	-	-
37 TOTAL SHAREHOLDERS' FUNDS	665,111	576,708	665,429	567,221
38 Contingent liabilities	237,638	259,407	237,638	259,407
39 Non performing loans & advances	51,701	55,995	51,701	55,995
40 Allowances for probable losses	36,224	39,377	36,224	39,377
41 Other non performing assets	1,493	6	1,493	6
D. SELECTED FINANCIAL CONDITION INDICATORS				
(i) Shareholders Funds to total assets	14.5%	14.8%	14.5%	14.6%
(ii) Non performing loans to total gross loans	2.1%	2.8%	2.1%	2.7%
(iii) Gross loans and advances to total deposits	69.9%	67.3%	70.6%	68.0%
(iv) Loans and advances to total assets	53.7%	51.1%	54.2%	51.7%
(v) Earnings assets to total Assets	72.7%	73.7%	74.0%	74.9%
(vi) Deposits growth	18.6%	16.5%	18.7%	16.3%
(vii) Assets growth	17.7%	18.3%	18.0%	18.3%

AUDITED STATEMENT OF PROFIT AND LOSS OR OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2015 (Amounts in million shillings)				
	GROUP Current Year 31.12.2015	GROUP Previous Year 31.12.2014	BANK Current Year 31.12.2015	BANK Previous Year 31.12.2014
1 Interest income	436,719	416,490	438,713	417,603
2 Interest expense	-68,529	-39,264	-68,529	-39,264
3 Net interest income (1minus2)	368,190	377,226	370,184	378,339
4 Bad debts written off	-	-	-	-
5 Impairment Losses on Loans and Advances	-13,009	-16,589	-13,009	-16,589
6 Non interest income:	170,594	143,983	169,764	144,019
6.1 Foreign currency dealings and translation gain/(loss)	21,992	17,620	26,430	17,620
6.2 Fee and commissions	124,671	117,113	124,671	117,149
6.3 Dividend income	-	-	-	-
6.4 Others operating income	23,931	9,250	18,663	9,250
7 Non interest expense:	-309,922	-281,072	-309,611	-281,110
7.1 Salaries and benefits	-130,649	-116,693	-130,649	-116,693
7.2 Fees and commissions	-10,253	-7,369	-10,253	-7,369
7.3 Other operation expenses	-169,020	-157,010	-168,709	-157,048
8 Operating income/(loss)	215,853	223,548	217,328	224,659
9 Income tax expense	-67,040	-69,036	-67,040	-69,036
10 Net income/(loss)after income tax	148,813	154,512	150,288	155,623
11 Number of employees	3,163	3,009	3,163	3,009
12 Basic earnings per share	298	310	300	311
13 Diluted earnings per share	298	310	300	311
14 Number of branches	175	163	175	163
SELECTED PERFORMANCE INDICATORS				
(i) Return on average total assets	3.3%	4.0%	3.3%	4.0%
(ii) Return on average shareholders funds	22.4%	26.8%	22.6%	27.4%
(iii) Non interest expense to gross income	51.0%	50.1%	50.9%	50.1%
(iv) Net interest income to average earning assets	11.1%	13.2%	10.9%	13.0%

AUDITED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER, 2015 (Amounts in million shillings)				
	GROUP Current Year 31.12.2015	GROUP Previous Year 31.12.2014	BANK Current Year 31.12.2015	BANK Previous Year 31.12.2014
I: Cash flow from Operating activities:				
Net income(loss)	215,853	223,548	217,328	224,659
Adjustment for:				
- Impairment/amortization	17,381	19,456	17,381	19,456
- Net change in loans and advances	-471,120	-379,805	-474,364	-393,097
- Gain/loss on sale of assets	148	-325	148	-325
- Net change in deposits	555,541	426,803	557,587	423,179
- Net change in short term negotiable securities	-	-	-	-
- Net change in other liabilities	-17,757	21,962	-19,357	24,791
- Net change in other assets	19,027	-9,483	19,314	-8,425
- Tax paid	-63,196	-72,850	-63,196	-72,850
- Others (SMR)	-53,882	-16,557	-53,882	-16,557
Net cash provided (used) by operating activities	201,995	212,749	200,959	200,831
II: Cash flow from Investing activities:				
Dividends received	-	-	-	-
Purchase of fixed assets	-83,683	-61,541	-83,480	-49,623
Proceeds from sale of fixed assets	73	337	73	337
Purchase of non-dealing securities	-	-	-	-
Proceeds from sale of non-dealing securities	-	-	-	-
Others (Equity investment and Securities)	34,924	83,239	35,757	83,239
Net cash provided (used) by investing activities	-48,686	22,035	-47,650	33,953
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	-52,000	-45,000	-52,000	-45,000
Net change in other borrowings	61,658	43,284	61,658	43,284
Others (Specify)	-	-	-	-
Net cash provided(used) by financing activities	9,658	-1,716	9,658	-1,716
IV: Cash and Cash equivalents:				
Net increase/(decrease) in cash and cash equivalents	162,967	233,068	162,967	233,068
Cash and cash equivalents at the beginning of the year	621,998	388,930	621,998	388,930
Cash and cash equivalents at the end of the year	784,965	621,998	784,965	621,998

The above extracts are from the Financial Statements of the Bank for the year ended December 31 2015, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and Companies Act, CAP 212 Act No.12 of 2002. The Financial Statements were audited by Deloitte & Touche, Certified Public Accountants(T), and received an unqualified audit report.

The Financial Statements were approved by the Board of Directors and signed on their behalf by:

Joseph Semboja Board Chairman
Ineke Bussemaker Managing Director
Protase Tehingisa Director
Date signed 25th March, 2016

NMB VALUE ADDED STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015 Value added is the wealth the bank has been able to create by providing clients with a quality, valueadded service.				
Tzs 'Millions	2015	2014		
Value added				
Income earned by providing banking services	553,131	527,383		
Cost of service	(81,538)	(55,853)		
value added by banking services	471,593	471,530		
Non operating and other income and expenditures	(106,235)	(110,722)		
	365,358	360,808		
Value allocated				
To employees:				
Salaries and other benefits	100,757	28%	85,008	24%
To shareholders:				
dividend to shareholders	52,000	14%	45,000	12%
of which to government	16,526	5%	14,301	4%
To government:				
Income Tax	67,040		69,036	
PAYE	24,828		23,485	
Skills development levy	5,064		8,200	
	96,932	27%	100,721	28%
To other stake holders(Sponsorship/Donations):				
	115,669	32%	130,079	36%
To expansion and growth:				
Depreciation,deferred tax and retained earnings	365,358	100%	360,808	
	341,352	100%	287,806	100%

