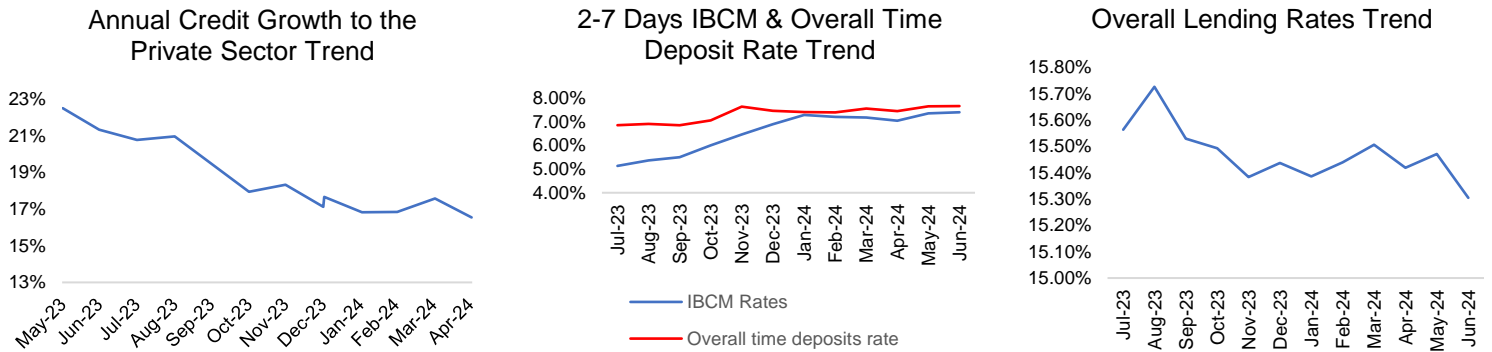


NMB Bank EARNINGS HIGHLIGHTS June 2024



NMB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING JUNE 2024

INDUSTRIAL OVERVIEW



INCOME STATEMENT ANALYSIS

Net Profits decreased by 4.08%, from TZS 160.36 billion as of March 2024 to TZS 153.81 billion as of June 2024.

Reasons:

Non-interest income decreased by 8.18% quarter-on-quarter (QoQ) to TZS 134.29 billion, driven by a TZS 9.52 billion reduction in the bank's foreign currency income, which was due to foreign currency shortages, particularly that of the USD in the market and the bank's decision to cut back on its foreign exchange spreads to support the importation of necessities and a TZS 5.91 billion decrease in the bank's other operating income.

A 10.68% increase in QoQ in the bank's loan impairment charges amounting to TZS 26.72 billion is a prudent measure to ensure the availability of sufficient reserves to cover potential loan losses.

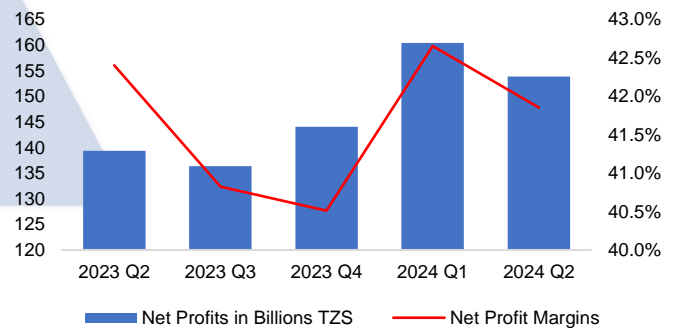
Interest income grew by 2.12% QoQ to TZS 336.28 billion, marking the second consecutive quarter of deceleration since Q4'23 and the slowest growth rate since Q2'22. We speculate that this slowdown is brought about by a reduction in the returns generated by the bank on interest-bearing assets.

