

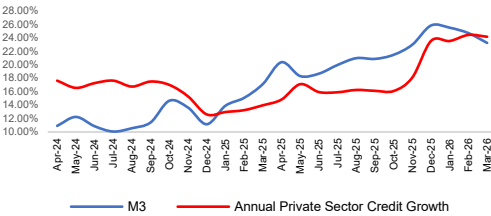
**MKCB Plc**  
**EARNINGS**  
**HIGHLIGHTS**  
**March 2026**



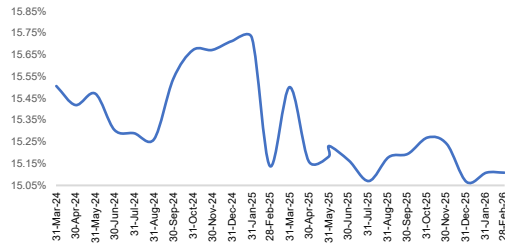
## MKOMBOZI BANK FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING MARCH 2026

### INDUSTRIAL OVERVIEW

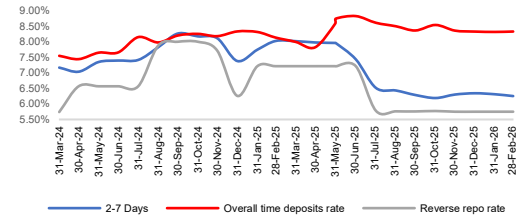
Annual M3 and Private Sector Credit Growth



Overall Lending Rate

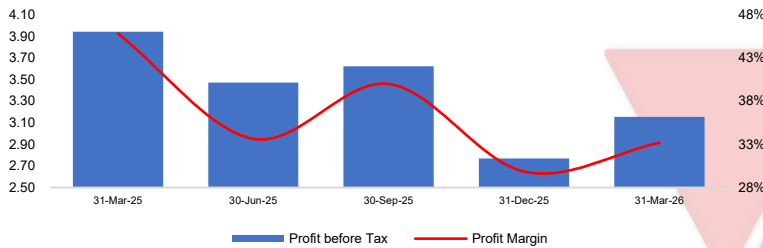


Interbank Cash Market, Reverse Repo & Overall Time Deposit Rates

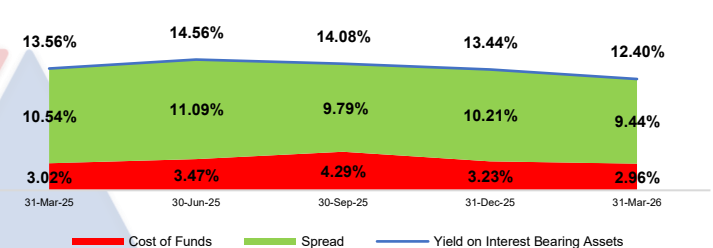


### INCOME STATEMENT ANALYSIS

MKCB Profitability Trend



MKCB Indicative Interest Rates



Net Profits increased 13.86% QoQ from TZS 2.77 billion in Q4'25 to TZS 3.15 billion in Q1'26

#### Possible Reasons:

Non-interest income grew 20.74% QoQ from TZS 2.16 billion in Q4'25 to TZS 2.61 billion in Q1'26 following a 140.23% QoQ growth in foreign exchange profits closing at TZS 1.06 billion and a TZS 29.46% QoQ growth in Other operating income amounting to TZS 334 million.

Non-interest expenses dropped 5.74% QoQ from TZS 5.51 billion in Q4'25 to TZS 5.19 billion in Q1'26 following a 3.65% drop in salaries and expenses amounting to TZS 2.77 billion and an 8.02% drop in other operating expenses amounting to TZS 2.42 billion.

#### Improvements to be made:

Net interest income dropped 3.12% QoQ from TZS 7.12 billion in Q4'25 to TZS 6.70 billion in Q1'26 following a 2.37% drop in interest income amounting to TZS 8.87 billion and a 0.36% QoQ growth in interest expenses amounting to TZS 1.98 billion, a negative jaws between interest income and interest expense growth perhaps influenced by acquisition of high interest borrowings worth TZS 3 billion made during the quarter coupled with the possibility that deposits have become more expensive during Q1 forcing an upward repricing of deposit rates.

