

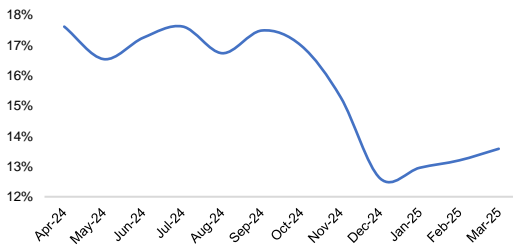
NMB Bank EARNINGS HIGHLIGHTS March 2025



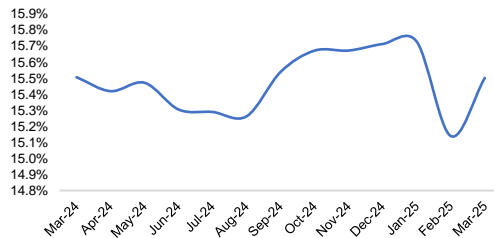
NMB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING MARCH 2025

INDUSTRIAL OVERVIEW

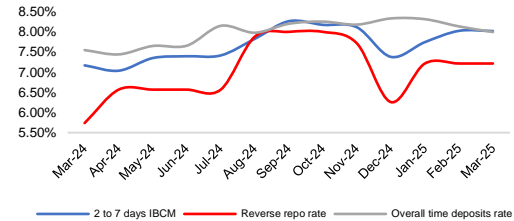
Annual Private Sector Credit Growth



Overall Lending Rate Trend

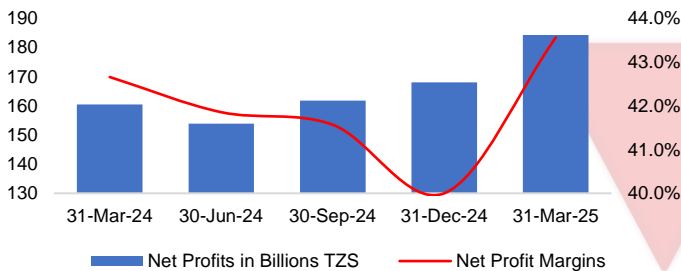


Interbank Cash Market, Reverse Repo & Overall Time Deposit Rates

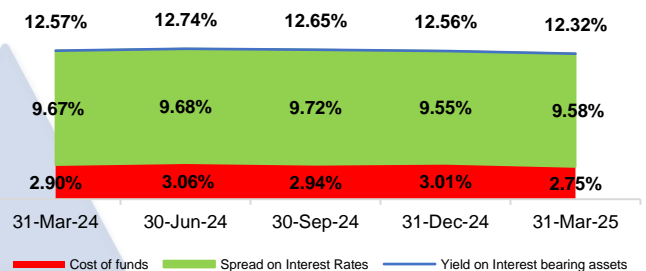


INCOME STATEMENT ANALYSIS

NMB Profitability Trend



NMB Indicative Interest Rates



Net Profits surged by 9.67% QoQ from TZS 167.91 billion as of Dec 2024 to TZS 184.15 billion as of March 2025.

Reasons:

The bank recorded a 20.21% quarter-on-quarter drop in operating expenses, falling from TZS 81.95 billion in Q4'24 to TZS 65.39 billion in Q1'25. This decline appears to be part of a recurring seasonal trend observed since FY'2020, where expenses typically fall in the first quarter relative to the fourth quarter. The reduction is likely tied to cost items such as marketing, bonuses, IT & system maintenance, and consultancy fees, which tend to be concentrated toward year-end.

Foreign currency income grew significantly, rising 96.43% QoQ from TZS 17.10 billion in Q4'24 to TZS 33.59 billion in Q1'25. This increase was likely driven by heightened customer demand for hard currencies—USD, GBP, and EUR—amid sharp depreciation of the Tanzanian shilling by 10.66%, 13.62%, and 14.24% against those currencies, respectively. Additionally, foreign currency deposits held by residents grew by 10.60% during the quarter, from TZS 11.77 trillion in December 2024 to TZS 13.01 trillion in March 2025.

