

NMB half year profit surges by 43 pc

By DAILY NEWS
Reporter

NMB Bank Plc posted strong performance in the first six months this year with its profit after tax increasing by 43 per cent, year on year, to 134bn/- compared to 94bn/- registered in the corresponding period last year.

The NMB Chief Executive Officer, Ruth Zaipuna said in Dar es Salaam yesterday that the bank's strong performance featured significant total income growth due to enhanced customer relationship management and increased customer activity, disciplined cost optimization, and overall credit portfolio quality improvement.

"We are extremely pleased with our financial results for

the first half this year as we continue to build momentum on the strong performance and leveraging off the stance, monetary measures undertaken by the BoT," she said.

Last year, NMB bank as the top lender set new profit records in the history of the banking sector in the country as the most profitable bank with strong balance sheet and high assets value.

She added, "We continue to make good strides in the execution of our strategic initiatives, with the strong performance in the first six months demonstrating continued deepened customer relationships in our core business segments, with further gains made on cost-optimization and overall credit quality improvement."

During the reference period, the total revenue increased by 20 per cent year on year to 463bn/- from 387bn/- in the same period last year due to sustained growth in loans and advances, continued investment in government securities, and growth in non-funded income that rose by 17 per cent reflecting increase in customer activities.

The bank's efficiency ratio improved further during the first half of 2021 and remains within the regulatory benchmark where the bank recorded a 47 per cent cost-to-income ratio (CIR) compared to 56 per cent in the same period last year, well within the 55 per cent regulatory benchmark.

The CIR also improved from the 48 per cent recorded

in the first quarter this year, reflecting continued focus on cost optimization. The bank will continue to focus on further efficiency improvements whilst optimising investments in technology and strategic priorities to enhance the overall customer experience.

The credit quality continued to improve due to strong emphasis on robust credit portfolio risk management.

The bank's NPL ratio improved to 4.3 per cent in the first six months from 6.9 per cent in the same period last year, within the 5 per cent regulatory benchmark, reflecting continued strategies to improve overall credit portfolio quality.

The bank maintains a strong balance sheet with sustained growth demonstrating

enhanced customer relationships in our core business segments.

The gross Loans and Advances increased 11 per cent year on year to 4.4tri/- compared to 4.0tri/- in the same period last year.

The customer deposits also grew 8 per cent year on year to 5.8tri/- compared to 5.5tri/- in June last year as we continue to focus on enhancing overall customer experience by providing our clients with relevant solutions.

The bank's total assets stood at 7.6tri/- up 5 per cent from the 7.2tri/- in the same period last year.

Ms Zaipuna added "We are very thankful to our valued customers, shareholders, and our key stakeholders and

employees for the continued strong performance of the bank. Looking to the future, we are very excited about the opportunities that lay ahead as the global economy continues to recover from the adverse impacts of the Covid-19 pandemic. We will continue leveraging off our solid foundations, including a strong balance sheet, healthy capital levels, branch network and our digital capabilities to further sustain our business ambitions.

We remain committed to delivering strong returns to our shareholders and we look forward to further serving our esteemed customers and supporting the communities we serve as we progress along the second half of the year and beyond."