

# NMB profit surges 65pc despite Covid-19

By DAILY NEWS  
Reporter

NMB Bank, one of the top lender in the land, profit surged almost two-third in a year ending June, thanks to solid operating income.

The lender profit increased to 93.6bn/- year on year to June compared to 56.7bn/- in the same period last year pushed up mainly by net income interest.

The strong growth in profitability was on the back of solid operating income growth of 13 per cent, largely driven by interest income growth of 10 per cent coupled with an in-

crease in non-funded income of 19 per cent.

The Acting NMB Chief Executive Officer, Ruth Zai-puna said that the bank maintained its market leadership status as the biggest financial institution in the country in line with the committed balance sheet growth strategy.

"The bank's performance is a reflection and outcome of growth strategy, maximizing on our strengths, capitalizing on market opportunities and the inherent potential to drive value creation for the shareholders and the Tanzanian community," Ms Zai-puna said yesterday through a statement.

The increase of loan portfolio and balance with the central bank contributed dearly hence elevated NMB to become the first bank to have assets worth more than 7.12tri/- mark on quarterly basis.

The bank also continued to demonstrate commendable operational efficiency, with only 1 per cent increase in operating expenses.

Ms Zai-puna said that, the bank's performance largely owes to favorable business operating landscape following recent prudential macro-economic reforms, coupled with the government's bold decision not to lockdown the

country during the Covid-19 pandemic hence creating an environment of business continuity. The results were also possible by the strong commitment and determination of the bank's leadership and staff that remained focused on execution even during the pandemic.

"We remained focused even during the coronavirus pandemic. The safety and well-being of our staff and customers remained our top priority, but we also remained focused on execution of our strategy and business initiatives," she said.

In quarterly basis, NMB

posted a net profit of 45.83bn/- up from 37.44bn/- of the corresponding period last year.

The profit, according to the lender's financial results, was attributed mainly to net income that ballooned by slightly over 10 per cent in three months.

The revenue from net interest was pushed up as a result of an increasing loan portfolio that jumped almost 100bn/- to 1.8tri/- to June.

Similarly, NMB becomes the first bank to accumulate the highest deposits in a three-month. The lender deposits rose to 5.428tri/- June from 4.753tri/- in March.

NMB maintained its non-performing loans (NPLs) level at 7.0 per cent in consecutive two quarters, which was above the industry benchmark of 5.0 per cent.

The profit pushed up basic earnings per share of the listed bank on Dar es Salaam Stock Exchange (DSE) to 90/- from 73/-.

During the quarter under review, NMB generated 59.2bn/- from non-interest income pushed up mainly by fees and commissions that racked in 51.1bn/- from 42.5bn/-. The bank in three months, however, increased three branches to 226.