

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 31st December 2010

	Position as at 31-Dec-10	Position as at 30-Sep-10
A ASSETS		
1 Cash	87,341	100,663
2 Balances with Bank of Tanzania	151,041	128,052
3 Investment in Government securities	212,694	216,514
4 Balances with other banks and financial institutions	176,976	128,053
5 Cheques in the course of collection	4,775	(4,590)
6 Interbranch Float Items	895	808
7 Bills negotiated	282	579
8 Customer liabilities on acceptances	-	-
9 Interbank Loans Receivables	-	-
10 Investment in other securities	-	-
11 Loans, Advances & Overdrafts (Net of allowances for Probable Losses)	711,287	728,916
12 Other assets	39,759	29,208
13 Equity Investments	-	-
14 Underwriting accounts	-	-
15 Property, Plant and Equipment	86,170	84,765
16 Total Assets	1,471,220	1,412,970

B LIABILITIES

17 Deposits from Other Banks and Financial Institutions	4,676	5,476
18 Customer deposits	1,218,298	1,112,399
19 Cash Letters of Credit and Guarantees	2,201	6,006
20 Special Deposits	-	-
21 Payment orders/transfers payables	848	1,738
22 Bankers' Cheques & Drafts Issued	2,751	6,494
23 Accrued Taxes and expenses payable	45,159	51,072
24 Acceptances Outstanding	-	-
25 Interbranch float items	5,939	9,072
26 Unearned income and other deferred charges	-	-
27 Other Liabilities	38,268	47,480
28 Borrowings	-	-
29 Total Liabilities	1,318,140	1,239,737
30 NET ASSETS/(LIABILITIES)(16 minus 29)	153,080	173,233

C CAPITAL AND RESERVES

31 Paid-Up Share Capital	12,000	12,000
32 Capital Reserves	-	-
33 Retained Earnings	138,818	132,974
34 Profit/(Loss) accounts	2,289	22,342
35 Others	(27)	5,917
36 Minority Interest	-	-
37 Total Shareholders' Funds	153,080	173,233
38 Total Liabilities And Shareholders' Funds	1,471,220	1,412,970
39 Contingent Liabilities	280,768	275,678
40 Non Performing Loans & Advances	134,634	50,751
41 Allowance For Probable Losses	74,809	38,992
42 Other Non Performing Assets	-	-

D SELECTED FINANCIAL CONDITION INDICATORS

(i) Shareholders Funds to Total Assets	10%	12%
(ii) Non Performing Loans to Total Gross Loans	17%	7%
(iii) Gross Loans and Advances to Total Deposits	64%	68%
(iv) Loans and Advances to Total Assets	53%	54%
(v) Earnings Assets to Total Assets	75%	76%
(vi) Deposits Growth	9%	3%
(vii) Assets Growth	4%	5%

Signed by		Date
Lawrence Mafuru	Managing Director	20 January 2011
Riaan van Jaarsveld	Director of Finance	18 January 2011
Godfrey Sigalla	Head of Internal Audit	19 January 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	03 rd February 2011
2 Ambassador Ami Ramadhani Mpungwe	Director	03 rd February 2011

(Amount in Million Shillings)

INCOME STATEMENT

For the Quarter Ended 31st December 2010

	Current quarter ending 31.12.2010	Previous quarter ending 30.09.2010	Current year Cumulative ending 31.12.2010	Previous year Cumulative ending 31.12.2009
1 Interest Income	30,964	31,872	118,997	112,897
2 Interest Expense	(4,589)	(6,585)	(21,085)	(17,637)
3 Net Interest Income (1 minus 2)	26,375	25,287	97,912	95,259
4 Bad Debts Written Off*	(10,561)	-	(10,627)	(47)
5 Impairment Losses on Loans and Advances*	(31,558)	(3,419)	(38,303)	(13,790)
6 Non Interest Income:	16,244	17,302	57,539	51,486
6.1 Foreign Currency Dealings and Translations Gains/(Loss)	7,383	8,434	27,229	23,719
6.2 Fees and Commissions	8,790	8,817	29,967	27,333
6.3 Dividend Income	-	-	-	-
6.4 Other Operating Income	72	51	343	434
7 Non Interest Expense	(27,112)	(26,187)	(100,533)	(74,524)
7.1 Salaries and Benefits	(8,047)	(8,834)	(33,226)	(27,886)
7.2 Fees and Commissions	(1,172)	(835)	(3,414)	(2,054)
7.3 Other Operating Expenses	(17,894)	(16,518)	(63,893)	(44,585)
8 Losses/(Recoveries) on behalf of the Government of Tanzania	(276)	315	(546)	(343)
9 Operating Income/(Loss) Before Tax	(26,889)	13,298	5,442	58,042
11 Income Tax Provisions	6,836	(3,320)	(3,153)	(17,157)
12 Net Income/(Loss) After Income Tax	(20,053)	9,979	2,289	40,885
13 Number Of Employees	1,496	1,433	1,496	1,389
14 Basic Earnings Per Share	(20,053)	9,979	2,289	40,885
15 Diluted Earnings Per Share	(20,053)	9,979	2,289	40,885
16 Number of Branches	53	53	53	59

PERFORMANCE INDICATORS

(i) Return on Average Total Assets	-5%	3%	0%	3%
(ii) Return on Average Shareholders' Funds	-47%	23%	1%	28%
(iii) Non interest Expense to Gross Income	57%	53%	57%	45%
(iv) Interest Income to Average Earning Assets	9%	9%	9%	10%

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

(Amount in Million Shillings)

CASH FLOW STATEMENT

For the Quarter Ended 31st December 2010

	Current quarter 31-Dec-10	Previous quarter 30-Sep-10
I Cash flow from operating activities:		
Net Income/(Loss)	(26,889)	13,298
Adjustment for :		
-Depreciation	3,340	2,378
-Impairment/Amortization	42,119	3,419
-Net change in Loans and Advances	(18,181)	17,227
-Gains/Loss on Sale of Assets	-	-
-Net change in deposits	102,093	36,975
-Net change in short term negotiable securities	-	-
-Net change in other liabilities	(22,388)	21,107
-Net change in other assets	544	(3,090)
-Net change in SMR deposits	(6,100)	(5,500)
-Net change in Treasury Bills	14,366	(90,379)
-Tax Paid	(4,550)	(4,550)
-Allocation to Government	276	(315)
Net cash provided (used) by operating activities	84,631	(9,431)
II Cash flow from investing activities:		
Dividends received	-	-
Purchase of fixed assets	(4,745)	(13,728)
Proceeds on sale of fixed assets	-	-
Purchase of Non-Dealing Securities	(22,302)	(24,088)
Proceeds from Sale of Non-Dealing Securities	15,000	6,904
Others	-	-
Net cash provided (used) by investing	(12,047)	(30,912)
III 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	-	-
IV Cash and cash equivalents		
Net increase (decrease) in cash and cash equivalents	72,584	(40,343)
Cash and cash equivalent at the beginning of the quarter	232,885	273,228
Cash and cash equivalent at the end of the quarter	305,469	232,885



National Bank of Commerce
Conveniently Everywhere.