

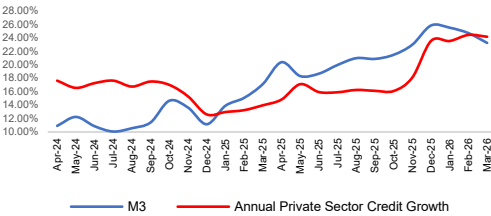
# NMB Bank EARNINGS HIGHLIGHTS March 2026



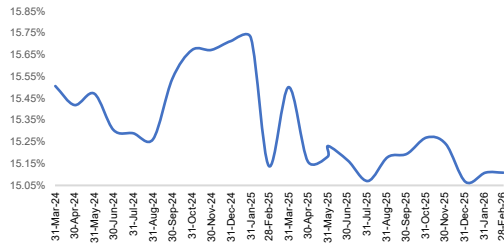
## NMB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING MARCH 2026

### INDUSTRIAL OVERVIEW

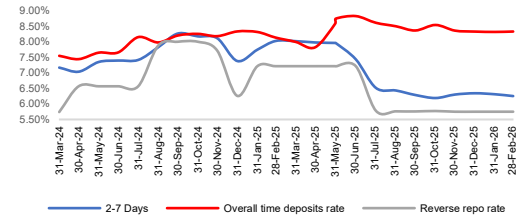
Annual M3 and Private Sector Credit Growth



Overall Lending Rate

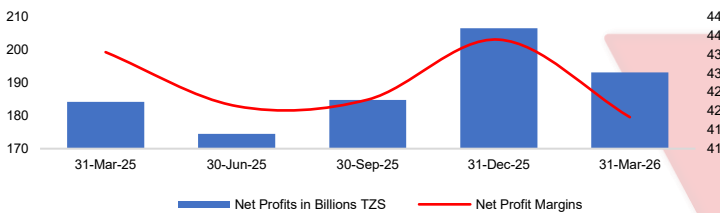


Interbank Cash Market, Reverse Repo & Overall Time Deposit Rates

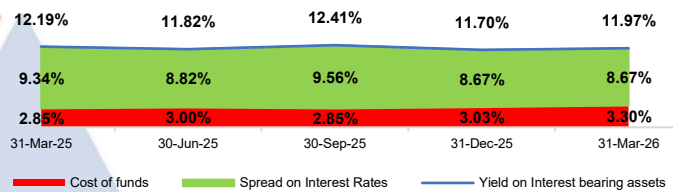


### INCOME STATEMENT ANALYSIS

NMB Profitability Trend



NMB Indicative Interest Rates



Net Profits dropped by 6.47% QoQ from TZS 206.44 billion in Q4'25 to TZS 193.09 billion in Q1'26.

#### Reasons:

The bank's cost-to-income ratio has risen from 36.16% during Q4'25 to 38.35% in Q1'26. This growth has been brought about by Gross Revenues declining by 0.24% from TZS 485.62 billion in Q4'25 to TZS 484.46 billion in Q1'26 with the drop influenced by a 3.39% drop in NMB's non-funded income from TZS 171.64 billion in Q4'25 to TZS 165.83 billion in Q1'26.

The drop in non-funded income was largely brought about by a 5.63% QoQ drop in foreign currency income amounting to TZS 27.53 billion and a 63.42% QoQ drop in other operating income amounting to TZS 3.67 billion.

Net interest income growth was also subdued registering a 1.49% QoQ amounting to TZS 318.64 billion due to a negative jaws between interest income 4.07% QoQ and interest expense 11.91% QoQ possibly driven by customer deposit repricing which offset any gains from earning asset expansions or an upward repricing of its yields.