Improvements in the Income Statement:

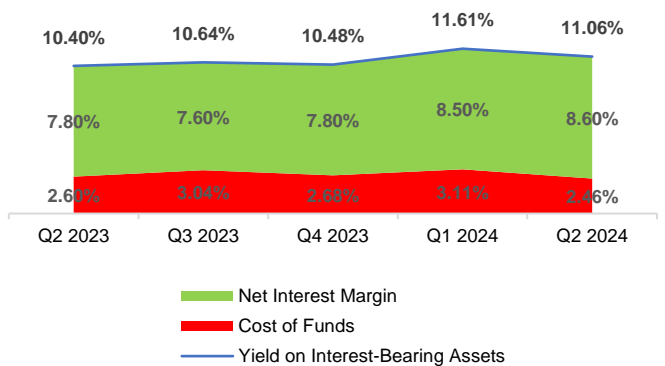
The bank's cost of funding slightly declined from 2.92% in Q1'24 to 2.85% in Q2'24, reflected by slower growth in interest expenses at 1.17% QoQ compared to 2.12% QoQ growth in interest income.

Operating expenses declined marginally by 0.65% QoQ to TZS 145.92 billion due to cost savings from reduced fees & commission expenses and employee salaries and benefits.

NMB Profitability Trend



NMB Net Interest Margin Trend



The data computed here is estimated and could vary from the actual data.

Income Statement Analysis Amounts in Billions TZS	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Net Operating Income	328.65	333.91	355.59	375.97	367.54
Growth Rate	9.31%	1.60%	6.49%	5.73%	-2.24%
Operating Expenses	129.64	139.27	149.78	146.87	145.91
Growth Rate	3.37%	7.43%	7.54%	-1.94%	-0.65%

NMB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING JUNE 2024

BALANCE SHEET STATEMENT ANALYSIS

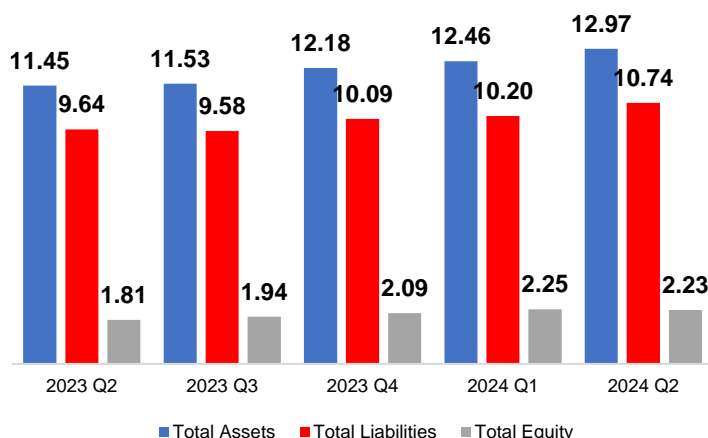
Total assets increased by 4.10% during the quarter ending June 2024, reaching TZS 12.97 trillion in value.

Key Drivers:

There was a 3.39% growth in customer loans amounting to TZS 8.12 trillion due to elevated demand for credit in the private and public sectors, and there was a 202.49% increase in the bank's balances with financial institutions amounting to TZS 484.13 billion

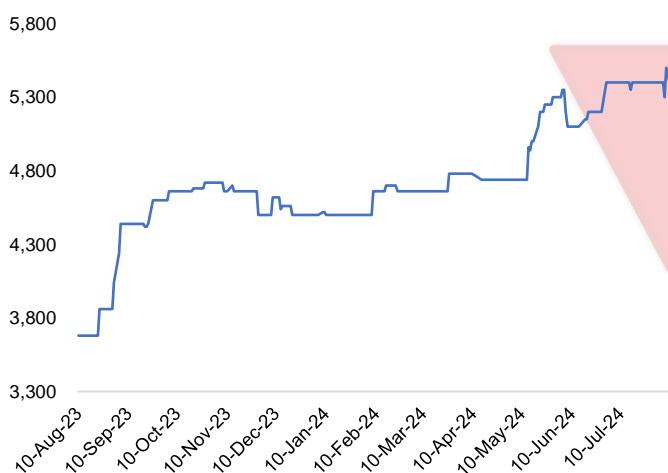
To finance this growth, the bank mainly relied on deposit growth, which stood at 6.02% QoQ, amounting to TZS 8.89 trillion on the back of innovative products such as NMB Pesa, and a marginal 2.25% QoQ increase in borrowings amounting to TZS 1.40 trillion.

