



NMB BANK PLC.

2016 ANNUAL RESULTS PRESENTATION

17TH ANNUAL GENERAL MEETING

03 JUNE 2017

AGENDA 17.5

**TO RECEIVE, CONSIDER AND ADOPT THE
DIRECTORS' REPORT AND AUDITED
FINANCIAL STATEMENTS FOR YEAR ENDED
31ST DECEMBER 2016**

2016 HIGHLIGHTS



NMB AT A GLANCE – CONTINUED GROWTH AND REACH

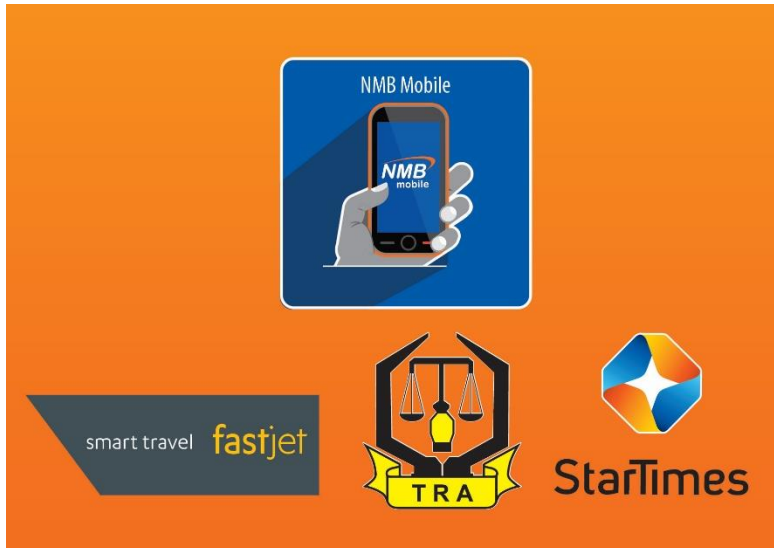
	2016		2015
Number of customers	2,178,700	4% ↑	2,100,000
Number of branches	188	7% ↑	175
Number of ATMs	670	13% ↑	595
Number of employees	3,432	9% ↑	3,163


PRIORITIES FOR 2016

- 1 **Innovation** - Agency banking, mobile + cards
- 2 **Medium Term Note** – Retail/Corporate Bond
- 3 **Deposits** - New campaigns e.g. Pamoja account
- 4 **Government business** – Integrating e-collections
- 5 **Agribusiness** – Implementing the new and approved Agribusiness strategy
- 6 **Customer service** - Company wide effort


2016 TOP ACHIEVEMENTS

- **Innovation:** Tier 3 Data Center
- **Innovation:** +2,000 new NMB Wakala, Mobile Banking





Close to you



NMB WAKALA

**FAST, AFFORDABLE
AND RELIABLE
SERVICES**



- DEPOSIT AND WITHDRAWAL
- MONEY TRANSFER
- PAY SCHOOL FEES
- PAY BILLS

Visit an NMB Wakala near you!
Over 2000 NMB Wakala nationwide.
For more information dial **0800 002 002**.

www.nmbbank.co.tz

2016 TOP ACHIEVEMENTS

■ Deposits: Pamoja & Wajibu accounts

Elimu yake. Maisha yake ya baadaye.
WAJIBU wangu

NMB Junior Account sasa inaitwa
NMB MTOTO AKAUNTI

- Kwa mzazi/mlezi mwenye watoto wenye umri wa miaka kati ya 0-17
- Kiwango cha chini cha kufungua akaunti ni **TZS 5,000** (au **USD/EURO/GBP 5**)
- Haina makato ya uendeshaji wa akaunti ya kila mwezi
- Weka kiasi chochote cha fedha kupitia **NMB Mobile**, au **NMB wakala** au **Matawi** ya **NMB** na uweze kupata huduma muda wowote
- Pata riba ya ziada ya kuvotia kwa kiwango chochote kilicho kwenye akaunti yako
- Pata huduma ya bure ya kuhamisha fedha kwa agizo maalumu (Standing Order)

*Vigoto na matawi kuzingatifu

NMB Wakala **NMB Mobile** **NMB Branch** **NMB App**

www.nmbtz.com



NMB Pamoja Account

Lengo **Moja!** Kuishi kwa **Umoja**, tukiongea lugha **Moja**, kufanikisha ndoto zetu **Pamoja**, kwa nguvu **Moja...**

Kwa vikundi vya kijamii vyenye lengo moja kwa maendeleo ya pamoja.