Operating expenses on the other hand grew 5.81% QoQ amounting to TZS 185.79 billion driven by a 11.56% QoQ growth in salaries and benefits amounting to TZS 105.85 billion

Income Statement Analysis Amounts in Billions TZS	Mar-25	Jun-25	Sept-25	Dec-25	Mar-26
Net Operating Income	422.81	414.08	436.80	470.43	461.57
Growth Rate	0.72%	-2.06%	5.49%	7.70%	-1.88%
Operating Expenses	159.75	165.06	172.96	175.60	185.79
Growth Rate	-8.79%	3.33%	4.78%	1.53%	5.81%

# NMB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING MARCH 2026

## BALANCE SHEET STATEMENT ANALYSIS

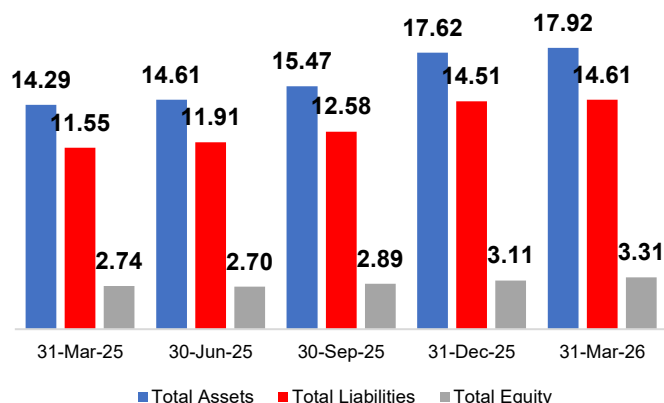
Total assets increased by 1.74% during the quarter ending March 2026, reaching TZS 17.92 trillion in value.

NMB Balance Sheet Highlights in Trillions TZS

### Key Drivers:

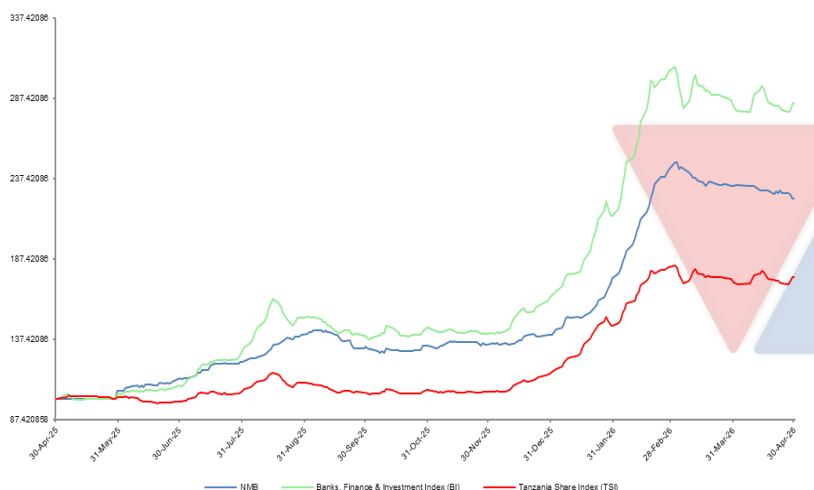
Balances with the Bank of Tanzania grew 55.68% amounting to TZS 1.68 trillion indicating a preference for liquidity for the incremental balance sheet growth made during the quarter. Total loans grew 3.04% amounting to TZS 10.75 trillion slightly behind private sector credit growth of 5.80% made during the quarter.

This growth was funded by shareholder's equity which grew 6.44% QoQ amounting to TZS 3.31 trillion due to the company's increased cumulative profitability as well as Customer deposits, which rose 3.64% QoQ to TZS 12.67 trillion, however slightly behind M3 growth of 4.42%



## INVESTORS' CORNER

NMB Bank VS TSI & BI 52-Weeks Returns rebased at 100



### Supporting Fundamentals

Ticker	NMB
Closing Price as of 30 <sup>th</sup> April 2026	TZS 13,510
Book Value per Share	TZS 6,613.81
P/B Ratio	2.04x
Trailing EPS	TZS 1,517.44
P/E Ratio	8.90x
Return on Equity	25.30%
Return on Assets	4.63%

