

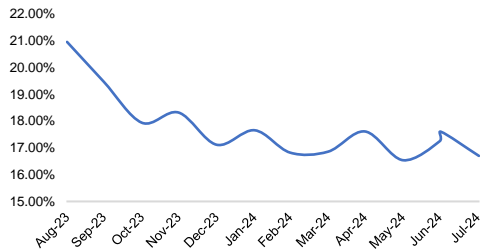
# Maendeleo Bank EARNINGS HIGHLIGHTS Sept 2024



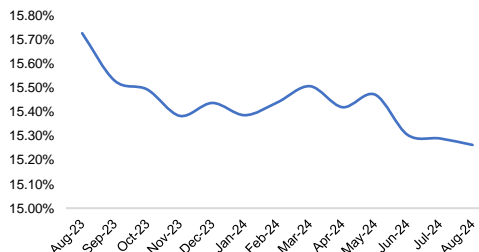
## MAENDELEO BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING SEPT 2024

### INDUSTRIAL OVERVIEW

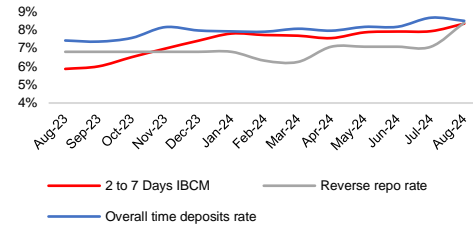
Annual Private Sector Credit Growth



Overall Lending Rate Trend



Interbank Cash Market, Reverse Repo & Overall Time Deposit Rates



### INCOME STATEMENT ANALYSIS

Net Profits increased by 30.58%, from a net profit of TZS 654 million during Q2'24 to TZS 854 million during Q3'24.

#### Improvements in the Income Statements:

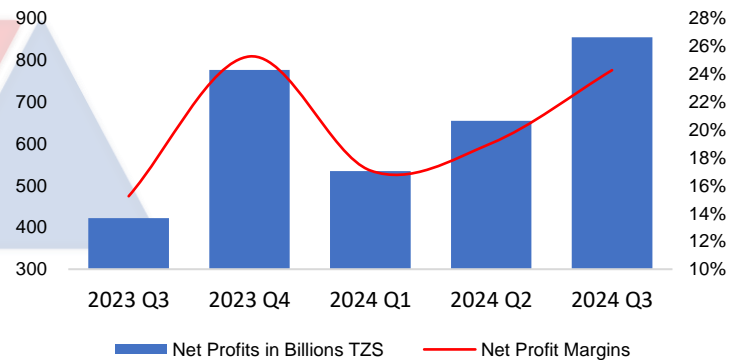
Maendeleo maintained a 12.11% growth in its Net Interest Income, amounting to TZS 3.25 billion as of Q3'24, brought about by an 11.16% increase in the bank's interest income, amounting to TZS 5.30 billion. This growth was due to an 8.24% increase in the bank's interest-bearing assets amounting to TZS 127.71 billion, as well as increased returns generated from those assets.

An improvement in cost management saw the bank's operating expenses fall by 4.63% from TZS 2.57 billion in Q2'24 to TZS 2.45 billion as of Q3'24. This drop was brought about by a decrease in salaries and benefits by 7.20% amounting to TZS 1.16 billion As well as a 2.19% QoQ drop in Other operating expenses amounting to TZS 1.29 billion as of Q3'24 due to renegotiations for more affordable contractual agreements with the bank's software providers.

