

**3<sup>rd</sup> Quarter 2024**

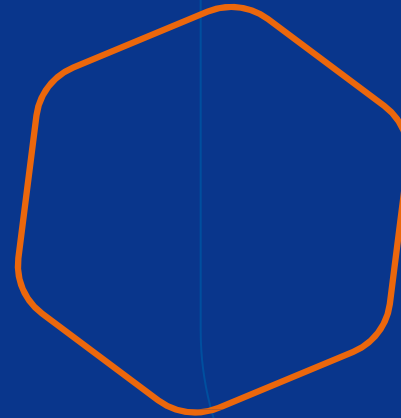
**Results Call: Investor Presentation**

14 November 2024

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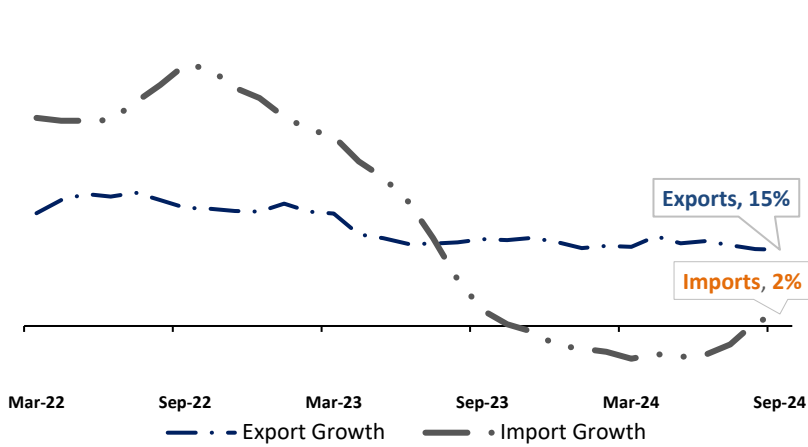


The image features a solid blue background. In the upper left, there is a faint, light blue hexagonal outline. Overlaid on this and extending towards the left edge is a thin orange line that forms a curve, dips, and then rises. Below this curve, a short horizontal orange line segment is positioned. To the right of the text, there is a more prominent orange hexagonal outline. A thin, light blue curved line starts near the top right, passes behind the orange hexagon, and extends towards the bottom right corner.

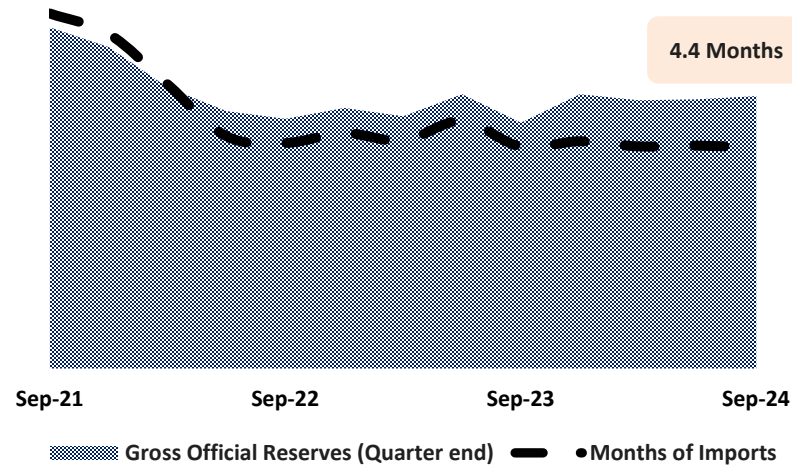
Operating Environment

# Operating Environment: Tanzania remains a stable and positive operating environment:

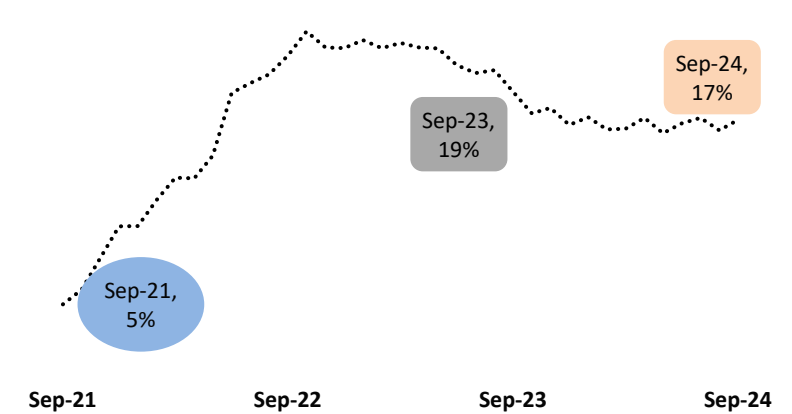
Tanzania: Exports are growing faster at 15% YoY compared to a 2% increase in value of imports



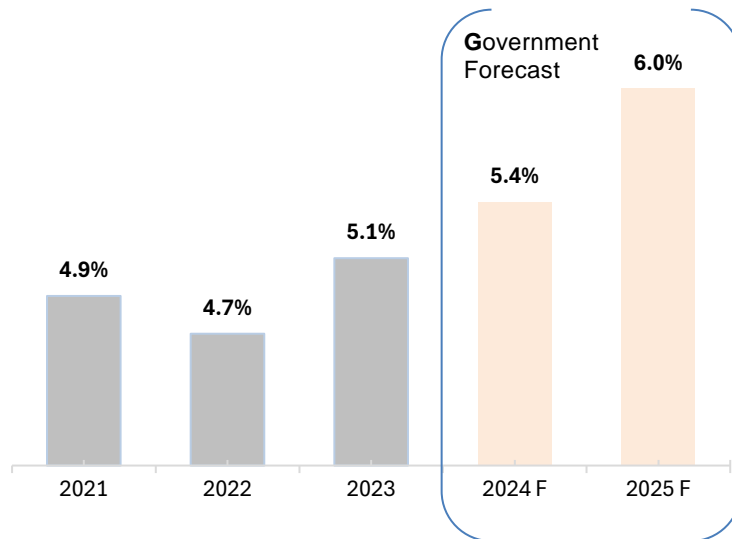
Tanzania: sufficient FOREX Reserves



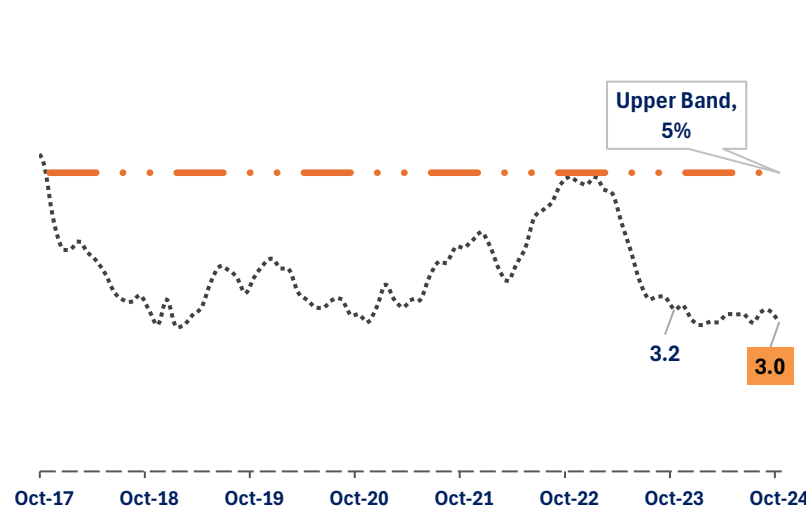
Tanzania: Strong private sector credit growth.



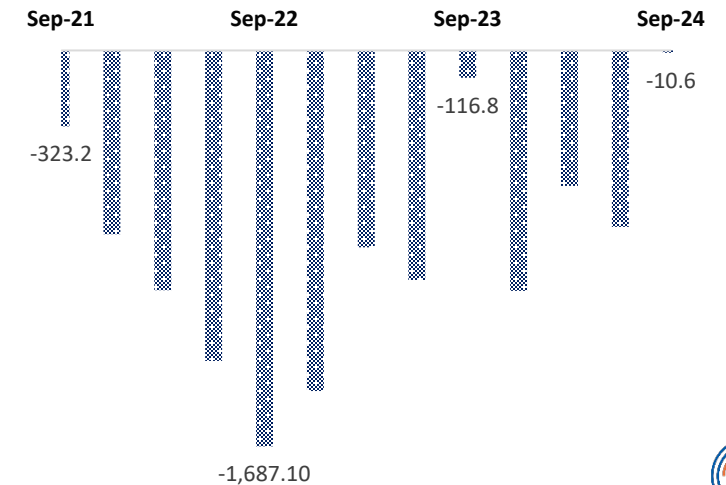
Tanzania: GDP growth (YoY)



Tanzania: Inflation remained relatively Low



Tanzania: Current account deficit continue to improve on quarterly basis

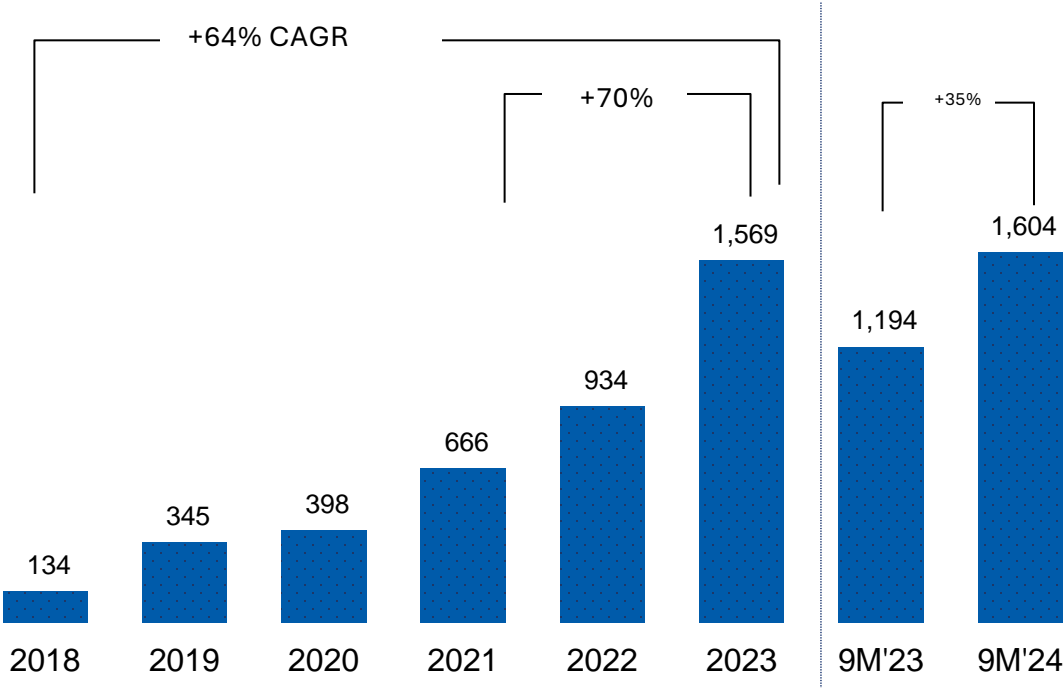


# Tanzania Banking Sector: The Sector remains Solid, Sound, and Profitable as of September 2024

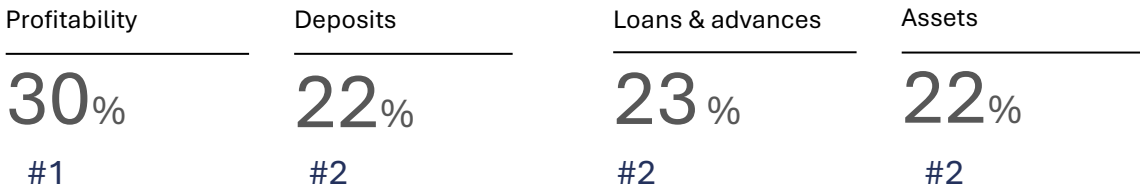
## Banking Sector Overview



## Banking sector profitability Trend

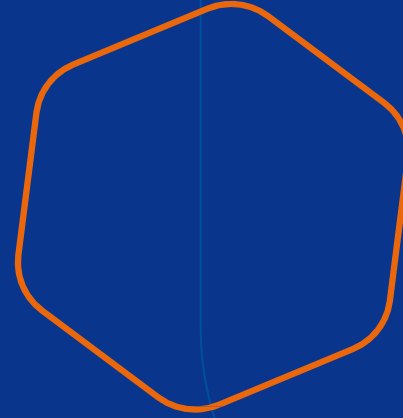


## NMB Market share





# NMB Bank Plc Overview



# NMB Bank Overview: Q3 2024

## The leading bank in Tanzania with a Strong market share

Through strategic investments in Technology, People, and Governance, we continue to transform the Bank



2024

We continue to cement our Market Leadership

### Institutional strength

Well optimized asset book

TZS 13.4 Tn



Customer Accounts

8.3 Mn +



### Scale and stability

Market capitalization

TZS 2.70 Tn



Market share loans

23%

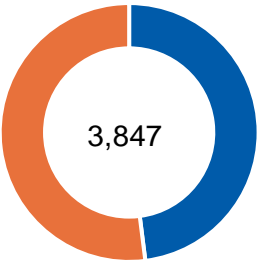


Market share by deposits

22%



### Our People



48% women

52% men



### Outreach

Branch Network

240



NMB Wakala

44,124



Number of ATMs

+700



### Credit rating & Awards

Moody's Ratings  
B1 Stable  
26 March 2024



### Digital

96%

Digital transactions

84%

Accounts Opened Digitally.

