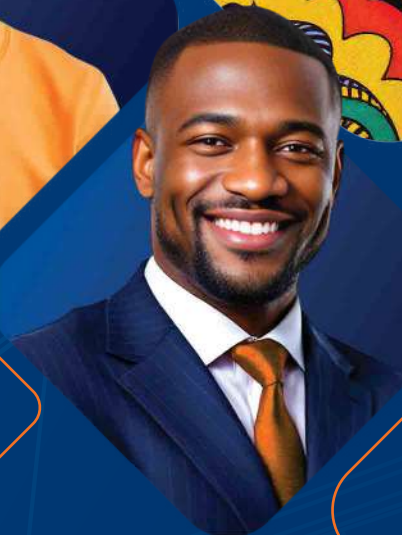


Responsible
Growth
**Lasting
Impact**



Integrated Annual
Report 2024


Responsible Growth
Lasting Impact!

About this Report

Purpose of this Report

This report provides a comprehensive narrative of our role as a leading financial services provider and a responsible community partner. We outline our business operations, strategic initiatives, and both financial and non-financial performance during the reporting period. In doing so, we also emphasize our approaches to corporate governance, risk management, and the broader operating environment.

Covering the period from 1 January 2024 to 31 December 2024, this report documents our progress against key strategic objectives and discloses the state of affairs of NMB Bank Plc (the “Bank” or “NMB” or “Entity”) and its subsidiary, Upanga Joint Venture Company Limited (“UJVC”). Our aim is to offer transparent insights into our accomplishments and our ongoing pursuit of responsible banking practices, ensuring that all stakeholders gain a complete and clear understanding of our journey toward sustainable value creation.

Reporting Boundary

Our comprehensive reporting captures both financial and non-financial information about the Bank's core activities, performance metrics, and strategic narrative, all aligned with our business model.

Reporting Framework

The financial information presented in this report is prepared in accordance with International Financial Reporting Standards (IFRS). Our reporting process is further guided by the regulatory frameworks and prudential guidelines established by the Bank of Tanzania (BOT), the National Board of Accountants and Auditors (NBAA), the Capital Markets and Securities Authority (CMSA), and the Dar es Salaam Stock Exchange (DSE). Additionally, we have integrated principles from the Integrated Reporting Framework to enhance the quality and relevance of our disclosures. We are committed to continuously refining our reporting processes to align with evolving guidelines and international best practices.

Combined Assurance

To guarantee the utmost accuracy and reliability of our disclosures, comprehensive reviews were conducted by management and internal audit. The Board of Directors and its Committees provided rigorous oversight throughout this process. Key details presented in this report are derived from our consolidated annual financial statements audited by Deloitte & Touche.

The Jamii Bond Impact data presented herein reflects information as of 31 December 2024. This data remains subject to external independent verification in accordance with the Sustainable Bond Guidelines (2021). Any updates or amendments resulting from the verification process will be transparently disclosed in the Bond's official Impact Report, in line with principles of accountability, transparency, and sound governance.

Reporting Period

This Annual Report covers the period from 1 January 2024 to 31 December 2024 and is published on an annual basis. Material events occurring after this period and up to the report’s approval by the Board of Directors have been duly reviewed and disclosed.

Financial and Non-Financial Reporting

This Report goes beyond traditional financial disclosures by providing a comprehensive analysis of our non-financial performance. It outlines our strategic positioning and value-creation capabilities concerning key stakeholders, who are crucial to our continued success.

Report Content and Materiality

We determine what information to include in this report by applying the materiality concept. A subject is deemed material if it has the potential to significantly influence revenue generation, drive value creation, or impact the Bank’s corporate culture.

Director’s Responsibilities

The Board of Directors has prepared and presented this Report, acknowledging its responsibility for ensuring its accuracy and integrity. The Report has been carefully reviewed and approved by the Board on 22nd May 2025, providing stakeholders with reliable and material information.

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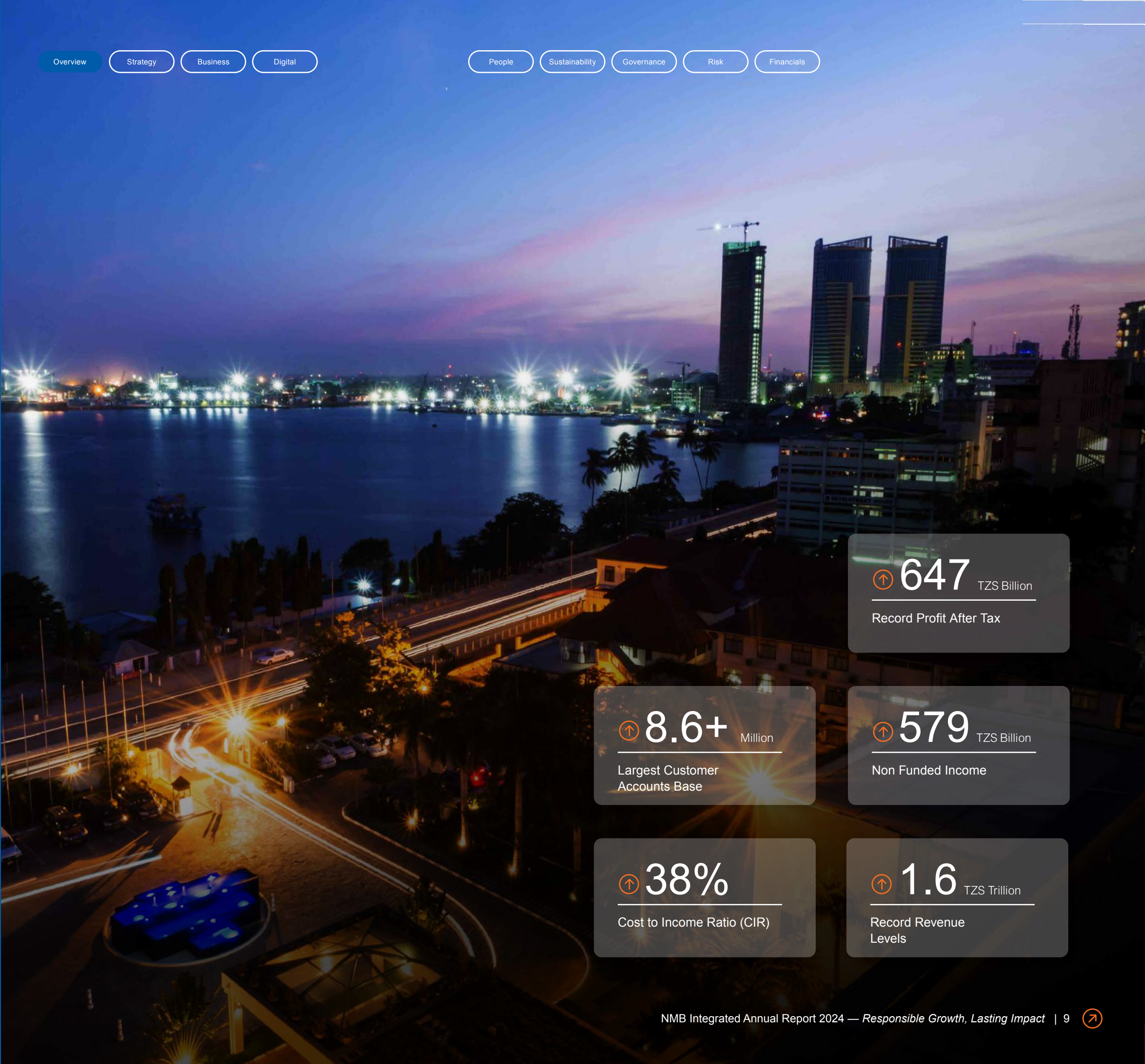
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Abbreviations

AGM	Annual General Meeting	EPS	Earnings per Share	IPCC	Intergovernmental Panel on Climate Change	PSSSF	Public Service Social Security Fund
ACCA	Association of Chartered Certified Accountants	ESG	Environment, Social and Governance	ISA	International Standards on Auditing	QR	Quick Response
ACPA	Associate Certified Public Accountant	EXCO	Executive Committee	ISIN	International Securities Identification Number	SASB	Sustainability Accounting Standards Board
ALCO	Assets and Liabilities Committee	FDI	Foreign Direct Investment	LCs	Letters of Credit	SICR	Significant Increase in Credit Risk
ALM	Assets and Liabilities Management	FMO	Financierings - Maatschappij voor Ontwikkelingslanden N.V	LCR	Liquidity Coverage Ratio	SOFR	Secured Overnight Financing Rate
BARCC	Board Audit, Risk and Compliance Committee	FTE	Full Time Employee	LDR	Loans to Deposits Ratio	SME	Small and Medium Enterprises
Bn	Billion	FVOCI	Fair Value through Other Comprehensive Income	LED	Light-Emitting Diode	SMR	Statutory Minimum Reserve
BOT	Bank of Tanzania	FVTPL	Fair Value through Profit or Loss	LGD	Loss Given Default	SPPI	Solely Payments of Principal and Interest
BRELA	Business Registrations and Licensing Agency	GDP	Gross Domestic Product	LIBOR	London Interbank Offered Rate	SPV	Special Purpose Vehicles
CASA	Current and Savings Account	GHG	Greenhouse Gas	LTFR	Long-term Funding Ratio	SSA	Sub Saharan Africa
CEO	Chief Executive Officer	G-SIB	Global Systematically Important Bank	MBA	Master's Degree in Business Administration	SWL	Salaried Workers' Loan
CET1	Common Equity Tier 1	HVAC	Heating, Ventilation, and Air Conditioning	Mn	Million	TCFD	Task Force on Climate-Related Financial Disclosures
CDIoDT	Certified Director by the Institute of Directors	IASB	International Accounting Standards Board	MNO	Mobile Network Operator	tCO ₂ e	Tonnes Carbon dioxide equivalent
CFO	Chief Finance Officer	ICAO	International Civil Aviation Organization	MTN	Medium Term Note	TFRS-1	Tanzania Financial Reporting Standards Number 1 (2024)
CIA	Certified Internal Auditor	ICMA	International Capital Market Association	MTP	Medium Term Plan	TIRA	Tanzania Insurance Regulatory Authority
CMSA	Capital Markets and Securities Authority	ICT	Information and Communication Technology	MSE	Micro and Small Enterprises	TMRC	Tanzania Mortgage Refinance Company Limited
CPA	Certified Public Accountant	IEA	International Energy Agency	NHIF	National Health Insurance Fund	TRA	Tanzania Revenue Authority
CSI	Corporate Social Investment	IESBA	International Ethics Standards Board for Accountants	NMB	NMB Bank Plc	TZS	Tanzanian Shillings
DSE	Dar es Salaam Stock Exchange	IFC	International Finance Corporation	NBS	National Bureau of Statistics	UJVC	Upanga Joint Venture Company
DSS	Direct Sales Staff	IFRS	International Financial Reporting Standards	NPL	Non-Performing Loan	USD	United States Dollars
E&S	Environmental and Social	IFRS IC	IFRS Interpretation Committee	NSFR	Net Stable Funding Ratio	USSD	Unstructured Supplementary Service Data
EAC	East African Community	IMF	International Monetary Fund	OCI	Other Comprehensive Income	WEO	World Economic Outlook
EAD	Exposure at Default	IPF	Insurance Premium Finance	PCI	Payment Card Industry	YoY	Year on Year
ECL	Expected Credit Losses			PCAF	Partnership for Carbon Accounting Financials		
EIB	European Investment Bank			PD	Probability of Default		
EMRF	Enterprise Risk Management Framework			PLC	Public Limited Company		
				POCI	Purchased or Originated Credit-Impaired		

