

# NATIONAL BANK OF COMMERCE LTD

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

<b>BALANCE SHEET</b> AS AT 30 JUNE 2009	AMOUNT IN MILLION SHILLINGS	
	Position as at 30 Jun 09	Position as at 31 Mar 09
<b>ASSETS</b>		
Cash	61,696	77,360
Balances with Bank of Tanzania	138,333	100,319
Investment in Government securities	125,210	130,075
Balances with other banks and financial institutions	78,486	101,700
Cheques in the course of collection	5,407	5,331
Interbranch Float Items	129	311
Bills negotiated	408	458
Customer liabilities on acceptances	-	-
Interbank Loans Receivables	-	-
Investment in other securities	-	-
Loans, Advances & Overdraft (Net of allowances for Probable Losses)	716,255	683,417
Other assets	10,513	9,757
Equity Investments	-	-
Underwriting accounts	-	-
Property, Plant and Equipment	60,111	57,935
<b>TOTAL ASSETS</b>	<b>1,196,546</b>	<b>1,166,663</b>
<b>LIABILITIES</b>		
Deposits From other banks and financial Institutions	2,966	2,807
Customer deposits	972,072	945,002
Cash Letters of Credit and Guarantees	1,537	1,980
Special Deposits	-	-
Payment orders/transfers payables	1,775	7,044
Bankers' Cheques & Drafts Issued	9,025	4,147
Accrued taxes and expenses payable	21,282	20,403
Acceptances Outstanding	-	-
Interbranch float items	8,811	1,366
Unearned income and other deferred charges	-	-
Other Liabilities	35,020	38,253
Borrowings	-	-
<b>TOTAL LIABILITIES</b>	<b>1,052,488</b>	<b>1,021,002</b>
<b>NET ASSETS/(LIABILITIES)</b>	<b>144,058</b>	<b>145,662</b>
<b>CAPITAL AND RESERVES</b>		
Paid-Up Share Capital	12,000	12,000
Capital Reserves	-	-
Retained Earnings	61,358	68,646
Profit/(Loss) accounts	11,274	4,868
Others (Statutory Reserve)	-	-
Minority Interest	59,426	60,148
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>144,058</b>	<b>145,662</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>1,196,546</b>	<b>1,166,663</b>
Contingent Liabilities	68,499	70,226
Non Performing Loans & Advances	35,099	41,476
Allowance For Probable Losses	36,582	31,512
Other Non Performing Assets	-	-
<b>PERFORMANCE INDICATORS</b>		
Shareholders Funds to total assets	12%	12%
Non Performing Loans to total gross loans	5%	6%
Gross Loans and Advances to Total Deposits	77%	75%
Loans and Advances to Total Assets	63%	61%
Earnings Assets to Total Assets	77%	78%
Deposits Growth	3%	5%
Assets Growth	3%	2%