- Usalama wa fedha na uhakika wa upatikanaji zinapohitajika
- Hakuna makato ya mwezi
- Hakuna gharama za uendeshaji kwa miamala ya ndani ya NMB

Tembelea Tawi la NMB karibu nawe kupata taarifa zaidi au wasiliana nasi kupitia: **0800 11 22 33**

NMB Wakala **NMB Mobile** **NMB Branch** **NMB App**




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2016 TOP ACHIEVEMENTS

■ Agribusiness: Agribiashara Campaign



NMB
Karibu yako

Eti Mangi, **Kahawa**
ni **tunda** au **mbegu**?

NMB AgriBiashara
PAMOJA NA WEWE KILA MSIMU

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NMB
Karibu yako

Tunaunga Mkono jitihada
zako katika kutupatia **pembejeo**
bora, thabiti na za **kisasa**.

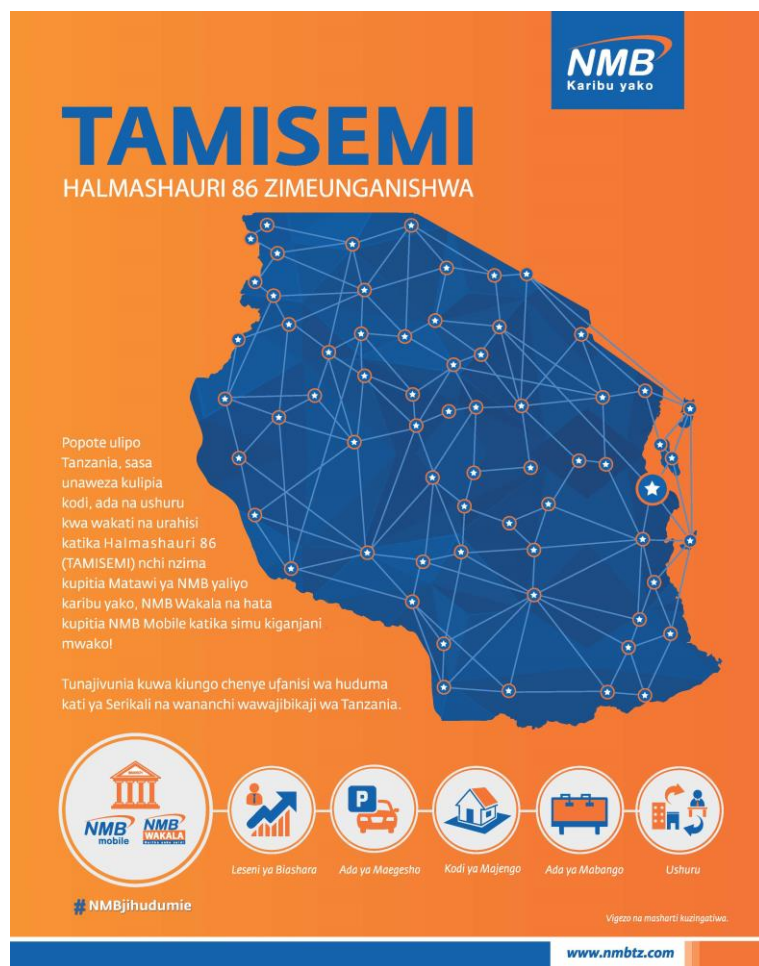
NMB AgriBiashara
PAMOJA NA WEWE KILA MSIMU

#TupoKukuhudumia
Tembelea tawi lolote la NMB au Piga simu **0800 002 002**
@NMBPLTanzania

www.nmbtz.com

2016 TOP ACHIEVEMENTS

■ Government business: Integrating new councils



TAMISEMI
HALMASHAURI 86 ZIMEUNGANISHWA

Popote ulipo Tanzania, sasa unaweza kulipia kodl, ada na ushuru kwa wakati na urahisi katika Halmashauri 86 (TAMISEMI) nchi nzima kupitia Matawi ya NMB yaliyo karibu yako, NMB Wakala na hata kupitia NMB Mobile katika simu kiganjani mwako!

