

Maendeleo Bank AGM HIGHLIGHTS

Dec 2025

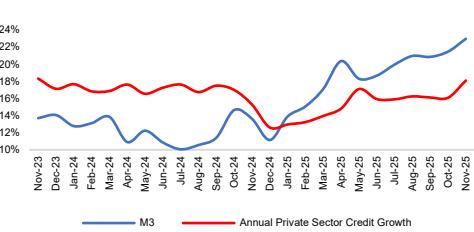




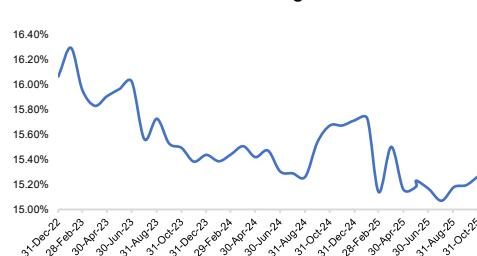
MAENDELEO BANK FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING DEC 2025

INDUSTRIAL OVERVIEW

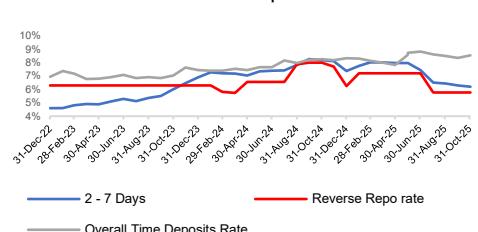
Annual M3 and Private Sector Credit Growth



Overall Lending Rate

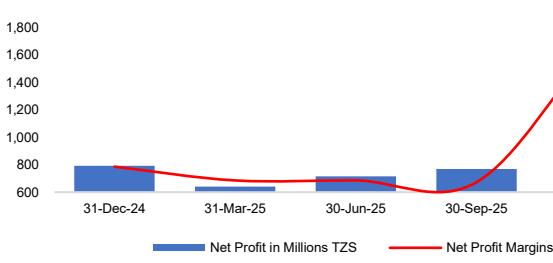


Interbank Cash Market, Reverse Repo & Overall Time Deposit Rates

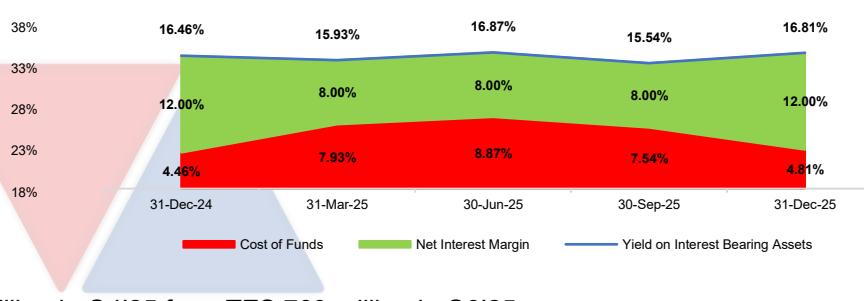


INCOME STATEMENT ANALYSIS

Maendeleo Bank Profitability Trend



Maendeleo Bank Net Interest Margin Trend



Net Profits rose 123.54% QoQ amounting to TZS 1.72 billion in Q4'25 from TZS 769 million in Q3'25

Possible Reasons:

Net interest income rallied 22.06% QoQ amounting to TZS 4.38 billion, this growth was influenced by a positive jaws between interest income and interest expense growth where the former recorded a 17.40% QoQ growth amounting to TZS 7.40 billion while the latter grew 11.25% QoQ amounting to TZS 3.03 billion. The growth in interest income was influenced by an 8.56% QoQ surge in earning assets amounting to TZS 176.16 billion coupled with improving yields on interest bearing assets whereas interest expense growth fell behind due to contained cost of funds despite an 8.73% QoQ growth in interest-bearing liabilities amounting to TZS 172.47 billion in Q4'25.

Operating Expenses were contained with the line item recording a 5% dip QoQ amounting to TZS 3.08 billion in Q4'25. This drop was brought about by a 2.92% QoQ drop in salaries and expenses which went hand in hand with a 3.17% drop in headcount amounting to 122 employees. Other operating expenses also shrugged 6.6% QoQ amounting to TZS 1.68 billion possibly due to efforts to contain general and administrative expenses.