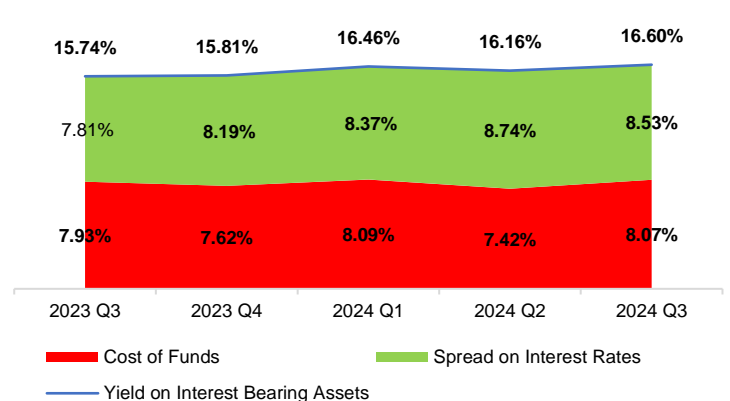
#### Underperformances in the income statement:

Non-interest income fell by 17.92%, amounting to TZS 600 million, during Q3'24, with the drop brought about by a 168.18% drop in foreign currency income from a gain of TZS 22 million to a loss of TZS 15 million as a result of stronger foreign currency inflow and the strengthening of the TZS A 4.07% drop in fees and commission income amounting to TZS 495 million during Q2'24 And a 37.82% drop in other operating income due to fewer loan loss recoveries made during Q3'24.

Maendeleo Bank Profitability Trend



MBP Indicative Interest Rate Spread



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

Income Statement Analysis Amounts in Billions TZS	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
Net Operating Income	2.77	3.07	3.13	3.43	3.52
Growth Rate	5.40%	10.93%	1.76%	9.94%	2.36%
Operating Expenses	2.16	2.28	2.48	2.57	2.45
Growth Rate	6.66%	5.37%	8.87%	3.75%	-4.63%

# MAENDELEO BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING SEPT 2024

## BALANCE SHEET STATEMENT ANALYSIS

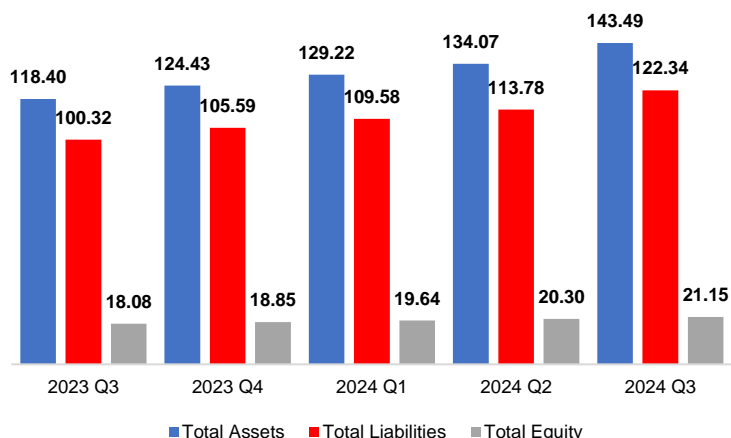
Total assets increased by 7.03% during the quarter ending Sept 2024, reaching TZS 143.49 billion in value.

### Possible Reasons:

Investments in government securities increased by 36.61%, amounting to TZS 31.98 billion, during Q3'24, followed by increased lending primarily to MSMEs and corporations, which caused net loans and advances to grow by 4.71%, amounting to TZS 87.52 billion as of Q3'24.

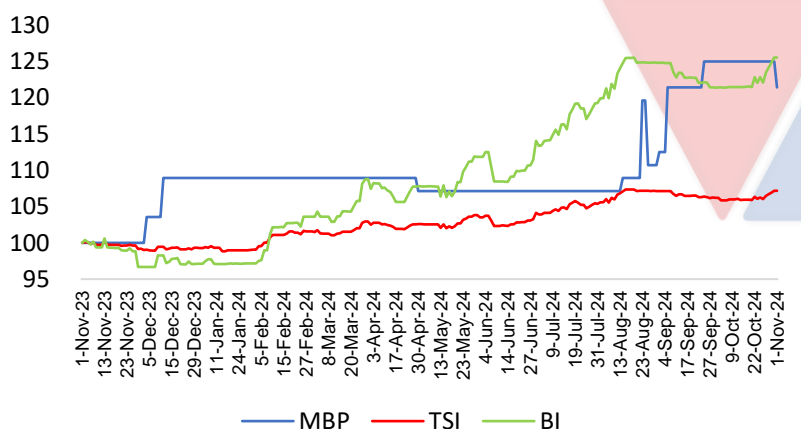
The growth in assets was primarily financed by a 77.57% growth in borrowings, amounting to TZS 17.59 billion as of Q3'24, a 3.67% increase in customer deposits, amounting to TZS 92.37 billion, and increased profitability recorded during the first nine months of 2024.

