

AUDITED FINANCIAL STATEMENTS

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, 2013 (Amounts in million shillings)				
	GROUP Current Year 31.12.2013	GROUP Previous Year 31.12.2012	BANK Current Year 31.12.2013	BANK Previous Year 31.12.2012
A. ASSETS				
1 Cash	218,133	185,043	218,133	185,545
2 Balances with Bank of Tanzania	327,175	336,615	327,175	336,113
3 Investments in Government securities	820,744	617,347	820,744	617,347
4 Balances with other banks and financial institutions	153,377	203,062	153,377	191,118
5 Cheques and items for clearing	8,262	11,944	8,262	11,944
6 Inter branch float items	208	88	208	88
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)	1,606,357	1,345,932	1,614,292	1,345,932
12 Other assets	63,139	29,200	58,285	38,609
13 Equity investments	1,740	1,200	20,600	14,612
14 Underwriting accounts	-	-	-	-
15 Property, Plant and equipment	88,040	70,316	59,110	54,570
TOTAL ASSETS	3,287,175	2,800,747	3,280,186	2,795,878
B. LIABILITIES				
17 Deposits from other banks and financial institutions	6,080	72,657	6,080	72,657
18 Customer deposits	2,558,630	2,270,629	2,563,309	2,272,534
19 Cash letters of credit	-	-	-	-
20 Special Deposits	19,316	17,445	19,316	17,445
21 Payment orders/transfers payable	-	-	-	-
22 Bankers' cheques and drafts issued	3,054	3,433	3,054	3,433
23 Accrued taxes and expenses payable	26,926	22,946	26,926	22,946
24 Acceptances outstanding	-	-	-	-
25 Inter branch float items	-	-	-	-
26 Unearned income and other deferred charges	-	-	-	-
27 Other liabilities	45,094	49,257	44,024	50,103
28 Borrowings	160,886	160,811	160,811	160,811
TOTAL LIABILITIES	2,819,986	2,436,367	2,823,520	2,439,118
NET ASSETS / (LIABILITIES)	467,189	364,380	456,666	356,760
C. SHAREHOLDERS' FUNDS				
31 Paid up share capital	20,000	20,000	20,000	20,000
32 Capital reserves	-	-	-	-
33 Retained earnings	313,551	247,058	302,760	239,359
34 Profit/Loss account	133,638	97,322	133,906	97,401
35 Other capital accounts	-	-	-	-
36 Minority interest	-	-	-	-
TOTAL SHAREHOLDERS' FUNDS	467,189	364,380	456,666	356,760
38 Contingent liabilities	167,281	106,756	167,281	106,756
39 Non performing loans & advances	42,957	32,705	42,957	32,705
40 Allowances for probable losses	38,137	30,055	38,137	30,055
41 Other non performing assets	104	379	104	379
D. SELECTED FINANCIAL CONDITION INDICATORS				
(i) Shareholders Funds to total assets	14.2%	13.0%	13.9%	12.7%
(ii) Non performing loans to total gross loans	2.6%	2.4%	2.6%	2.4%
(iii) Gross loans and advances to total deposits	63.8%	60.1%	64.0%	60.1%
(iv) Loans and advances to total assets	48.9%	48.1%	49.2%	48.1%
(v) Earnings assets to total Assets	78.5%	77.4%	78.9%	77.1%
(vi) Deposits growth	12.7%	26.8%	12.8%	26.9%
(vii) Assets growth	17.4%	29.1%	17.3%	28.8%