5+Mn

Customers registered on Internet & Mobile Banking

# Robust stock price appreciation underpinned by Business Performance and a Stable Shareholder base.

Large base of long-term strategic shareholders

(31 December 2023)

34.9%

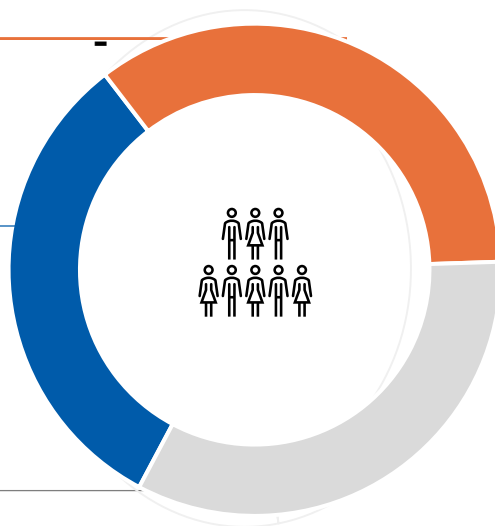
Arise B.V

31.8%

Treasury Register (Government)

33.3%

Free Float (General Public)



NMB Share price is up 16% YoY From TZS 4,660 in November 2023



+17,000

Total Shareholders

TZS 2.7 Tn

Market Capitalization (2020: TZS 1.17Tn)

Top 3

Largest listed Bank in East Africa  
(2023)

22%

Contribution to total Market Capitalization



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# Progress on our Medium-Term Plan 2021-2025

# Our current MTP provides a clear growth Path for the Bank:

## Strategic focus areas under our Medium-Term Plan (MTP)

Our 3 strategic priorities:

### Deliver Winning Propositions



- Drive loyalty with **Mass**
- Win in **SME and Agri**
- Deepen Penetration in **Wholesale**

### Operational Efficiency



- Boost Branch Productivity
- Enhance Credit Risk Management
- Organizational Productivity

### Innovating for the Future



- Strengthen our **Data, Analytics**
- Enhance IT
- Innovative digital solutions

### Transform Customer Experience



**Strategic Intent:** To remain the leading bank in Tanzania, delivering sustainable value to our stakeholders

## Solid Progress along our Commitment towards — Driving Loyalty in Mass and Core middle segment

### Scaling Up Financial Inclusion and Loyalty



Mass Account Opening



NMB Pesa Account  
MshikoFasta



Expansion of Our  
Agency Footprint **(44,124)**  
(2019: 8,000)