Tunajivunia kuwa kiungo chenye ufanisi wa huduma kati ya Serikali na wananchi wawajibikaji wa Tanzania.

#NMBjihudumie

Leseni ya Biashara Ada ya Maegesho Kodi ya Majengo Ada ya Mabango Ushuru

www.nmbtz.com



TAMISEMI
Regional Administration and Local Governments

NMB is now in cooperation with TAMISEMI to simplify your day by day errands of nation building, specifically on tax and duty payments of Regional Administration and Local Governments. Now you can use NMB Mobile, NMB Wakala or any of the NMB Branches near you to settle your tax/duty bills in time and hassle-free.

Other Taxes
Land Rent
Parking Bill
Business License
Billboard Fee

#NMBjihudumie

Terms and Conditions Apply

www.nmbtz.com

2016 TOP ACHIEVEMENTS

- Maiden corporate debt issue – NMB retail bond



Hati Fungani ya NMB

Jipatie faida
bila wasiwasi!!



Iko wazi kwa wote! **Kuanzia 10 Mei hadi Juni 8.**
Asilimia 13% faida kwa miaka 3, inalipwa mara
mbili kwa mwaka.

* Waraka wa Matarajio wa Hati Fungani Hii Umeidhinishwa na Mamlaka ya Masoko ya Mitaji na Dhamana.

Kwa maelezo zaidi piga simu 0800 11 22 33

Vigezo na Masharti Kuzingatiwa.

Fedha ya Uihakika. **Chaguo la Uihakika.**

www.nmbtz.com



There is nothing **exciting** about this
NMB BOND offer.

Unless you are the
type of **person**
who likes
fixed returns.



Open to all! **May 10th to 8th June.**
Earn 13% interest for 3 years, payable twice a year.

* The Information Memorandum for this Offer has been approved by the Capital Markets and Securities Authority (CMSA)

Visit NMB branch now or call 0800 11 22 33

Terms and Conditions Apply.

Smart money. **Smart choice.**

www.nmbtz.com

2016 TOP ACHIEVEMENTS



- **Customer service – “Twaweza” Campaign**
- **Credit rating – b1 rating by Moody’s**

2016 TOP ACHIEVEMENTS

■ Corporate Social Responsibility



2016 TOP ACHIEVEMENTS

■ Recent Accolades



FY2016 FINANCIALS



SLOWER BALANCE SHEET IN 2016 GROWTH DUE TO TIGHT LIQUIDITY

BALANCE SHEET

*All figures in TSH
billions*

	FY 2016	FY 2015	% change
Loans & advances to customers	2,794	2,481	+13%
Investments in Gov't securities	725	673	+8%
Total Assets	4,951	4,580	+8%
Deposits from customers	3,737	3,568	+5%
Borrowings	353	266	+33%
Shareholders' Equity	708	621	+14%
Total Liabilities & Equity	4,951	4,580	+8%

- Loans & advances grew 13% from 2015 to TSH 2,794 billion significantly lower than previous growth rates of +20%
- Deposits from customers reached TSH 3,737 billion, up from TSH 3,568 in 2015, a 5% growth.
- Liquidity crunch in the market has hampered deposit growth efforts
- Borrowings rose 33% as NMB tapped credit lines from European Investment Bank (EIB) and other development finance institutions (DFIs) resources



PROFIT AFTER TAX GREW BY 2.4% FROM PREVIOUS YEAR

INCOME STATEMENT

*All figures in TSH
millions*

	FY 2016	FY 2015	% change
Net Interest Income	448,840	370,184	+21%
Loan impairment charges	(30,240)	(13,009)	+132%
Net Interest Income after impairments	418,600	357,175	+17%
Non Interest Revenue	151,340	159,511	-5%
Total Operating Expenses	(348,516)	(299,358)	+16%
Profit before Tax (PBT)	221,424	217,328	+2%
Taxes	(67,599)	(67,040)	1%
Profit after Tax (PAT)	153,825	150,288	2.4%