Overview

NMB is Tanzania's leading financial solutions provider, renowned for its strong financial performance and consistent value creation. With over 25 years of transformative operations, our journey has been characterized by remarkable achievements and a lasting commitment to excellence, driving significant socioeconomic impact throughout Tanzania.



647 TZS Billion
Record Profit After Tax

8.6+ Million
Largest Customer Accounts Base

579 TZS Billion
Non Funded Income

38%
Cost to Income Ratio (CIR)

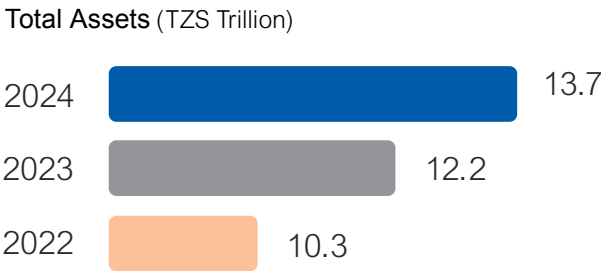
1.6 TZS Trillion
Record Revenue Levels

NMB at Glance

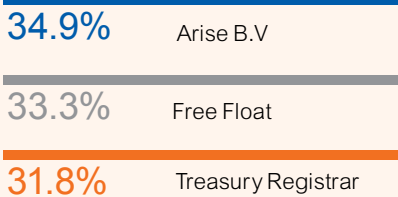
NMB is Tanzania's leading and impactful financial institution, crucial in promoting inclusive and sustainable socioeconomic growth across the nation. We are dedicated to supporting our valued customers, employees, shareholders, and the wider community, driving shared prosperity.

Scale and Stability

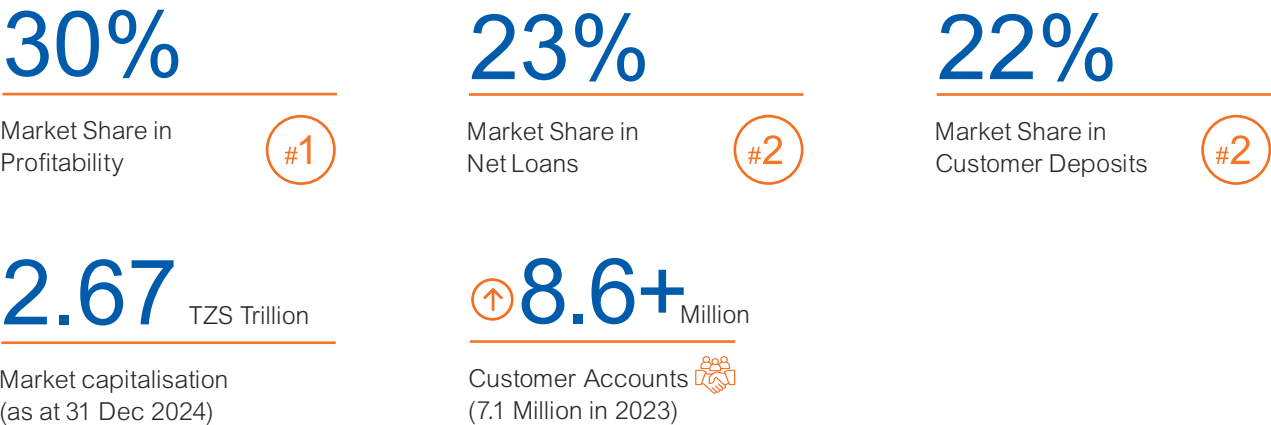
A Vast Network



Ownership Structure

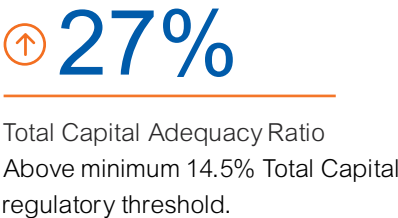


A Leading Market Position in Tanzania



Organisational Strength

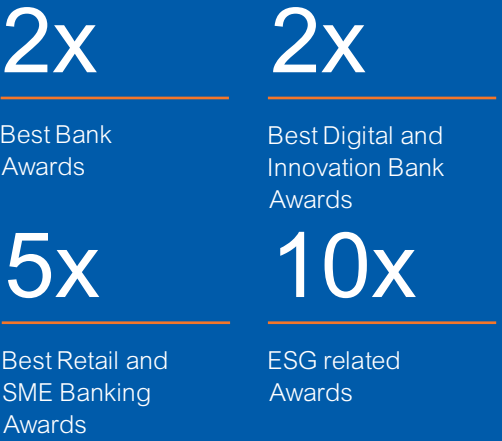
- Robust governance structure with a well-experienced Board.
- Stable and experienced Executive Management driving the effective execution of the Bank's strategy.
- Highly engaged and motivated workforce with diverse skills and expertise.
- Committed to diversity, inclusion, and equity.



35 Awards

Named the Best Bank in Tanzania by;

- Euromoney Banking excellence awards 11x times in 12 years
- Global Brands Magazine



Differentiators

Client-Focused Approach

At NMB, we put our clients at the heart of everything we do. Our core values drive us to deeply understand and cater to our client's needs, ensuring that our financial solutions are always aligned with their personal goals and aspirations. Through continuous engagement and feedback, we consistently refine our offerings to stay ahead of evolving requirements.

Operational Efficiency and Prudent Resources Management

We pride ourselves on managing resource judiciously while maintaining an unwavering focus on operational efficiency. By optimizing resources and enhancing service quality, we ensure that our clients benefit from competitive, high-quality services without compromising on excellence.

Distinct Value Proposition

Our local presence and unique insight into our clients' needs, combined with world-class technology and digital innovation, enable us to deliver highly tailored financial propositions. This distinct advantage allows us to create value that is both relevant and transformative.

Social Responsibility

We are committed to being a socially responsible business. Our initiatives span sustainable practices, community development programs, and ethical investment strategies—all aimed at creating a better future for our stakeholders and the communities we serve.

High-Performing and Engaged Workforce

Our people are the driving force behind our success. We foster a culture of performance excellence by investing in our workforce's continuous growth, development, and well-being. This commitment ensures that our team consistently delivers the highest standards of service and innovation.

Robust Risk Management

Mitigating risks is fundamental to our operations. We deploy comprehensive risk management frameworks and cutting-edge technologies to safeguard our clients' interests and secure the Bank's long-term stability. This proactive approach enables us to navigate challenges effectively while ensuring a secure environment for our stakeholders.



↑ **593** TZS Billion
Secured Single Borrower Limit

↑ **97%**
Coverage in all Tanzania Districts

↑ **25%**
Return on Equity

About NMB

Our Vision

To be the preferred financial services partner.

Our Mission

To be the Bank of choice, delivering an innovative and transformative customer experience that promotes financial inclusion and wellbeing.

Our Strategic Goals

Create long-term Customer Experience.

Our Values

- Integrity
- Compliance
- Customer Focus
- Teamwork
- Innovation

Our Strategic Pillars

- Winning Proposition
- Operational Efficiency
- Innovating for the Future

Business Segments

- Retail Banking
- Wholesale Banking
- Treasury

Ways of Banking



Branches & ATMs
With a widespread physical presence spanning the country, we operate



Branches ATMs
240 714



Agency Banking (WAKALA):
Our extensive agency banking network complements our robust physical channels.

Agent outlets
50,968



Mobile Banking (NMB Mkononi):
Access various banking services, money transfers, and payments easily via *150*66# or the NMB Mkononi App



Internet Banking (NMB Direct):
Our Internet Banking platform ensures fulfillment of our customers' banking needs



Cards, POS, QR Codes:
We offer diverse payment solutions, including over 20,000+ QR codes

Cards POS Devices
+4.5 +4,000
Million



Call Center, chat banking:
Customers benefit from our Call Center for inquiries, service, sales, and Interactive Voice Response (IVR) features. Secure banking via WhatsApp chat is also available.