Rural Banking Initiative



Diaspora Proposition

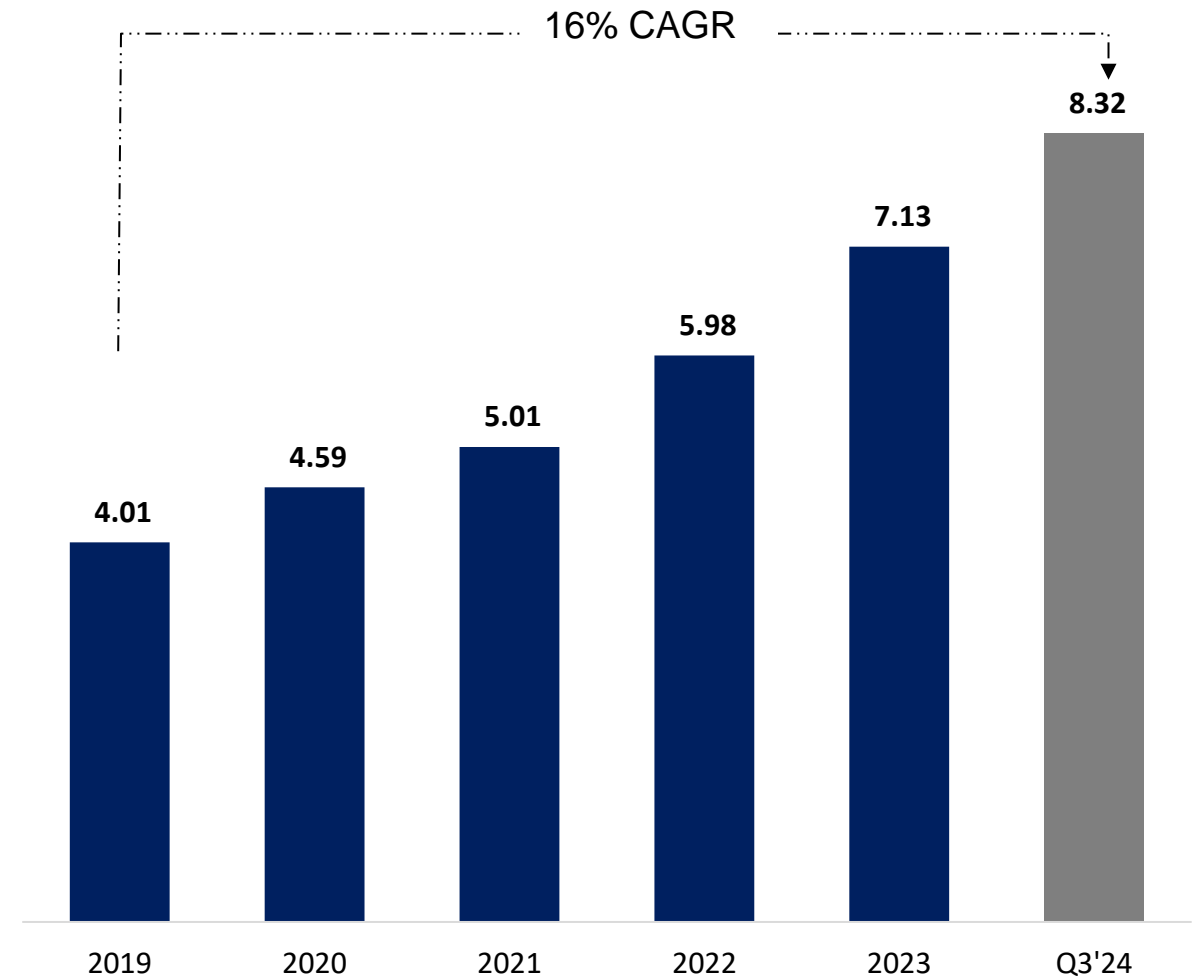


NMB Kikundi Account

# 4.31 Mn

New Customer  
Accounts from 2019

### Customer Accounts Trend (Million) (2019-Q3'24)



# We have successfully scaled up our presence and Impact in

## The SME and Agri Segments

### Key Initiatives



RM Coverage Optimization



Cross-Selling Initiatives



Strengthened Relationship Management



Rural Banking Initiative

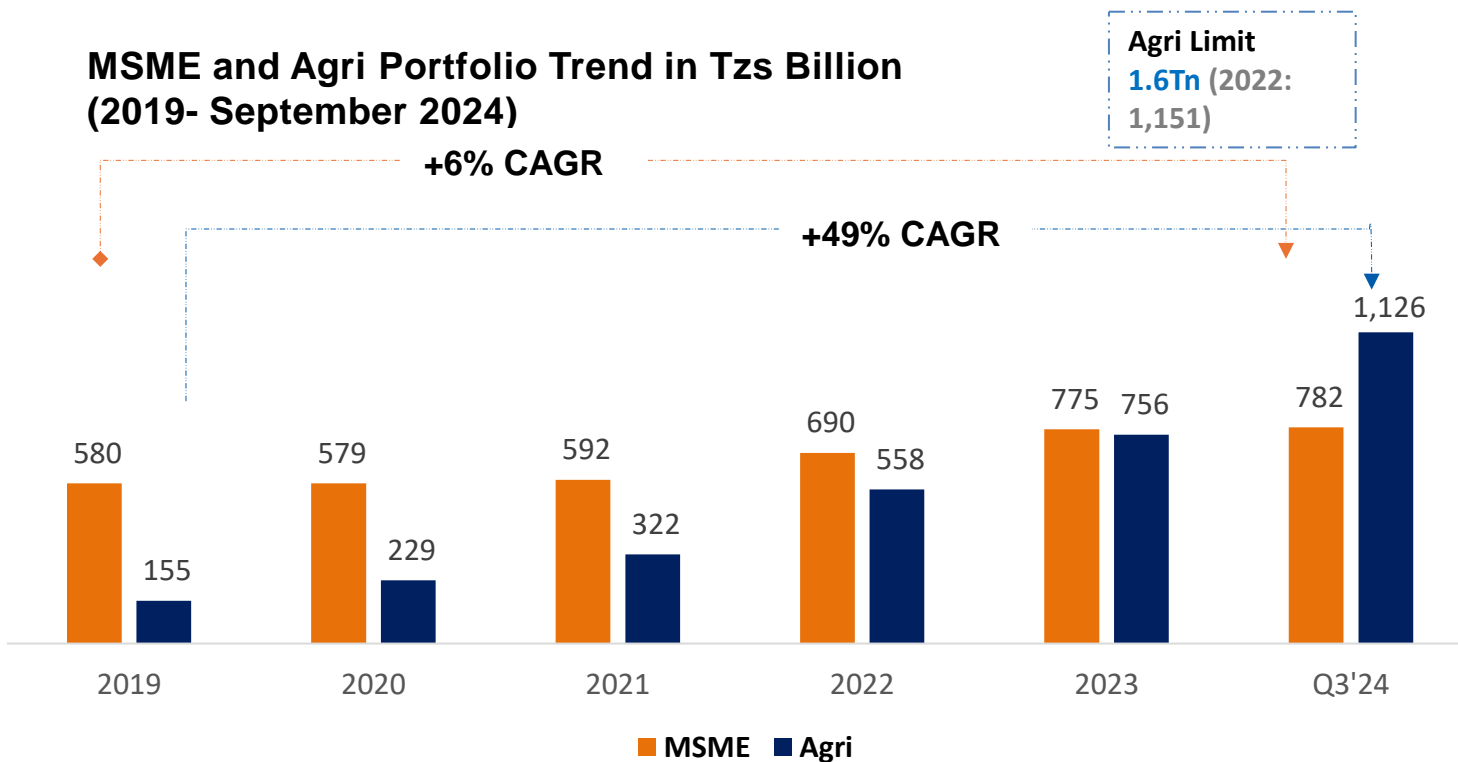


Special Agriculture Fund  
Over TZS 250 Billion



Jasiri Bond  
Over TZS 74 Bn

### MSME and Agri Portfolio Trend in Tzs Billion (2019- September 2024)



### Awards 2024

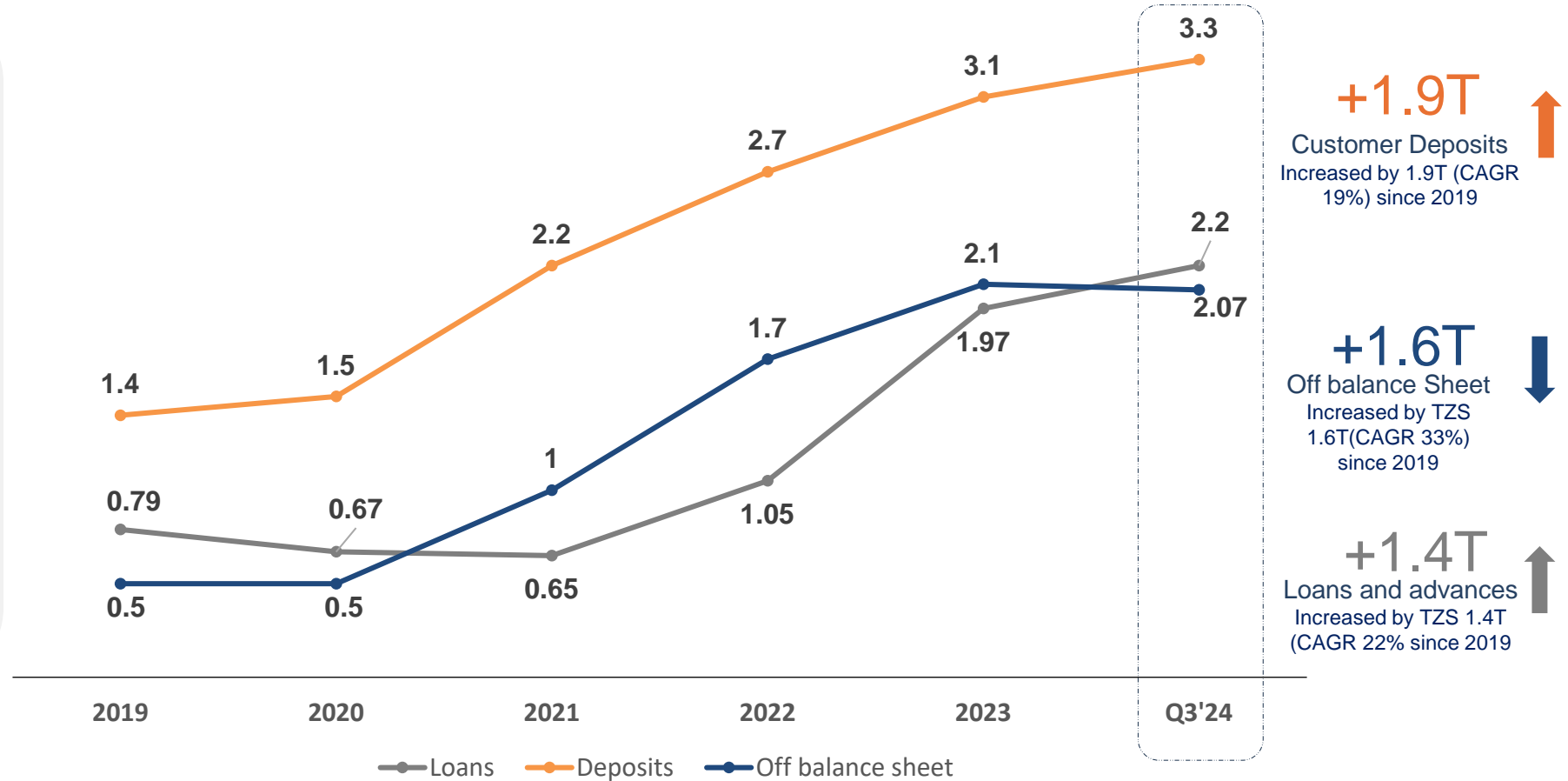
**Best Bank in Tanzania**  
**Best Bank for ESG**  
Best Digital Bank  
Best Domestic Private Bank  
Best Bank for High-net-worth individuals



## We continue to deepen our penetration in Wholesale

Growing the wallet share and unlocking new businesses by providing tailored solutions

- Effective implementation of the **PanBank** approach
- **Enhanced Wholesale Strategy**
- Enhancement of **Relationship Manager** capacity and capability
- Improvement in **governance and structural changes**
- Revamped **RM Coverage model**



### Portfolio Quality: NPL

At **3.1%** from  
**14% (2019)**

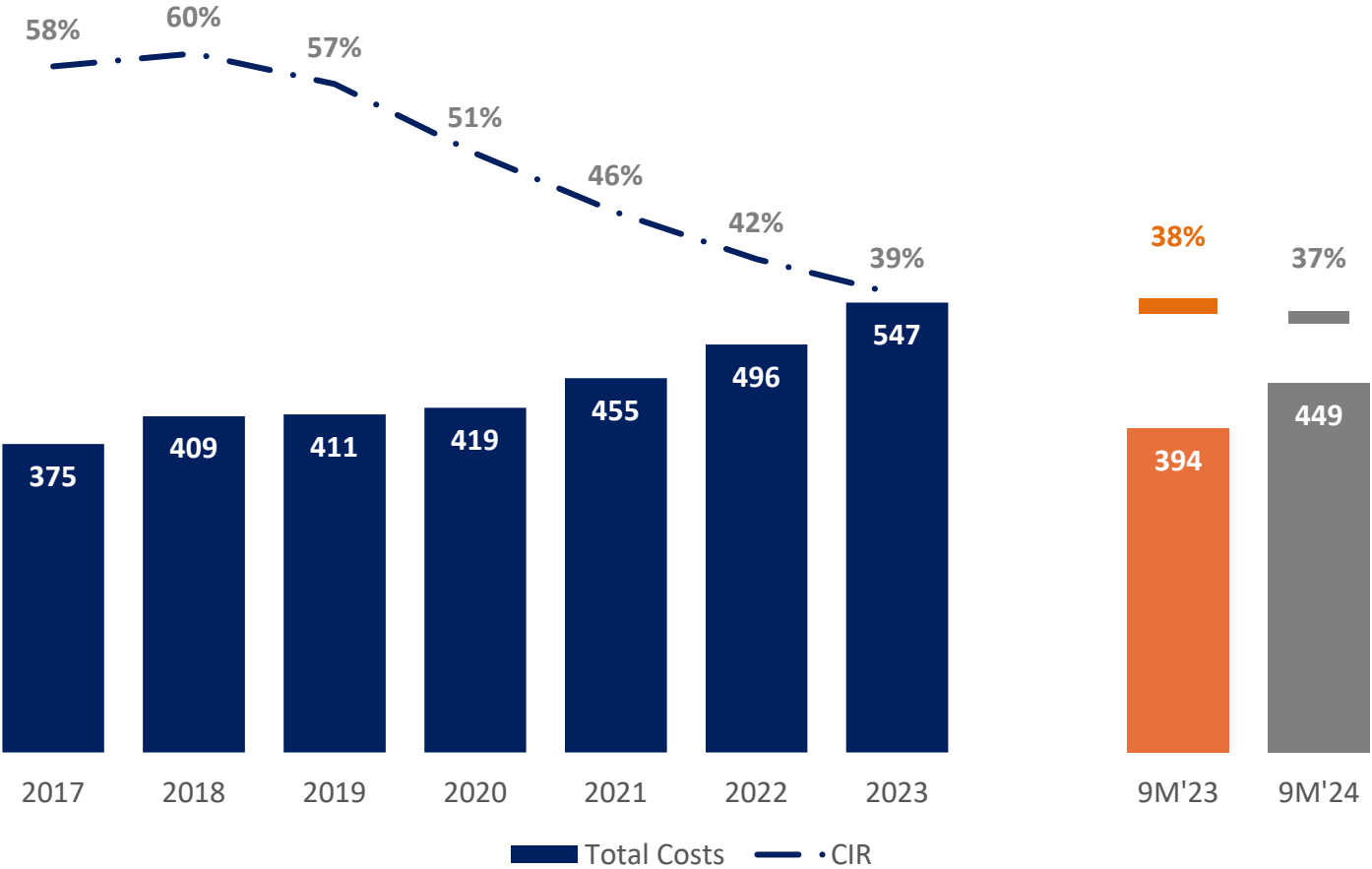
### Strong Funding Position: LDR

At **66%** from  
**54% (2019)**

# Operating Costs and Efficiency


## Outstanding operating efficiency amid ongoing investments to drive business growth

### Outstanding operating efficiency amid ongoing investments to drive business growth



### Highlights

- Cost to income ratio was 37% in 9M'24, an improvement of 100 bps from same period of 2023.
- The Bank maintained prudent cost management while investing in people, technology, regulatory requirements, and compliance to drive growth.



# Driving Investment in Areas that Matter: Investing in our People to unlock Productivity and Value

## Increasing Staff Investment - Yields Productivity Gains:

### Talent Acquisition and Retention

218

New hires

80%

(58% Q3'23)

Internal appointment (2019 :47%)

97.6%

(+40bps yoy)

Employee Retention (2019: 95%)

### Workforce Development

5.3 Bn

Training Budget Training  
(2019 > TZS 3 Bn)

145

Total Training Programs (9M'2024)

Employee Engagement Score

80%

(2019: 75%)

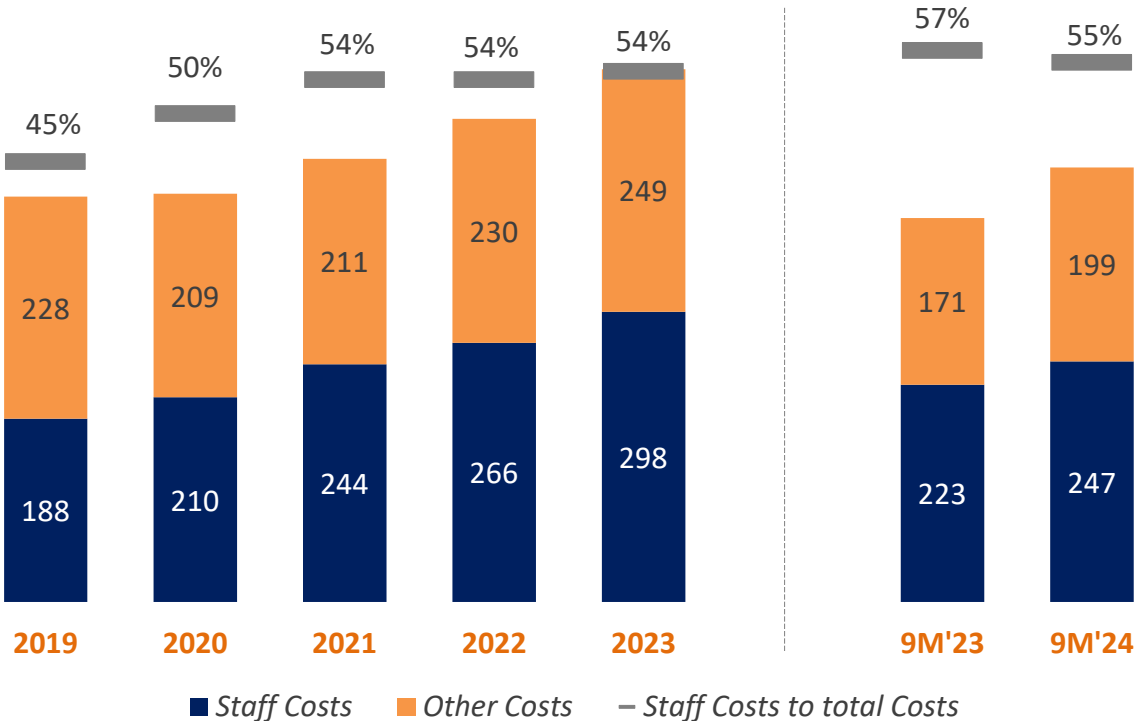
Increased productivity per FTE (9M'24)

TZS 419Mn

(26% YOY)

Revenue per FTE: (2019: TZS 209 Mn)

### Staff Costs To Total Cost ratio



Recognitions

Employer of the Year

(2022 & Runner Up 2023)



# Digital & Technology

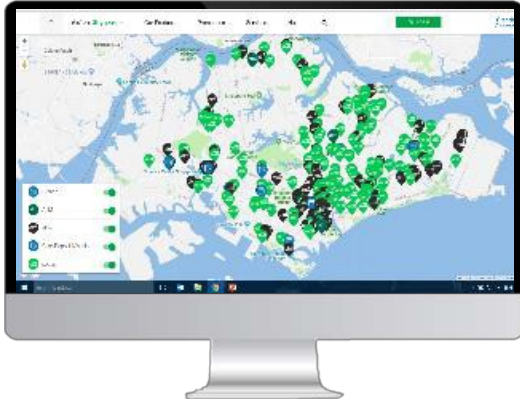




# We continue to prudently Invest in our Technological base

Digital and Technological Investments continue to drive customer experience, efficiency, and enhanced controls.

