

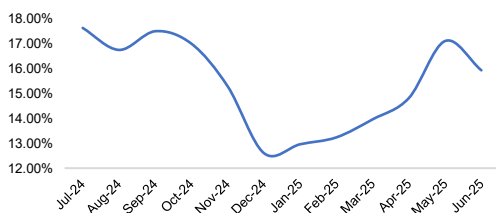
# Maendeleo Bank AGM HIGHLIGHTS June 2025



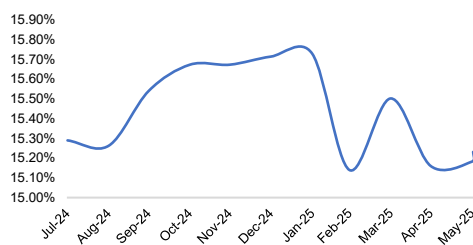
## MAENDELEO BANK FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING JUNE 2025

### INDUSTRIAL OVERVIEW

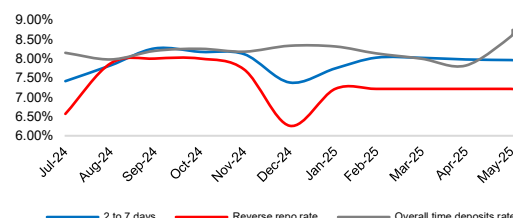
Annual Private Sector Credit Growth



Overall Lending Rate Trend

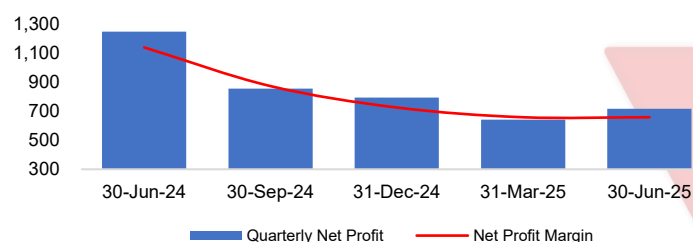


Interbank Cash Market, Reverse Repo & Overall Time Deposit Rates

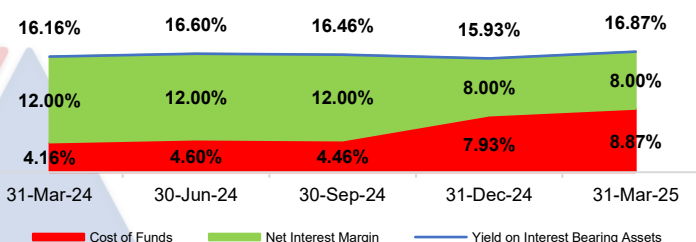


### INCOME STATEMENT ANALYSIS

Maendeleo Bank Profitability Trend



Maendeleo Bank Net Interest Margin Trend



Net Profits grew 11.54% QoQ amounting to TZS 715 million

#### Reasons:

Net Interest Income grew 17.32% QoQ amounting to TZS 3.37 billion in Q2'25 compared to TZS 2.88 billion in the prior quarter with the growth stemming from a positive jaws in growth between interest income and interest expenses as the former grew 10.31% QoQ amounting to TZS 5.94 billion and the latter grew 2.27% QoQ amounting to TZS 2.56 billion possibly driven by upward loan repricing, rebalancing of interest bearing assets portfolio towards higher interest earning vehicles or the acquisition of cheaper debt and or deposits.

Non-interest income saw a 56.32% QoQ surge amounting to TZS 816 million with the key driver behind the growth being its fees and commission income which has seen a 56.88% QoQ growth amounting to TZS 614 million. The growth in fees and commission income is likely brought about by increased transaction volumes brought about by its Internet Banking and Mobile App which were both rolled out in 2024, increased agency banking footprint across the country and increased adoption of its bancassurance services.

Other operating income saw a 72.58% QoQ surge amounting to TZS 214 million possibly brought about by increased bad loan recoveries and increased miscellaneous income.

#### Areas to be improved:

Non-interest expense grew 13.92% QoQ amounting to TZS 2.99 billion compared to 11.54% QoQ growth in net operating income amounting to TZS 3.78 billion.