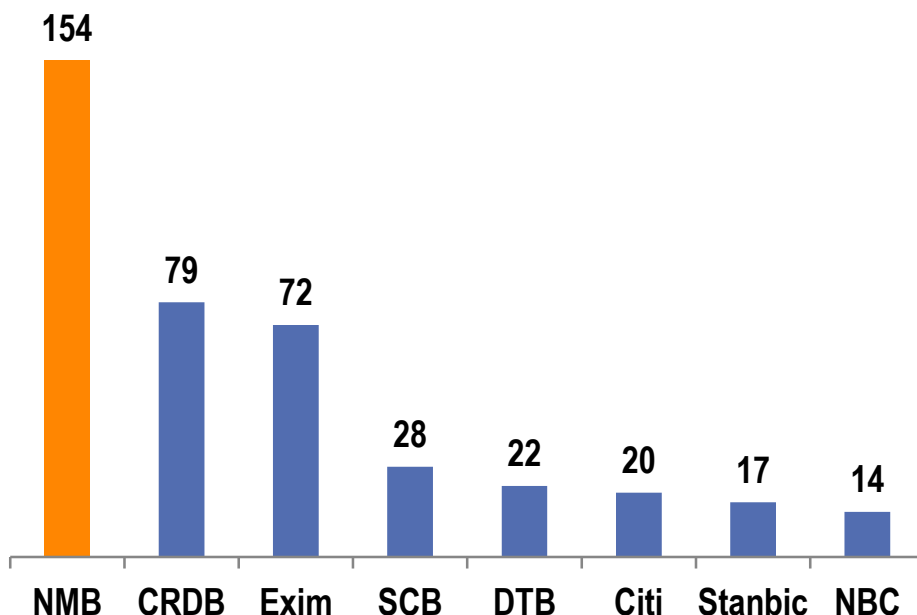
- Sharp increase in loan impairments
- Net fee & commission income grew by 14% to TSH 130 billion for 2016, on the back of higher customer transactional volumes generating increased commissions
- FX income decrease by 42% due to lack of volatility in the TZS/USD exchange rate
- NPL ratio rose to 4.8% from 2.1% in 2015



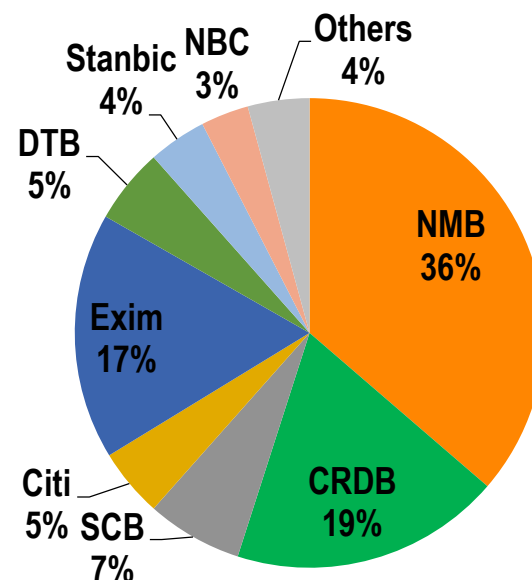
NMB STILL GENERATED THE MOST PROFITS IN THE BANKING SECTOR

- With Profit after Tax (PAT) of TSH 153.8 billion for FY2016, NMB generated more profit than any other bank in Tanzania
- NMB accounted for 36% of all banking sector profits for 2016

FY2016 Profit after Tax (in TSH billions)