## Digital Initiatives & Investments



- Mkononi Revamp
- Core Banking System (Upgrade Underway)
- Procure to Pay System
- Loan Management System: End-to-end
- Master Data Management (MDM)
- Revamping Internet Banking underway

Elevate customer  
experience

Data &  
Analytics

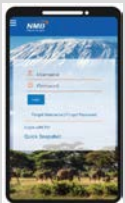
Simplification

Strong  
Controls

Digital retail  
customer  
transactions

96%

2019: <93%

















Customers  
registered on  
Internet & Mobile  
Banking

+5Mn



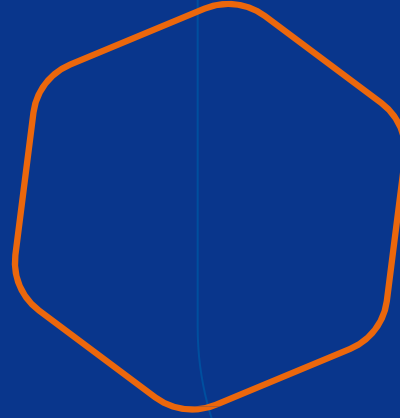
# Fostering digital leadership through customer adoption, and scaling up innovation

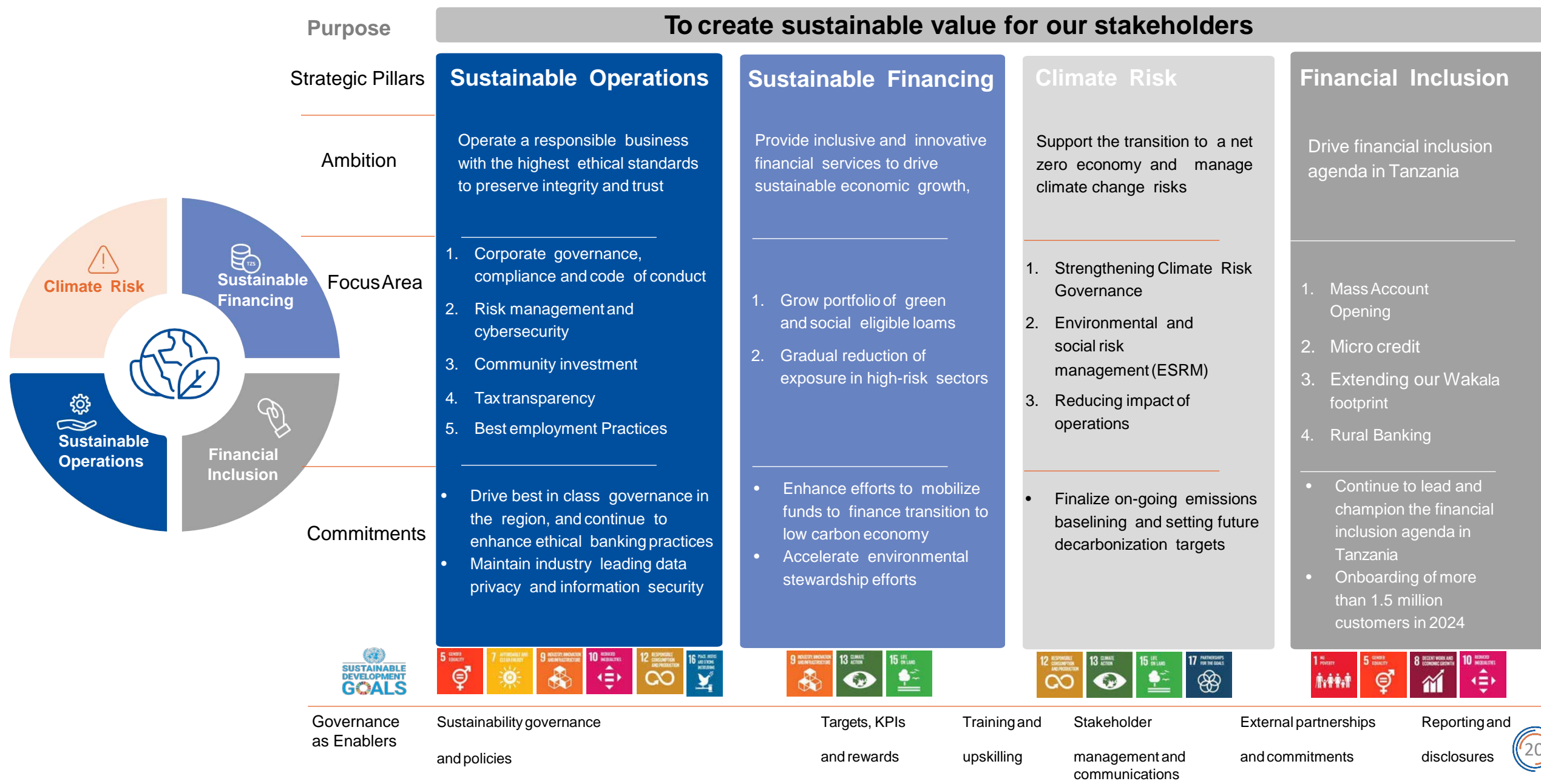
## Fortify digital leadership, Deploy leading digital propositions, Deliver distinctive customer journeys

Service	Description	Capability
	Simple and Affordable bank account for financial inclusion 	<ul style="list-style-type: none"> <li>• For only TZS 1,000</li> <li>• No monthly Charges</li> <li>• Cardless Bank Account</li> </ul>
	Mobile banking platform, provides user with comprehensive banking services 	<ul style="list-style-type: none"> <li>• Fund transfer,</li> <li>• bill payment, investments</li> <li>• Deposit &amp; withdraws</li> </ul>
	Digital Loan service offered by NMB through mobile banking 	<ul style="list-style-type: none"> <li>• Borrow up to TZS 1,000,000</li> <li>• Access loan on your fingertips</li> <li>• Quick and unsecured loan to customers</li> </ul>
	A robust tool for long-term financial security, tailored to meet the need of informal sector employees 	<ul style="list-style-type: none"> <li>• Build personal retirement savings</li> <li>• 5% annual return on savings</li> <li>• Life insurance cover of up to TZS 50 million</li> </ul>
	Unique service designed to promote saving by allowing customers to automatically set aside part of each transaction into dedicated saving wallet	<ul style="list-style-type: none"> <li>• Earn annual interest on your savings</li> <li>• Flexible (Customer can adjust saving rate digitally)</li> <li>• Flexible withdraw of funds with no additional charges</li> </ul>
	Group account solution to support savings, contributions and financial management for Community groups	<ul style="list-style-type: none"> <li>• Digital access (Open account, contribute &amp; lend to each other by dialing *150*66#</li> <li>• Insurance coverage</li> <li>• Flexible contributions, Convenience &amp; Transparency</li> </ul>
	A digital assistant designed to Support and improve customer experience 	<ul style="list-style-type: none"> <li>• Facilitate transactions &amp; bill payments</li> <li>• Locate nearby service centres (Branch, ATM &amp; NMB Wakala service point)</li> <li>• Answer all FAQ</li> </ul>
	Enable Tanzania Merchants to accept digital payment using secure EMVCo-compliant QR Codes 	<ul style="list-style-type: none"> <li>• Allow business to offer cashless payments through a link without the need of physical POS terminal</li> <li>• Customers can complete payment directly on their phones with security enhanced by Mastercard's "Click to Pay" technology which support password free transactions</li> </ul>



Sustainability





# Community Impact: Contributing to the advancement of SDGs

## Priorities

>> Interrelated SDGs



Commitment  
**to people**



Commitment  
**to society**



Commitment  
**to the planet**



NMB Bank is committed to partnering with multiple stakeholders to advance equality and Equity in the Community.

## NMB BANK'S CONTRIBUTION TO SDG's – SOME EXAMPLES

- Microloans and other finance with social impact
- Social group accounts
- Microsaving and Retirement products (NMB Jiwekee)
- Social actions
- Adherence to the Commitment to Financial Inclusion promoted by the Bank of Tanzania.
- Affordable Agribusiness loans
- Financial Education Initiatives
- Jasiri Women's Preposition

- Financing for companies and the self-employed
- Microloans to entrepreneurs and businesses
- Digitalization of Banking services
- Social bonds
- NMB Balance Diversity Programme
- Adherence to the United Nations Women's Empowerment Principles
- Go na NMB Youth Preposition

- Reducing emissions from own operations
- Sustainable Financing based on ESG and Sustainability criteria
- Ethics and integrity policies
- Due Diligence and assessment in E&S and Human Rights
- Sustainable Bonds and Loans

- Alliances directly associated with different SDGs
- Strategic Alliance with NMB Foundation



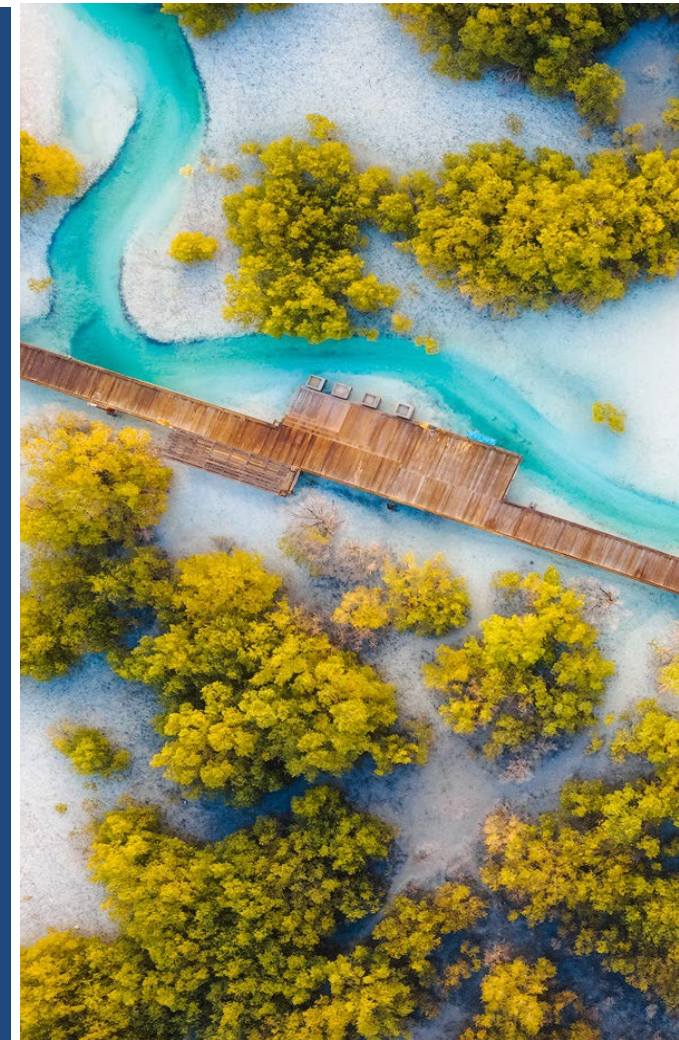
## Key highlights on Sustainability Agenda

- > Adoption of Sustainable Financing and Sustainability Framework
- > Adopted a Social Bond and Green Bond Finance Framework aligned with the UN Sustainable Development Goals (SDGs) and based on the International Capital Markets Association (ICMA) Principles
- > The Inaugural TZS 400 billion sustainable bond was issued in Q3 '23, dubbed Jamii Bond.
- > The Jamii bond was noteworthy for being the first in East Africa.
- > Jamii Bond is cross Listed in the Luxembourg Stock Exchange and London Stock Exchange.

### Key highlights

#### ESG Related Awards

- Best Bank for ESG - Euromoney Awards for Excellence 2024
- Best Commitment to ESG Principles Tanzania 2023 - International Banker Banking Awards 2023
- Best Bank for CSR in Tanzania - Euromoney Awards for Excellence 2023
- Best CSR Initiative Tanzania - Global Business & Finance Magazine 2023
- Safest Bank in Tanzania 2023 - Global Business & Finance Magazine 2023



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Financial Performance

## Performance Overview

**Robust revenue generation, positive Income Jaws and risk discipline drive record Q3'24 net profit**

### Our Performance

#### Total Assets

TZS Bn **13,431**

#### Total Revenue

TZS Bn **1,209**

#### Loans & Advances

TZS Bn **8,626**

#### Profit Before Tax

TZS Bn **687**

#### Total Deposits

TZS Bn **9,220**

#### Net Profit After Tax

TZS Bn **476**

#### Loan-to-Deposit Ratio

**94.0%**

#### Cost-to-Income Ratio

**37%**

#### Capital Adequacy Ratio

**23.19%**

#### Loan Loss Ratio

**1.17%**

#### NPL Ratio

**3.0%**

#### Return On Equity

**28.0%**

### Key Highlights

- Bank posted **TZS 476 billion** in net profit in 9M'24, **up 20%** YoY, driven by strong income growth from net interest income and non-interest income supported by its diversified growth drivers across wholesale and retail businesses.
- Loans growth of **19% YoY** is driven by sustained credit demand from our customers across wholesale, personal banking, and trade finance activities.
- Customer deposits increased **12%** YoY in Q3'24 to TZS 9.2 Tn, with CASA deposits representing more than 85%
- Asset quality remained stable, with the non-performing loan (NPL) ratio at **3.0%**, down from 3.5% (Q3 '2023). The Bank maintained prudent levels of allowance on loans, with an NPL Coverage ratio of **101%** and cost of Risk at **1.17%**.
- Strong progress on execution of strategic priorities: digital driving customer experience and Deeping market penetration;
- Delivered Positive operating jaws and CIR of **37% (-100bps YoY)** amidst ongoing investments in People and Digital & Technological Solutions.



