

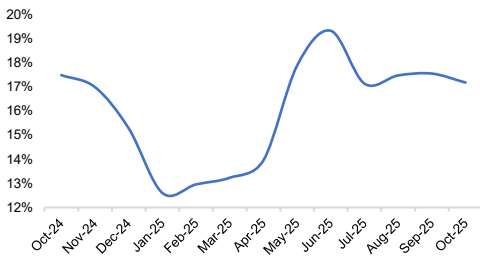
Maendeleo Bank **EARNINGS HIGHLIGHTS** Sept 2025



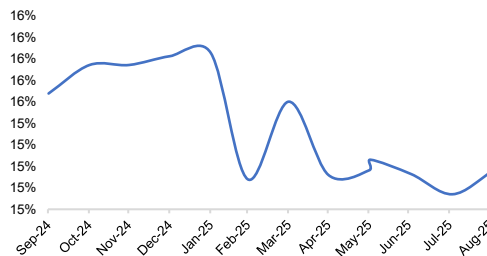
MAENDELEO BANK FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING SEPT 2025

INDUSTRIAL OVERVIEW

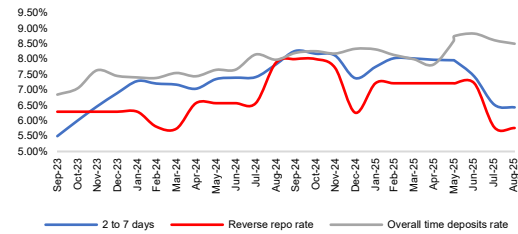
Annual Private Sector Credit Growth



Overall Lending Rate

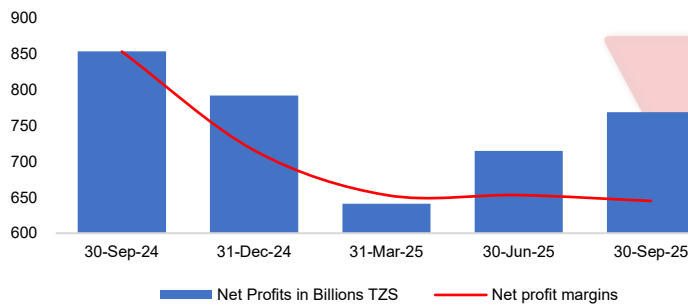


Interbank Cash Market, Reverse Repo & Overall Time Deposit Rates

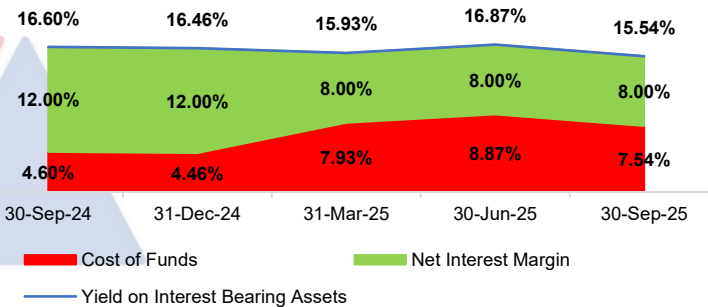


INCOME STATEMENT ANALYSIS

Maendeleo Bank Profitability Trend



Maendeleo Bank Net Interest Margin Trend



Net Profits grew 7.55% QoQ from TZS 715 million in Q2'25 TO TZS 769 million in Q3'25

Reasons:

Net Interest Income grew 6.29% QoQ amounting to TZS 3.59 billion in Q3'25 compared to TZS 3.37 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 6.20% QoQ amounting to TZS 6.31 billion and the latter grew 3.08% QoQ amounting to TZS 2.72 billion perhaps due to cost optimization efforts towards its funding sources.

Furthermore, non-interest income saw a 17.28% QoQ growth amounting to TZS 957 million with the growth fueled by a 21.19% growth in the bank's fee and commission income amounting to TZS 751 million perhaps due to an uptake in its digital distribution propositions in line with its broader strategy to harmonize its distribution channels, increased insurance sales and loan processing fees.

