

# 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 31 MARCH 2009	AMOUNT IN MILLION SHILLINGS	
	Position as at 31 Mar 09	Position as at 31 Dec 08
<b>ASSETS</b>		
Cash	77,360	78,210
Balances with Bank of Tanzania	100,319	64,376
Balances with other banks	101,700	96,544
Cheques in the course of collection	5,331	19,565
Investment in Government securities	130,075	147,741
Investment in other securities	-	-
Loans, Advances & Overdraft (Net of allowances for Probable Losses)	683,417	664,302
Bills negotiated	458	411
Equity Investments	-	-
Customer liabilities on acceptances	-	-
Fixed assets (less depreciation)	57,935	55,241
Interbranch Suspense (Net)	311	636
Deferred Tax	5,599	7,928
Other assets	4,159	7,056
<b>TOTAL ASSETS</b>	<b>1,166,663</b>	<b>1,142,011</b>
<b>LIABILITIES</b>		
Customer deposits	945,002	899,774
Deposits From Other Banks	2,807	6,619
Cash Letters of Credit and Guarantees	1,980	1,777
Bills Payable	7,044	16,688
Bankers' Cheques & Drafts Issued	4,147	1,868
Accrued Taxes and expenses payable	16,044	16,676
Acceptances Outstanding	-	-
Interbranch Suspense (Net)	1,366	1,308
Proposed Dividend	-	-
Deferred Tax	4,359	4,169
Other Liabilities	38,253	56,322
<b>TOTAL LIABILITIES</b>	<b>1,021,002</b>	<b>1,005,200</b>
<b>NET ASSETS/(LIABILITIES)</b>	<b>145,662</b>	<b>136,810</b>
<b>CAPITAL AND RESERVES</b>		
Paid-Up Share Capital	12,000	12,000
Recapitalisation Reserves	-	-
Retained Earnings	124,810	85,055
Profit/(Loss)	8,851	39,755
Others (Statutory Reserve)	-	-
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>145,662</b>	<b>136,810</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>1,166,663</b>	<b>1,142,011</b>
Contingent Liabilities	70,226	73,678
Non Performing Loans & Advances	41,476	29,675
Allowance For Probable Losses	31,512	24,127
Other Non Performing Assets	-	-
<b>PERFORMANCE INDICATORS</b>		
Total Capital to Total Assets	12%	12%
Non Performing Loans & Advances to Total Advances	6%	4%
Gross Loans and Advances to Total Deposits	75%	76%
Loans and Advances to Total Assets	61%	60%

**Christo De Vries**  
Managing Director

24 April 2009

**Riaan van Jaarsveld**  
Director of Finance

24 April 2009

**Severin Ndaskoi**  
Head of Internal Audit

24 April 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

24 April 2009

**Ambassador Ami Ramadhani Mpungwe**  
Director

24 April 2009

<b>INCOME STATEMENT</b> FOR THE QUARTER ENDED 31 MARCH 2009	AMOUNT IN MILLION SHILLINGS			
	Current quarter ending 31 Mar 09	Previous quarter ending 31 Dec 08	Current year Cumulative ending 31 Mar 09	Previous year Cumulative ending 31 Dec 08
Interest Income	24,760	23,506	24,760	21,641
Interest Expense	(3,075)	(2,594)	(3,075)	(2,032)
<b>Net Interest Income</b>	<b>21,685</b>	<b>20,913</b>	<b>21,685</b>	<b>19,609</b>
Bad Debts Written Off	(67)	-	(67)	(54)
Provision For Bad & Doubtful Debts	(2,813)	(57)	(2,813)	(1,134)
Non Interest Income:	<b>14,159</b>	<b>14,594</b>	<b>14,159</b>	<b>10,185</b>
Foreign Exchange Profit/(Loss)	7,873	7,897	7,873	4,733
Commissions And Fees	6,286	6,696	6,286	5,452
Non Interest Expense	(19,510)	(18,052)	(19,510)	(18,509)
<b>Losses/(Recoveries) on behalf of the Government of Tanzania</b>	<b>175</b>	<b>150</b>	<b>175</b>	<b>(699)</b>
<b>Operating Income Before Tax and Extraordinary Items</b>	<b>13,629</b>	<b>17,547</b>	<b>13,629</b>	<b>9,399</b>
Extraordinary Gains (Losses)	-	-	-	-
Income Tax Provisions	(4,778)	(5,055)	(4,778)	(2,058)
<b>Profits attributable to shareholders</b>	<b>8,851</b>	<b>12,492</b>	<b>8,851</b>	<b>7,341</b>
Number Of Employees	1,317	1,343	1,317	1,266
<b>PERFORMANCE INDICATORS</b>				
(i) Return on average total assets	3%	4%	3%	3%
(ii) Return on Ordinary Shareholders' Funds	25%	38%	25%	26%
(iii) Non interest expense to gross income	50%	47%	50%	58%
(iv) Interest margin to average interest earning assets	9%	9%	9%	10%

<b>CASH FLOW STATEMENT</b> FOR THE QUARTER ENDED 31 MARCH 2009	AMOUNT IN MILLION SHILLINGS	
	Current quarter 31 Mar 09	Previous quarter 31 Dec 08
<b>Cash flow from operating activities:</b>		
Profit before Taxation	13,629	17,547
Adjustment for non-cash items:		
Depreciation	1,300	1,209
Provisions/amortization	2,880	57
Allocation to Government	(175)	(150)
Gain/loss on sale of assets	(22)	(8)
Tax paid	(3,656)	(3,327)
Gross change in loans and advances	(26,538)	(57,631)
Net change in deposits	45,431	69,752
Net change in short term negotiable securities	-	-
Net change in other assets	3,176	501
Net change in other liabilities	(24,611)	9,641
Net change in SMR deposits	(37,600)	7,700
Net change in Treasury Bills	(3,062)	(2,189)
<b>Net cash provided (used) by operating activities</b>	<b>(29,248)</b>	<b>43,103</b>
<b>Cash flow from investing activities:</b>		
Dividends received	-	-
Purchase of fixed assets	(4,004)	(5,305)
Proceeds on sale of fixed assets	31	32
Acquisition of Government securities	(1,413)	(11,519)
Proceeds from redemption of Government securities	4,232	7,760
Proceeds from redemption of Treasury Notes	-	-
<b>Net cash provided (used) by investing</b>	<b>(1,154)</b>	<b>(9,032)</b>
<b>Cash flow from financing activities:</b>		
Repayment of long-term debt	-	-
Proceeds from issuance of long-term debt	-	-
Proceeds from issue of shares	-	-
Dividend paid to shareholders	-	-
Net change in other borrowings	-	-
Others	-	-
<b>Net cash provided (used) by financing activities</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents</b>		
Net increase (decrease) in cash and cash equivalents	<b>(30,402)</b>	<b>34,071</b>
Cash and cash equivalent at the beginning of the quarter	<b>245,695</b>	<b>211,623</b>
Cash and cash equivalent at the end of the quarter	<b>215,293</b>	<b>245,695</b>



National Bank of Commerce  
Conveniently Everywhere.