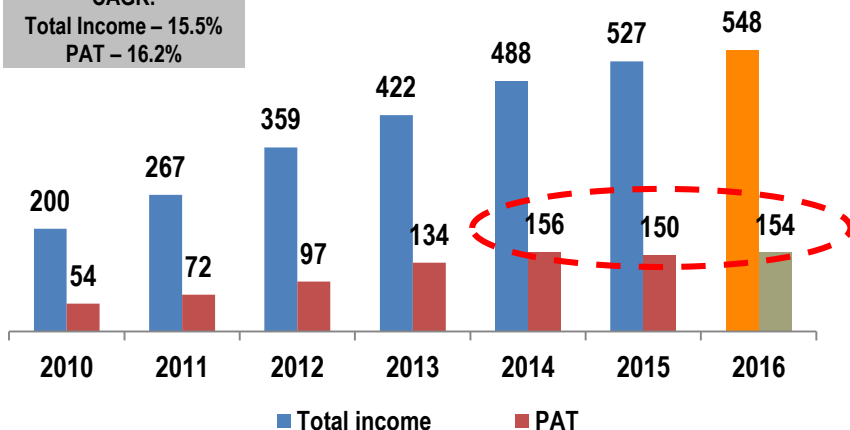
FY2016 Share of banking sector profits



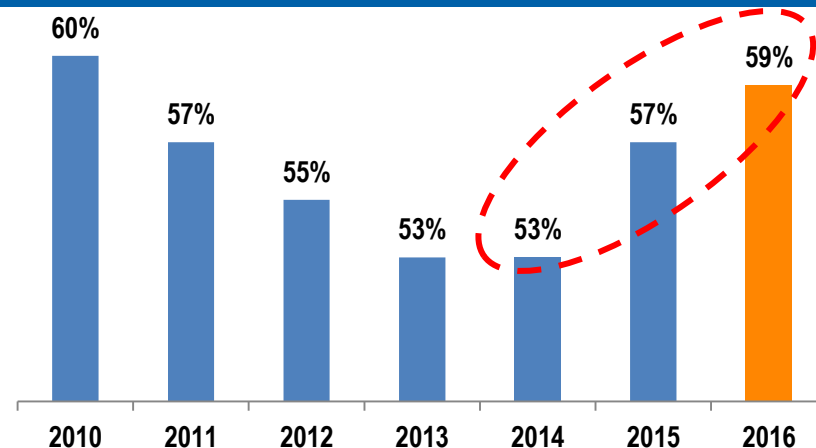
KEY PERFORMANCE MEASURES INDICATE A CHALLENGING ENVIRONMENT

Total income & Profit after Tax (in TZS bn)

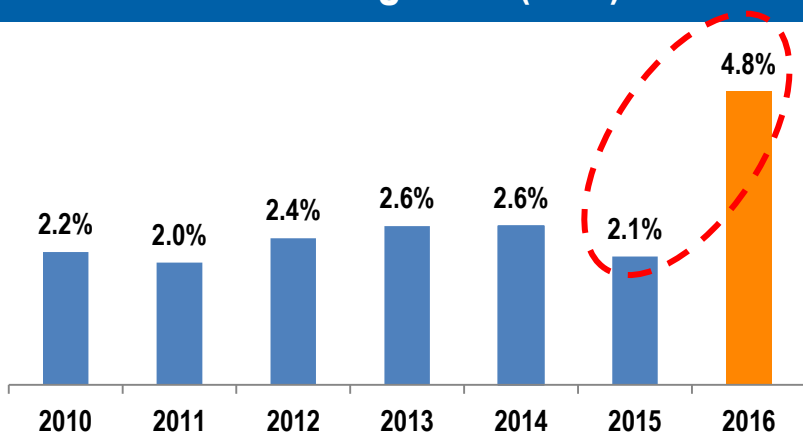
CAGR:
Total Income – 15.5%
PAT – 16.2%



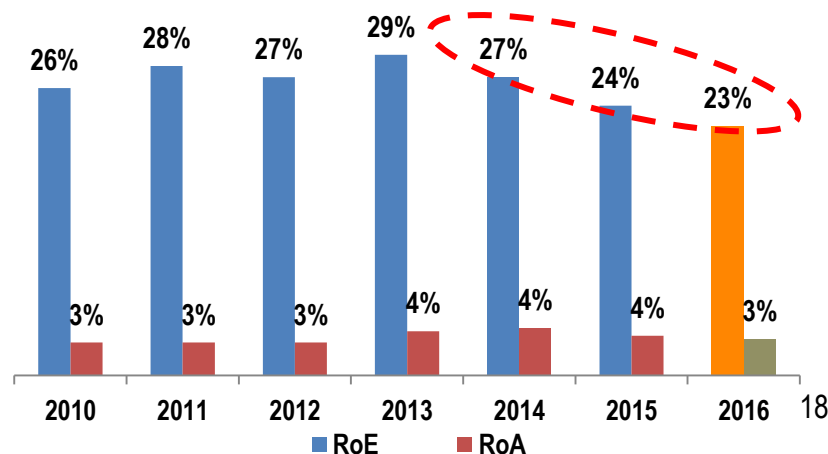
Cost-Income Ratio (CIR)