Operating expense remained contained with a 8.53% QoQ growth amounting to TZS 3.24 billion all while the bank's net operating income saw a 8.81% QoQ growth amounting to TZS 4.11 billion

Income Statement Analysis Amounts in Billions TZS	Sept-24	Dec-24	Mar-25	Jun-25	Sept-25
Net Operating Income	3.52	3.85	3.39	3.78	4.11
Growth Rate	-12.66%	9.29%	-11.93%	11.54%	8.81%
Operating Expenses	2.45	2.74	2.62	2.99	3.24
Growth Rate	-4.63%	11.78%	-4.34%	13.92%	8.53%

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BALANCE SHEET STATEMENT ANALYSIS

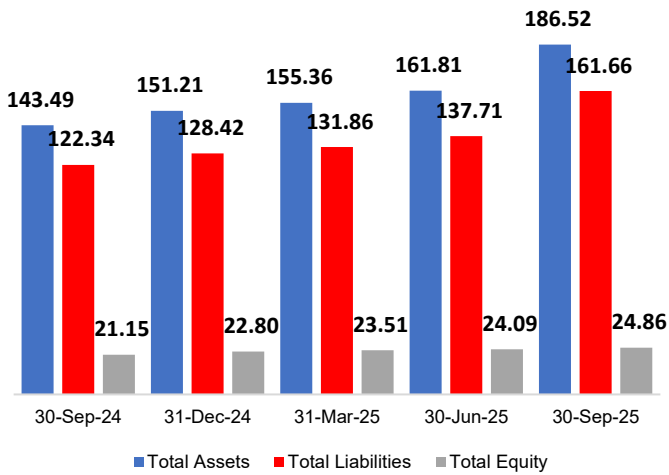
Total assets grew 15.27% QoQ amounting to TZS 186.52 billion in Q2'25 compared to TZS 161.81 billion in the quarter prior.

Key Drivers:

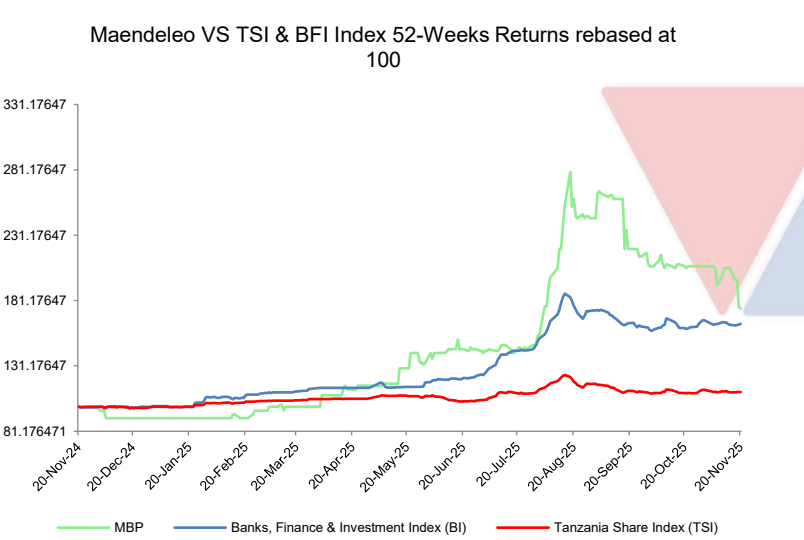
The bank increased its asset weighting particularly towards low-risk, high liquid assets evident with the 34.84% QoQ growth in the bank's investments in government securities amounting to TZS 48.26 billion as well as a 36.63% QoQ growth in the bank's interbank loan receivables amounting to TZS 15.16 billion. Loans and advances grew 6.61% QoQ amounting to TZS 98.21 billion with the growth likely stemming from increased loans towards MSMEs

Balance sheet growth was funded by a 14.15% QoQ growth in customer deposits amounting to TZS 125.65 billion as well as a 37.80% YoY growth in borrowings amounting to TZS 32.96 billion

