

NATIONAL BANK OF COMMERCE LTD

REPORT OF THE CONDITION OF BANK PURSUANT TO SECTION 32(3) OF THE BANKING AND FINANCIAL INSTITUTION ACT 2006.

BALANCE SHEET AS AT 31 DECEMBER 2009	AMOUNT IN MILLION SHILLINGS	
	Position as at 31 Dec 09	Position as at 30 Sept 09
ASSETS		
Cash	85,165	83,586
Balances with Bank of Tanzania	120,722	139,066
Investment in Government securities	190,157	170,967
Balances with other banks and financial institutions	123,474	122,586
Cheques in the course of collection	9,505	3,417
Interbranch Float Items	456	228
Bills negotiated	121	474
Customer liabilities on acceptances	-	-
Interbank Loans Receivables	-	-
Investment in other securities	-	-
Loans, Advances & Overdraft (Net of allowances for Probable Losses)	677,127	672,525
Other assets	22,475	15,569
Equity Investments	-	-
Underwriting accounts	-	-
Property, Plant and Equipment	72,337	62,454
TOTAL ASSETS	1,301,539	1,270,871
LIABILITIES		
Deposits from Other Banks and Financial Institutions	3,400	4,920
Customer deposits	1,045,978	1,034,949
Cash Letters of Credit and Guarantees	2,015	8,038
Special Deposits	-	-
Payment orders/transfers payables	3,021	3,572
Bankers' Cheques & Drafts Issued	4,183	6,872
Accrued Taxes and expenses payable	29,697	23,106
Acceptances Outstanding	-	-
Interbranch float items	3,216	(766)
Unearned income and other deferred charges	-	-
Other Liabilities	45,584	37,462
Borrowings	-	-
TOTAL LIABILITIES	1,137,093	1,118,154
NET ASSETS/(LIABILITIES)(16 minus 29)	164,446	152,717
CAPITAL AND RESERVES		
Paid-Up Share Capital	12,000	12,000
Capital Reserves	-	-
Retained Earnings	111,561	111,561
Profit/(Loss) accounts	40,885	29,157
Others (Statutory Reserve)	-	-
Minority Interest	-	-
TOTAL SHAREHOLDERS' FUNDS	164,446	152,717
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	1,301,539	1,270,871
Contingent Liabilities	152,979	156,497
Non Performing Loans & Advances	50,547	42,048
Allowance For Probable Losses	35,027	39,389
Other Non Performing Assets	-	-
SELECTED FINANCIAL CONDITION INDICATORS		
Shareholders Funds to Total Assets	13%	12%
Non Performing Loans to Total Gross Loans	7%	6%
Gross Loans and Advances to Total Deposits	68%	68%
Loans and Advances to Total Assets	55%	56%
Earnings Assets to Total Assets	76%	76%
Deposits Growth	0%	7%
Assets Growth	2%	6%

Christo De Vries
Managing Director 27 January 2010

Riaan van Jaarsveld Director of Finance 20 January 2010
Jonathan Ngoma Head of Internal Audit(Acting) 27 January 2010

We, the undersigned non-executive members of the board of directors, attest to the correctness 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 the instructions and are true and correct.

Dr. Musa Assad Chairman 04 February 2010
Ambassador Ami Ramadhani Mpungwe Director 04 February 2010

INCOME STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2009	AMOUNT IN MILLION SHILLINGS			
	Current quarter ending 31 Dec 09	Previous quarter ending 30 Sept 09	Current year Cumulative ending 31 Dec 09	Previous year Cumulative ending 31 Dec 08
Interest Income	*35,743	25,905	112,897	86,430
Interest Expense	(5,403)	(5,304)	(17,637)	(8,829)
Net Interest Income (1 minus 2)	30,340	20,601	95,259	77,601
Bad Debts Written Off	-	-	(67)	(54)
Impairment Losses on Loans and Advances	*(7,681)	(935)	(13,770)	(1,137)
Non Interest Income:	13,013	12,170	51,486	47,573
6.1 Foreign Currency Dealings and Translations Gains/(Loss)	5,213	5,170	23,719	21,978
6.2 Fees and Commissions	7,602	6,907	27,333	25,208
6.3 Dividend Income	-	-	-	-
6.4 Other Operating Income	197	-	434	387
Non Interest Expense	(19,613)	(19,205)	(74,524)	(68,061)
7.1 Salaries and Benefits	(7,378)	(6,074)	(27,886)	(25,467)
7.2 Fees and Commissions	(195)	(539)	(2,054)	(1,875)
7.3 Other Operating Expenses	(12,039)	(12,593)	(44,585)	(40,718)
Losses/(Recoveries) on behalf of the Government of Tanzania	(259)	(288)	(343)	(529)
Operating Income/(Loss) Before Tax	15,800	12,342	58,042	55,394
Income Tax Provisions	(4,072)	(3,683)	(17,157)	(15,638)
Net Income/(Loss) After Income Tax	11,728	8,659	40,885	39,755
Number Of Employees	1,389	1,325	1,389	1,251
Basic Earnings Per Share	11,728	8,659	40,885	39,755
Diluted Earnings Per Share	11,728	8,659	40,885	39,755
Number of Branches	59	59	59	58
PERFORMANCE INDICATORS				
(i) Return on Average Total Assets	4%	3%	3%	4%
(ii) Return on Average Shareholders' Funds	29%	23%	28%	33%
(iii) Non interest Expense to Gross Income	40%	50%	45%	51%
(iv) Interest Income to Average Earning Assets	12%	9%	10%	9%

* Suspended Interest was reallocated between Interest Income and Impairment in current quarter to further align with IFRS

CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2009	AMOUNT IN MILLION SHILLINGS	
	Current quarter 31 Dec 09	Previous quarter 30 Sept 09
Cash flow from operating activities:		
Net Income/(Loss)	15,800	12,342
Adjustment for :		
Depreciation	1,651	1,405
Impairment/Amortization	7,681	935
Net change in Loans and Advances	(1,502)	41,263
Gains/Loss on Sale of Assets	(4)	-
Net change in deposits	5,005	69,378
Net change in short term negotiable securities	-	-
Net change in other liabilities	11,325	(3,028)
Net change in other assets	(4,558)	(3,862)
Net change in SMR deposits	(12,091)	(6,500)
Net change in Treasury Bills	(4,318)	3,697
Tax Paid	(4,902)	(3,656)
Allocation to Government	259	288
Net cash provided (used) by operating activities	14,346	112,264
Cash flow from investing activities:		
Dividends received	-	-
Purchase of fixed assets	(11,537)	(3,748)
Proceeds on sale of fixed assets	7	-
Purchase of Non-Dealing Securities	(21,520)	(1,836)
Proceeds from sale of Non-Dealing Securities	2,000	6,662
Others	-	-
Net cash provided (used) by investing	(31,051)	1,078
Cash flow from financing activities:		
Repayment of long-term debt	-	-
Proceeds from issuance of long-term debt	-	-
Proceeds from Issuance of Shares Capital	-	-
Payment of Cash Dividends	-	-
Net change in other borrowings	-	-
Others	-	-
Net cash provided (used) by financing activities	-	-
Cash and cash equivalents		
Net increase (decrease) in cash and cash equivalents	(16,705)	113,341
Cash and cash equivalent at the beginning of the quarter	324,965	211,624
Cash and cash equivalent at the end of the quarter	308,261	324,965



National Bank of Commerce
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