Non-Performing Loan (NPL) ratio



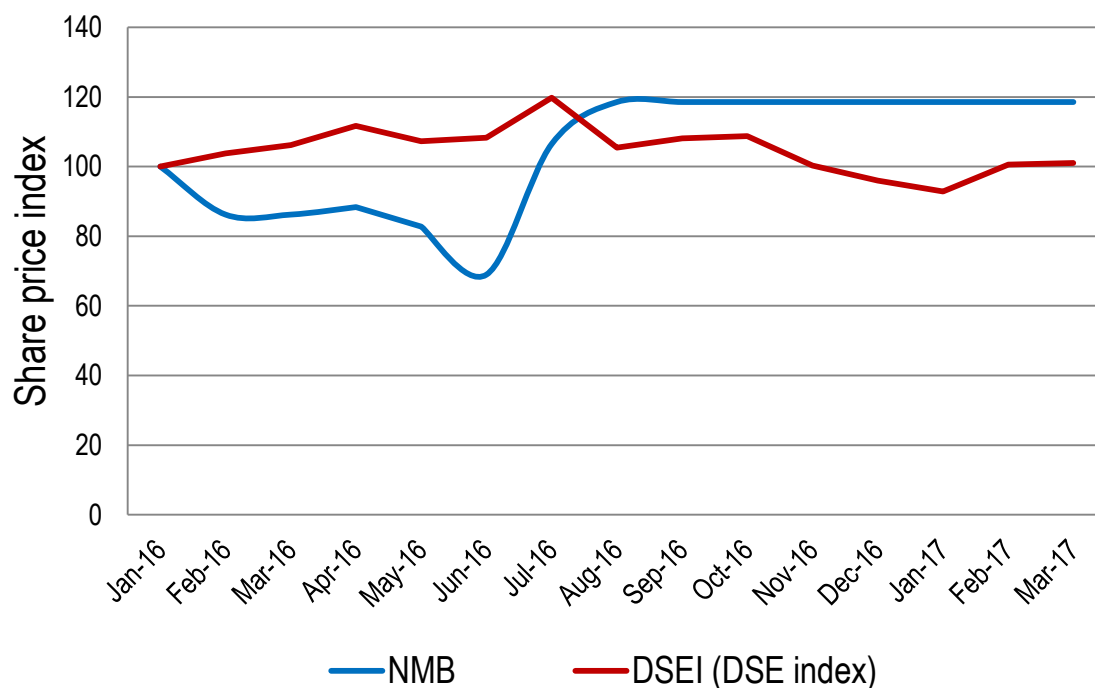
Returns





NMB SHARE PRICE REGAINED STABILITY IN 2ND HALF OF 2016

Share price movement



- Uncertain operating environment in the first half of 2016 translated into a decline of the average share price of companies listed on the DSE, NMB included
- NMB share price recovered after listing the NMB Bond
- Price has remained unchanged since August 2016

PREPARING FOR UPCOMING REGULATORY CHANGES

- **Change in capital requirements – effective August 2017**
 - Capital charge for ‘Operational Risk’
 - Will increase bank’s Risk Weighted Assets (RWAs) and decrease its capital ratios

- **IFRS 9 preparations – eff. 1st January 2018**
 - Change in accounting practices regarding provisioning
 - The bank is currently assessing the likely impact on our provisioning figures and capital position

- **Basel 3 – tentatively end of 2019**
 - Latest version of international capital standard accord
 - The bank is currently assessing the likely impact on our capital position

THE ROAD AHEAD

TOP PRIORITIES FOR 2017

- **Innovation** – Fanikiwa + cards (MasterCard)
- **Deposits** – expanding agency banking + growing merchant payments
- **Government business** – strategic partner in integrating payments; project financing & advisory
- **Customer service** – ensure continued focus on delivering quality customer care