Income Statement Analysis Amounts in Billions TZS	Mar-25	Jun-25	Sept-25	Dec-25	Mar-26
Net Operating Income	8.61	10.32	9.06	9.28	9.51
Growth Rate	128.64%	19.93%	-12.20%	2.39%	2.44%
Operating Expenses	3.89	6.07	4.66	5.51	5.19
Growth Rate	19.01%	56.17%	-23.22%	18.10%	-5.74%

# MKOMBOZI BANK FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING MARCH 2026

## BALANCE SHEET STATEMENT ANALYSIS

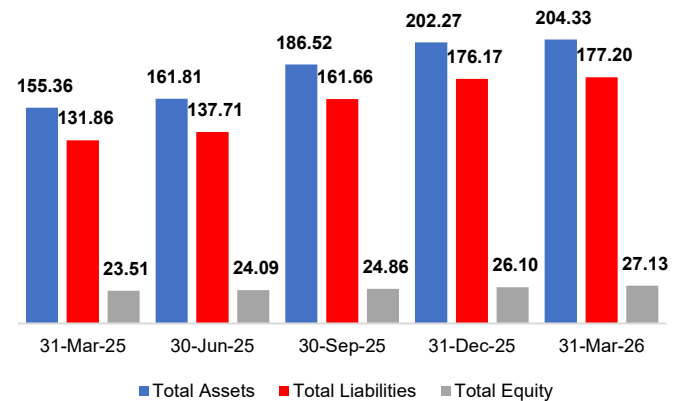
Mkombozi's balance sheet grew 4.62% QoQ from TZS 318.23 billion in Q4'25 to TZS 332.95 billion in Q1'26.

Balance Sheet Highlights in Billions TZS

### Key Drivers:

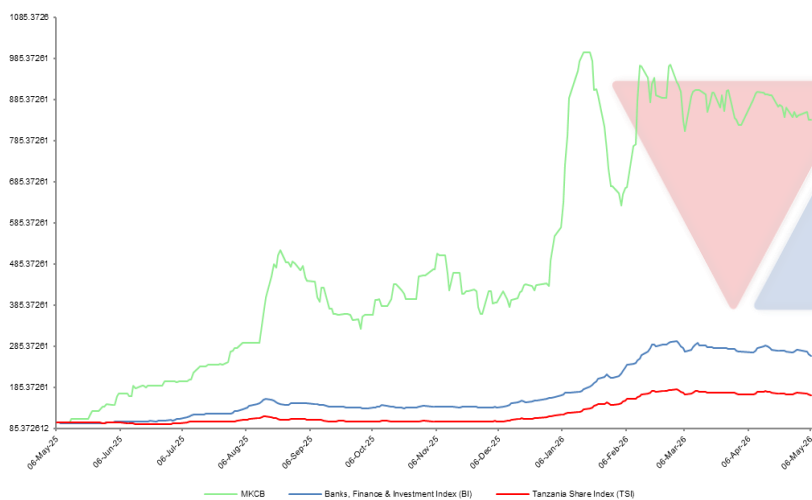
Earning Assets grew 5.86% QoQ amounting to TZS 286.34 billion largely driven by a 7.66% QoQ growth in net loans amounting to TZS 203.40 billion, a 29.30% QoQ growth in interbank loan receivables amounting to TZS 27.79 billion and a 7.93% QoQ growth in fixed-income securities closing at TZS 55.64 billion.

Financing this growth is a 3.38% QoQ growth in customer deposits amounting to TZS 260.02 billion, a 71.39% growth in borrowings closing at TZS 7.2 billion and a 6.39% YoY growth in shareholder's equity closing at TZS 52.50 billion.