Our Strengths



Leadership
NMB leverages the expertise of a seasoned Board of Directors, backed by a proficient Executive Management team, that actively foster a thriving organizational culture and guarantee strategy execution.



Talent
The Bank has a diverse workforce of 3,868 individuals, brought together by common principles and a culture that promotes inclusivity and excellence.



Innovation and partnerships
NMB consistently improves its technological base, including digital capabilities to enhance accessibility, streamline processes, and ensure utmost security in banking.



Service Excellence
NMB is devoted to grasping customer needs and utilizing data-driven insights and innovation to offer an exceptional customer experience.



Governance
The Bank possesses a robust and efficient governance structure founded on the most global benchmarks. This structure serves as the bedrock for achieving sustained prosperity and showcases the honesty and openness that our stakeholders deserve



Resilience
We are a domestic, systemically important bank with total assets exceeding TZS 13.7 Trillion, robust liquidity, and strong credit rating.



A responsible bank
The Bank places a strong emphasis on sustainability within its strategic priorities. We are dedicated to enhancing NMB's role in supporting Tanzania's goal of fostering an inclusive and environmentally friendly economy through various CSI and ESG projects.



Brand
NMB possesses significant brand equity and entices an expanding customer base of 8.6 Million individuals.

Delivering Stakeholder Value



Employees
Rewarding careers, competitive remunerations and rewards with professional development.



Customers
Safeguarding and expanding the financial assets of individuals, private and public institutions.



Community
Contributing to the nation's socio-economic progress, the Bank is dedicated to supporting endeavors that foster a robust and enduring economy under the guidance of Tanzania's leadership vision.



Regulators and the Government
Engaging with relevant authorities to support a conscientious regulatory framework.



Investors
Providing robust returns and long-term value to investors.



Suppliers
Collaborating with our suppliers, providing them with avenues for shared prosperity.



Creating Stakeholders' Value

Investors



How We Create Value

NMB Bank is committed to delivering robust returns and fostering long-term sustainable value for our esteemed investors.

How We Serve & Engage

Our business model thrives on capital from debt and equity investors, which is pivotal in executing our strategic vision. We ensure transparency by providing investors with comprehensive progress updates against our strategic and financial frameworks, whether within short - or long - term horizons. Furthermore, our footprint and sustainability initiatives, such as Jamii Bond, expose investors to emerging market opportunities.

Looking ahead to 2025, our engagement with investors will continue, updating on our strategic priorities, financial framework progress, and our trajectory towards target returns.

Their Interests

- Safe, strong, and sustainable financial performance.
- Sustainable finance aligned with the UN Sustainable Development Goals.
- Progress on ESG matters, including advancements in climate-related issues.

429 TZS

Dividend per share

19% YoY

Share Capital Gain

~6.8%*

Jamii Bond Coupon Rate for USD Tranche

*As of December 2024

9.5%

Jamii Bond Coupon Rate TZS Tranche

Employees



How We Create Value

We deeply acknowledge that our workforce is the cornerstone of our performance and productivity. Our commitment to fostering a diverse tapestry of cultures and experiences sets us apart. We're nurturing a future-ready workforce to adapt to evolving client needs and technological advancements.

Collaborating with our employees, we're co-creating an inclusive, innovative, and client-centric culture that fuels ambition, action, and accountability.

How We Serve & Engage

Our regular engagement with employees through multiple channels is the bedrock for superior client service and upholding our Purpose and Values. A culture embedded in inclusivity and ambition enables us to unlock innovation and execute our business strategy.

Their Interests

- Meaningful and impactful roles
- Opportunities for innovation within diverse markets and clientele
- Cultivation of a brand that sustains commerce, offering enriching careers and growth
- Support from exceptional people leaders, underpinned by competitive rewards and a positive work-life balance.

423 TZS Million

Revenue per staff

84%

Internal Mobility

96.5%

Employee retention rate

54%

Staff cost as % of Operating Cost

Customers



How We Create Value

We aim to generate value by providing easily accessible banking solutions that cater to everyday needs while ensuring affordability and exceptional customer service. We empower individuals to nurture and safeguard their finances, assist businesses in various operations, such as trading, transactions, investments, and growth, and extend our support to various financial institutions, including banks, the public sector, and development organizations.

How We Serve & Engage

Our approach revolves around innovative products and seamlessly integrated digital services, which are fundamental to achieving an unparalleled client experience. This involves enhancing our capabilities to safeguard clients against emerging risks in the ecosystem, such as fraud and cybersecurity, accompanied by robust education initiatives and enhanced communication channels.

Looking ahead to 2025, we remain committed to actively listening to and addressing customers feedback and concerns, furthering our digital transformation and innovation endeavors, and aiding our clients as they transition towards sustainable practices, including pursuing net-zero objectives.

Their Interests

- Offering unique and differentiated products and services
- Providing digitally driven and enriching customer experiences
- Promoting sustainable finance initiatives
- Facilitating access to financial resources

1.5 Million

New customer Accounts

56

Net Promoter Score

Suppliers



How We Create Value

NMB Bank is dedicated to fortifying our operations by consistently providing efficient, sustainable, and value-driven goods and services through supplier engagements.

How We Serve & Engage

Our supplier engagement strategies are guided by stringent selection, due diligence, and contract management processes that align with our policies and standards. Strengthening our supplier governance underscores our proactive risk mitigation and regulatory compliance stance. Furthermore, our procurement policies shade our unwavering commitment to ethics, human rights, diversity and inclusion (D&I), and environmental performance. Incoming suppliers align with these principles, reinforced through standard contract templates and periodic engagements emphasizing on ethics, compliance, and sustainability.

Their Interests

- Sustainability and diversity
- Fair and Transparent tendering processes
- Encouragement of supplier-driven innovations
- Timely and accurate payments.
- Timely dispute resolution

270 TZS Billion

Total Amount Paid to Suppliers

Creating Stakeholders' Value

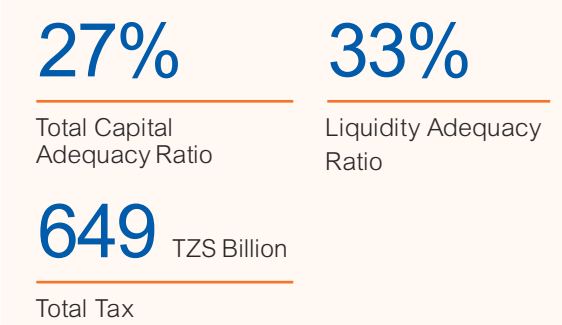
Regulators & The Government

How We Create Value
NMB Bank proactively collaborates with public authorities to fortify the financial system's effectiveness and promote stability and sustainable growth.

How We Serve & Engage
Throughout 2024, we engaged with governments, regulators, and policymakers, focusing on sustainability, digital innovation, cybersecurity, and regulatory frameworks. Our Compliance and Regulatory Affairs team ensures alignment between advocacy and business strategies. In November 2024, NMB Bank Plc emerged as the national overall winner, recognized as the largest taxpayer in Tanzania and the most compliant taxpayer for the third year.

Their Interests

- Strong capital and liquidity positions
- Stringent standards for conduct and combating financial crime
- Healthy economies and competitive markets
- Positive, sustainable development
- Digital innovation in financial services
- Operational resilience and customer protection.



Community

How We Create Value
NMB Bank is steadfast in its commitment to operate as a socially responsible and sustainable entity. By collaborating with local partners, we actively contribute to fostering social and economic development within our communities

How We Serve & Engage
Engagement forms the cornerstone of our strategy, where we actively collaborate with a diverse spectrum of civil society, international partners, and local NGOs. This collaboration spans a multitude of areas, ranging from environmental and public policy concerns to community-driven initiatives. Constructive dialogues enable us to comprehend alternative viewpoints while ensuring a mutual understanding of our business approach. Our engagements address specific client needs, transactions, or policy concerns highlighted by partnering development partners.

Their Interests

- Climate change and environment
- Human rights
- Financial inclusion
- Social Impact



Our Value Creation Model

Capital Input

Trade-Offs

Financial Capital

Our financial capital forms the bedrock for sustaining and expanding our business operations. It fuels our growth initiatives, generates sustainable returns, and enhances stakeholders value.

Shareholder value surged through a substantial increase in net profits, driving robust returns for our investors. Our strategic focus remains on striking a delicate equilibrium between maximizing immediate financial gains for shareholders and the imperative investment required for our sustained long-term growth.

Human Capital

Comprising our skilled workforce, ingrained organizational culture, and collective expertise, our human capital is pivotal in innovating solutions tailored to our customers' needs. Our people are the driving force behind realizing our Bank's vision.

Investing in our workforce constitutes a significant yet essential cost, vital for attracting, retaining, and nurturing talent. While these investments impact short-term financial capital, they yield substantial long-term returns across various other capitals.

Intellectual Capital

Our intellectual capital encompasses technological innovations, robust systems and processes, and a heritage-backed strong brand identity.

Balancing increased automation of solutions, which impacts both intellectual and manufactured capital, against driving client adoption of digital solutions that elevate client experiences poses a trade-off. This challenge intersects with the need for human interaction, a critical aspect of our human capital.

Manufactured Capital

Our manufactured capital provides a competitive edge, including physical assets like property and digital assets such as IT systems, enabling us to deliver enhanced value to stakeholders.

Efforts to automate solutions and drive digital adoption for superior client experiences through digital platforms present a trade-off. We recognize the importance of direct human interaction, particularly through physical branches, in complementing these digital advancements.

Social & Relationship Capital

Our social and relationship capital thrives on fostering diverse relationships within our communities and across stakeholders, nurturing an ecosystem for mutual growth.