Balance Sheet Highlights in Trillions TZS



INVESTORS' CORNER

NMB 52-Week Share Price Trend



Supporting Fundamentals

Ticker	NMB
Closing Price as of 9 ^h Aug 2024	TZS 5,400
Book Value per Share	TZS 4,450.10
P/B Ratio	1.21x
Annualized EPS	TZS 1,256.70
Annualized P/E Ratio	4.29x
Dividend per Share	TZS 361.18
Dividend Yield	8.03%

*Dividend of TZS 361.18 compared to Opening Price TZS 4,500 as of Jan 2nd 2024

OUTLOOK

NMB's half-year profits have grown by 19.87%, amounting to TZS 314.18 billion. The growth in earnings has been largely due to stronger growth of 28.65% YoY in the bank's non-interest income due to increased fees and commission income, and foreign exchange income. Additionally, net interest income after impairment charges registered a 12.57% growth YoY, amounting to TZS 462.97 billion; however, interest expense growth during the six months ending 2024 was more than double that of interest income, which resulted in slower net interest income growth. Regardless, investor sentiment the markets has remained positive with the bank's shares recording a 20% rally since the start of the year.

Looking ahead, NMB seems well-positioned to pursue sustainable growth during the second half of 2024. This growth would be propelled by the deployment of more loans to its customers on the back of strong deposit mobilization due to the deployment of deposit products and initiatives such as the NMB Pesa account, which have resulted in deposit inflows of more than TZS 600 billion during the first half of the year compared to loan disbursements of TZS 417.34 billion. Furthermore, the bank's decision to rely solely on deposits and reduce its borrowings inflow could result in a lower-weighted cost of funds and thus further improve the bank's net interest income and margins.

However, the decelerating growth in the bank's interest income needs to be addressed. If the situation persists into the second half of the year, it could result in slower than expected earnings growth.

NMB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING JUNE 2024

RATIO ANALYSIS

Bank Ratios:	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
Capital Structure:								
Borrowings to Equity	29.47%	44.75%	55.25%	53.33%	53.00%	66.00%	60.67%	62.77%
Equity Multiplier	5.97	6.05	5.91	6.33	5.93	5.82	5.53	5.83
Equity to Assets Ratio	16.75%	16.52%	16.93%	15.79%	16.87%	17.18%	18.08%	17.16%
Asset Quality:								
NPL Ratio	3.27%	3.27%	2.97%	3.54%	3.48%	3.16%	2.85%	2.80%
NPL Coverage Ratio	107.89%	109.34%	114.45%	95.46%	100.43%	96.49%	103.69%	102.18%
Earning to Total Assets	83.00%	80.00%	82.00%	82.00%	84.00%	83.00%	83.00%	82.00%
Management Quality:								
Loan Growth	11.41%	7.35%	8.91%	1.09%	5.67%	10.05%	1.95%	3.39%
Deposit Growth	5.15%	6.41%	1.33%	10.35%	-1.71%	2.52%	1.91%	5.98%
Cost to Income Ratio	40.80%	42.61%	39.20%	37.01%	39.14%	39.70%	36.71%	37.01%
Earnings Quality:								
Return on Equity	29.23%	24.95%	27.05%	30.82%	28.04%	27.54%	28.49%	27.65%
Net Profit Growth	8.56%	-9.06%	16.62%	13.52%	-2.17%	5.67%	11.32%	-4.08%
Net Profit Margin	39.43%	35.99%	40.83%	42.40%	40.82%	40.51%	42.65%	41.85%
Liquidity:								
Loan to Deposits & Borrowings	75.60%	73.85%	77.16%	71.77%	76.46%	79.33%	79.71%	78.14%
Liquidity Ratio	49.38%	50.31%	45.21%	48.14%	46.49%	46.23%	45.35%	44.14%

Quarterly Revenue and Profit Data has been annualized

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