

NATIONAL BANK OF COMMERCE LTD

Report of the condition of Bank pursuant to Section 32(3) of the Banking and Financial Institution Act 2006.

(Amount in Million Shillings)

BALANCE SHEET

As at 30th June 2011

	Position as at 30.06.2011	Position as at 31.03.2011
A ASSETS		
1 Cash	89,630	98,612
2 Balances with Bank of Tanzania	182,889	149,188
3 Investment in Government securities	268,367	222,231
4 Balances with other banks and financial institutions	188,393	217,417
5 Cheques in the course of collection	5,921	7,761
6 Interbranch Float Items	1,165	811
7 Bills negotiated	216	273
8 Customer liabilities on acceptances	-	-
9 Interbank Loans Receivables	-	-
10 Investment in other securities	-	-
11 Loans, Advances & Overdrafts (Net of allowances for Probable Losses)	717,455	706,283
12 Other assets	38,848	46,029
13 Equity Investments	-	-
14 Underwriting accounts	-	-
15 Property, Plant and Equipment	92,870	88,431
16 Total Assets	1,585,754	1,537,037

B LIABILITIES

17 Deposits from Other Banks and Financial Institutions	32,502	6,244
18 Customer deposits	1,277,653	1,259,807
19 Cash Letters of Credit and Guarantees	2,229	2,066
20 Special Deposits	-	-
21 Payment orders/transfers payables	2,477	2,125
22 Bankers' Cheques & Drafts Issued	7,092	7,643
23 Accrued Taxes and expenses payable	40,156	45,636
24 Acceptances Outstanding	-	-
25 Interbranch float items	16,457	13,930
26 Unearned income and other deferred charges	-	-
27 Other Liabilities	45,887	40,617
28 Borrowings	-	-
29 Total Liabilities	1,424,452	1,378,067
NET ASSETS/(LIABILITIES)(16 minus 29)	161,302	158,970

C CAPITAL AND RESERVES

30 Paid-Up Share Capital	12,000	12,000
31 Capital Reserves	-	-
32 Retained Earnings	141,090	141,090
33 Profit/(Loss) accounts	8,351	5,927
34 Others	(138)	(47)
35 Minority Interest	-	-
Total Shareholders' Funds	161,302	158,970
36 Total Liabilities And Shareholders' Funds	1,585,754	1,537,037
37 Contingent Liabilities	284,722	288,920
38 Non Performing Loans & Advances	129,876	131,325
39 Allowance For Probable Losses	60,640	59,735
40 Other Non Performing Assets	-	-

D SELECTED FINANCIAL CONDITION INDICATORS

(i) Shareholders Funds to Total Assets	10%	10%
(ii) Non Performing Loans to Total Gross Loans	17%	17%
(iii) Gross Loans and Advances to Total Deposits	59%	61%
(iv) Loans and Advances to Total Assets	49%	50%
(v) Earnings Assets to Total Assets	74%	75%
(vi) Deposits Growth	3%	4%
(vii) Assets Growth	3%	4%

Signed by		Date
Lawrence Mafuru	Managing Director	09 August 2011
Riaan van Jaarsveld	Director of Finance	02 August 2011
Godfrey Sigalla	Head of Internal Audit	09 August 2011

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.

Signed by		Date
1 Dr. Musa Assad	Chairman	9 August 2011
2 Ambassador Ami Ramadhani Mpungwe	Director	9 August 2011

(Amount in Million Shillings)