Strategically managing diverse stakeholder relationships involves navigating trade-offs to uphold various stakeholders' interests while maintaining quality relationships across all fronts.

Natural Capital

Referring to the resources we utilize to sustain operations, our natural capital reflects our commitment to responsibly leveraging resources to create lasting value for our stakeholders.

Balancing the utilization of natural resources, which sometimes negatively impacts human and social capital, remains a critical trade-off. Our commitment lies in minimizing environmental impacts while striving to deliver positive environmental outcomes for society.



Our Value Creation Model

	Inputs	Outputs
Financial	Customer Deposits 9.56 TZS Trillion (13% YoY) Total Equity 2.56 TZS Trillion (22.3% YoY)	Total Revenue 1.64 TZS Trillion (+16% YoY) Net Profit After Tax 647 TZS Billion (+19% YoY)
Employees	Staff Training Budget 5.7 TZS Billion Staff Benefits 336 TZS Billion	Employee Satisfaction Rate >75% Staff Attrition 3.5%
Intellectual	Intellectual Capital 46 TZS Billion ICT Investment Amount +20 Digital & technology initiatives launched	Intellectual Capital 96% Share of transactions performed on digital channels 99% Stable digital platforms service uptime
Manufactured	Branches 240 ATMs 714	Customer Accounts 8.6+ (2023: 7.1+ Million) Wakala 50,968 (2023: 28,295)
Social & Relationship	CSI & Climate Action Budget 5.4 TZS Billion Sustainable Fund mobilized 400 TZS Billion	Sustainable Fund allocated 333 TZS Billion Scholarship 130 Funded students
Natural	Air, Water, Land, Mineral & Forest	Premises retrofitted with LED lights 203 Branches 57 Cash Collection Points

Outcomes

Superior returns for shareholders	
Return on Equity 25% (2023: 29% YoY)	Dividend per Share 429 TZS (2023: TZS 361)
Productive, efficient, and effective workforce	
Staff Productivity 5.4x (2023: 6.2x)	Revenue per FTE 423 TZS Million
Intellectual Capital	
1x Best Innovation in Retail Banking in TZ	1x Best Digital Bank in TZ
Net Promoter Score 56 (2023: 59)	CSAT 89% (2023: 87%)
Contribution to community empowerment Employment and Entrepreneurship Financial Inclusion	
Curbing our carbon emissions and minimising our ecological footprint	



Value Added Statement

Value added is the wealth the Bank has been able to create by providing clients with a quality and value added service.

	2024 TZS' Million	2023 TZS' Million	2022 TZS' Million
Value Added			
Income earned by providing banking services*	2,080,171	1,750,815	1,450,073
Interest expense paid to third party funding	(116,594)	(73,697)	(38,363)
Other depositors	(195,048)	(172,380)	(128,944)
Fee and commission expense	(135,396)	(102,819)	(94,260)
Impairment	(85,068)	(84,485)	(81,180)
Total cost of banking service	(532,106)	(433,381)	(342,747)
Value added by banking services	1,548,065	1,317,434	1,107,326
Other operating income and expenditures	(104,308)	(93,114)	(85,053)
Value added from banking services	1,443,757	1,224,320	1,022,273
Value allocated			
To Employees:			
Salaries and other benefits	255,167	227,450	202,428
To Shareholders:			
Dividend to other shareholders	146,280	123,198	97,639
Government	68,145	57,392	45,486
To Government:			
Corporate Tax	290,432	238,571	186,720
PAYE	70,076	61,356	55,083
Skills development levy	10,413	9,117	8,785
Excise Duty	58,170	47,770	42,838
VAT on services	111,386	93,813	84,373
Other taxes	13,239	11,887	5,484
To Expansion & Growth:			
Depreciation, deferred tax and retained earnings	420,449	353,765	293,437
	1,443,757	1,224,320	1,022,273

* Income earned by providing banking services = Interest Income + Fees and Commission Income + Realised Gain on Investment Securities + Foreign Exchange Income + Other Income

Multi-Award Winning Bank



Banking Excellence Awards

2



ESG Related Awards

10



Corporate & Investment Banking

8



Retail & SME Banking

5



Capital Markets

4



Compliance

3



Innovation & Digital

2



Workplace Excellence

1



Strategy Review



Bank Strategy

To ensure seamless strategy execution, the Bank continues to focus on the following strategic pillars and enablers.

Our Strategic Pillars

Strategic Enablers

Winning Propositions

1

Drive Loyalty with Mass

2

Win in Core middle

3

Win in SME & Agri

4

Deepen Penetration in Wholesale

Operational Efficiency

5

Boost Branch Productivity

6

Organizational Productivity

7

End to end Credit Risk Management

Innovating for the future

8

Strengthen Data and Analytics

9

Delight Customer

10

Enhance IT



Progress against our key strategic areas of focus



We continued to make good progress against our key strategic areas of focus in the fourth year of executing our Medium-Term Plan (2021-2025)

Delivering winning proposition

- Customer base grew by 1.5 Million accounts YoY to 8.6 Million accounts.
- Digital solutions deepening financial inclusion: Mshiko Fasta (Digital Micro Loan), NMB Pesa Wakala (Agency Banking), Lipa Mkononi (QR)
- MSME portfolio TZS 754 Billion (Down 3% YoY)
- Agri loans TZS 941 Billion (Up 54% YoY)

Driving Operational Efficiency

- Cost to Income Ratio (CIR) down to 38% (2023: 39%)
- Productivity up 10% YoY – TZS 423 Million revenue/Full Time Employees
- Strengthened credit risk management improving portfolio quality – NPL ratio 2.9% (2023: 3.2%)
- Share of Transactions on Alternative Channels – 96% (2023: 96%)

Innovating for the Future

- Net Promoter Score of 56 – one among industry best.
- Stable digital platforms – 99% service uptime.
- On-going investments in significant technology platforms – Core Banking System, Data Management, Loan Management System.

Financial Highlights

Selected financial metrics for FY'24

647 TZS Billion

Net Profit

2.9%

NPL Ratio

91.4%

LDR

33.6%

Liquid Asset Ratio

0.97%

Cost of Risk

38%

Cost to Income Ratio

Overview

Strategy

Business

Digital

People

Sustainability

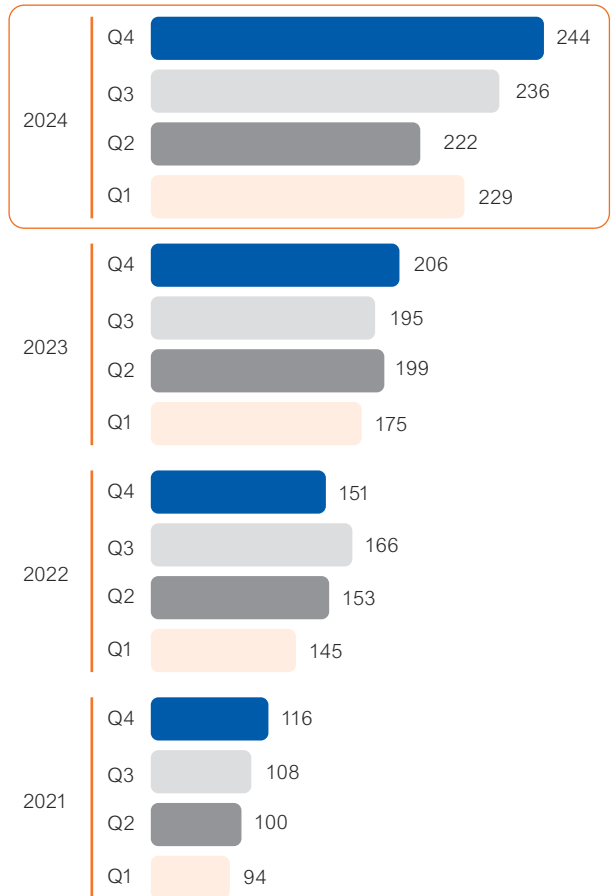
Governance

Risk

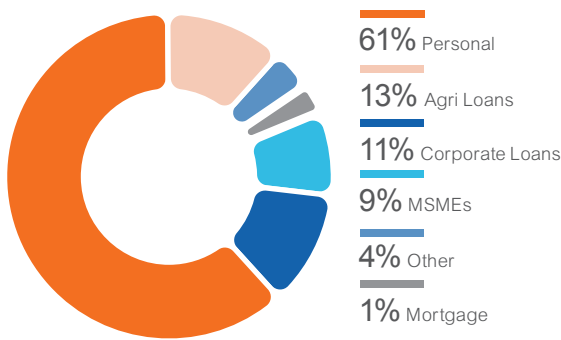
Financials

Consistent Strong Quarterly Performance

Profit Before tax in TZS Billion



Bank Lending Profile by Sector

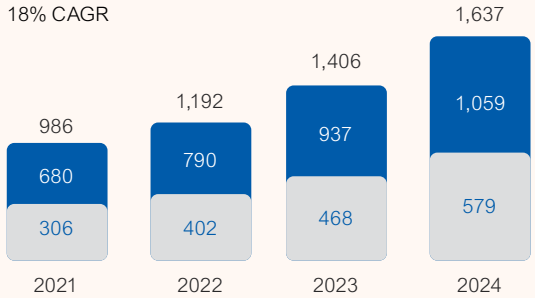


Revenue and Cost

Revenue (TZS Billion)

16% YoY

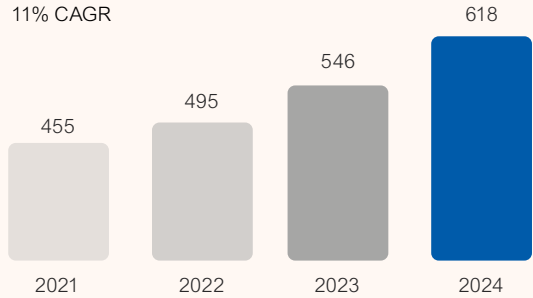
18% CAGR



Cost (TZS Billion)