Improvements to be made:

Non-interest income saw a marginal growth of 0.73% QoQ amounting to TZS 964 million, the key driver behind the weak growth in non-interest income was a 59.83% drop in other operating income perhaps due to a QoQ drop in bad debt recoveries or miscellaneous income. While Foreign exchange losses saw a 44.44% QoQ contraction from a TZS 9 million loss to a TZS 5 million loss, its worth stressing that the bank has been making losses on foreign exchange dealing for the third consecutive quarter since Q2'25 and reversals towards the profit side for this particular line item could significantly propel non-interest income in forthcoming quarters

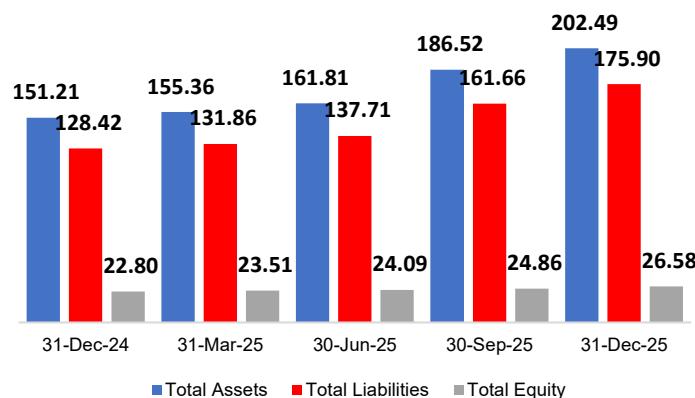
Income Statement Analysis Amounts in Billions TZS	Dec-24	Mar-25	Jun-25	Sept-25	Dec-25
Net Operating Income	3.85	3.39	3.78	4.11	4.80
Growth Rate	9.29%	-11.93%	11.54%	8.81%	16.73%
Operating Expenses	2.74	2.62	2.99	3.24	3.08
Growth Rate	11.78%	-4.34%	13.92%	8.53%	-5.00%

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BALANCE SHEET STATEMENT ANALYSIS

Maendeleo's balance sheet surged by 8.56% QoQ finally crossing the TZS 200 billion mark with total assets valued at TZS 202.49 billion in Q4'25 compared to TZS 186.52 billion in Q3

Balance Sheet Highlights in Billions TZS



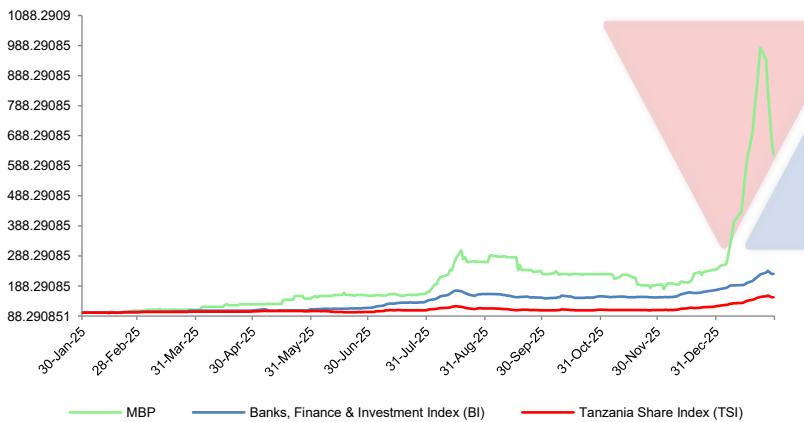
Key Drivers:

Earning Assets grew 8.56% QoQ amounting to TZS 176.16 billion largely driven by a 9.76% QoQ growth in net loans amounting to TZS 98.21 billion and interbank loan receivables rising 23.20% QoQ amounting to TZS 18.67 billion. On the other hand, cash and balances with the central bank grew 15.70% QoQ amounting to TZS 17.39 billion indicating parallel efforts to ensure balance between liquidity and yield maximization.