## Balance Sheet Fundamentals Remain Robust, underpinned by a very Stable Liquidity Position

Balance Sheet (TZS Bn)	Sep'24	Sep'23	ΔYoY
<b>Total assets</b>	<b>13,431</b>	<b>11,567</b>	<b>16%</b>
Net loans and advances to customers	8,629	7,257	19%
Investment in Government securities	2,173	2,450	-11%
Deposits from customers	9,220	8,252	12%
Borrowings	1,485	1,031	44%
<b>Total shareholders' equity</b>	<b>2,379</b>	<b>1,937</b>	<b>23%</b>

Q3'24 Capital Adequacy Ratio

23.19%

23.19 %

20.85 %

Q3'23

Q3'24

NPL Ratio

3.0%

Q3'23: 3.5%

LAR Ratio

34.81%

Q3'23: 34.75%

NPL Coverage

101%

Q3'23: 101%

Loan-To-Deposit Ratio

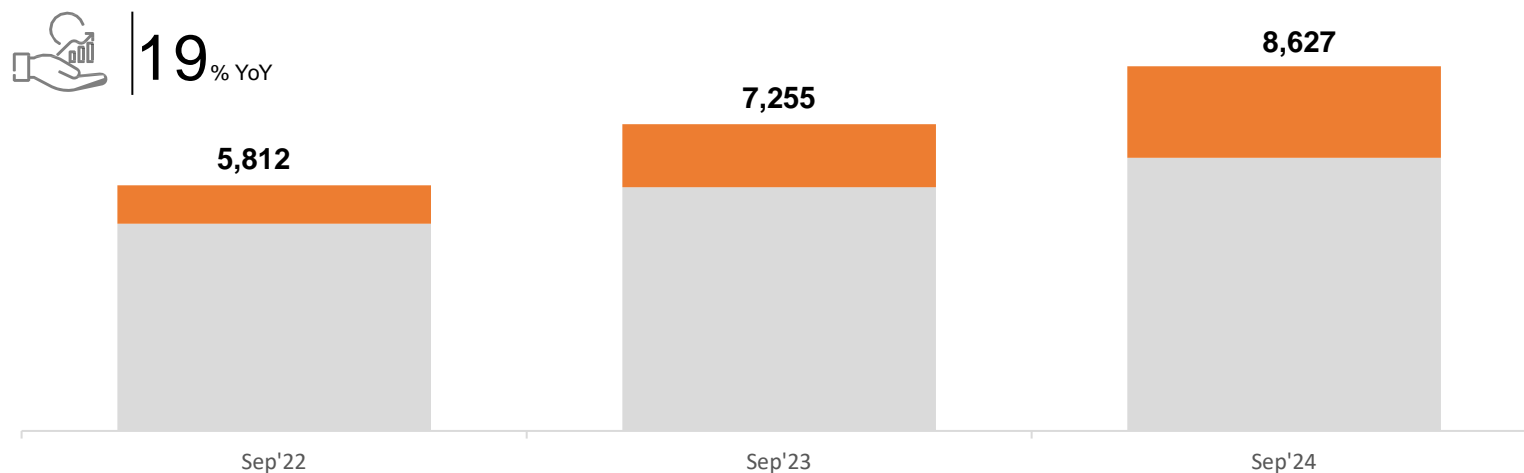
94.0%

Q3'23: 93%

## Assets (Loan Portfolio)

### Broad-based loan growth of 19% driven by Retail and Wholesale Banking

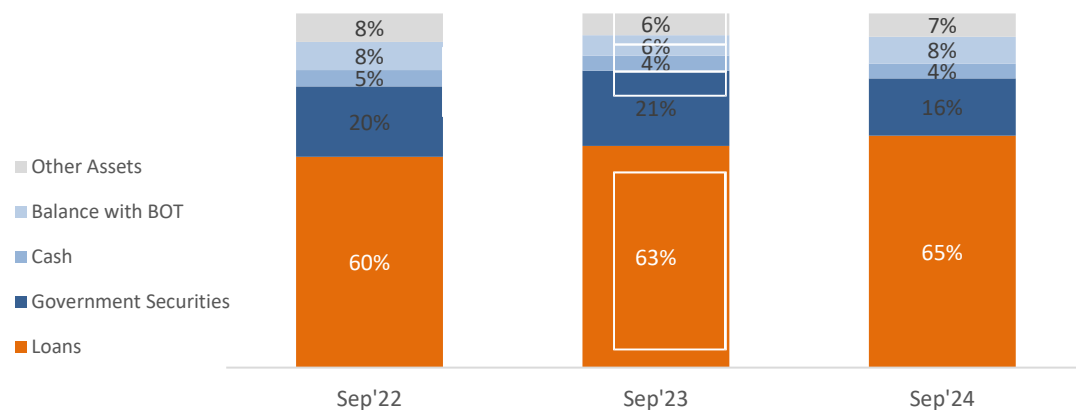
Gross loans (TZS Bn)



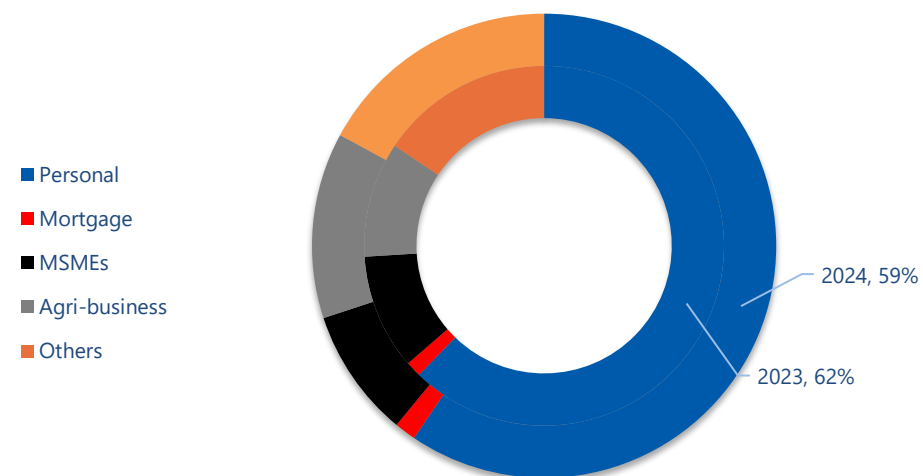
Key highlights

- Loan book recorded strong growth of **19%** during the year, broadly in line with country credit to private sector growth.
- Wholesale loan book grew by **45%** yoy to TZS 2.2 trillion from TZS 1.5 trillion in Q3'2023.
- Retail banking loan book grew **12%** yoy.

Asset mix %



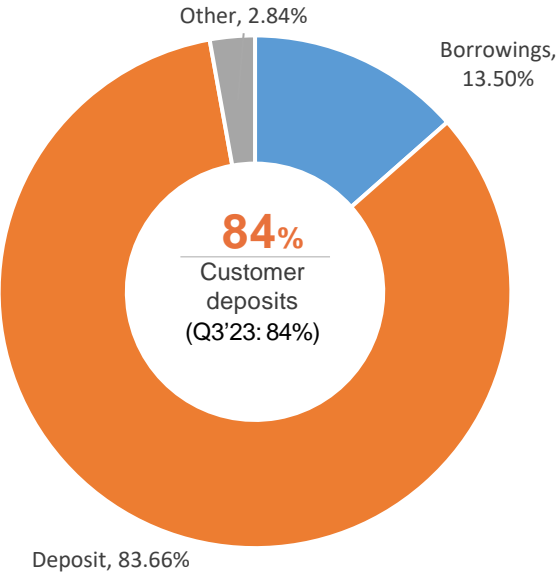
Total Loan book mix Δ in % Q3'2023 vs Q3'2024



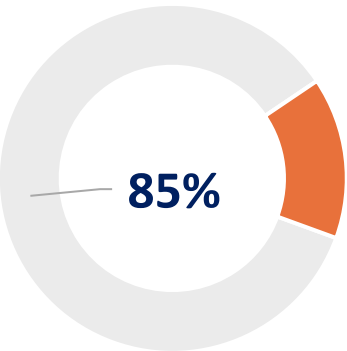
# Funding Base Growth

Customer deposits up 12% in Q3'24, with a Stable Funding Base

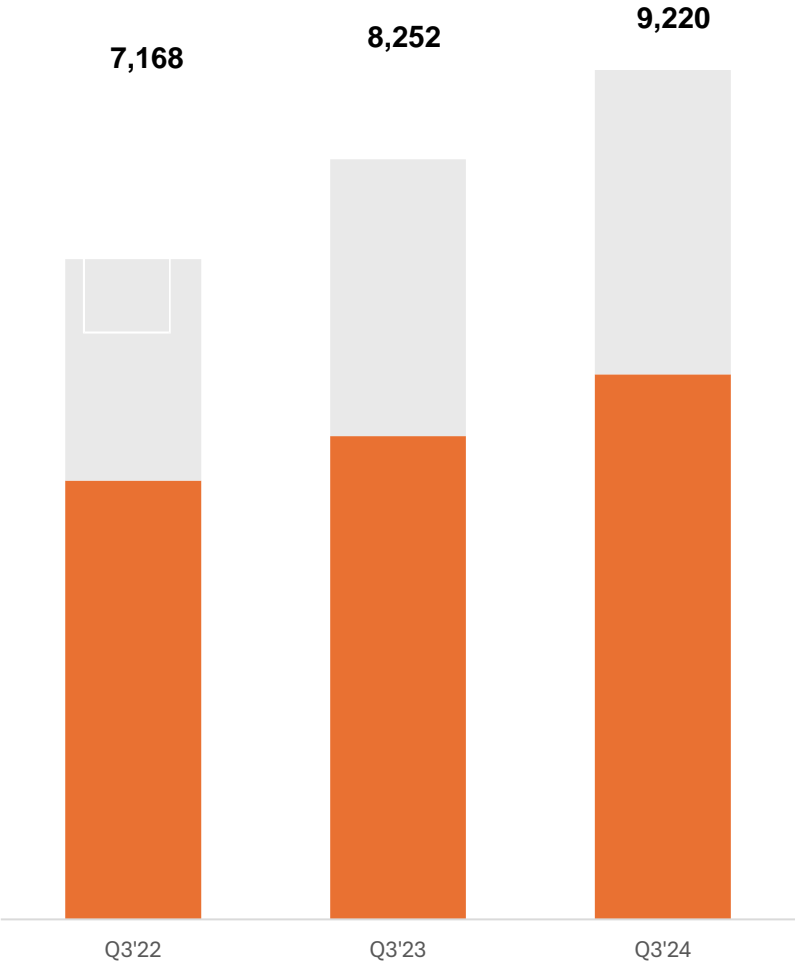
Liability mix: TZS 11,005 Bn



CASA Deposits (%)



Deposits by business segment (TZS Bn)



Key highlights

- > Total customer deposits increased by 12% in Q3'24 to TZS 9,220 bn, primarily driven by growth in Wholesale and Retail Banking deposits

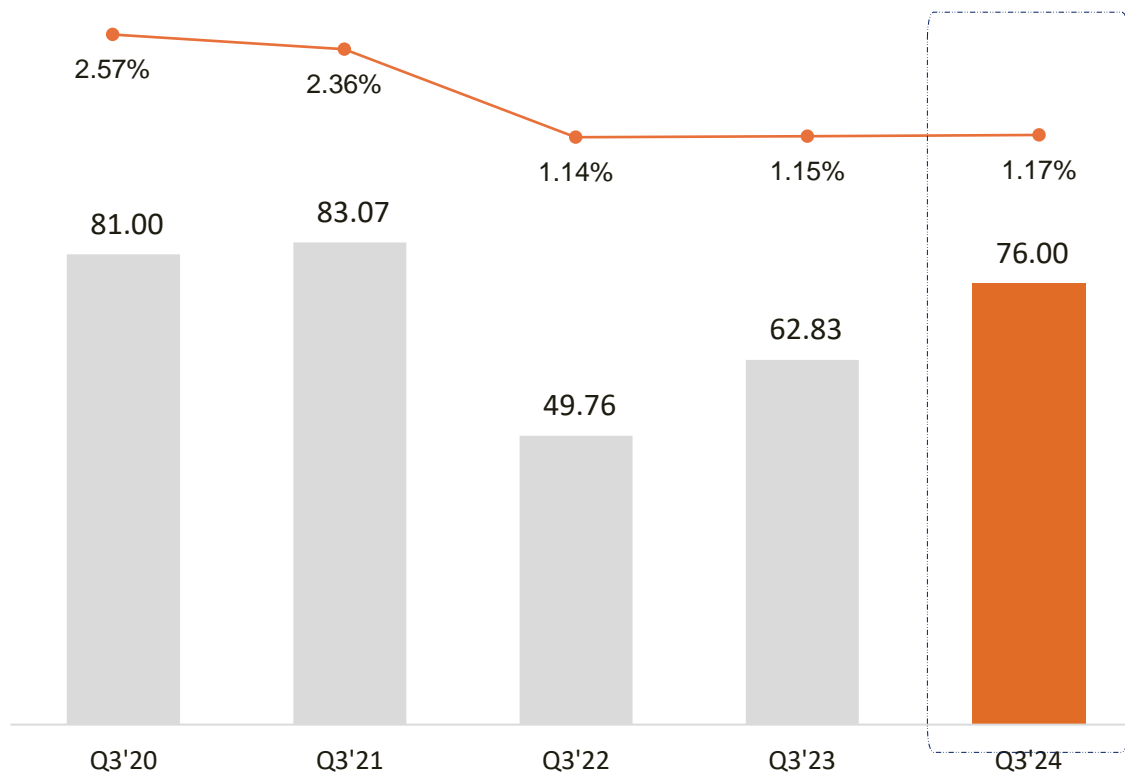
# Asset Quality

Cost of risk remains well within guidance of <200bps, while NPL ratio of 3%

## Cost of risk

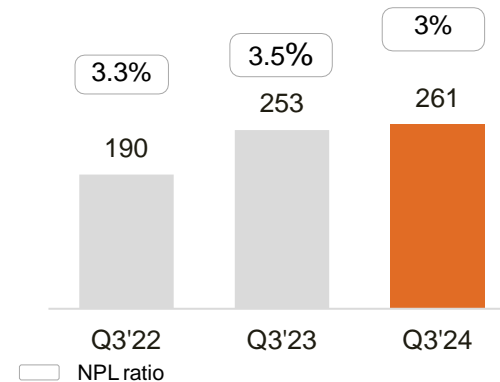
Q3'24 cost of risk was 117 bps, remaining within guidance of <200 bps.