13% YoY

11% CAGR

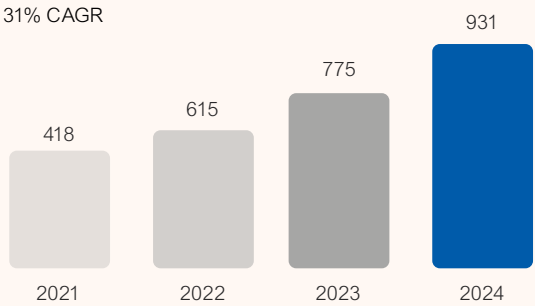


Profitability

Profit before Tax (TZS Billion)

20% YoY

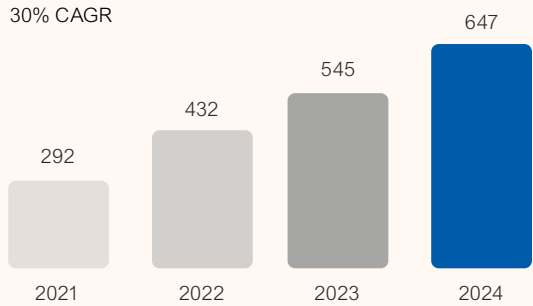
31% CAGR



Profit After Tax (TZS Billion)

19% YoY

30% CAGR

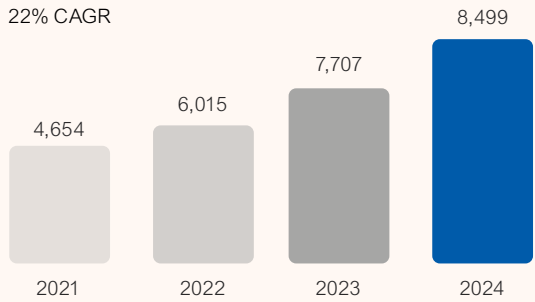


Balance Sheet

Loans and Advances (TZS Billion)

10% YoY

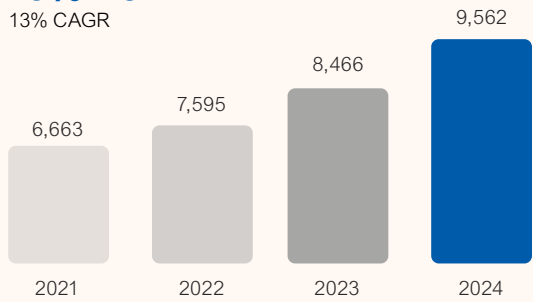
22% CAGR



Deposit (TZS Billion)

13% YoY

13% CAGR





Chairman's Statement



David Carol Nchimbi | Chairman of the Board

Macroeconomic Overview

In 2024, the global economy showed signs of recovery, with growth estimated at 3.2%, driven by monetary policy easing, fiscal stimulus, and increased consumer spending. This global recovery positively impacted Tanzania's external sector, mainly through improved export performance and foreign exchange earnings from tourism, gold, and agricultural products. Domestically, the Tanzanian economy benefited from stable macroeconomic conditions, with inflation well-anchored and private sector credit growth remaining robust. The government's efforts to improve the business environment and tax administration also contributed to the strong economic performance.

Tanzania achieved a real GDP growth of 5.5%, slightly exceeding the projected 5.4%. This growth was broad-based, driven primarily by strong performances in agriculture, mining and service sectors. The agricultural sector benefited from favorable weather conditions and improved crop yields, especially in cashew nuts, tobacco, and cereals. The financial and insurance services sector also saw high growth, supported by increased credit to the private sector, which grew by 14%, driven mainly by Agri loans, personal loans, and SME loans. Inflation remained stable, averaging around

3.1%, well below the Bank of Tanzania medium-term target of 5%, on account of prudent monetary and fiscal policies, stable food prices, and moderate fuel prices. The external sector improved, with the current account deficit narrowing to 2.7% of GDP, supported by increased exports of tourism services, gold, cashew nuts, and tobacco.

The Bank of Tanzania maintained an accommodative monetary policy stance throughout 2024, keeping the Central Bank Rate (CBR) at 6% to contain inflation and manage forex liquidity while supporting economic growth. The implementation of monetary policy was adequate, with liquidity conditions aligned with economic needs and the 7-day interbank rate generally stable within the target band. Fiscal performance was commendable, driven by improved tax administration and compliance. Public debt remained sustainable, with the debt-to-GDP ratio at 41.1%, below the IMF/WB threshold of 55%. The financial sector remained resilient, with banks adequately capitalized and non-performing loans declining to 3.3% by the year end. Payment systems continued to modernize, supporting the transition to a cash-lite economy.

 We have made steady progress in building the Bank we envision—innovative, inclusive, and impactful.

Our Performance in 2024

In 2024, NMB Bank sustained strong financial resilience and growth. The theme of this year's annual report, Responsible Growth, Lasting Impact," capturing our focus. The year marked a milestone, with our profit before tax TZS 931 Billion, resulting in a compound annual growth rate of 31% since 2021. Our return on equity of 25% highlights the significant value created for our shareholders. Our strong market position was bolstered by a strong balance sheet position, which nearly doubled to TZS 13.7 Trillion from TZS 8.7 Trillion in 2021, and a 22% compounded annual growth rate in net loans, reaching TZS 8.5 Trillion.

Our diversified revenue streams and broadening customer relationships fueled growth, with the contribution of non-interest income to total operating income rising to 35% in 2024 from 31% in 2021. This was achieved through disciplined risk management and strategic investments in technology and talent, enhancing productivity and efficiency. Our cost-to-income ratio improved significantly to 38%, compared to 46% 2021. This efficiency was accompanied by a prioritized focus on asset quality, resulting in the lowest non-performing loan ratio in five years, dropping to 2.9% in 2024.

NMB's vision for growth remains ambitious and bold, with plans to sustain a high return on equity and consistent dividend payments. Our liquidity position remains robust, with a loan-to-deposit ratio of 91% and a liquidity coverage ratio of 597% as of the end of December 2024. These achievements establish the foundation for ongoing excellence and sustainable growth in the years to come.

Key Highlights

 **6%**

Projected GDP growth in 2025
5.6% 2024

 **429** TZS per Share

Proposed Dividend
TZS 361 in 2023

 **2.67** TZS Trillion

Market Capitalization (31 Dec 2024)
Up 19% YoY

 **2.56** TZS Trillion

Total Shareholders Fund
Up 22% YoY





The consistent execution of our Bank strategy over the years has continued to benefit our customers, people, community, and shareholders. We have made steady progress in building the Bank we envision—innovative, inclusive, and impactful. Our executive management team has demonstrated exceptional discipline and focus, prioritizing the experiences of our customers and our people. This commitment is evident in our NPS, CSAT, and strong market share.

Positioned to Capture Further Opportunities

We are dedicated to securing NMB's long-term growth prospects. While the economic landscape remains promising, we must address new and emerging risks.

We are enhancing our technology and digital infrastructure, along with our data and analytics capabilities. Simultaneously, we are ensuring that the Bank is equipped to navigate further changes in the global macroeconomics and taking steps to strengthen communities while boosting shareholder value.

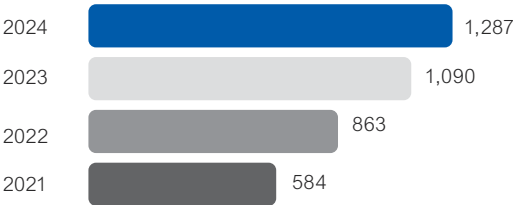
The pace of global decarbonization is accelerating, and there is a heightened urgency to expedite the transition of economies. Our achievements between now and 2030 will be crucial, and NMB must move swiftly to prepare our economy to seize the opportunities that lie ahead. NMB aims to establish gradual decarbonization targets for emissions-intensive priority sectors by 2030.

Driving Value, Delivering Higher Returns

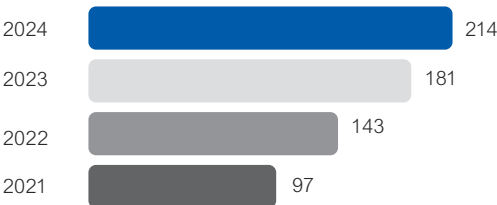
The Board has proposed a final dividend of TZS 214.42 Billion a TZS 428.85 per share, marking a 19% increase from TZS 180.59 Billion a TZS 361.18 per share in 2023. This equates to a payout ratio of one-third, aligning with our stated dividend policy. Our dividend distribution balances the goal of providing

attractive returns to shareholders, allowing them to benefit from NMB's growth while ensuring that NMB maintains a robust capital position to manage future potential risk and opportunities. This capital strength will also enable NMB to capitalize on future opportunities that align with our strategy and purpose.

Earnings Per Share (TZS)



Dividend Paid (TZS Bn)



Governance

In 2024, NMB continued to prioritize robust corporate governance as a cornerstone of our operations, ensuring effective risk management and long-term financial stability. Our governance framework is further strengthened by strong internal control investments, including advanced anti-money laundering technologies, data protection, and privacy.

As we reflect on our achievements, we also acknowledge the changes within the Board. This year, we bid farewell to three esteemed Board members, Dr. Edwin Mhede, George Mandepo, and Azizi Dachi, who have contributed significantly to NMB's success. Their wisdom, dedication, and strategic insights have been instrumental in shaping the Bank we see today, and we are deeply grateful for their service and commitment.