Areas that need be addressed:

On the downside, Net Interest Income recorded minimal growth of just 0.25% QoQ, rising from TZS 281.44 billion in Q4'24 to TZS 282.13 billion in Q1'25. This sluggish performance was partly due to a 7.10% increase in interest expenses, likely influenced by rising interbank borrowing rates, which climbed from 7.38% in December 2024 to 8% in March 2025. Meanwhile, interest income grew by only 1.68% QoQ—the slowest pace since Q1'21—despite a 2.81% increase in earning assets to TZS 11.86 trillion, likely due to falling lending rates during February and March 2025 from the year's peak of 15.75%.

Income Statement Analysis Amounts in Billions TZS	Mar-24	Jun-24	Sept-24	Dec-24	Mar-25
Net Operating Income	375.97	367.54	389.15	419.77	422.81
Growth Rate	5.73%	-2.24%	5.88%	7.87%	0.72%
Operating Expenses	146.87	145.91	153.05	175.14	159.75
Growth Rate	-1.94%	-0.65%	4.89%	14.43%	-8.79%

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BALANCE SHEET STATEMENT ANALYSIS

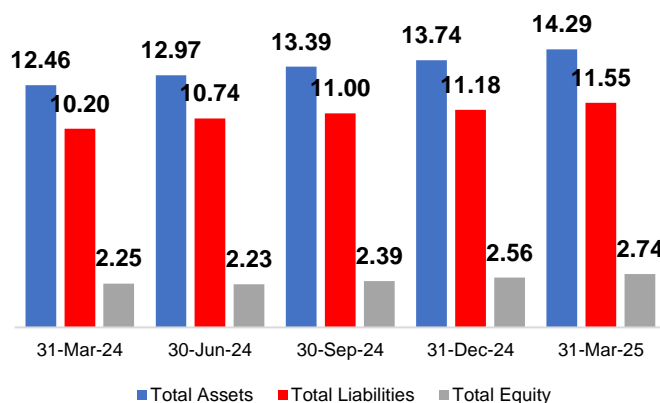
Total assets increased by 4.05% during the quarter ending March 2025, reaching TZS 14.29 trillion in value.

Key Drivers:

Customer loans grew by 3.70% QoQ to TZS 8.81 trillion in Q1'25, reflecting a recovery in credit demand across the banking sector compared to the muted appetite seen at the end of the previous year. The bank also increased its Central Bank balances by 26.67% to TZS 1.07 trillion to manage liquidity, while interbank deposits and cheques and other items for clearing surged 112.49% QoQ to TZS 194.82 billion with the aim of facilitating local and international transactions and cash settlements.

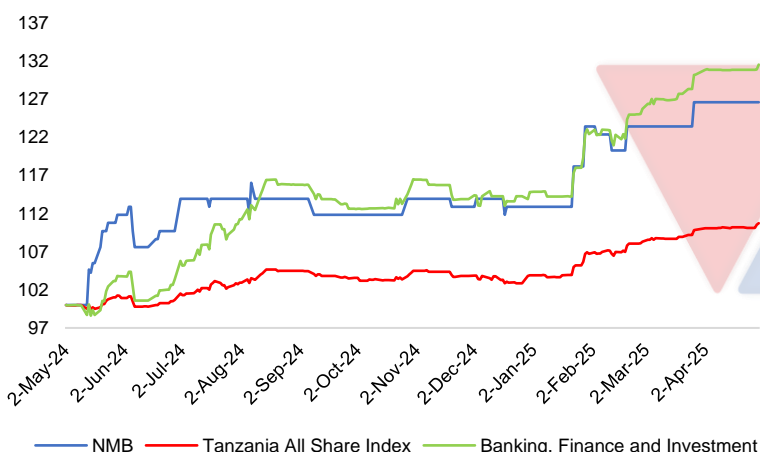
Balance sheet growth was funded by a 3.65% QoQ growth in deposits amounting to TZS 9.83 billion as well as the profits made during the quarter

Balance Sheet Highlights in Trillions TZS



INVESTORS' CORNER

NMB Bank VS TSI & BI 52-Weeks Returns rebased at 100



Supporting Fundamentals

Ticker	NMB
Closing Price as of 30 th April 2025	TZS 6,000
Book Value per Share	TZS 5,485.81
P/B Ratio	1.09x
Trailing EPS	TZS 1,341.35
P/E Ratio	4.09x
ROE	24.45%
ROA	4.69%