## INVESTORS' CORNER

MKCB 52-Weeks Share Price Performance versus BI and TSI Index rebased at 100



### Supporting Fundamentals

Ticker	MKCB
Closing Price as of 6 <sup>th</sup> May 2026	TZS 4,600
Book Value per Share	TZS 2,228.95
P/B Ratio	2.06x
Trailing EPS*	TZS 552.62
P/E Ratio	8.32x
ROE	26.38%
ROA	4.14%

## CUMULATIVE REVIEW & OUTLOOK

Despite the stellar QoQ growth, Q1'26 earnings are down 19.95% YoY closing at TZS 3.15 billion as of Q1'26 when compared to the TZS 3.94 billion recorded in Q1'25. The drop in earnings has been mainly influenced by a 33.49% YoY growth in the bank's total non-interest expense closing at TZS 5.19 billion due to a 71.58% YoY growth in salaries and benefits closing at TZS 2.77 billion and a 6.42% YoY growth in other operating expenses at TZS 2.42 billion.

Topline revenue growth remained stable, recording a 10.45% YoY growth with net operating income closing at TZS 9.51 billion mainly brought about by the absence of impairment losses on loans and advances as was the case when the bank wrote-off over TZS 413 billion in impairment losses in Q1'25. Net Interest income grew 6.57% YoY closing at TZS 6.89 billion influenced by a negative jaws between interest income growth at 8.17% and interest expense growth at 14.15% YoY all while non-funded income recorded weak growth of 2.39% YoY mainly driven by a 21.84% drop in fees and commissions closing at TZS 1.22 billion and however partly offset by gains from other operating income +39.75% YoY closing at TZS 334 million and foreign exchange profit +40.75% closing at TZS 1.06 billion.

Looking ahead while broader macro-prospects highlight evidence of continued banking sector earnings growth. Mkombozi's growth seems to hinge more on how it can uplift its revenues to factor in the increased operating expenses especially salary and benefits which were hiked significantly since Q4'25

# MKOMBOZI BANK FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING MARCH 2026

## RATIO ANALYSIS

MKCB Bank Ratio Analysis:	31-Mar-24	30-Jun-24	30-Sep-24	31-Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	31-Mar-26
<b>Capital Structure:</b>									
Borrowings to Equity	12.23%	11.24%	16.88%	10.45%	9.54%	8.84%	8.74%	8.51%	13.71%
Equity Multiplier	7.61	7.26	6.49	7.04	6.70	6.22	6.48	6.45	6.34
Equity to Assets Ratio	13.14%	13.77%	15.40%	14.20%	14.91%	16.07%	15.44%	15.51%	15.77%
<b>Asset Quality:</b>									
NPL Ratio	9.00%	6.00%	5.00%	4.00%	4.00%	3.00%	4.00%	4.00%	4.00%
NPL Coverage Ratio	342.99%	162.50%	242.09%	151.57%	143.78%	90.68%	170.46%	244.25%	252.90%
Cost of Risk	0.17%	0.50%	0.49%	0.29%	0.24%	0.00%	0.40%	0.00%	0.00%
<b>Management Quality:</b>									
Loan Growth	4.83%	2.56%	9.12%	3.75%	3.17%	6.10%	3.52%	2.56%	7.66%
Deposit Growth	2.27%	2.84%	-0.53%	6.57%	2.66%	-0.64%	6.25%	2.24%	3.38%
Earning to Total Assets	79.00%	77.00%	81.00%	81.00%	82.00%	85.00%	84.00%	85.00%	86.00%
<b>Earnings Quality:</b>									
Net Profit Margins	41.53%	40.88%	40.82%	41.51%	54.82%	47.38%	44.64%	45.22%	45.40%
Net Profit Growth	104.88%	59.15%	18.06%	-2.64%	26.93%	21.02%	42.69%	43.04%	-19.95%
Cost to Income Ratio	56.60%	55.37%	55.04%	57.03%	43.11%	52.29%	53.68%	53.52%	54.60%
<b>Liquidity:</b>									
Loan to Deposits Ratio	69.00%	68.00%	75.00%	75.00%	76.00%	79.00%	81.00%	78.00%	79.00%
Loan to Deposits & Borrowings	65.91%	65.77%	71.14%	70.32%	70.70%	75.49%	73.62%	73.88%	76.12%

## ANALYST'S NAMES & CONTACTS

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