At the same time, we are delighted to welcome new Board members, Prof. Sylvia Temu, Giriraji Jadeja, Dr. Sophia Kongela and myself, who bring fresh perspectives, diverse expertise, and a shared commitment to our vision. Joining the Board during such an important year has been both an honor and a privilege. I am inspired by the passion and dedication of my fellow Board members, the management team, and our people across the country. Together, we are poised to build on the strong foundation laid by our predecessors and steer NMB toward even greater heights.

Advancing our Sustainability Agenda

In 2024, we made significant strides in advancing our sustainability agenda by initiating the baselining of greenhouse gas emissions, setting the stage for carbon reduction targets, and a decarbonization strategy to achieve net zero by 2050. By integrating climate risk management and adhering to best practices, NMB commits to tangible positive environmental and societal impact. Our focus will be on greening our portfolio by targeting high-emission sectors with products that facilitate their transition to low-carbon operations, financing clean energy projects and initiatives, and decarbonizing our operations.

We anticipate that Tanzania's transition will occur gradually as the country endeavors to elevate its status to that of an upper-middle-income level by 2050, wherein industrialization will serve as the primary driver, hence the need to accelerate enterprise and country level transition strategies.

Outlook

Looking ahead to 2025, the Tanzanian economy is expected to maintain its growth trajectory, with real GDP projected to grow at around 6%. Key growth drivers will include continued investments in infrastructure, particularly in transport and logistics, and a stable power supply. The agricultural sector is expected to benefit from favorable weather conditions and ongoing investments in irrigation. Inflation is forecast to remain subdued, supported by prudent monetary and fiscal policies, adequate food supply, and stable exchange rates. We are optimistic about the country's economic outlook, and we will continue to position our strategic initiatives to further optimize the opportunities.

Acknowledgments

My heartfelt thanks go to all our customers, regulators, shareholders, and the communities we serve for your continued support and trust in NMB. I would like to express my gratitude to my fellow Board members for their invaluable advice and insights throughout 2024. On behalf of the Board, I also want to extend my appreciation to the Management team and all our employees who truly embody our purpose and values in the marketplace.





Taarifa ya Mwenyekiti



David Carol Nchimbi | Mwenyekiti wa Bodi ya Wakurugenzi

Hali ya Uchumi

Uchumi wa dunia umeonekana kuimarika, huku ukuaji wake ukikadiriwa kuwa asilimia 3.2 mwaka 2024, ukuaji huu umechangiwa kwa kiasi kikubwa na mabadiliko ya sera za kifedha pamoja na ongezeko la uhitaji wa bidhaa na huduma mbalimbali. Uimarikaji huu wa uchumi umekua na matokeo chanya kwa Tanzania hasa kwenye mauzo ya bidhaa nje ya nchi ambapo kumekuwa na ongezeko la mauzo ya dhahabu, mapato yatanaywa na utalii pamoja na kuimarika kwa mauzo ya bidhaa za kilimo. Uchumi umeendelea kuimarika kutokana na mazingira tulivu, mfumuko wa bei, na ukuaji thabiti wa mikopo kwa sekta binafsi. Juhudi za Serikali katika kuboresha mazingira ya kibiashara na uboreshaji usimamizi wa kodi pia umechangia katika ukuaji imara wa uchumi.

Pato la taifa kwa mwaka 2024 lilikua kwa asilimia 5.5 ikilinganishwa na matarajio ya ukuaji wa asilimia 5.4 yaliyowekwa mwanzoni mwa mwaka. Ukuaji huu umechangiwa zaidi na ufanisi thabiti katika sekta za kilimo, madini na vito, pamoja na ukuaji wa sekta za huduma.

Sekta ya kilimo imeendelea kunufaika na hali nzuri ya hewa pamoja na kuimarika kwa bei za mazao ya korosho, tumbaku, ufuta na nafaka. Sekta ya fedha na bima ilionyesha ukuaji mkubwa, ikichagiwa na ukuaji wa asilimia 14 wa mikopo kwa sekta binafsi hususani ongezeko la mikopo kwa sekta za kilimo, mikopo ya watu binafsi na biashara ndogo ndogo.

Mfumuko wa bei umeendelea kuwa ndani ya malengo ya muda wa kati ya asilimia 5 yaliyowekwa na Benki Kuu ya Tanzania, wastani wa mfumuko wa bei kwa mwaka 2024 ulishuka na kufikia asilimia 3.1 mwaka 2024 ikilinganishwa na asilimia 3.8 mwaka uliopita. Uimarikaji huu unatokana na utekelezaji madhubuti wa sera za fedha na bajeti na kuimalika kwa upatikanaji wa mazao ya chakula katika masoko ya ndani na utulivu wa bei ya mafuta kwenye soko la dunia.

Urari wa malipo ya nje umeendelea kuimarika mwaka hadi mwaka, huku nakisi ikifikia asilimia 2.7 ya pato la taifa. Uimarikaji huu ulichangiwa kwa kiasi kikubwa na ongezeko la mauzo ya bidhaa na huduma nje ya nchi ikijumuisha, utalii, dhahabu, korosho na tumbaku. Ili kuhakikisha mfumuko wa bei unabaki ndani ya lengo la muda wa kati, na kuhakikisha kunakuwepo na ukwasi wa kutosha wa fedha za kigeni, na kutoathiri ukuaji wa uchumi, kwa mwaka 2024 kiwango cha riba ya Benki Kuu kilibakia asilimia 6. Utekelezaji wa sera ya fedha ulikuwa wa kuridhisha, ambapo hali ya ukwasi ilikidhi vyema mahitaji ya uchumi huku kiwango cha riba ya siku saba baina ya benki ikibaki ndani ya wigo wa asilimia 4 mpaka 8.

Usimamizi wa sera za bajeti ulikuwa mzuri, ukichochea na maboresho ya usimamizi wa taratibu za kikodi. Deni la taifa limeendelea kuwa himilivu, ambapo uwiano wake na Pato la Taifa ukiwa asilimia 41.1, chini ya kiwango cha juu kilichowekwa na Shirika la Fedha la Kimataifa na Benki ya Dunia cha asilimia 55.

Tumepiga hatua muhimu katika kujenga benki tunayoitamani – Benki bunifu, jumuishi, na inayogusa maisha ya watu.

Sekta ya kibenki nchini imeendelea kufanya vizuri, benki zimeendelea kuwa na ukwasi pamoja na Mtaji wa kutosha huku uwiano wa mikopo chechefe na mikopo ghafi ukipungua hadi kufikia asilimia 3.3 mwaka 2024. Aidha, mifumo ya malipo iliendelea kuimarika na kuboreshwa, ikichochea mabadiliko ya haraka kuelekea uchumi wa kidijitali.

Matokeo ya Utendaji wa Kifedha

Benki ya NMB imeendelea kuwa na ukuaji bora wa Kiutendaji na Kiufanisi. Sanjari na kaulimbiu yetu ya Taarifa hii ya mwaka 2024, isemayo “ukuaji makini, matokeo endelevu”. Mwaka 2024, Benki ilishuhudia matokeo ya kihistoria, yaliyotuletea mchango mkubwa kwa wadau wote. Faida kabla ya kodi iliongezeka na kufikia shilingi Bilioni 931 ikiwa ni sawa na ongezeko la asilimia 31 kila mwaka tangu 2021. Kiwango cha Faida kwa Mtaji wa Hisa nacho kiliongezeka na kufikia viwango vya asilimia 25. Ukuaji huu ni kiashiria bora cha namna ambavyo Benki imeendelea kuongeza thamani ya uwekezaji kwa wanahisa wake.

Nafasi yetu katika sekta ya kibenki nchini Tanzania, imeendelea kuimarika zaidi, ikichagizwa na uimara wa mizania yetu ambayo imeendelea kuwa na ukuaji thabiti, ikiongezeka kwa zaidi ya asilimia 58 na kufikia shilingi Trilioni 13.7, ukilinganisha na shilingi Trilioni 8.7 mnamo mwaka 2021. Vilevile, tumeshuhudia ukuaji mkubwa wa mikopo kwa wateja hadi kufikia shilingi Trilioni 8.5, ikiwa ni ukuaji wa zaidi ya asilimia 22 kila mwaka katika kipindi cha miaka mitano iliyopita. Benki pia imeendelea kushuhudia ukuaji bora wa vyanzo mbalimbali vya Mapato. Hadi kufikia mwezi Disemba, 2024, mchango wa mapato yasiyo ya riba kwenye jumla ya mapato ghafi ya Benki uliongezeka na kufikia viwango vya juu vya zaidi ya asilimia 35 ukilinganisha na viwango vya asilimia 31, katika kipindi cha Disemba, 2023. Mafanikio haya yametokana na usimamizi thabiti na uwekezaji wa kimkakati katika teknolojia na watu wetu, mambo yaliyochangia kuongeza ufanisi na utendaji kwa ujumla.

Vidokezo Muhimu

↑ 6%

Matarajio ukuaji Pato la Taifa 2025. 2024 ukuaji ulikuwa 5.5%

↑ 429 TZS kwa kila hisa

Mapendekezo ya Gawio 2024 lilikuwa TZS 361 kwa kila hisa

↑ 2.67 TZS Trilioni

Thamani ya Mtaji (31 Dis 2024) Ongezeko la 19% mwaka hadi mwaka

↑ 2.56 TZS Trilioni

Fedha za Wanahisa Ongezeko la 22% mwaka hadi mwaka

Uwiano wa gharama za uendeshaji na mapato ghafi umeendelea kuimarika mwaka hadi mwaka na kufikia asilimia 38 kutoka asilimia 46 mwaka 2021. Pia, benki imeendelea kuimarisha mahusiano na usimamizi wa mikopo inayotolewa kwa wateja, jambo lililosababisha kupungua kwa kiwango cha mikopo chechefe na kufikia asilimia 2.9 ya mikopo ghafi.