**Christo De Vries**  
Managing Director

05 August 2009

**Riaan van Jaarsveld**  
Director of Finance

04 August 2009

**Severin Ndaskoi**

Head of Internal Audit

05 August 2009

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

11 August 2009

**Ambassador Ami Ramadhani Mpungwe**  
Director

11 August 2009

### INCOME STATEMENT

FOR THE QUARTER ENDED 30 JUNE 2009

	AMOUNT IN MILLION SHILLINGS			
	Current quarter ending 30 Jun 09	Previous quarter ending 31 Mar 09	Current year Cumulative ending 30 Jun 09	Previous year Cumulative ending 30 Jun 08
Interest Income	26,488	24,760	51,248	41,685
Interest Expense	(3,855)	(3,075)	(6,930)	(4,075)
<b>Net Interest Income</b>	<b>22,633</b>	<b>21,685</b>	<b>44,318</b>	<b>37,611</b>
Bad Debts Written Off	-	(67)	(67)	(205)
Impairment Losses on Loans and Advances	(2,340)	(2,813)	(5,153)	(738)
<b>Non Interest Income:</b>	<b>12,144</b>	<b>14,159</b>	<b>26,304</b>	<b>22,054</b>
Foreign Currency Dealings and Translations Gains/(Loss)	5,463	7,873	13,336	10,301
Fees and Commissions	6,597	6,227	12,824	11,696
Dividend Income	-	-	-	-
Other Operating Income	85	59	144	57
<b>Non Interest Expense</b>	<b>(16,196)</b>	<b>(19,510)</b>	<b>(35,706)</b>	<b>(34,151)</b>
Salaries and Benefits	(7,127)	(7,307)	(14,434)	(12,714)
Fees and Commissions	(593)	(727)	(1,320)	(1,091)
Other Operating Expenses	(8,476)	(11,477)	(19,953)	(20,347)
<b>Losses/(Recoveries) on behalf of the Government of Tanzania</b>	<b>29</b>	<b>175</b>	<b>204</b>	<b>(756)</b>
<b>Operating Income/(Loss) Before Tax</b>	<b>16,271</b>	<b>13,629</b>	<b>29,900</b>	<b>23,815</b>
Income Tax Provisions	(4,625)	(4,778)	(9,402)	(6,552)
<b>Net Income/(Loss) After Income Tax</b>	<b>11,646</b>	<b>8,851</b>	<b>20,498</b>	<b>17,262</b>
Number Of Employees	1,311	1,317	1,311	1,225
Basic Earnings Per Share	11,646	8,851	20,498	17,262
Diluted Earnings Per Share	-	-	-	-
Number of Branches	59	59	59	54
<b>PERFORMANCE INDICATORS</b>				
(i) Return on Average Total Assets	4%	3%	4%	3%
(ii) Return on Average Shareholders' Funds	34%	25%	29%	31%
(iii) Non interest Expense to Gross Income	42%	50%	46%	54%
(iv) Interest Income to Average Earning Assets	10%	9%	9%	9%

### CASH FLOW STATEMENT

FOR THE QUARTER ENDED 30 JUNE 2009

	AMOUNT IN MILLION SHILLINGS	
	Current quarter 30 Jun 09	Previous quarter 31 Mar 09
<b>Cash flow from operating activities:</b>		
Net Income/(Loss)	16,271	13,629
Adjustment for :		
Depreciation	1,358	1,300
Impairment/Amortization	2,340	2,880
Net change in Loans and Advances	(37,707)	(26,538)
Gains/Loss on Sale of Assets	-	(22)
Net change in deposits	26,627	45,431
Net change in short term negotiable securities	-	-
Net change in other liabilities	7,640	(24,611)
Net change in other assets	(56)	3,176
Net change in SMR deposits	(7,200)	(37,600)
Net change in Treasury Bills	15,306	(3,062)
Tax Paid	(3,656)	(3,656)
Allocation to Government	(29)	(175)
<b>Net cash provided (used) by operating activities</b>	<b>20,894</b>	<b>(29,248)</b>
<b>Cash flow from investing activities:</b>		
Dividends received	-	-
Purchase of fixed assets	(3,534)	(4,004)
Proceeds on sale of fixed assets	-	31
Purchase of Non-Dealing Securities	(10,912)	(1,413)
Proceeds from Sale of Non-Dealing Securities	3,132	4,232
Others	-	-
<b>Net cash provided (used) by investing activities</b>	<b>(11,313)</b>	<b>(1,154)</b>
<b>Cash flow from financing activities:</b>		
Repayment of long-term debt	-	-
Proceeds from issuance of long-term debt	-	-
Proceeds from Issuance of Shares Capital	-	-
Payment of Cash Dividends	(13,250)	-
Net change in other borrowings	-	-
Others	-	-
<b>Net cash provided (used) by financing activities</b>	<b>(13,250)</b>	<b>-</b>
<b>Cash and cash equivalents</b>		
Net increase (decrease) in cash and cash equivalents	<b>(3,669)</b>	<b>(30,402)</b>
Cash and cash equivalent at the beginning of the quarter	<b>215,293</b>	<b>245,695</b>
Cash and cash equivalent at the end of the quarter	<b>211,624</b>	<b>215,293</b>



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