

PUBLICATION OF FINANCIAL STATEMENTS

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

NAME OF BANK NMB BANK PLC
CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2018
(Amounts in million shillings)

| | Current Quarter 30.06.18 | Previous Quarter 31.03.18 |
|--|-----------------------------|------------------------------|
| A. ASSETS | | |
| 1 Cash | 292,222 | 333,821 |
| 2 Balances with Bank of Tanzania | 760,832 | 682,548 |
| 3 Investments in Government securities | 889,581 | 938,797 |
| 4 Balances with other banks and financial institutions | 182,622 | 211,311 |
| 5 Cheques and items for clearing | 4,140 | 1,422 |
| 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) | 3,076,182 | 2,814,535 |
| 12 Other assets | 211,622 | 197,374 |
| 13 Equity investments | 1,740 | 1,740 |
| 14 Underwriting accounts | - | - |
| 15 Property, Plant and equipment | 242,387 | 243,956 |
| 16 TOTAL ASSETS | 5,661,328 | 5,425,504 |
| B. LIABILITIES | | |
| 17 Deposits from other banks and financial institutions | 1,773 | 4,405 |
| 18 Customer deposits | 4,147,624 | 4,087,654 |
| 19 Cash letters of credit | 27,792 | 20,281 |
| 20 Special Deposits | 45,957 | 19,335 |
| 21 Payment orders/transfers payable | - | - |
| 22 Bankers' cheques and drafts issued | 2,214 | 2,144 |
| 23 Accrued taxes and expenses payable | 57,598 | 51,236 |
| 24 Acceptances outstanding | - | - |
| 25 Inter branch float items | 8,288 | 7,103 |
| 26 Unearned income and other deferred charges | 28,024 | 26,004 |
| 27 Other liabilities | 42,009 | 31,508 |
| 28 Borrowings | 461,931 | 339,360 |
| 29 TOTAL LIABILITIES | 4,823,210 | 4,589,030 |
| 30 NET ASSETS /(LIABILITIES) | 838,118 | 836,474 |
| C. SHAREHOLDERS' FUNDS | | |
| 31 Paid up share capital | 20,000 | 20,000 |
| 32 Capital reserves | - | - |
| 33 Retained earnings | 722,607 | 758,056 |
| 34 Profit(Loss) account | 66,037 | 31,687 |
| 35 Others capital accounts | 29,474 | 26,731 |
| 36 Minority interest | - | - |
| 37 TOTAL SHAREHOLDERS' FUNDS | 838,118 | 836,474 |
| 38 Contingent liabilities | 545,375 | 470,171 |
| 39 Non performing loans & advances | 159,107 | 194,857 |
| 40 Allowances for probable losses | 118,360 | 137,439 |
| 41 Other non performing assets | 69 | 686 |
| D. SELECTED FINANCIAL CONDITION INDICATORS | | |
| (i) Shareholders Funds to total assets | 14.8% | 15.4% |
| (ii) Non performing loans to total gross loans | 5.0% | 6.6% |
| (iii) Gross loans and advances to total deposits | 75.6% | 71.4% |
| (iv) Loans and advances to total assets | 54.3% | 51.9% |
| (v) Earnings assets to total Assets | 73.3% | 73.1% |
| (vi) Deposits growth | 2.2% | -3.3% |
| (vii) Assets growth | 4.3% | -1.5% |

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30TH JUNE, 2018
(Amounts in million shillings)