* The word trailing indicates the sum of the company's earnings per share from the latest four quarters

OUTLOOK

NMB's Q1'25 profits have grown 14.83% YoY amounting to TZS 184.15 billion, the earnings growth is healthy yet lackluster considering that the earnings growth recorded by the bank is the slowest of any Q1 earnings growth recorded by the bank since Q1'2019 and one of the slowest YoY Q1 growth recorded amongst Tanzania's large banks. The key driver behind this being a slowdown in the bank's interest income which grew at 9.75% YoY the lowest growth in interest income the slowest its ever grown in 20 consecutive financial quarters since June 2020 despite a 14.70% YoY growth in earning assets amounting to TZS 11.86 trillion all due to falling overall lending rates which according to the Bank of Tanzania fell from 15.73% in Jan 2025 to 15.14% and 15.50% in Feb and March 2025. Furthermore, while growth in demand for credit from the private sector has begun to accelerate from its lowest position in Dec 2024, the growth is still relatively lower than comparable periods in the previous year.

Despite the slow start to 2025 we anticipate NMB interest income position to begin posting a more accelerated growth given the fact that credit demand from the private sector continues to accelerate as has been the case for the first quarter of 2025 and market lending rates continue to remain favorable especially after seeing overall lending rates begin to rebound from Feb-2025 12 month low. All while the bank continues to implement strategies centered around customer centralism via providing personalized customer solutions, increased investments into its digital banking avenues such as the NMB mobile app, USSD Banking and Internet Banking to facilitate more retail and wholesale transactions, digital integration with its corporate clients via Enterprise Resource Planning systems to streamline payments and collections whilst adopting a sustainable approach such as via prudent liquidity management, credit quality assessments and Climate Risk Integrations.

Nonetheless its also worth addressing the likely headwinds that continue to impede NMB's growth particularly in the form of high costs of funds especially after the Central Bank continues to implement a less accommodative monetary policy which could continue to keep, overnight lending rates from the Interbank Cash Market elevated in an already challenging environment where deposit mobilization is tough.

NMB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING MARCH 2025

RATIO ANALYSIS

Bank Ratios:	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1
Capital Structure:								
Borrowings to Equity	53.33%	53.00%	66.00%	60.67%	62.77%	62.16%	53.19%	48.76%
Equity Multiplier	6.33	5.93	5.82	5.53	5.83	5.61	5.37	5.21
Equity to Assets Ratio	15.79%	16.87%	17.18%	18.08%	17.16%	17.84%	18.63%	19.19%
Asset Quality:								
NPL Ratio	3.54%	3.48%	3.16%	2.85%	2.80%	3.02%	2.95%	3.08%
NPL Coverage Ratio	95.46%	100.43%	96.49%	103.69%	102.18%	101.25%	93.27%	94.18%
Cost of Risk	1.81%	2.16%	2.31%	2.42%	2.35%	2.38%	2.16%	2.22%
Management Quality:								
Loan Growth	1.09%	5.67%	10.05%	1.95%	3.39%	2.96%	1.60%	3.70%
Deposit Growth	10.35%	-1.71%	2.52%	1.91%	5.98%	1.38%	3.25%	3.85%
Earning to Total Assets	82.00%	84.00%	83.00%	83.00%	82.00%	82.00%	84.00%	83.00%
Earnings Quality:								
Net Profit Growth	13.52%	-2.17%	5.67%	11.32%	-4.08%	5.16%	3.81%	9.67%
Net Profit Margin	42.40%	40.82%	40.51%	42.65%	41.85%	41.56%	40.00%	43.55%
Cost to Income Ratio	37.01%	39.14%	39.70%	36.71%	37.01%	36.94%	40.84%	35.90%
Liquidity:								
Loan to Deposit Ratio	81.00%	88.00%	95.00%	95.00%	93.00%	94.00%	91.00%	92.00%
Liquid to Total Assets	32.56%	30.62%	28.43%	27.58%	27.40%	28.99%	29.69%	29.04%
Loan to Deposits & Borrowings	71.77%	76.46%	79.33%	79.71%	78.14%	78.84%	78.82%	79.24%

Quarterly Revenue and Profit Data has been annualized

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