Income Statement Analysis Amounts in Billions TZS	Jun-24	Sept-24	Dec-24	Mar-25	Jun-25
Net Operating Income	4.03	3.52	3.85	3.39	3.78
Growth Rate	28.84%	-12.66%	9.29%	-11.93%	11.54%
Operating Expenses	2.57	2.45	2.74	2.62	2.99
Growth Rate	3.75%	-4.63%	11.78%	-4.34%	13.92%

# MAENDELEO BANK FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING JUNE 2025

## BALANCE SHEET STATEMENT ANALYSIS

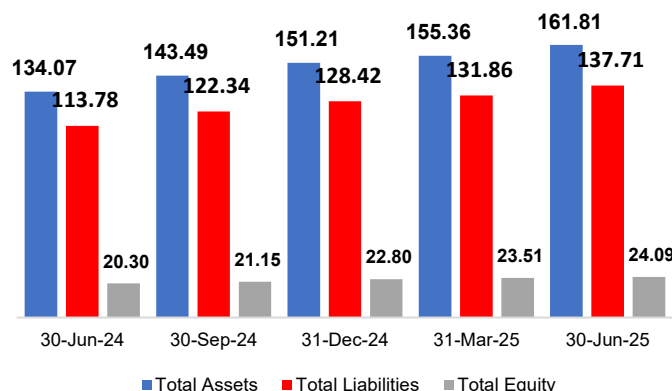
Total assets grew 4.15% QoQ amounting to TZS 161.81 billion in Q2'25 compared to TZS 155.36 billion.

Balance Sheet Highlights in Billions TZS

### Key Drivers:

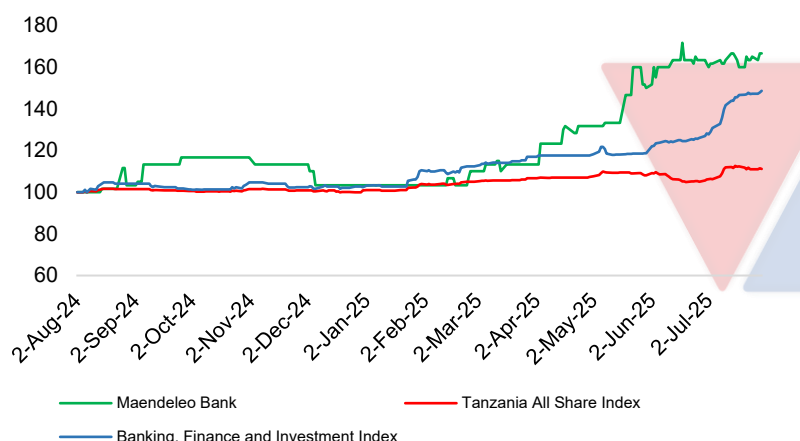
Loans and advances grew 4.24% QoQ amounting to TZS 92.12 billion brought about by increased lending particularly towards MSMEs and Cash and Balances with Central Banks grew 24% QoQ amounting to TZS 13.44 billion.

Balance sheet growth was funded by 4.44% QoQ in total liabilities amounting to TZS 137.71 billion driven by 1.42% QoQ growth in customer deposits amounting to TZS 110.08 billion and a 19.19% QoQ growth in borrowings amounting to TZS 23.92 billion and a 2.50% QoQ growth in shareholders equity amounting to TZS 24.09 billion due to increased profitability.



## INVESTORS' CORNER

Maendeleo VS TSI & BFI Index 52-Weeks Returns rebased at 100



### Supporting Fundamentals

Ticker	MBP
Closing Price as of 1 <sup>st</sup> August 2025	TZS 525
Book Value per Share	TZS 803.40
P/B Ratio	0.65x
Trailing EPS	TZS 107.49
P/E Ratio	4.88x
ROE	12.46%
ROA	1.86%

\* The word trailing indicates the sum of the company's earnings per share from the latest four quarters

## OUTLOOK

On a YoY basis, Maendeleo's profits have grown 14.14% from TZS 1.19 billion in HY'24 to TZS 1.36 billion in HY'25. The growth was brought about by 10.10% YoY growth amounting to TZS 6.25 billion. Although from a HY perspective interest income grew 19.84% YoY amounting to TZS 11.34 billion all while interest expense grew 34.51% YoY amounting to TZS 5.07 billion indicating cost of funding pressure from high interest-bearing borrowings and higher interest-bearing deposit accounts.