The NPL ratio was at its lowest level improving to 3.0% from 3.5% 2023

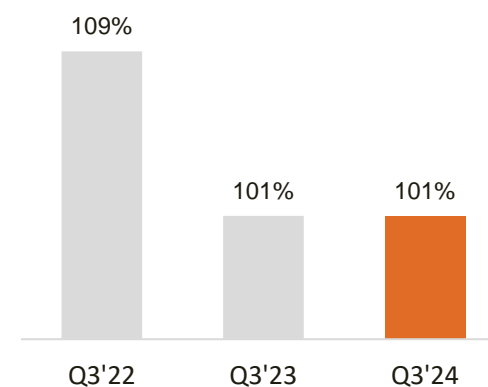


—●— Cost of risk

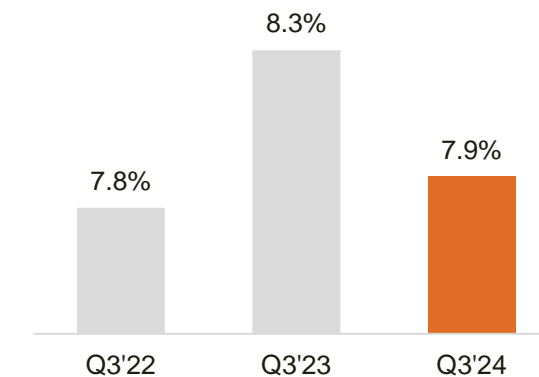
## Non-performing loans (TZS Bn) and NPL ratio



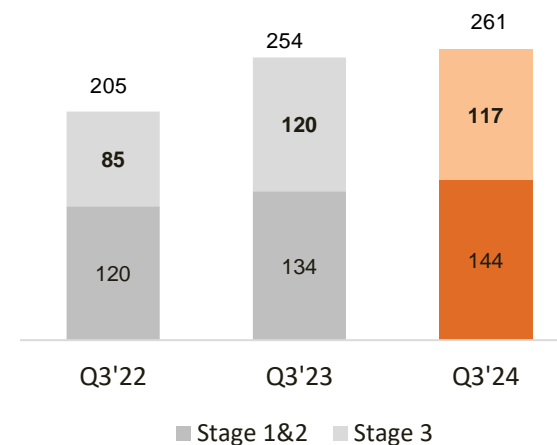
## Provision coverage ratio



## PAR (%)



## ECL by stage (TZS Bn)



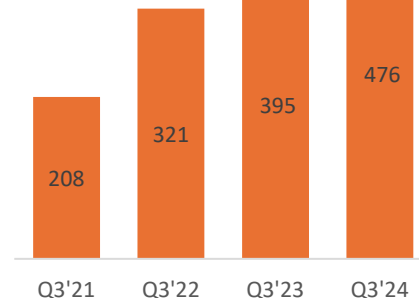
CIR improved to 37% as income growth outpaced the increase in Operating expenses  
The net profit of TZS is 476bn 20% YoY, driven by higher interest income, stable NFI growth, low-risk cost, and greater efficiencies.

## Income statement (TZS Bn)

	Q3'24	Q3'23	ΔYoY
Net interest income	779	692	13%
Non-interest income	430	334	29%
<b>Total income</b>	<b>1,209</b>	<b>1,026</b>	<b>18%</b>
Impairment Charge	(76)	(63)	21%
OPEX	(449)	(398)	13%
<b>PBT</b>	<b>684</b>	<b>565</b>	<b>21%</b>
<b>PAT</b>	<b>476</b>	<b>395</b>	<b>20%</b>

Q3'24 net profit (TZS)

476 bn



CIR

37%

Q3'23: 38%

ROAE

28%

Q3'23: 27%

ROAA

5%

Q3'23: 5%

Earnings per share (TZS)

952

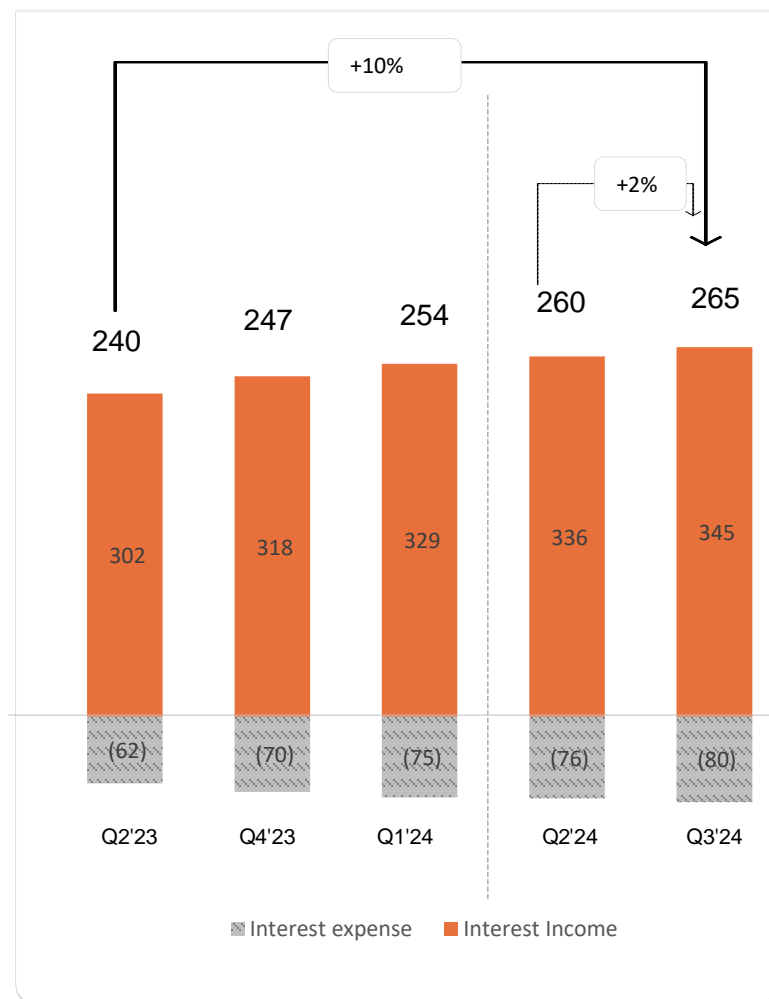
Q3'23: TZS 797



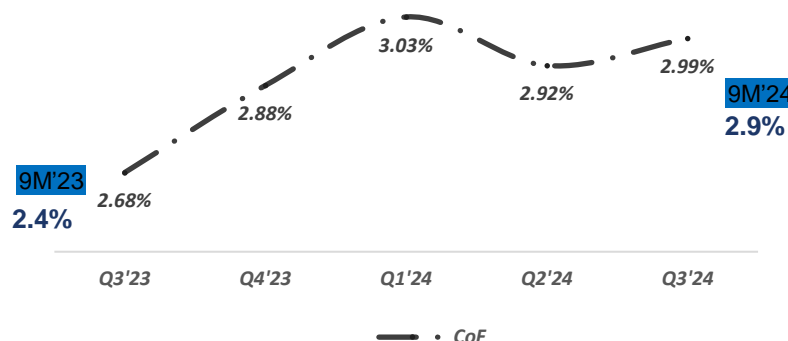
# Net Interest Income trend QoQ

## NII up 14% driven by Strong Asset growth

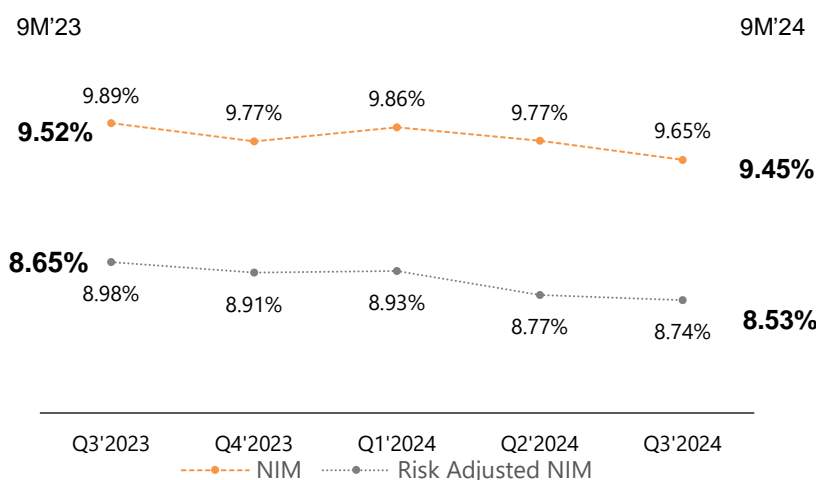
Net interest income (TZS bn)



Cost of Fund (%)



NIM and risk-adjusted NIM (%)



### Key Highlights

- Interest income +17% YoY to TZS 1.01 trillion driven by strong loan disbursements owing to increased credit demand in the market.
- 9M'24 NIM was slightly 0.07% lower due to increased interest expenses by 36% (on account of increased borrowing by 44% and a 12% increase in deposits).
- Net Interest income increased by 13% to TZS 779 billion on account of +17% growth of Interest income partially offset by 36% increase in Interest expenses.

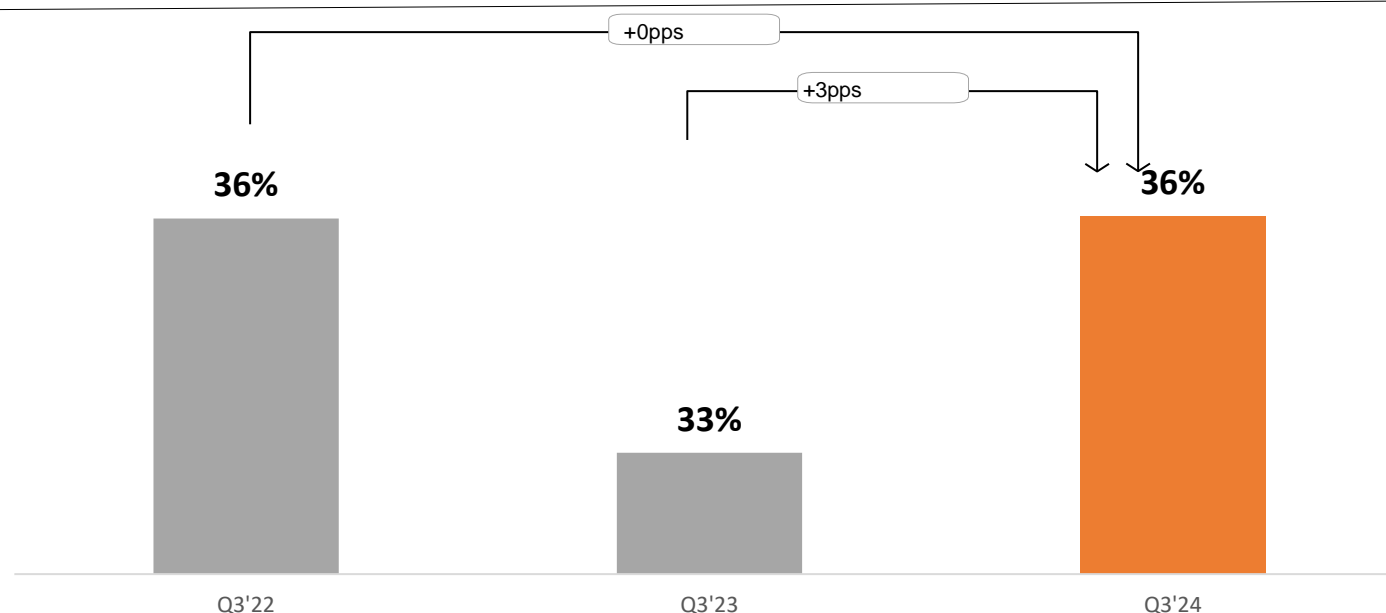
(1) Risk-adjusted NIM: Net interest income less impairment charge on loans and advances to customers, banks, and investments securities divided by average interest-earning assets

## Non-Funded Income

### Strong NFI momentum reflects benefits from diversified Income streams

Non-interest income (TZS mn)	9M'24	9M'23	Δ YoY
Foreign Currency dealings and translation	94	51	84%
Fee and Commissions	317	260	22%
Dividend income	0.7	0.6	18%
Other operating income	19	22	-14%
Total non-interest income	431	334	29%