## FAIR VALUE ASSESSMENT

Ticker	Prev Target Price	Target Price 30-Apr-26	Revised by	Share Price 30-Apr-26	Downside	Recommendation
NMB	16,347.02	13,544.03	▼ 17.15%	13,510	▲ 0.25%	HOLD

## COMMENTARY

NMB reported a 4.86% YoY increase in Q1'26 profit to TZS 193.09 billion, marking its slowest first-quarter growth since FY'19. The moderation in earnings was primarily driven by subdued net operating income growth of 9.17% YoY to TZS 461.57 billion, alongside a sharper 16.30% YoY rise in operating expenses to TZS 185.79 billion. This resulted in a deterioration of efficiency, with the cost-to-income ratio increasing from 35.90% in Q1'25 to 38.35% in Q1'26. Net interest income grew 12.94% YoY, but underlying pressure is evident. Interest income rose 20.18% YoY to TZS 434.34 billion; however, this was offset by a significantly faster 45.94% YoY increase in interest expenses to TZS 115.70 billion, reflecting rising funding costs and creating negative jaws. Non-funded income growth remained weak at 1.79% YoY to TZS 165.83 billion, weighed down by an 18.05% decline in foreign currency income and a sharp 66.46% drop in other operating income, further constraining overall revenue momentum.

Overall, earnings growth underperformed expectations, largely due to elevated cost of funds and soft revenue expansion across both funded and non-funded income lines. Earnings growth for the rest of the year is expected to gradually improve, supported by cost containment measures, sustained credit demand, and recovery in non-funded income driven by expansion in non-bank revenue streams and continued growth in digital channels.

However, we have revised our target price downward by 17.15% to TZS 13,544.03 to reflect weaker revenue assumptions and persistent margin pressure from rising funding costs. This implies a HOLD recommendation, broadly in line with the current market price of TZS 13,510 (as of 30-Apr-2026).

# NMB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING MARCH 2026

## RATIO ANALYSIS

<b>NMB Bank Ratios</b>	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	62.77%	62.16%	53.19%	48.76%	47.02%	40.39%	41.80%	37.61%
Equity Multiplier	5.83	5.61	5.37	5.21	5.41	5.35	5.67	5.42
Equity to Assets Ratio	17.16%	17.84%	18.63%	19.19%	18.49%	18.68%	17.64%	18.45%
<b>Asset Quality:</b>								
NPL Ratio	2.80%	3.02%	2.95%	3.08%	2.88%	2.72%	2.50%	2.61%
NPL Coverage Ratio	102.18%	101.25%	93.27%	94.18%	94.67%	101.51%	96.56%	95.19%
Cost of Risk	0.32%	0.30%	0.10%	0.25%	0.21%	0.24%	0.15%	0.21%
<b>Management Quality:</b>								
Loan Growth	3.39%	2.96%	1.60%	3.70%	5.00%	3.07%	9.35%	3.04%
Deposit Growth	5.98%	1.38%	3.25%	3.85%	3.96%	7.80%	12.62%	3.54%
Earning to Total Assets	82.00%	82.00%	84.00%	83.00%	86.00%	83.00%	81.00%	81.00%
<b>Earnings Quality:</b>								
Net Profit Growth	19.87%	19.45%	18.65%	14.83%	14.13%	14.16%	15.90%	4.86%
Net Profit Margin	42.26%	42.02%	41.74%	43.55%	42.85%	42.66%	42.99%	41.83%
Cost to Income Ratio	36.86%	36.89%	37.77%	35.90%	36.95%	37.17%	36.90%	38.35%
<b>Liquidity:</b>								
Loan to Deposit Ratio	93.00%	94.00%	91.00%	92.00%	93.00%	89.00%	86.00%	86.00%
Liquid to Total Assets	27.40%	28.99%	29.69%	29.04%	28.13%	28.92%	29.80%	14.65%
Loan to Deposits & Borrowings	78.14%	78.84%	78.82%	79.24%	80.87%	78.61%	76.42%	76.60%

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