

# NMB BANK PLC AUDITED FINANCIAL STATEMENTS

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

**TZS 4.9 Trillion**  
Customer Deposits

**TZS 3.6 Trillion**  
Loan & Advances

**TZS 6.4 Trillion**  
Total Assets

**4% YoY**  
Non Interest Income

**17% YoY**  
Foreign Exchange Income

**Profit After Tax**

**TZS 145 Billion**

**27% YoY**  
Impairment

\*YoY - Year on Year

## AUDITED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2019

(Amounts in million shillings)

	GROUP		BANK	
	Current Year 31.12.19	Previous Year 31.12.18	Current Year 31.12.19	Previous Year 31.12.18
<b>A. ASSETS</b>				
1 Cash	498,231	402,709	498,231	402,709
2 Balances with Bank of Tanzania	842,909	667,713	842,909	667,713
3 Investments in Government securities	761,554	740,185	761,554	740,185
4 Balances with other banks and financial institutions	264,326	174,391	264,326	174,391
5 Cheques and items for clearing	4,152	1,613	4,152	1,613
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)	3,590,006	3,241,401	3,595,688	3,251,794
12 Other assets	214,160	179,581	383,191	212,052
13 Equity investments	2,920	2,920	2,920	2,920
14 Underwriting accounts	-	-	-	-
15 Property, Plant and equipment	239,169	265,700	203,044	227,607
<b>16 TOTAL ASSETS</b>	<b>6,417,427</b>	<b>5,676,213</b>	<b>6,556,015</b>	<b>5,680,984</b>
<b>B. LIABILITIES</b>				
17 Deposits from other banks and financial institutions	33,446	20,770	33,446	20,770
18 Customer deposits	4,882,123	4,274,732	4,887,850	4,287,119
19 Cash letters of credit	19,833	22,535	19,833	22,535
20 Special Deposits	14,595	17,953	14,595	17,953
21 Payment orders/transfers payable	-	-	-	-
22 Bankers' cheques and drafts issued	-	-	-	-
23 Accrued taxes and expenses payable	33,355	35,019	33,355	35,019
24 Acceptances outstanding	-	-	-	-
25 Inter branch float items	-	-	-	-
26 Unearned income and other deferred charges	-	-	-	-
27 Other liabilities	117,530	75,649	247,104	62,174
28 Borrowings	347,443	372,360	347,443	372,360
<b>29 TOTAL LIABILITIES</b>	<b>5,448,325</b>	<b>4,819,018</b>	<b>5,583,626</b>	<b>4,817,930</b>
<b>30 NET ASSETS/(LIABILITIES)</b>	<b>969,102</b>	<b>857,195</b>	<b>972,389</b>	<b>863,054</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	799,733	698,167	809,173	710,785
34 Profit (Loss) account	144,739	100,961	142,167	97,663
35 Other capital accounts	1,049	34,606	1,049	34,606
36 Minority interest	3,581	3,461	-	-
<b>37 TOTAL SHAREHOLDERS' FUNDS</b>	<b>969,102</b>	<b>857,195</b>	<b>972,389</b>	<b>863,054</b>
38 Contingent liabilities	652,654	542,366	652,654	542,366
39 Non performing loans & advances	178,533	199,874	178,533	199,874
40 Allowances for probable losses	173,110	131,599	173,110	131,599
41 Other non performing assets	196	1,568	196	1,568
<b>D. SELECTED FINANCIAL CONDITION INDICATORS</b>				
(i) Shareholders Funds to total assets	15.1%	15.1%	14.8%	15.2%
(ii) Non performing loans to total gross loans	4.8%	5.9%	4.8%	5.9%
(iii) Gross loans and advances to total deposits	76.5%	78.2%	76.6%	78.2%
(iv) Loans and advances to total assets	55.9%	57.1%	54.8%	57.2%
(v) Earnings assets to total Assets	72.0%	73.3%	70.5%	73.4%
(vi) Deposits growth	13.9%	1.0%	13.7%	1.3%
(vii) Assets growth	13.1%	3.2%	15.4%	3.2%