Dhamira yetu ya ukuaji inaendelea kuwa ya kimapinduzi na kijasiri, tukiwa na mipango ya kuendelea kuwapa wanahisa wetu faida zaidi kwa uwekezaji wao na malipo endelevu ya gawio. Benki imeendelea kuwa na ukwasi wa kutosha ambapo uwiano wa mikopo na amana ulifikia asilimia 91, huku uwiano wa ukwasi ukiwa asilimia 597 hadi mwishoni mwa Disemba 2024. Ukwasi huu unajenga msingi imara kwa ajili ya kuendelea ubora na ukuaji endelevu katika miaka ijayo.



Mwendelezo wa utekelezaji thabiti wa mkakati wetu umeendelea kuleta manufaa kwa wateja, wafanyakazi, jamii, na wanahisa. Kupitia mpango mkakati wetu wa miaka mitano, nidhamu na utayari wa kipekee wa Menejimenti yetu katika utekelezaji, tumeendelea kupiga hatua muhimu katika kuijenga Benki bora na imara, yenye misingi thabiti ya ubunifu, utendaji, na mchango endelevu kwa ustawi wa jamii zinazotuzunguka na Taifa letu kwa ujumla. Mafanikio haya yameendelea kuifanya Benki yetu kuwa chaguo la kwanza la wateja na wadau mbalimbali katika mahitaji ya huduma na masuluhisho ya kibenki, na kuwa mwajiri bora nchini Tanzania, kwa wataalam wa sekta ya kibenki.

Tumejipanga Kutumia Fursa Zinazoibuka

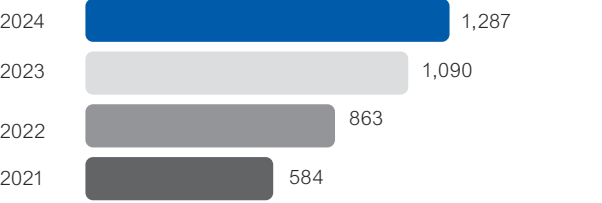
Tumejidhatitii kikamilifu katika kuhakikisha ukuaji endelevu na mafanikio ya muda mrefu. Licha ya mazingira ya kiuchumi kuonesha dalili za matumaini, tunatambua umuhimu wa kushughulikia kwa umakini vihatarishi vipya na vinavyoibuka, ili kuendelea kutumia fursa zinazojitokeza kwa ufanisi zaidi. Tunaendelea kuboresha miundombinu yetu ya kiteknolojia na kidijitali, pamoja na uwezo wetu wa kutumia takwimu na kufanya uchanganuzi wa takwimu kwa ufanisi. Wakati huo huo, tunahakikisha kuwa benki imejiandaa ipasavyo kukabiliana na mabadiliko ya kiuchumi duniani, huku tukichukua hatua madhubuti za kukuza hali ya kiuchumi ya Mtanzania mmoja mmoja kupitia sera yetu ya ujumuishwaji katika sekta rasmi ya kibenki, pamoja na kuongeza thamani ya uwekezaji wa wanahisa wetu.

Kasi ya juhudi za kupunguza hewa ya ukaa duniani hadi kufikia mwaka 2030 inaendelea kuongezeka kwa kiwango kikubwa, na kumekua na hatua kadhaa za kisera kuharakisha juhudi za upunguzaji hewa ya ukaa. Mafanikio yetu kati ya sasa na mwaka 2030 yatakuwa ya muhimu sana, na NMB inapaswa kuchukua hatua za haraka kuandaa uchumi wetu ili kunufaika na fursa zitokanazo na hatua hizi za kimazingira. NMB inalenga kuweka malengo ya hatua kwa hatua ya kupunguza hewa ya ukaa itokanayo na shughuli zetu ama shughuli za wateja wetu hivyo miaka ijayo tutaweka mpango mkakati wa kutoa mikopo maalum katika sekta zenye uzalishaji mkubwa wa hewa ya ukaa ili ziweze kutumia teknolojia rafiki kwa mazingira hivyo kuzisaidia sekta hizi kufikia malengo ya kupunguza hewa ya ukaa.

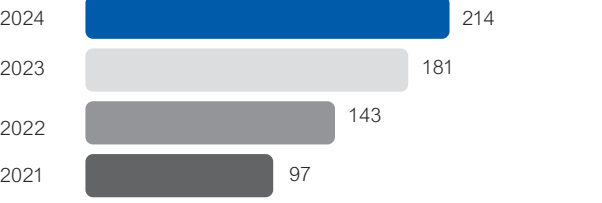
Kuchochea Ongezeko la Thamani

Bodi inapendekeza gawio la shilingi Bilioni 214.42, sawa na shilingi 428.85 kwa kila hisa, ikiwa ni ongezeko la asilimia 19, mwaka hadi mwaka, kutoka shilingi Bilioni 180.59, (361.18 kwa kila hisa) mnamo mwaka 2023. Pendekezo hili la gawio ni sambamba na adhma ya Benki yenye lengo la kuhakikisha ukuaji endelevu wa thamani kwa wadau mbalimbali wa benki, ikiwemo wanahisa.

Mapato kwa kila Hisa (TZS)



Malipo ya Gawio (TZS Bilioni)



Utawala Bora

Mnamo mwaka 2024, benki iliendelea na jitihada mahsusi zilizolenga kuimarisha misingi ya utendaji na utawala bora, ambayo ni nguzo muhimu ya mafanikio endelevu. Katika kuimarisha misingi ya utawala bora, tuliendelea na uwekezaji wa kimkakati katika usimamizi na udhibiti wa vihatarishi, pamoja na uwekezaji mkubwa katika mifumo ya udhibiti wa ndani ikijumuisha teknolojia za kisasa za kupambana na utakatishaji wa fedha, na ulinzi wa taarifa binafsi za wateja.

Tunapotafakari mafanikio haya, pia tunatumbua mchango wa Wajumbe wote wa Bodi ya Wakurugenzi. ya NMB. Kwa namna ya kipekee, nichukue fursa hii kuwashukuru, Wakurugenzi wa Bodi waliomaliza muda wao wa kuhudumu ndani ya Bodi ya NMB. Mwaka 2024, tuliwaaga, Dkt. Edwin Mhede, George Mandepo, na Azizi Dachi – ambao mchango wao wa kipekee ndani ya Bodi, umekuwa nguzo muhimu

katika mafanikio na ukuaji wa NMB. Hekima zao, moyo wa kujitolea, na uongozi wao wa kimkakati vimekuwa dira na msingi imara katika kujenga benki tunayojivunia leo hii. Tunawashukuru sana kwa mchango wao wa dhati.

Wakati huohuo, tunayo furaha kubwa kuwapokea wajumbe wapya wa Bodi – Prof. Sylvia Temu, Giriraji Jadeja, Dr. Sofia Kongera na mimi mwenyewe – ambao tumejiunga na Bodi, tukiwa na jukumu la kuendeleza ukuaji imara wa Benki ya NMB. Kujiunga na Bodi katika kipindi hiki muhimu ni heshima kubwa na fursa adhimu kwetu sote.

Nimefurahishwa sana na ari, kujitolea, na weledi wa wajumbe wenzangu wa Bodi, pamoja na menejimenti na wafanyakazi wote waliopo katika kila pembe ya nchi yetu. Kwa pamoja, tumejidhatitii kuendeleza misingi thabiti iliyowekwa na watangulizi wetu na kuisukuma NMB kuelekea mafanikio makubwa zaidi katika siku za usoni.

Kuendeleza Ajenda ya Uendelevu

Mwaka 2024, tumeendelea kuchukua hatua muhimu katika kulinda mazingira kwa kuanza kupima kiasi cha hewa ya ukaa tunachozalisha. Hii ni hatua ya msingi itakayotuongoza kuweka malengo madhubuti ya kupunguza hewa ya ukaa inayotokana na shughuli za benki yetu na kuandaa mkakati wa kufikia shughuli zisizo na hewa ya ukaa ifikapo mwaka 2050. Kwa kuzingatia athari za mabadiliko ya tabianchi na kufuata viwango vya kimataifa, NMB imejikita katika kutoa mchango wa kuhifadhi mazingira na kuziwezesha jamii kwa ujumla. Katika kukabiliana na changamoto na athari za mabadiliko ya tabianchi, tumedhamiria kuwa sehemu ya sulushisho ya changamoto hizi, kwa kuwasaidia wateja wetu kwa kuwapa bidhaa na huduma zitakazowasaidia kubadilisha shughuli zao na kuwa rafiki zaidi kwa mazingira. Aidha, tutaendelea kuwekeza na kufadhili miradi ya nishati safi, huku tukifanya kila linalowezekana kupunguza kabisa uzalishaji wa hewa ya ukaa katika shughuli zetu za kila siku.

Kwa siku za usoni, tunatarajia mabadiliko chanya ya kiuchumi nchini, ambapo mchakato wa kuelekea uchumi wa kati wa juu, utaendelea kushika kasi, sambamba na malengo ya Tanzania ya kufikia hadhi

ya kipato cha kati cha juu ifikapo mwaka 2050. Katika safari hii, maendeleo ya viwanda yanatarajiwa kuwa kiini cha ukuaji wa uchumi wetu, na hivyo kuongeza umuhimu wa mikakati ya Taasisi na nchi katika maswala ya mabadiliko ya tabia nchi yatoکانayo na uwekezaji katika sekta ya viwanda na mnyororo wake mzima.

Matarajio

Kwa mwaka 2025, uchumi wa Tanzania unatarajiwa kuendelea kukua kwa kasi, huku Pato Halisi la Taifa likikadiriwa kuongezeka kwa wastani wa takribani asilimia 6. Ukuaji huu utachochewa zaidi na uwekezaji unaoendelea katika miundombinu, hasa katika sekta za usafiri, uchukuzi, na upatikanaji wa nishati ya uhakika.