Financing this balance sheet growth is an 8.09% QoQ growth in deposits amounting to TZS 135.82 billion, 11.17% QoQ growth in borrowings amounting to TZS 36.65 billion and shareholders equity which grew 6.92% QoQ amounting to TZS 26.58 billion in large part driven by stronger earnings recorded.

INVESTORS' CORNER

MBP Share Price Performance versus BI and TSI Index rebased at 100



Supporting Fundamentals

Ticker	MBP
Closing Price as of 29 th Jan 2026	TZS 1,940
Book Value per Share	TZS 866.43
P/B Ratio	2.19x
Trailing EPS*	TZS 128.18
P/E Ratio	15.13x
ROE	14.46%
ROA	1.89%

CUMULATIVE REVIEW & OUTLOOK

Maendeleo's profit after taxes have grown at a marginal 4.26% YoY from TZS 3.69 billion in FY'24 to TZS 3.84 billion in FY'25. The weak growth was brought about by net interest income growth of 17.24% amounting to TZS 14.21 billion. However, that growth came about with a negative jaws between interest income and interest expense growth with interest income growing 24.75% YoY amounting to TZS 25.03 billion and interest expense growing at a faster rate of 36.20% YoY amounting to TZS 10.82 billion. On the other hand operational cost efficiency remains another laggard issue with operating expense growth clocking in at 16.69% amounting to TZS 11.93 billion compared to net operating income growth of 14.14% amounting to TZS 16.07 billion, with the cost to income ratio ticking upwards from 67.24% in 2024 to 68.32% in 2025

Looking ahead the Maendeleo is expected to remain a beneficiary of strong macro-economic prospects such as strong private sector credit demand which as of Nov-2025 saw a 18.08% YoY growth amounting to TZS 43.39 trillion and a 22.96% YoY growth in M3 money supply which currently stands at TZS 60.89 trillion. This growth could translate to greater business volumes and activities particularly with its SME customer base. While macro-indicators are shedding light over the possibility of stronger balance sheet and earnings growth underlying issues on cost management need be addressed for the bank to realize stronger earnings growth, converge cost-to-income ratio to the Central bank's 55% and strengthen its non-funded income particularly foreign currency dealing. With a cost to income ratio of 68.32%, it seems unlikely for the bank to declare a dividend for financial year 2025.

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RATIO ANALYSIS

Maendeleo Bank Ratios:	31-Mar-24	30-Jun-24	30-Sep-24	31-Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25
Capital Structure:								
Borrowings to Equity	59.10%	48.81%	83.17%	94.62%	85.39%	99.29%	132.58%	137.85%
Equity Multiplier	6.58	6.61	6.78	6.63	6.61	6.72	7.50	7.62
Equity to Assets Ratio	15.20%	15.14%	14.74%	15.07%	15.13%	14.89%	13.33%	13.13%
Asset Quality:								
NPL Ratio	5.00%	5.00%	5.00%	5.00%	6.00%	6.00%	7.90%	4.54%
NPL Coverage Ratio	44.92%	33.57%	40.38%	52.93%	52.93%	25.27%	14.06%	33.09%
Cost of Risk	0.44%	0.64%	0.98%	1.22%	0.01%	0.43%	0.86%	1.30%
Management Quality:								
Loan Growth	4.96%	7.46%	4.71%	1.22%	-0.24%	4.24%	6.61%	9.76%
Deposit Growth	4.26%	7.11%	0.81%	2.46%	4.31%	1.42%	14.15%	8.09%
Earning to Total Assets	88.00%	88.00%	89.00%	88.00%	87.00%	87.00%	87.00%	87.00%
Earnings Quality:								
Net Profit Margins	11.11%	11.75%	13.32%	12.43%	12.51%	12.46%	11.73%	14.46%
Net Profit Growth	21.64%	33.63%	55.76%	76.66%	20.04%	14.14%	4.06%	4.26%
Cost to Income Ratio	71.17%	71.01%	68.45%	67.24%	77.22%	73.97%	73.00%	68.32%
Liquidity:								
Loan to Deposits Ratio	85.00%	85.00%	88.00%	88.00%	84.00%	84.00%	79.00%	81.00%
Loan to Deposits & Borrowings	73.97%	75.91%	73.79%	70.70%	68.90%	68.92%	62.06%	62.63%

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