## AUDITED STATEMENT OF PROFIT AND LOSS OR OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2019

(Amounts in million shillings)

	GROUP		BANK	
	Current Year 31.12.19	Previous Year 31.12.18	Current Year 31.12.19	Previous Year 31.12.18
1 Interest income	653,195	600,555	653,974	601,638
2 Interest expense	(130,820)	(109,615)	(136,333)	(109,615)
<b>3 Net interest income (1minus2)</b>	<b>522,375</b>	<b>490,940</b>	<b>517,641</b>	<b>492,023</b>
4 Bad debts written off	-	-	-	-
5 Impairment Losses on Loans and Advances	(100,410)	(137,305)	(100,410)	(137,305)
<b>6 Non interest income:</b>	<b>204,409</b>	<b>195,823</b>	<b>204,409</b>	<b>195,876</b>
6.1 Foreign currency dealings and translation gain/(loss)	25,554	21,894	25,554	21,947
6.2 Fee and commissions	169,153	166,282	169,153	166,282
6.3 Dividend income	-	32	-	32
6.4 Other operating income	9,702	7,615	9,702	7,615
<b>7 Non interest expense:</b>	<b>(410,513)</b>	<b>(405,096)</b>	<b>(410,552)</b>	<b>(408,953)</b>
7.1 Salaries and benefits	(182,579)	(166,149)	(182,579)	(166,149)
7.2 Fees and commissions	(10,793)	(18,340)	(10,793)	(18,340)
7.3 Other operating expenses	(217,141)	(220,607)	(217,180)	(224,464)
<b>8 Operating income/(loss)</b>	<b>215,861</b>	<b>144,362</b>	<b>211,088</b>	<b>141,641</b>
9 Income tax expense	(71,122)	(43,401)	(68,921)	(43,978)
<b>10 Net income/(loss)after income tax</b>	<b>144,739</b>	<b>100,961</b>	<b>142,167</b>	<b>97,663</b>
11 Other comprehensive income, net of tax Fair value gain/ (loss) on FVOCI – net of tax	168	182	168	182
<b>Total comprehensive income for the year</b>	<b>144,907</b>	<b>101,143</b>	<b>142,335</b>	<b>97,845</b>
12 Number of employees	3,450	3,450	3,450	3,450
13 Basic earnings per share	289	201	284	195
14 Diluted earnings per share	289	201	284	195
15 Number of branches	224	223	224	223

### SELECTED PERFORMANCE INDICATORS

(i) Return on average total assets	2.3%	1.8%	2.2%	1.7%
(ii) Return on average shareholders funds	14.9%	11.8%	14.6%	11.3%
(iii) Non interest expense to gross income	56.5%	59.0%	56.9%	59.4%
(iv) Net interest income to average earning assets	11.3%	11.8%	11.2%	11.8%

## AUDITED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER, 2019

(Amounts in million shillings)