Balance Sheet Highlights in Billions TZS



## INVESTORS' CORNER

MBP Vs TSI & BI Index 52-Week Returns Rebased at 100



### Supporting Fundamentals

Ticker	MBP
Closing Price as of Nov 1 <sup>st</sup> 2024	TZS 340
Book Value per Share	TZS 800.26
P/B Ratio	0.42x
Trailing EPS	TZS 108.00
P/E Ratio	3.15x
ROE	16.26%
ROA	2.40%

## OUTLOOK

Maendeleo Bank Plc's profits for the nine months ending September 2024 have seen a 55.76% growth amounting to TZS 2.04 billion. This growth was largely contributed by an 60% decrease in loan loss charges from TZS 2.19 billion to TZS 876 million, followed by a 10.31% increase in the bank's net interest income amounting to TZS 8.93 billion despite negative jaws between interest expense growth and interest income growth. Non-interest income streams, however, registered a 6.60% decline amounting to TZS 2.04 billion

Looking ahead, an escalation in the bank's cost of funds may continue to act as a headwind against the bank's strategy to improve its profitability, especially caused by the TZS 7.69 billion in borrowings that the bank took during the third quarter of 2024. However, tailwinds that seem to be in favor of the bank include its 17.10% growth in customer deposits from TZS 78.88 billion as of Sept 2023 to TZS 92.37 billion as of Sept 2024 perhaps due to the bank's continued investments into digitalizing its ability to provide financial services, an increased reliance into agency banking and its offering of competitive rates on deposits may be some of the factors that could continue to propel the bank's growth well into 2024

# MAENDELEO BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING SEPT 2024

## RATIO ANALYSIS

<b>Bank Ratios:</b>	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
<b>Capital Structure:</b>								
Borrowings to Equity	57.30%	50.96%	61.44%	56.49%	67.28%	59.10%	48.81%	83.17%
Equity Multiplier	6.13	6.11	6.22	6.55	6.60	6.58	6.61	6.78
Equity to Assets Ratio	16.31%	16.36%	16.09%	15.27%	15.15%	15.20%	15.14%	14.74%
<b>Asset Quality:</b>								
NPL Ratio	5.10%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
NPL Coverage Ratio	57.72%	45.19%	53.09%	57.99%	48.96%	44.92%	33.57%	40.38%
Cost of Risk	9.26%	8.92%	8.84%	9.40%	9.05%	9.55%	8.79%	9.18%
<b>Management Quality:</b>								
Loan Growth	-7.43%	6.60%	3.52%	6.06%	4.38%	4.96%	7.46%	4.71%
Deposit Growth	5.88%	3.37%	2.25%	5.76%	4.33%	4.26%	7.11%	0.81%
Earning to Total Assets	85.00%	88.00%	88.00%	88.00%	89.00%	88.00%	88.00%	89.00%
<b>Earnings Quality:</b>								
Net Profit Margins	10.55%	16.36%	17.12%	15.23%	25.24%	17.07%	19.02%	24.26%
Net Profit Growth	-13.71%	70.16%	2.51%	-6.22%	83.89%	-31.19%	22.47%	30.58%
Cost to Income Ratio	59.41%	57.94%	58.62%	66.05%	63.71%	71.17%	70.85%	63.71%
<b>Liquidity:</b>								
Loan to Deposit Ratio	81.00%	83.00%	84.00%	85.00%	85.00%	85.00%	85.00%	88.00%
Loan to Deposits & Borrowings	69.65%	72.79%	72.12%	73.80%	72.25%	73.97%	75.91%	73.79%

## ANALYST'S NAMES & CONTACTS

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