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Hope for banks at last after bad loans decline

Nonperforming loans (NPLs) have fallen among large commercial banks amid declining profits as the banking industry looks to emerge from two years of operational challenges. Financial reports of eight major banks published yesterday generally show a significant fall in NPLs during 2017 compared with 2016. The banking industry went through a rough patch in the last two years, a situation that was largely blamed on a liquidity squeeze which resulted in reduced lending to the private sector. With tight liquidity in the economy, borrowers failed to honour their obligations, resulting in high NPL levels. By the end of December 2016, the NPLs to total gross loans ratio had risen to an average of 9.5 per cent from 6.4 per cent in 2015, much higher than the acceptable threshold of five per cent. But in what is seen as a sign of impending change of fortunes, NMB Bank's NPLs dropped from 9.3 per cent during the third quarter of 2017 to 6.4 per cent in the last quarter. Barclays Bank Tanzania's results show that NPLs shrunk to 8.5 per cent during the fourth quarter of 2017 from 11 per cent in the previous quarter.

Bank M's ratio dropped to 6.5 per cent in the last quarter of 2017 from 7.1 per cent in the preceding quarter, while Standard Chartered Bank's NPLs fell to 8 per cent from 8.5 per cent. As for CRDB Bank, NPLs slowed to 13.4 per cent from 14.4 per cent. The National Bank of Commerce (NBC) saw a drop to 12.4 per cent in the fourth quarter from 13.4 per cent in the previous quarter. Stanbic and Citibank's ratios remained unchanged at 4 per cent and 0.1 per cent, respectively, while that of Standard Chartered Bank's fell from 8.5 to 8 per cent. *"The Citizen, National News Pg.2"*

Insurance cover 'can reach 50pc'

Morogoro Regional Commissioner Steven Kebwe has said Tanzania has everything that it takes to reach an insurance penetration of 50 per cent by the year 2028, calling upon workers in the office of the Tanzania Insurance Regulatory Authority (Tira) to play their role accordingly. According to Tim, currently, the penetration rate stands at about five per cent while annual growth rate for the sector stands at seven per cent. "Insurance market growth at a pace of 7 per cent clearly indicates that the authority is determined to regulate insurance business as per international standards. "Considering this, the Authority has to embark on public awareness programmes which will lead to creating insurance awareness to the general public, a vital step towards achieving the 50 per cent penetration rate target by 2028," Dr Kebwe said. *"The Citizen, National News Pg.5"*

Vodacom share price regains base after dip

Vodacom Tanzania share prices regained to the initial public offering (IPO) level of Sh850 on Monday. The DSE daily market report showed that the telecom company opened the market with a price of Sh850, which held steady until the close of business. The firm's counter was active on Monday, recording a turnover of Sh21.6 million after transacting 29,590 shares at Sh730 in 3 deals. The gain in the firm's share price also increased the market capitalization to Sh1.9 billion from Sh1.6 trillion recorded towards end of last week. *"The Citizen, National News Pg.5"*

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