

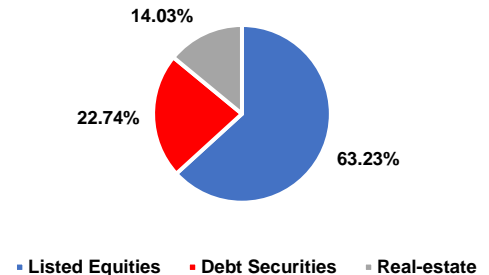
**NICO**  
**AGM**  
**HIGHLIGHTS**  
**Sept 2024**



## NICOL 10<sup>th</sup> ANNUAL GENERAL MEETING HIGHLIGHTS

National Investment Company Ltd (NICOL) is a closed-ended mutual fund founded in 1999. Its mission is to economically empower ordinary Tanzanians by facilitating their acquisition of stakes in the nation's burgeoning economy. To achieve this vision, the company has invested in listed equities, treasury, and corporate bonds and has recently expanded into real estate via its subsidiary, NICOLAND. The company was listed in the stock market 2008 at an Initial Public Offering (IPO) Price of TZS 300. On September 28<sup>th</sup> 2024, the company held its 10<sup>th</sup> Annual General Meeting, and here are the highlights:

NICOL Portfolio Breakdown 2024



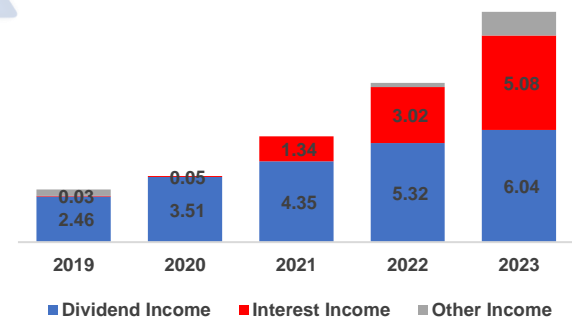
### KEY STRENGTHS

The bank's net profits increased by 23.06% from TZS 6.20 billion in 2022 to TZS 7.63 billion in 2023. The growth was mainly fueled by a 33.34% increase in investment income amounting to TZS 11.12 billion following a 13.47% increase in dividend income as a result of increased dividend payments from NMB and a 56.79% increase in interest income following its increased investments in debt securities in late 2022. Subsequently, operational efficiency was also attributed to bottom-line improvement following a company's cost-to-income ratio reduction from 27% to 19%.

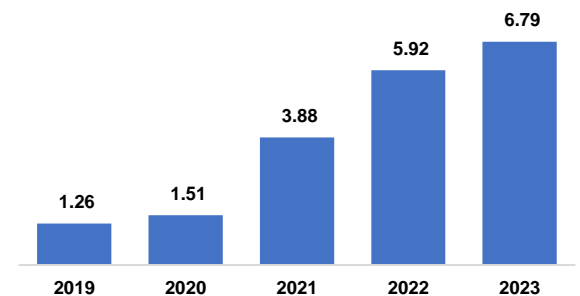
Following the improved profitability, NICOL recommended a dividend per share of TZS 53, which was subsequently approved and is to be paid on or about 1<sup>st</sup> November 2024.

Total assets recorded a 42.19% growth from TZS 128 billion in 2022 to TZS 162 billion in 2023. The growth was brought about by increased capital gains from its equities investments further investments made into treasury bonds, and the acquisition of plots via its subsidiary NICO land. The asset growth was mainly funded by shareholder equity, which saw a 33.65% increment following increased capital gains, particularly from its NMB investment; this resulted in an improvement in its Net asset value from TZS 1,687 to TZS 2,249.