NFI Contribution to Total Income (%)



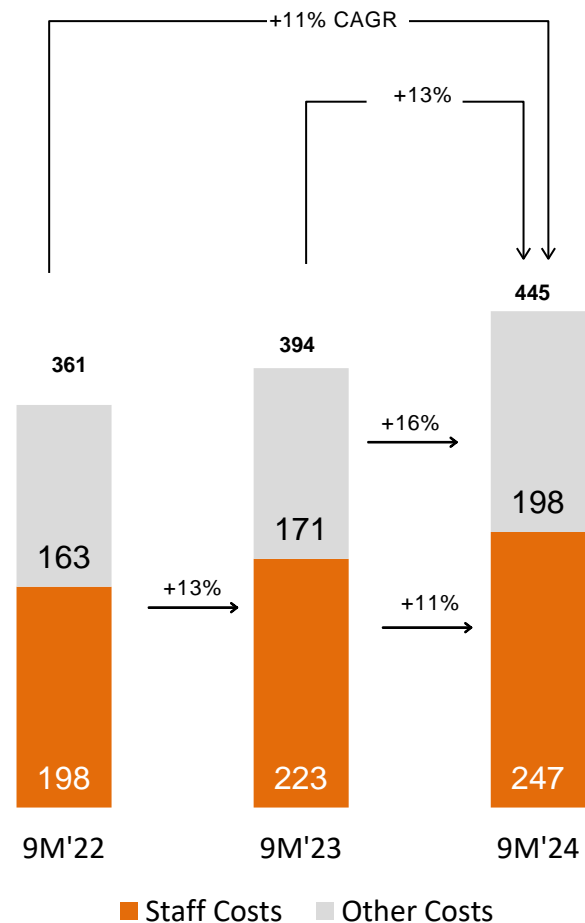
## Key highlights

- 9M'24 non-interest income increased 29% YoY, primarily supported by increases in FCY dealings.
- Mkononi's income had its strongest year, increasing by 21%, and the number of Mobile banking subscribers increased to reach +5 million.
- FCY dealing income was up 84% YoY, the growth in FCY income was mainly due to tactical position management and increased demand for alternative currencies.
- Our ongoing investment in the Agency banking channel continued to yield positive results, Agency banking income increased by 40% YoY.
- Our Micro lending product had a great year ever, Income from Micro lending reached TZS 5.6 billion, a 155% increase YoY.
- Our ongoing investment in technology and digital channels continued to attract new clients who appreciated the ease and security we provide.

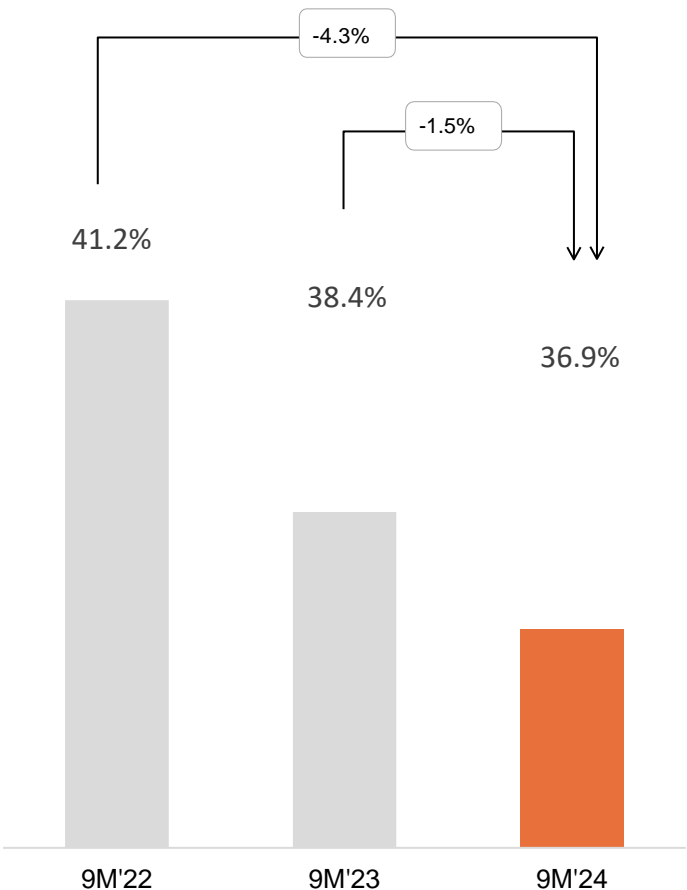
# Operating Costs & Efficiency

## Outstanding operating efficiency amid ongoing investments to drive business growth

Operating expenses (TZS Bn)



Cost-to-income ratio



### Highlights

- Cost to income ratio was 37% in 9M'24, an improvement of 150 bps YoY
- The Bank maintained prudent cost management, while continuing to invest in people, technology, regulatory requirements and compliance to drive growth.



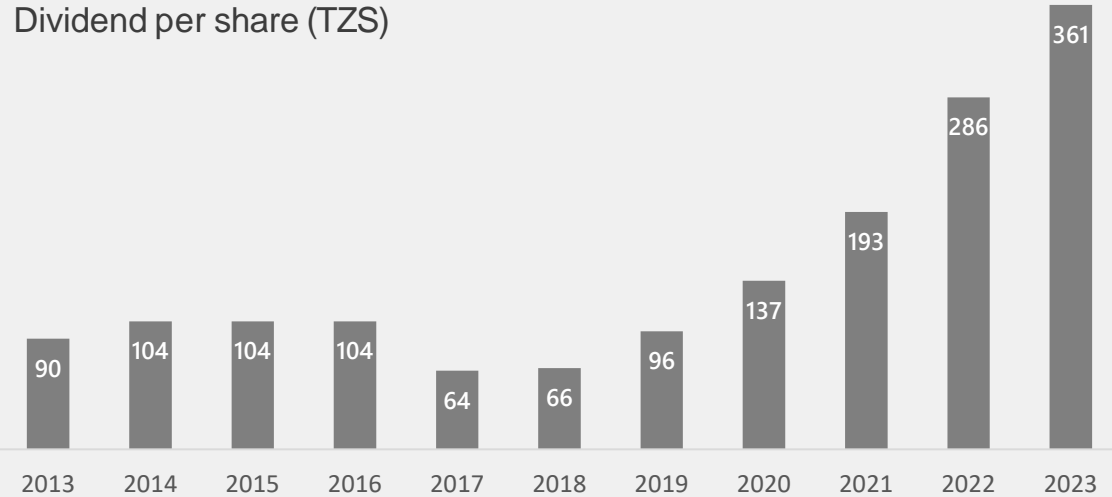


## Historical Performance

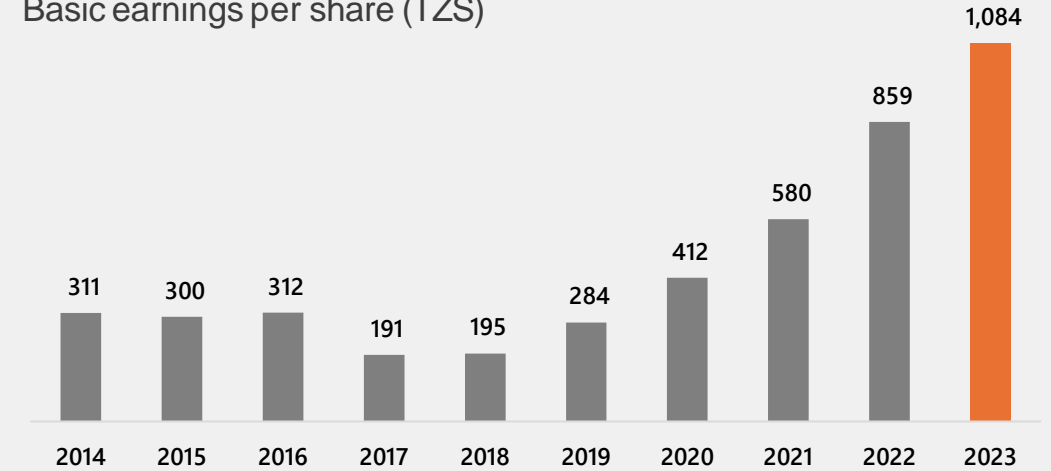
10-Years

# Our 10-year Journey

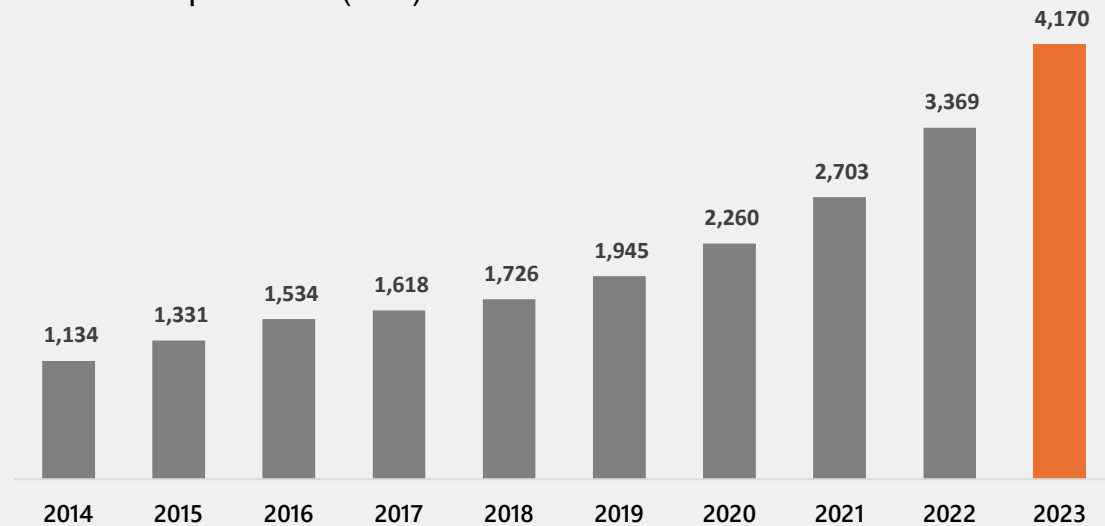
Dividend per share (TZS)



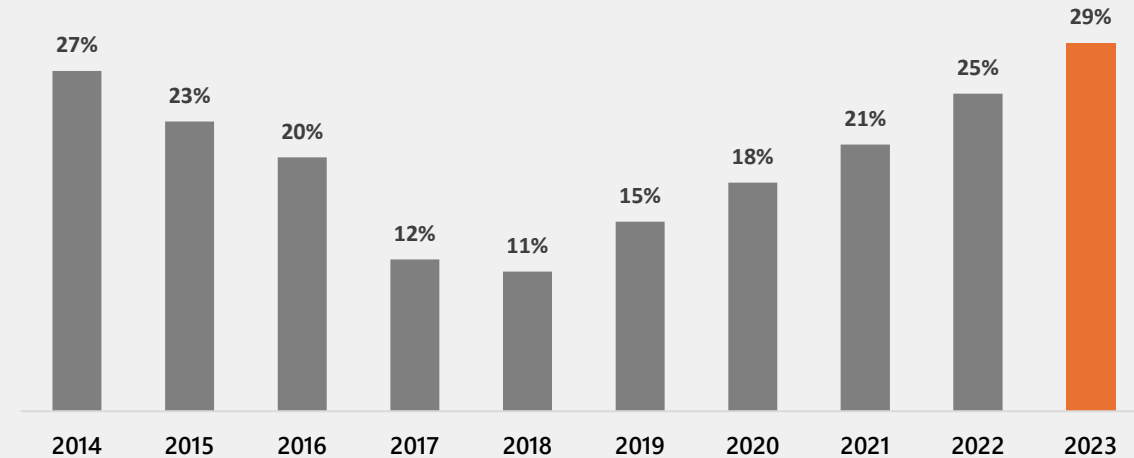
Basic earnings per share (TZS)



Book value per share (TZS)

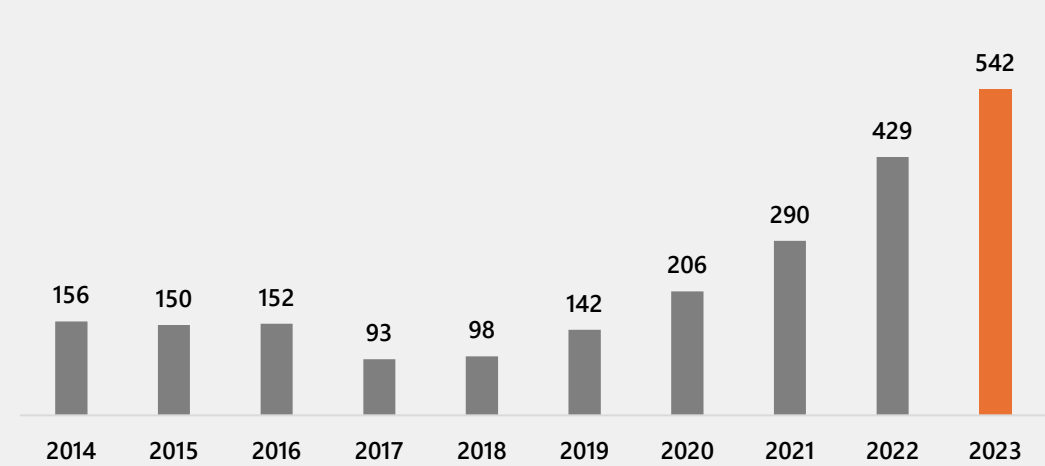


Return on average equity (%)