Balance Sheet Highlights in Billions TZS



INVESTORS' CORNER



Supporting Fundamentals

Ticker	MBP
Closing Price as of 21 st November 2025	TZS 595
Book Value per Share	TZS 829.04
P/B Ratio	0.72x
Trailing EPS	TZS 100.82
P/E Ratio	5.90x
ROE	12.16%
ROA	1.62%

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

OUTLOOK

Despite a stellar QoQ display, the bank's 9 months profits recorded a marginal growth of 4.06% amounting to TZS 2.13 billion. The slower cumulative growth is due to a 9.95% drop in YoY profits for Q3'25 which stood at TZS 769 million compared to TZS 854 million recorded in Q3'24 and the reason behind the underperformance is due to operating expense growth outpacing net operating income growth with the former recording a 32.21% YoY growth amounting to TZS 3.24 billion for Q3'25 compared to the latter which saw a 16.82% YoY growth amounting to TZS 4.11 billion for Q3'25. Net operating income saw constrained growth because of increased impairment provisions which grew 30.30% YoY and interest expense growth outpacing interest income growth in Q3'25 compared to Q3'24.

Looking ahead we anticipate Maendeleo to sustain strong profit growth underpinned by strong credit demand and increased business and household spending particularly from the MSME customer segment which the bank seems heavily invested in. However broader concerns over improving capital buffers and containing the cost to income ratio towards below the 55% benchmark set by the bank would help establish predictability in shareholder returns as far as dividends are concerned. Further addressing the cost to income ratio problem, in addition to containing operational expenses the bank could look at implementing strategies towards improving their foreign currency dealing income since the 2 consecutive quarterly foreign currency dealing losses have resulted in a 2 million cumulative foreign currency income for the nine months ending 2025 making up less than 0.1% of the total non-interest income stream.

MAENDELEO BANK FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING SEPT 2025

RATIO ANALYSIS

Maendeleo Bank Ratios:	31-Dec-23	31-Mar-24	30-Jun-24	30-Sep-24	31-Dec-24	31-Mar-25	30-Jun-25	30-Sep-25
Capital Structure:								
Borrowings to Equity	67.28%	59.10%	48.81%	83.17%	94.62%	85.39%	99.29%	132.58%
Equity Multiplier	6.60	6.58	6.61	6.78	6.63	6.61	6.72	7.50
Equity to Assets Ratio	15.15%	15.20%	15.14%	14.74%	15.07%	15.13%	14.89%	13.33%
Asset Quality:								
NPL Ratio	5.00%	5.00%	5.00%	5.00%	5.00%	6.00%	6.00%	7.90%
NPL Coverage Ratio	48.96%	44.92%	33.57%	40.38%	52.93%	52.93%	25.27%	14.06%
Cost of Risk	3.52%	0.44%	0.64%	0.98%	1.55%	0.01%	0.43%	0.88%
Management Quality:								
Loan Growth	4.38%	4.96%	7.46%	4.71%	1.22%	-0.24%	4.24%	6.61%
Deposit Growth	4.33%	4.26%	7.11%	0.81%	2.46%	4.31%	1.42%	14.15%
Earning to Total Assets	89.00%	88.00%	88.00%	89.00%	88.00%	87.00%	87.00%	87.00%
Earnings Quality:								
Net Profit Margins	11.07%	11.11%	11.75%	13.32%	12.43%	12.51%	12.46%	11.73%
Net Profit Growth	83.89%	-31.19%	22.47%	30.58%	-7.26%	-19.07%	11.54%	7.55%
Cost to Income Ratio	63.71%	71.17%	70.85%	63.71%	62.22%	77.22%	71.33%	71.40%
Liquidity:								
Loan to Deposits Ratio	85.00%	85.00%	85.00%	88.00%	88.00%	84.00%	84.00%	79.00%
Loan to Deposits & Borrowings	72.25%	73.97%	75.91%	73.79%	70.70%	68.90%	68.92%	62.06%

ANALYST’S NAMES & CONTACTS

Emmanuel Matunda
emmanuel@solomon.co.tz

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

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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

[@sstockbrokers](#)

[#elimuYaUwekezajiHisa](#)

www.solomon.co.tz