NICOL Investment Income in Billions TZS



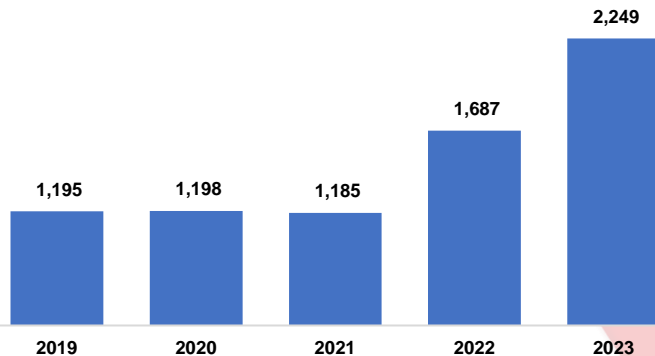
NICOL Net Profits in Billions TZS



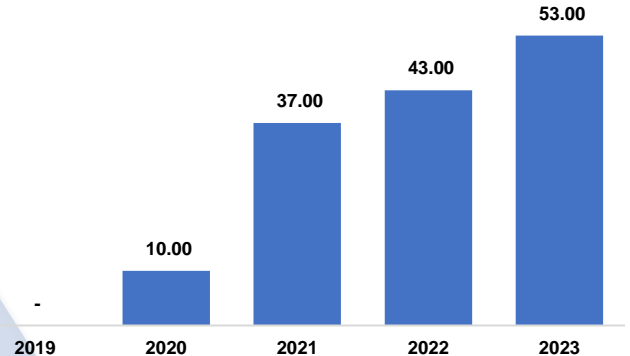
# NICOL 10<sup>th</sup> ANNUAL GENERAL MEETING HIGHLIGHTS

## KEY STRENGTHS

NICOL Net Asset Value per Share in TZS



NICOL Dividend per Share



## KEY CHALLENGES

Despite the improvement in operational efficiencies, the bank's interest expenses skyrocketed by 2691.80% from TZS 87.69 million in 2022 to TZS 2.45 billion in 2023, following a TZS 22.7 billion loan taken out by the company between 2022 and 2023 with an annual rate of 11.5%.

NICOL Interest Expense Trend in Billions TZS



Corporate governance controversies started showing their roots after a shareholder highlighted a section of the company's MEMARTS which highlighted that the company held the right to retain uncollected dividends and sell the shares of a member or the shares to which a person is entitled by transmission on death which is contrary to the norm where the shareholder remains entitled to sell his/her in his/her accord. Furthermore, a rejected proposal by the board to buy the chairperson a personal vehicle worth somewhere between USD 100,000 – USD 150,000 (TZS 271.5 million – TZS 407.25 million), which would be equivalent to 4% - 6% of the 2023 net profits indicates a conflict of interest between management prioritizing their self-interests over those of shareholders.

# NICOL 10<sup>th</sup> ANNUAL GENERAL MEETING HIGHLIGHTS

## OTHER DEVELOPMENTS

### Dividend Policy:

NICOL shareholders approved a proposed dividend policy that allows for up to 50% of the company's profits to be paid out as dividends; the policy is to be made effective from the 2024 financial year. This policy replaces the previous dividend policy, which was subject to the director's discretion, who committed to ensure that dividend payments to shareholders grow no less than 20% year-over-year.

### Directors Remunerations:

The following table presents changes approved by shareholders on directors' remunerations:

Annual Fees to Directors	Old Fees in TZS	Revised Fees in TZS	% Change
Board Chairperson	15,876,000	18,257,000	15.00%
Other Directors	14,553,000	16,735,950	15.00%

Board Meeting Remunerations	Old Fees in TZS	Revised Fees in TZS	% Change
Board Chairperson	882,000	1,014,300	15.00%
Other Directors	771,750	887,513	15.00%

Travel Expenses		Old Fees in TZS	Revised Fees in TZS
Inside the Country	Board Chairperson	826,875	Hotel Expenses + TZS 500,000 per day
	Other Directors	716,625	
Outside the Country	Board Chairperson	USD 515	Hotel Expenses + USD 500 per day
	Other Directors	USD 465	

## NICOL 10<sup>th</sup> ANNUAL GENERAL MEETING HIGHLIGHTS

### 2024 PERFORMANCE & OUTLOOK

NICOL has had a slower start during the first half of the Financial Year 2024, with its earnings having grown by 4.86%, amounting to TZS 7.78 billion, the slowest growth since 2019. This sluggish performance was primarily driven by rising operating costs, notably increased one-time provisions on a litigation case on title deeds with its subsidiary NICO Land, higher dividend processing costs following shareholder claims on unpaid dividends, and marked-up listing fees.

On a lighter note, NICO made a strategic move through its subsidiary, NICO Land, by buying and selling plots of land. Over 1.5 years, the company achieved a 28.71% return on investment, selling plots worth TZS 8.64 billion. Meanwhile, its real-estate project at the Msasani Peninsular has reached a 60% completion rate. It has been put in a rentable condition, potentially generating up to TZS 160 million in rental fees per annum (approximately 10% of the investment costs).

For further information please contact Us : 2124495 /2112874 /0764269090 /0714 269090

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PSSSF House, Ground Floor  
Samora Avenue / Morogoro Road  
P.O. Box 77049  
Dar es Salaam

+255 764 269090  
+255 714 269090

[research@solomon.co.tz](mailto:research@solomon.co.tz)

[www.solomon.co.tz](http://www.solomon.co.tz)