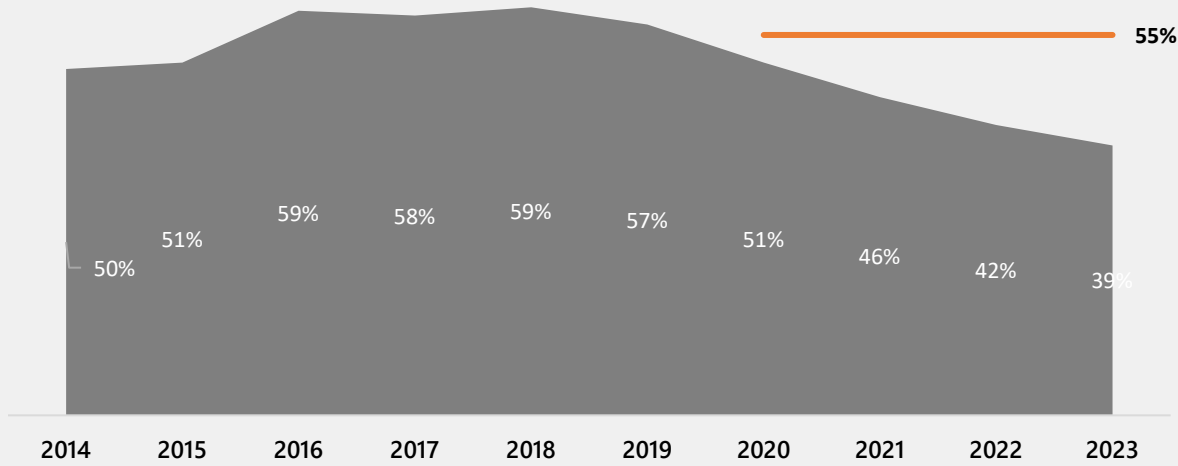


# Our 10-year Journey (Continued)

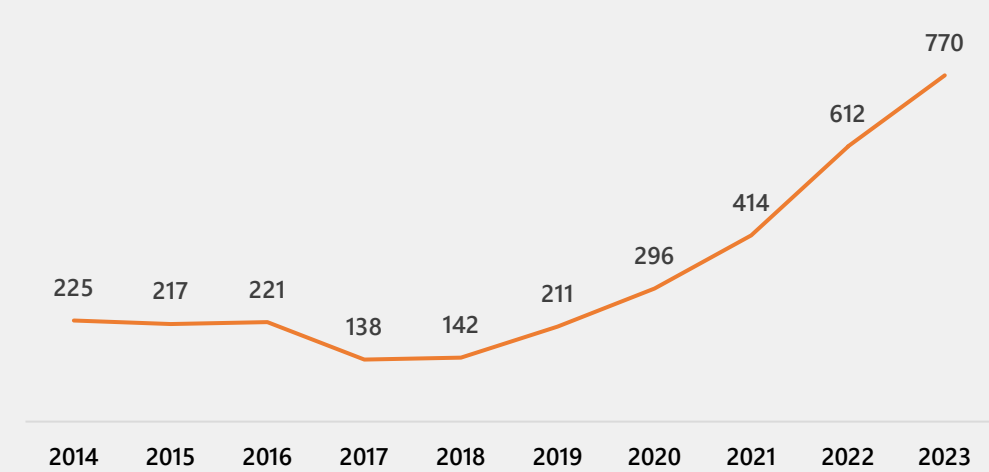
Net profit (TZS billion)



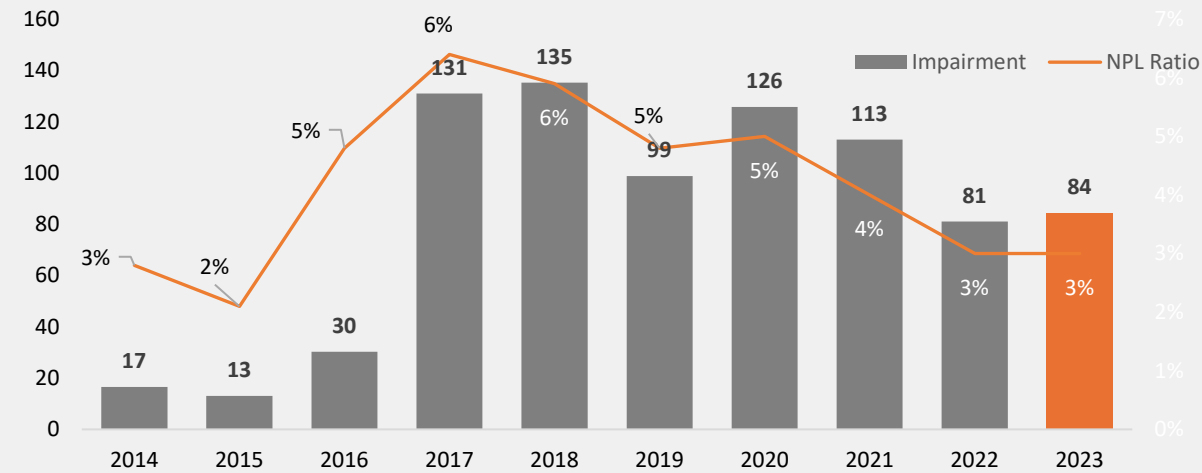
Cost to income ratio (%)



Group Operating profit (TZS billion)

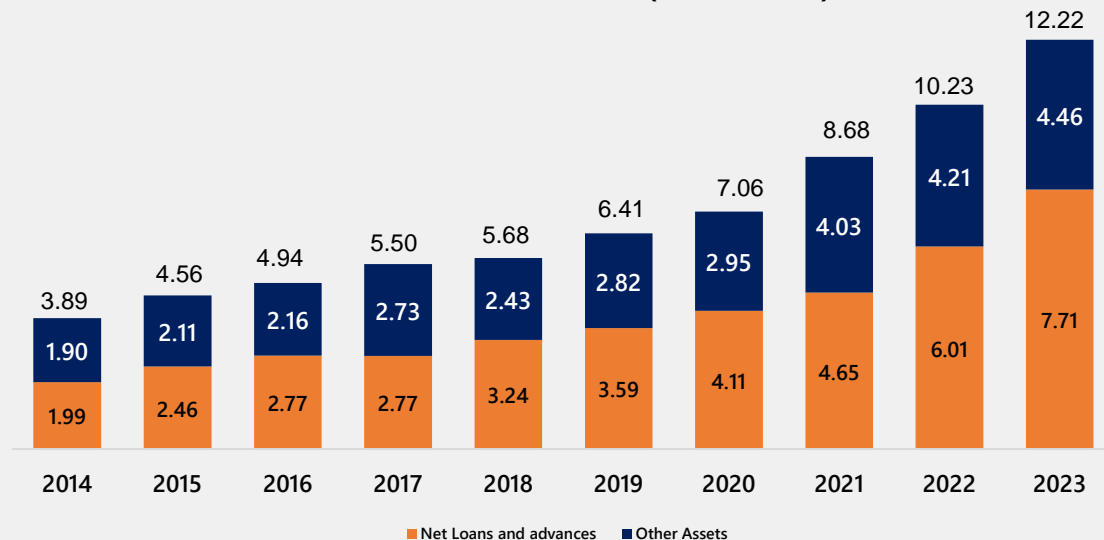


Impairment charge (TZS billion)

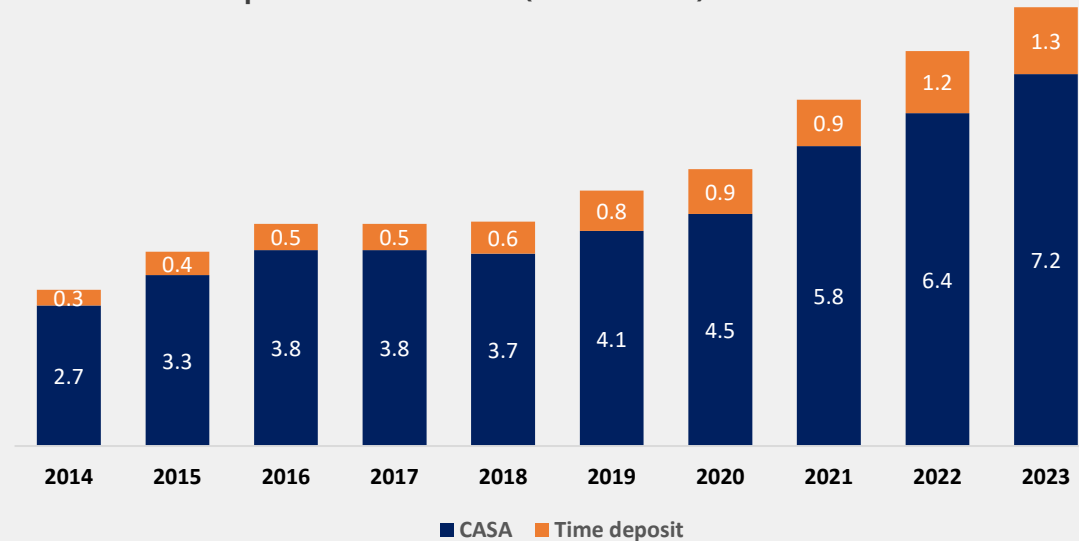


## Our 10-year Journey (Continued)

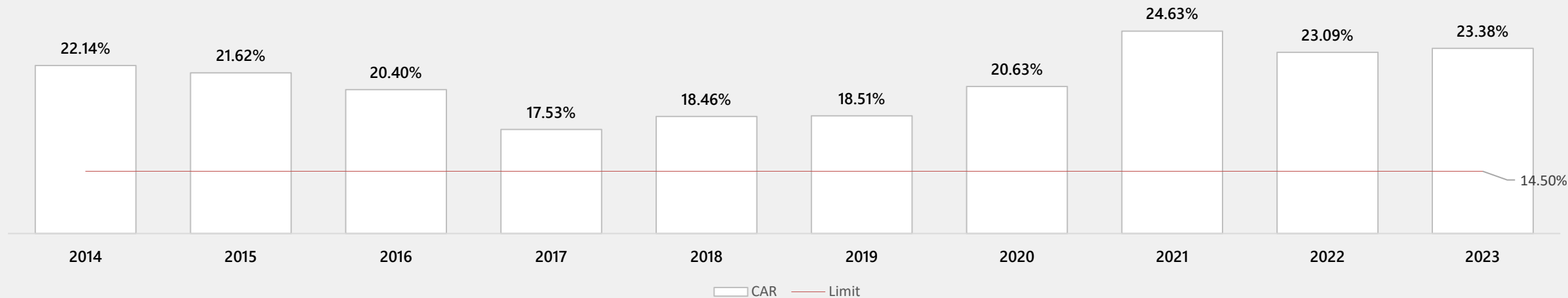
Total assets and net loans and advances (TZS Trillion)



Customer deposits and CASA (TZS billion)



Capital adequacy ratio (%)



## Forward-Looking Statements

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From time to time, we make written or oral forward-looking statements with respect to NMB Bank plc's Financial performance, Economic and business outlook, Management discussion, individual business reports together with Support Functions updates. Generally, forward-looking statements are not based on historical facts but instead represent NMB Bank Plc's and its management's beliefs regarding future events. Statements that are not historical facts, including statements about NMB's beliefs and expectations, are forward-looking statements. Words such as "believe", "expect", "anticipate", "intend", "estimate", "forecast", "target", "predict", "commit", "ambition", "goal", "seeks", "strive", "potential", "project", "objective", "Plan", "reasonably possible", and other similar expressions or future or conditional verbs such as "will", "may", "should", "would" and "could" and or the negative thereof, other variations thereon or similar expressions are intended to identify forward-looking statements. By their nature, these statements require us to make assumptions which are subjected to inherent risks and uncertainties that may be general or specific. These statements are based on current plans, information, data, estimates and projections, and therefore undue reliance should not be placed on them.

Any forward-looking statements contained in this Investor Presentation represent the views of management only as of the date hereof and are presented for the purpose of assisting our shareholders and financial analysts in understanding our financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. We do not undertake to update any forward-looking statement that is contained in this Investor Presentation or in other communications to reflect events or circumstances that arise after forward-looking statements were made except as required by law.



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