AUDITED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER, 2013 (Amounts in million shillings)				
	GROUP Current Year 31.12.2013	GROUP Previous Year 31.12.2012	BANK Current Year 31.12.2013	BANK Previous Year 31.12.2012
1 Interest income	355,686	287,924	355,686	287,924
2 Interest expense	-25,893	-9,348	-25,893	-9,348
3 Net interest income (minus)	329,793	278,576	329,793	278,576
4 Bad debts written off	-	-	-	-
5 Impairment Losses on Loans and Advances	-23,766	-25,851	-23,766	-25,851
6 Non interest income:	113,303	94,589	113,402	94,589
6.1 Foreign currency dealings and translation gain/(loss)	8,378	9,086	8,378	9,086
6.2 Fee and commissions	98,279	84,201	98,278	84,201
6.3 Dividend income	-	-	-	-
6.4 Others operating income	6,646	1,302	6,646	1,302
7 Non interest expense:	-231,467	-202,652	-231,298	-202,573
7.1 Salaries and benefits	-99,675	-75,955	-99,675	-75,955
7.2 Fees and commissions	-6,000	-3,639	-6,000	-3,639
7.3 Other operation expenses	-125,792	-123,058	-125,623	-122,979
8 Operating income/(loss)	187,863	144,662	188,131	144,741
9 Income tax provision	-54,225	-47,340	-54,225	-47,340
10 Net income/(loss) after income tax	133,638	97,322	133,906	97,401
11 Number of employees	2,871	2,783	2,871	2,783
12 Basic earnings per share	267	195	268	195
13 Diluted earnings per share	267	195	268	195
14 Number of branches	152	147	152	147
SELECTED PERFORMANCE INDICATORS				
(i) Return on average total assets	4.1%	3.5%	4.1%	3.5%
(ii) Return on average shareholders funds	28.6%	26.7%	29.3%	27.3%
(iii) Non interest expense to gross income	49.4%	53.0%	49.3%	53.0%
(iv) Net interest income to average earning assets	13.6%	14.2%	13.4%	14.1%

The above extracts are from the Financial Statements of the Bank for the year ended December 31, 2013, 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 on 11th March, 2014 and signed on their behalf by:

Joseph Semboja Board Chairman

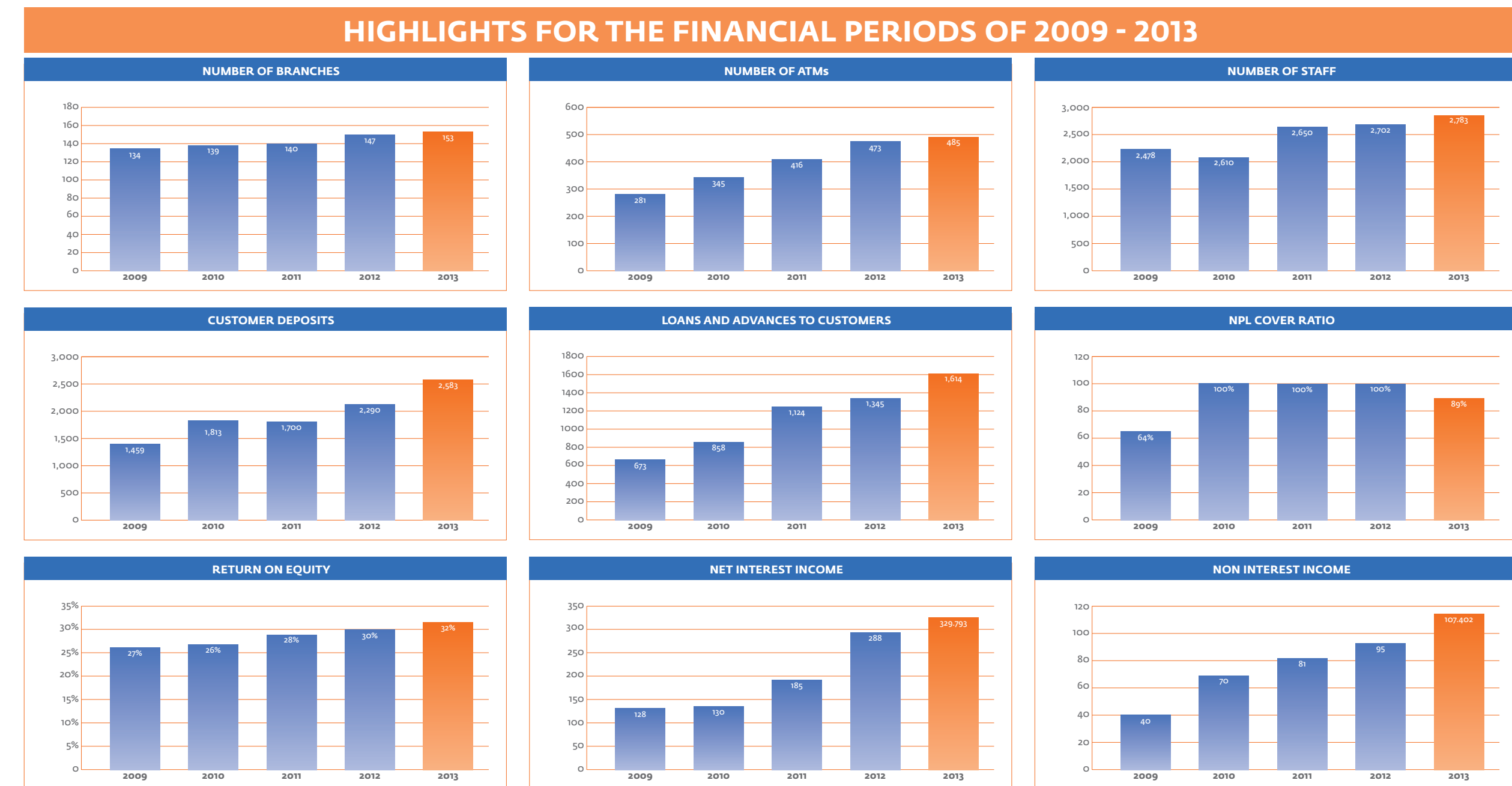
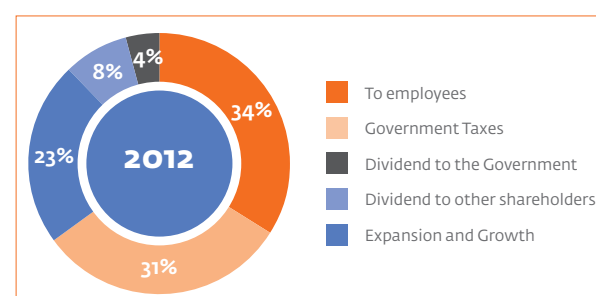
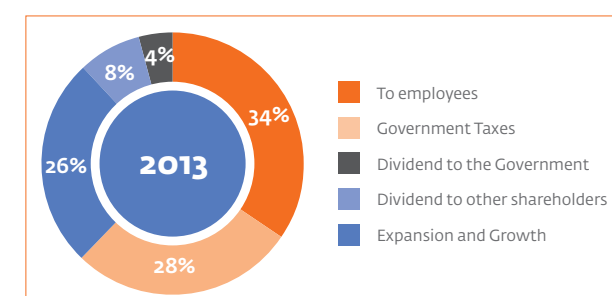
Mark Wiessing Chief Executive Officer