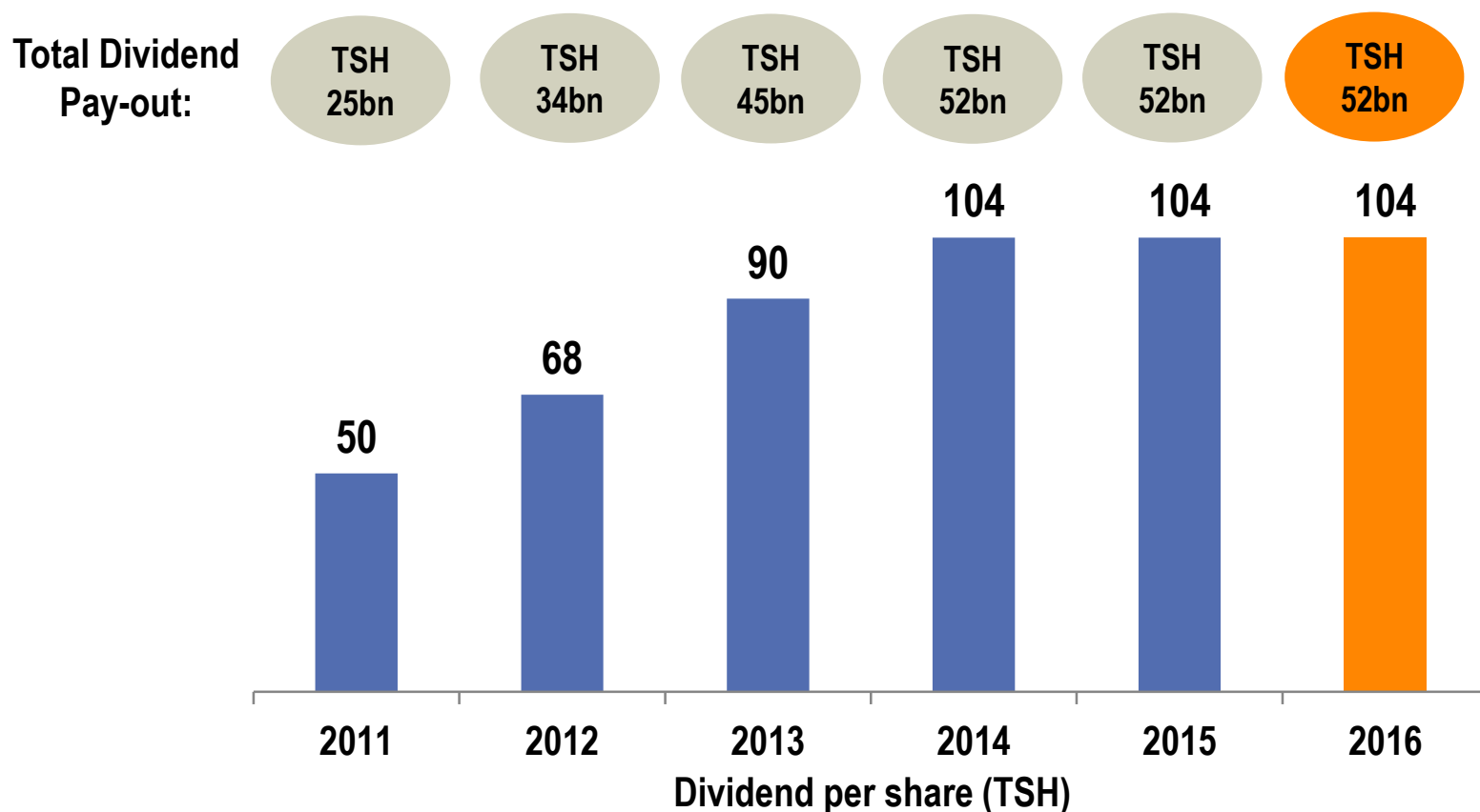
AGENDA 17.6

**DIVIDEND DECLARATION FOR THE
FINANCIAL YEAR 2016**

DIVIDEND PROPOSAL

PROPOSED DIVIDEND FOR FY2016

- The Board has proposed a dividend pay-out of TSH 104 per share amounting to TSH 52 billion
- NMB has historically maintained a dividend pay-out ratio of 33%



ASANTE/ THANK YOU



Q & A

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