	GROUP		BANK	
	Current Year 31.12.19	Previous Year 31.12.18	Current Year 31.12.19	Previous Year 31.12.18
<b>I: Cash flow from Operating activities:</b>				
Net income (loss)	215,861	144,362	211,088	141,641
Adjustment for:				
- Impairment/amortization	73,367	55,904	73,609	53,933
- Net change in loans and advances	(348,605)	(484,410)	(343,894)	(479,487)
- Gain/loss on sale of assets	(131)	(143)	(131)	(143)
- Net change in deposits	614,007	64,677	607,347	76,973
- Net change in short term negotiable securities	(2,717)	(2,630)	(2,717)	(2,630)
- Net change in other liabilities	36,843	49,403	54,422	38,344
- Net change in other assets	(21,716)	(28,572)	(36,876)	(30,040)
- Tax paid	(60,418)	(68,480)	(56,357)	(68,480)
- Others	10,063	(12,301)	10,063	(12,301)
<b>Net cash provided (used) by operating activities</b>	<b>516,554</b>	<b>(282,190)</b>	<b>516,554</b>	<b>(282,190)</b>
<b>II: Cash flow from Investing activities:</b>				
Dividends received	-	-	-	-
Purchase of fixed assets	(12,649)	(25,530)	(12,649)	(25,530)
Proceeds from sale of fixed assets	292	365	292	365
Purchase of non-dealing securities	(659,892)	(608,848)	(659,892)	(608,848)
Proceeds from sale of non-dealing securities	641,480	791,522	641,480	791,522
Others (Equity investment and Securities)	(10,967)	(11,930)	(10,967)	(11,930)
<b>Net cash provided (used) by investing activities</b>	<b>(41,736)</b>	<b>145,579</b>	<b>(41,736)</b>	<b>145,579</b>
<b>III: Cash Flow from Financing activities:</b>				
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	(33,000)	(32,000)	(33,000)	(32,000)
Net change in other borrowings	(71,102)	(66,120)	(71,102)	(66,120)
Others (Specify)	(60)	6,861	(60)	6,861
<b>Net cash provided (used) by financing activities</b>	<b>(104,162)</b>	<b>(23,069)</b>	<b>(104,162)</b>	<b>(23,069)</b>
<b>IV: Cash and Cash equivalents:</b>				
Net increase/(decrease) in cash and cash equivalents	370,656	(159,680)	370,656	(159,680)
Cash and cash equivalents at the beginning of the Quarter/Year	842,714	1,002,394	842,714	1,002,394
<b>Cash and cash equivalents at the end of the Quarter/Year</b>	<b>1,213,370</b>	<b>842,714</b>	<b>1,213,370</b>	<b>842,714</b>

## CONDENSED BANK'S STATEMENT OF CHANGES IN EQUITY AS AT 31TH DECEMBER 2019

(Amounts in million shillings)

	Share Capital	Share Premium	Retained Earnings	Regulatory Reserve	General Provision Reserve	Others (Fair Valuation/ Non Controlling Interest)	Total
<b>Current 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)	-	-
Others	-	-	-	-	-	168	168
<b>Balance as at the end of the current period</b>	<b>20,000</b>	<b>-</b>	<b>951,340</b>	<b>-</b>	<b>-</b>	<b>1,049</b>	<b>972,389</b>
<b>Previous Year 2018</b>							
Balance as at the beginning of the year	20,000	-	749,661	-	26,849	699	797,209
Profit for the year	-	-	97,663	-	-	-	97,663
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-
Dividends Paid	-	-	(32,000)	-	-	-	(32,000)
Regulatory Reserve	-	-	-	-	-	-	-
General Provision Reserve	-	-	(6,876)	-	6,876	-	-
Others	-	-	-	-	-	182	182
<b>Balance as at the end of the Previous period</b>	<b>20,000</b>	<b>-</b>	<b>808,448</b>	<b>-</b>	<b>33,725</b>	<b>881</b>	<b>863,054</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31TH DECEMBER 2019

(Amounts in million shillings)

	Share Capital	Share Premium	Retained Earnings	Regulatory Reserve	General Provision Reserve	Others (Fair Valuation/ Non Controlling Interest)	Total
<b>Current 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)	-	-
General Provision Reserve	-	-	-	-	-	-	-
Others	-	-	-	-	-	168	168
<b>Balance as at the end of the current period</b>	<b>20,000</b>	<b>-</b>	<b>944,472</b>	<b>-</b>	<b>-</b>	<b>4,630</b>	<b>969,102</b>
<b>Previous Year 2018</b>							
Balance as at the beginning of the year	20,000	-	737,494	-	26,849	3,709	788,052
Profit for the year	-	-	100,510	-	-	451	100,961
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-
Dividends Paid	-	-	(32,000)	-	-	-	(32,000)
Regulatory Reserve	-	-	(6,876)	-	6,876	-	-
General Provision Reserve	-	-	-	-	-	-	-
Others	-	-	-	-	-	182	182
<b>Balance as at the end of the Previous period</b>	<b>20,000</b>	<b>-</b>	<b>799,128</b>	<b>-</b>	<b>33,725</b>	<b>4,342</b>	<b>857,195</b>

### SELECTED EXPLANATORY NOTES FOR THE YEAR ENDED 31TH DECEMBER 2019

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

Name and Title	Signature	Date
Ruth Zaipuna Ag. Managing Director		