INCOME STATEMENT

For the Quarter Ended 30th June 2011

	Current quarter ending 30.06.2011	Previous quarter ending 31.03.2011	Current year Cumulative ending 30.06.2011	Previous year Cumulative ending 30.06.2010
1 Interest Income	32,125	32,061	64,187	51,248
2 Interest Expense	(5,109)	(5,215)	(10,324)	(6,930)
3 Net Interest Income (1 minus 2)	27,017	26,846	53,863	44,318
4 Bad Debts Written Off*	(7,737)	(18,816)	(26,553)	(67)
5 Impairment Losses on Loans and Advances*	2,127	13,004	15,131	(5,153)
6 Non Interest Income:	13,697	13,844	27,541	26,304
6.1 Foreign Currency Dealings and Translations Gains/(Loss)	5,542	6,323	11,865	13,336
6.2 Fees and Commissions	8,062	7,416	15,478	12,824
6.3 Dividend Income	-	-	-	-
6.4 Other Operating Income	93	105	198	144
7 Non Interest Expense	(31,596)	(26,353)	(57,949)	(35,706)
7.1 Salaries and Benefits	(10,540)	(9,877)	(20,417)	(14,434)
7.2 Fees and Commissions	(879)	(752)	(1,631)	(1,320)
7.3 Other Operating Expenses	(15,724)	(15,724)	(35,901)	(19,953)
8 Losses/(Recoveries) on behalf of the Government of Tanzania	-	58	58	204
9 Operating Income/(Loss) Before Tax	3,507	8,583	12,090	29,900
10 Income Tax Provisions	(1,084)	(2,655)	(3,739)	(9,402)
11 Net Income/(Loss) After Income Tax	2,423	5,927	8,351	20,498
12 Number Of Employees	1,477	1,523	1,477	1,311
13 Basic Earnings Per Share	2,423	5,927	8,351	20,498
14 Diluted Earnings Per Share	2,423	5,927	8,351	20,498
15 Number of Branches	53	53	53	53

PERFORMANCE INDICATORS

(i) Return on Average Total Assets	1%	2%	1%	4%
(ii) Return on Average Shareholders' Funds	6%	15%	11%	29%
(iii) Non interest Expense to Gross Income	69%	57%	63%	46%
(iv) Interest Income to Average Earning Assets	18%	18%	18%	9%

* Note: NBC aligned impairments with the Group Retail impairment methodology in Q4 2010

(Amount in Million Shillings)

CASH FLOW STATEMENT

For the Quarter Ended 30th June 2011

	Current quarter 30.06.2011	Previous quarter 31.03.2011
I Cash flow from operating activities:		
Net Income/(Loss)	3,507	8,583
Adjustment for :		
-Depreciation	3,597	3,172
-Impairment/Amortization	5,610	5,812
-Net change in Loans and Advances	(6,014)	19,963
-Gains/Loss on Sale of Assets	(14)	(8)
-Net change in deposits	18,008	41,374
-Net change in short term negotiable securities	-	-
-Net change in other liabilities	7,889	14,520
-Net change in other assets	3,046	(2,592)
-Net change in SMR deposits	(6,000)	(3,500)
-Net change in Treasury Bills	(55,252)	(13,572)
-Tax Paid	(3,015)	(3,776)
-Allocation to Government	-	(58)
Net cash provided (used) by operating activities	(28,638)	69,918
II Cash flow from investing activities:		
Dividends received	-	-
Purchase of fixed assets	(8,036)	(5,437)
Proceeds on sale of fixed assets	14	13
Purchase of Non-Dealing Securities	(32,143)	(1,527)
Proceeds from Sale of Non-Dealing Securities	8,000	2,120
Others	-	-
Net cash provided (used) by investing	(32,165)	(4,832)
III Cash flow from financing activities:		
Repayment of long-term debt	-	-
Proceeds from issuance of long-term debt	-	-
Proceeds from Issuance of Share Capital	-	-
Payment of Cash Dividends	-	-
Net change in other borrowings	-	-
Others	-	-
Net cash provided (used) by financing activities	-	-
IV Cash and cash equivalents		
Net increase (decrease) in cash and cash equivalents	(60,803)	65,086
Cash and cash equivalent at the beginning of the quarter	370,555	305,469
Cash and cash equivalent at the end of the quarter	309,752	370,555



National Bank of Commerce
Conveniently Everywhere.