Despite stellar QoQ performance in Non-interest income, year-on-year growth is still dismal with non-interest income showing a 6.95% YoY decline amounting to TZS 1.34 billion brought about by a 84.51% YoY drop in foreign currency income and a 2.18% YoY drop in fees and commission income. Operating costs have also outpaced net operating income growth with operating costs growing 11.09% YoY compared to TZS 9.14% YoY growth in net operating income with cost to income ratio at 73.97% for the six months ending 2025 compared to the Central Bank acceptable limit of 55%

Nonetheless our outlook for the bank remains favorable given the fact that the bank has been given a permanent license which allows the bank to transition from being a regional bank to a fully-fledged national bank which could grant the bank favorable economies of scale as far as mobilizing deposits, issuing loans and borrowing at more affordable interest rates is concerned. Furthermore, as credit demand from the private continues to accelerate as economic growth prospects remain optimistic we anticipate that to coincide with more room for growth and increased profitability across the banking sector, particularly for small and medium-sized banks.

Looking ahead, the bank is anticipated to maintain above average earnings growth due to broader macro-economic conditions that favor the banking sector such as falling Central Bank rates, yields on fixed income instruments and rising incomes coupled with its new and growing digital solutions and distribution channels that aim at providing its service in a more efficient manner.

MAENDELEO BANK FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING JUNE 2025

RATIO ANALYSIS

Maendeleo Bank Ratios:	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2
Capital Structure:								
Borrowings to Equity	56.49%	67.28%	59.10%	48.81%	83.17%	94.62%	85.39%	99.29%
Equity Multiplier	6.55	6.60	6.58	6.61	6.78	6.63	6.61	6.72
Equity to Assets Ratio	15.27%	15.15%	15.20%	15.14%	14.74%	15.07%	15.13%	14.89%
Asset Quality:								
NPL Ratio	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	6.00%	3.00%
NPL Coverage Ratio	57.99%	48.96%	44.92%	33.57%	40.38%	52.93%	52.93%	25.27%
Earning to Total Assets	88.00%	89.00%	88.00%	88.00%	89.00%	88.00%	87.00%	86.00%
Management Quality:								
Loan Growth	6.06%	4.38%	4.96%	7.46%	4.71%	1.22%	-0.24%	4.24%
Deposit Growth	5.76%	4.33%	4.26%	7.11%	0.81%	2.46%	4.31%	1.42%
Loan to Deposit Ratio	85.00%	85.00%	85.00%	85.00%	88.00%	88.00%	84.00%	85.00%
Earnings Quality:								
Return on Equity	9.33%	16.47%	10.87%	24.53%	16.15%	13.90%	10.91%	11.87%
Net Profit Growth	-6.22%	83.89%	-31.19%	133.15%	-31.41%	-7.26%	-19.07%	11.54%
Cost to Income Ratio	66.05%	63.71%	71.17%	70.85%	63.71%	62.22%	77.22%	71.33%
Liquidity:								
Loan to Deposits & Borrowings	73.80%	72.25%	73.97%	75.91%	73.79%	70.70%	68.90%	68.92%

ANALYST’S NAMES & CONTACTS

Emmanuel Matunda  
[emmanuel@solomon.co.tz](mailto:emmanuel@solomon.co.tz)

For further information please contact Us : 2124495 /2112874 /0764269090 /0714 269090

[All care has been taken in the preparation of this commercial document and the information contained therein has been derived from sources believed to be accurate and reliable. If you are in any doubt about the contents of this document do not hesitate to contact the above mentioned. SOLOMON Stockbrokers Ltd does not assume responsibility for any error, omission or opinion expressed. Anyone acting on the information or opinion does so at his own risk. This information has been sent to you for your information and may not be reproduced. Unauthorised use or disclosure of this document is strictly prohibited. © Copyright 2025



# SOLOMON Stockbrokers

*A Member of Dar es Salaam Stock Exchange & Authorized Dealer of Government Securities*

**STOCKBROKERS / DEALERS**

**INVESTMENT ADVISERS**

**FUND MANAGERS**

## PROFILE



The Company is licensed as Stockbrokers / Dealers, Investment Advisers and Fund Managers by the Capital Markets and Securities Authority (CMSA). SOLOMON is also licensed as a Primary Dealer of Government Securities by the Bank of Tanzania (BoT).

PSSSF House, Ground Floor  
Samora Avenue / Morogoro Road  
P.O. Box 77049  
Dar es Salaam

+255 764 269090  
+255 714 269090



[research@solomon.co.tz](mailto:research@solomon.co.tz)

[@sstockbrokers](#)

[#elimuYaUwekezajiHisa](#)

[www.solomon.co.tz](http://www.solomon.co.tz)