Protase Tehingisa Director

Date signed Thursday, 27 March 2014

AUDITED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER, 2013 (Amounts in million shillings)				
	GROUP Current Year 31.12.2013	GROUP Previous Year 31.12.2012	BANK Current Year 31.12.2013	BANK Previous Year 31.12.2012
I: Cash flow from Operating activities:				
Net income/(loss)	187,863	144,662	188,131	144,741
Adjustment for:				
- Impairment/amortization	17,570	23,867	17,570	23,867
- Net change in loans and advances	-260,425	-222,414	-268,360	-222,414
- Gain/loss on sale of assets	-153	78	-153	78
- Net change in deposits	223,295	524,266	226,069	525,967
- Net change in short term negotiable securities	-	-	-	-
- Net change in other liabilities	5,453	21,105	3,537	21,245
- Net change in other assets	-23,704	-12,847	-21,395	-10,821
- Tax paid	-67,431	-49,622	-67,431	-49,622
- Others (SMR and Securities)	-358,575	-392,442	-358,575	-392,442
Net cash provided (used) by operating activities	-176,107	36,653	-180,597	40,599
II: Cash flow from Investing activities:				
Dividends received	-	-	-	-
Purchase of fixed assets	-34,923	-33,821	-21,739	-20,164
Proceeds from sale of fixed assets	300	74	300	74
Purchase of non-dealing securities	-	-	-	-
Proceeds from sale of non-dealing securities	-	-	-	-
Others (Equity investment)	-540	-	-5,988	-10,807
Net cash provided (used) by investing activities	-35,163	-33,747	-27,427	-30,897
III: Cash Flow from Financing activities:				
Repayment of long-term debt	-	-	-	-
Proceeds from issuance of long term debt	-	-	-	-
Proceeds from issuance of share capital	3,246	-	-	-
Payment of cash dividends	-34,000	-25,000	-34,000	-25,000
Net change in other borrowings	160,811	6,796	160,811	6,796
Others (Specify)	-	-	-	-
Net cash provided(used) by financing activities	130,057	-18,204	126,811	-25,000
IV: Cash and Cash equivalents:				
Net increase/(decrease) in cash and cash equivalents	-81,213	-15,298	-81,213	-15,298
Cash and cash equivalents at the beginning of the quarter	470,143	485,441	470,143	485,441
Cash and cash equivalents at the end of the quarter	388,930	470,143	388,930	470,143

NMB VALUE ADDED STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012 (Amounts in million shillings)			
Tzs 'Millions	2013	2012	
Value added			
Income earned by providing banking services	355,686	287,924	
Cost of service (49,659)	(49,659)	(35,199)	
value added by banking services	306,027	252,725	
Non operating and other income and expenditures	(18,221)	(31,436)	
	287,806	221,289	
Value allocated			
To employees:			
Salaries and other benefits	99,675	75,955	34%
To providers of capital:			
Dividend to Shareholders	34,000	25,000	12%
of which to Government	10,805	7,945	4%
To government:			
Income Tax	54,225	49,623	
PAYE	20,632	14,203	
Skills development levy	4,706	4,557	
To other shareholders (sponsorship /donations)	1,049	891	
	80,612	69,274	31%
To expansion and growth:			
Depreciation,deferred tax and retained earnings	62,519	51,060	23%
	287,806	221,289	100%



Retail Banking

We offer a wide range of generic as well as tailor made products and services for both Personal and Business Banking customers. Our Personal Banking products are structured and segmented to address needs and give value to all our personal customers from civil servants, pensioners, students, minors as well as self-employed individuals. In Business Banking, we offer total financial solutions ranging from Transactional, Working Capital and Capital Expenditure (Capex) Financing and Investments needs to Micro, SME and Emerging Corporates customers. We offer dedicated skilled Business Bankers and Relationship Managers. Competitive pricing, attractive interest rates for real savers embedded with high level technology to give customers convenience and security. NMB gives personal and Business Banking customers a deserved banking experience.

Wholesale Banking

Wholesale banking focuses on large corporations, Institutions and Government by providing high value services and financial solutions which include; currency conversion, working capital financing, structured financing, trade transactions, syndications, club deals, cash management and collections services. These services and solutions are supported by dedicated Relationship Managers from various divisions; Corporate Banking, Government Business, Institutional Banking, Transactional and Agribusiness.

Treasury

NMB Treasury trades treasury products both in the Money Market and Foreign Exchange Market through managed risks. Products traded in the Money Market are interbank deposits, Repos, Treasury Bills and Treasury Bonds. In the Foreign Exchange Market, the traded products are Spot Transactions, Forwards Contracts and Foreign Exchange Swaps. As well as managing liquidity, foreign exchange and interest rate risks within the parameters set by Assets and Liabilities Committee (ALCO)



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