| | Current Quarter 30.06.2018 | Comparative Quarter 30.06.2017 | Current Year Cumulative 30.06.2018 | Comparative Year Cumulative 30.06.2017 |
|---|----------------------------------|--------------------------------------|--|--|
| 1 Interest income | 148,834 | 147,552 | 294,987 | 292,764 |
| 2 Interest expense | (26,285) | (29,513) | (53,078) | (58,779) |
| 3 Net interest income (1minus2) | 122,549 | 118,039 | 241,909 | 233,985 |
| 4 Bad debts written off | - | - | - | - |
| 5 Impairment Losses on Loans and Advances | (22,587) | (16,691) | (40,715) | (25,084) |
| 6 Non interest income: | 57,320 | 42,282 | 107,559 | 83,763 |
| 6.1 Foreign currency dealings and translation gain/(loss) | 5,561 | 4,038 | 10,549 | 8,937 |
| 6.2 Fee and commissions | 49,672 | 37,499 | 92,175 | 73,347 |
| 6.3 Dividend income | - | - | - | - |
| 6.4 Others operating income | 2,087 | 745 | 4,835 | 1,479 |
| 7 Non interest expense: | (107,475) | (92,299) | (212,944) | (182,626) |
| 7.1 Salaries and benefits | (45,300) | (41,603) | (89,584) | (83,539) |
| 7.2 Fees and commissions | (4,149) | (4,758) | (7,974) | (7,555) |
| 7.3 Other operating expenses | (58,026) | (45,938) | (115,386) | (91,532) |
| 8 Operating income/(loss) | 49,807 | 51,331 | 95,809 | 110,038 |
| 9 Income tax provision | (15,457) | (16,038) | (29,772) | (33,832) |
| 10 Net income(loss)after income tax | 34,350 | 35,293 | 66,037 | 76,206 |
| Other Comprehensive Income - net (loss)/gain on valuation of available for sale financial assets | 612 | (5) | 843 | 1 |
| 12 Total comprehensive income/(loss) for the year | 34,962 | 35,288 | 66,880 | 76,207 |
| 13 Number of employees | 3,463 | 3,419 | 3,463 | 3,419 |
| 14 Basic earnings per share | 69 | 71 | 132 | 152 |
| 15 Number of branches | 222 | 201 | 222 | 201 |
| <u>SELECTED PERFORMANCE INDICATORS</u> | | | | |
| (i) Return on average total assets | 2.5% | 2.7% | 2.4% | 2.9% |
| (ii) Return on average shareholders funds | 16.2% | 17.4% | 16.0% | 19.0% |
| (iii) Non interest expense to gross income | 59.8% | 57.6% | 60.9% | 57.5% |
| (iv) Net interest income to average earning assets | 12.0% | 12.5% | 12.3% | 12.5% |

**CONDENSED STATEMENT OF CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30TH JUNE, 2018
(Amounts in million shillings)**

| | Current Quarter 30.06.2018 | Previous Quarter 31.03.2018 | Current Year Cumulative 30.06.2018 | Comparative Year Cumulative 30.06.2017 |
|---|----------------------------------|-----------------------------------|--|--|
| I: Cash flow from Operating activities: | | | | |
| Net income(loss) | 49,807 | 46,002 | 95,809 | 110,038 |
| Adjustment for: | | | | |
| - Impairment/amortization | 9,546 | 3,084 | 12,630 | 5,658 |
| - Net change in loans and advances | (261,647) | (27,487) | (289,134) | (12,054) |
| - Gain/loss on sale of assets | - | - | - | - |
| - Net change in deposits | 91,471 | (140,623) | (49,152) | 311,221 |
| - Net change in short term negotiable securities | - | - | - | - |
| - Net change in other liabilities | 20,138 | 29,633 | 49,771 | 72,388 |
| - Net change in other assets | (14,020) | (34,180) | (48,200) | (93,093) |
| - Tax paid | (16,393) | (16,050) | (32,443) | (30,000) |
| - Others (Net change in SMR deposits) | 2,358 | (15,519) | (13,161) | 46,645 |
| Net cash provided (used) by operating activities | (118,740) | (155,140) | (273,880) | 410,803 |
| II: Cash flow from Investing activities: | | | | |
| Dividends received | - | - | - | - |
| Purchase of fixed assets | (7,976) | (7,147) | (15,123) | (24,977) |
| Proceeds from sale of fixed assets | - | - | - | - |
| Purchase of non-dealing securities | - | - | - | - |
| Proceeds from sale of non-dealing securities | - | - | - | - |
| Others-(Treasury Bonds/Bills /Equity investment) | 49,216 | (18,828) | 30,388 | (101,948) |
| Net cash provided (used) by investing activities | 41,240 | (25,975) | 15,265 | (126,925) |
| III: Cash Flow from Financing activities: | | | | |
| Repayment of long-term debt | - | - | - | - |
| Proceeds from issuance of long term debt | 68,190 | - | 68,190 | - |
| Proceeds from issuance of share capital | - | - | - | - |
| Payment of cash dividends | (32,000) | - | (32,000) | (52,000) |
| Net change in other borrowings | 54,381 | 2,430 | 56,811 | 16,953 |
| Others (specify) | - | - | - | - |
| Net cash provided(used) by financing activities | 90,571 | 2,430 | 93,001 | (35,047) |
| IV: Cash and Cash equivalents: | | | | |
| Net increase/(decrease) in cash and cash equivalents | 13,071 | (178,685) | (165,614) | 248,831 |
| Cash and cash equivalents at the beginning of the Quarter/Year | 823,603 | 1,002,288 | 823,603 | 697,580 |
| Cash and cash equivalents at the end of the Quarter/Year | 836,675 | 823,603 | 657,990 | 946,411 |

CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 30TH JUNE 2018



| | Share Capital | Share Premium | Retained Earnings | Regulatory reserve | General Provision Reserve | Others (Fair Valuation) | Total |
|---|---------------|---------------|-------------------|--------------------|---------------------------|-------------------------|----------------|
| Current Year 2018 | | | | | | | |
| Balance as at the beginning of the year | 20,000 | - | 762,047 | - | 26,849 | (127) | 808,769 |
| Profit for the year | - | - | 66,037 | - | - | - | 66,037 |
| Other Comprehensive Income | - | - | - | - | - | - | - |
| Transactions with owners | - | - | - | - | - | - | - |
| Dividends Paid | - | - | (32,000) | - | - | - | (32,000) |
| Regulatory Reserve | - | - | - | - | - | - | - |
| General Provision Reserve | - | - | (1,782) | - | 1,782 | - | - |
| Others | - | - | (5,658) | - | - | 970 | (4,688) |
| Balance as at the end of the current period | 20,000 | - | 788,644 | - | 28,631 | 843 | 838,118 |
| Previous Year 2017 | | | | | | | |
| Balance as at the beginning of the year | 20,000 | - | 708,045 | 12,972 | 26,385 | (194) | 767,208 |
| Profit for the year | - | - | 76,206 | - | - | - | 76,206 |
| Other Comprehensive Income | - | - | - | - | - | 1 | 1 |
| Transactions with owners | - | - | - | - | - | - | - |
| Dividends Paid | - | - | (52,000) | - | - | - | (52,000) |
| Regulatory Reserve | - | - | (6,011) | 6,011 | - | - | - |
| General Provision Reserve | - | - | 655 | - | (655) | - | - |
| Others | - | - | 55 | - | - | - | 55 |
| Balance as at the end of the Previous period | 20,000 | - | 726,950 | 18,983 | 25,730 | (193) | 791,470 |

**SELECTED EXPLANATORY NOTES
FOR THE QUARTER ENDED 30TH JUNE 2018**

In preparation of the quarterly financial statements, consistent accounting policies have been used as those applicable to the previous year audited financial statements.

| Name and Title | Signature | Date |
|---|--|---------------|
| Ineke Bussemaker Managing Director |  | July 25, 2018 |
| Ruth Zaipuna Chief Financial Officer |  | July 25, 2018 |
| Juma Kimori Chief Internal Auditor |  | July 25, 2018 |

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 been prepared in conformance with International Financial Reporting Standards and the requirements of the Banking and Financial Institutions Act, 2006 and they present a true and fair view.

| Name | Signature | Date |
|--|--|---------------|
| Prof. Joseph Semboja Board Chairman |  | July 25, 2018 |
| Protase Tehingisa Director |  | July 25, 2018 |