Sekta ya kilimo nayo inatarajiwa kunufaika na hali nzuri ya hewa pamoja na maboresho yanayoendelea katika miundombinu ya umwagiliaji. Mfumuko wa bei unatarajiwa kubaki katika wigo wa Benki kuu, kutokana na utekelezaji wa sera za fedha na bajeti, upatikanaji wa chakula wa uhakika, na uthabiti wa ukwasi wa fedha za kigeni. Kwa kuzingatia mwenendo huu mzuri wa kiuchumi, tunaendelea kuwa na mtazamo chanya kuhusu mustakabali wa uchumi wa nchi, na tutaendelea kujipanga kwa mikakati madhubuti ili kunufaika kikamilifu na fursa zitakazoibuka.

Shukrani

Shukrani za pekee ziwaendee wateja wetu, mamlaka zinazotusimamia, wanahisa, na jamii tunazozihudumia kwa kuendelea kutuamini, kutuunga mkono, na kuwa sehemu ya safari yetu ya mafanikio na mabadiliko.

Pia napenda kutoa shukrani zangu za dhati kwa Wajumbe wenzangu wa Bodi kwa ushauri wao wa busara na michango yao muhimu katika kipindi chote cha mwaka 2024. Kwa niaba ya Bodi, nawapongeza na kuwashukuru Menejimenti na wafanyakazi wote wa NMB kwa kazi yao bora na kwa kuendelea kuishi maadili ya taasisi yetu kila siku.





CEO's Statement



Ruth Zaipuna | Chief Executive Officer

In 2024, NMB continued to solidify its position as a larger, stronger, and more resilient bank. NMB not only achieved exceptional financial and operational results but also surpassed its targets. Our focus on the disciplined execution of our strategy continues to drive the Bank to excel at every level; the Bank is evolving in size, profitability, and the sophistication of its service offerings. With a full-year profit before tax up 20% to TZS 931 Billion, we delivered a double-digit return on average equity, underscoring our continued growth and stability.

Delivering on Our Strategy

Our bank strategy, anchored by three fundamental pillars, is designed to evolve continuously to capitalize on opportunities within a dynamic market environment. Throughout the year, we remained steadfast in our efforts to fortify our core business and carve out competitive niches. We have maintained our market share in business segments while pursuing new growth avenues. Our adaptability and commitment to innovation equip us with the capability to expand core operations and encourage further diversification.

As a financial service partner, we recognize our responsibility toward sustainability, which is integral to our future-focused strategic vision. Our commitment involves delivering solutions that support the transition to a net-zero emissions economy. Simultaneously, we are strengthening the resilience and security of our technological infrastructure to solidify our leadership in the banking industry's digital transformation. Our strategic investment in talent development, primarily focusing on cultivating the next generation of leaders, highlights our dedication to building a dynamic and performance-centric organization. These initiatives ensure that we remain well-equipped to address upcoming challenges and seize emerging opportunities for sustained growth.

Each initiative rolled out in 2024 underscores our dedication to championing financial inclusion and digital innovation in Tanzania. By staying attuned to the needs of our diverse clientele through engagements and feedback, we continue refining our offerings for a maximum positive impact. Our campaigns have consistently communicated these innovations, demonstrating how each product addresses real-world challenges faced by individuals across Tanzania. In this way, we continue to build trust with our stakeholders while setting new standards for excellence in the banking sector..

Our investment in people is at the heart of our success, fostering an environment where innovation, growth, and inclusivity thrive

Achieving Superior, Sustainable Returns

Over the past four years, the Bank has transformed due to the disciplined implementation of its Medium-Term Plan (MTP), fortifying its balance sheet. Our balance sheet has expanded to reach TZS 13.7 Trillion in 2024, with net loans increasing by 83% since 2021 to cross the TZS 8 Trillion mark. Deposits have grown by 44% since 2021 to TZS 9.5 Trillion in 2024. Asset quality has improved considerably, with the non-performing loan (NPL) ratio improving from 4.0% in 2021 to 2.9% in 2024.

During this period, we have achieved a compounded annual growth rate (CAGR) of 30% in net profit, reaching TZS 647 Billion by 2024. Return on average equity also rose from 21% in 2021 to 25% in 2024. This has been accompanied by significant efficiency gains as the cost-to-income ratio improved by 800 basis points over the four years to 38% in 2024.

Expanding Access, Empowering Lives

In 2024, we onboarded 1.54 Million new customers, furthering our commitment to financial inclusion for underserved and unbanked communities. Through our Rural Banking Initiative, we expanded our reach to more than two thousand previously unbanked villages, attracting over three hundred thousand customers, empowering communities with vital banking services, and generating employment for more than 2,057 individuals through our renowned NMB Wakala solution. Furthermore, we onboarded

Key Highlights

931 TZS Billion

Profit Before Tax
Up 20% from 775 Billion in 2023

647 TZS Billion

Profit After Tax
19% up from 545 TZS Billion in 2023

25%

Return on Equity
from 28.6% in 2023

13.7 TZS Trillion

Total Assets
Up 13% YoY

8.6 Million

Total Customer Accounts
Up 21% YoY



22,403 new NMB Wakala, elevating the total number to an impressive 50,698, thus surpassing our Medium-Term Plan 2025 target of 50,000. The proximity of NMB agents to our customers has been instrumental in facilitating greater accessibility to banking services. Due to these investments in expanding agency banking network and digitised banking services, we have achieved greater transaction migration with 96% of retail transactions now conducted via alternative channels.

Transforming Banking Through Technology

NMB continued to be a beacon of innovation, launching several digital products and initiatives to serve our customers better. A cornerstone of our efforts this year was the NMB Pesa Account. This account aims to enhance financial inclusion by offering all Tanzanians easy access to banking services. Alongside this, we debuted NMB Jiwekee, a platform designed to empower individuals with tools for personal retirement savings and investment. Our customers can now enjoy the flexibility of NMB Pay by Link, a seamless payment solution that caters to the modern, digital-savvy consumer.

We launched and continued to enhance our products and financial solutions during the year. Worldwide Pesa simplifies the international remittance service, ensuring security and convenience. Mshiko Fasta offers quick loans accessible directly from mobile devices, catering mainly to small and medium enterprises and entrepreneurs needing of fast capital to grow their enterprises. We also launched NMB Kikundi (group account), which supports community groups with collective financial management solutions.

Our outreach initiatives have focused on enhancing our product offerings and customer experiences and expanding financial accessibility. With NMB Pesa's widespread acceptance, we've facilitated an environment where transferring funds is as simple as it is safe. Our expansion through a 50,698 NMB Wakala banking agents' network has greatly increased our

service reach into urban and rural areas, bringing financial services closer to underserved areas. The seamless integration of NMB Spend-To-Save encourages disciplined saving habits among users while ensuring their funds remain easily accessible for investments or emergencies. Additionally, with the introduction of the NMB Pay by Link, businesses can generate payment links for clients or customers, making transaction processing smoother and more secure.

Building a Better Workplace

Our investment in people is at the heart of our success, fostering an environment where innovation, growth, and inclusivity thrive. NMB proudly celebrate being certified as a "Top Employer", a testament to our commitment to investing in our people, which remains a pivotal strategic focus. We are committed to cultivating industry-leading talent and ensuring that the Bank remains a place of choice for ambitious professionals. Our continuous efforts in developing and nurturing our workforce contribute to personal growth and propel NMB forward as a distinguished leader in the banking industry when it comes to talent development and an employer of choice for those seeking exceptional career opportunities. During the year, we allocated TZS 5.7 Billion for our employees' career and professional development and directed 54% of our total operating cost toward our people. This has resulted in a 10% increase in revenue per employee, reaching TZS 423 Million.

Furthermore, we witnessed the strength of our internal talent pipeline, with several roles filled through internal promotions (84% internal mobility). This reflects the calibre of our people and ensures continuity and stability as we navigate a competitive business environment. Our focus on culture and risk management remains robust as we strive to create a workplace that values integrity, accountability, and collaboration.

Sustainability Progress

We recognize the inextricable relationships between the business, environment, inclusive economic growth. In response, the Bank has adopted a comprehensive approach to sustainability, integrating it into corporate strategy. This includes embedding environmental and social risk management into the credit decision-making process.

Our new sustainability governance framework outlines key focus areas sustainable operations, sustainable finance, environment and climate risk, and financial inclusion. In July 2024, we released our first standalone annual Sustainability Report providing a detailed overview of our sustainability performance to all key stakeholders. By early adopting IFRS S1 and S2 and quantifying our GHG emissions, we have not only set the standard in sustainability leadership but also demonstrated our commitment to transparency and accountability. Recent awards and recognitions for sustainability excellence, including, Tanzania's Best Bank for ESG, the Sustainable Bond of the Year, and Most Innovative Sustainability Bond, reflect our pioneering approach to sustainable finance and operations.

Outlook

We look to the future with excitement and confidence. To stay ahead of the curve, we begin from a position of strength, with a clear roadmap that is well-positioned to drive long-term and sustainable growth that benefits all our stakeholders.

As we enter the final year of our 2025 MTP, we are committed to creating lasting value, promoting financial inclusion, and driving Tanzania's socio-economic transformation by continuously enhancing our product offerings, optimizing channel efficiency, and achieving efficiency gains; we are poised to deliver value to our stakeholders.

Appreciations

I sincerely extend my heartfelt gratitude to our Board of Directors, whose vision and guidance continue to shape our transformative journey. I am equally proud of our management team for their exceptionalism, professionalism, and unwavering support. To the NMB team, you inspire us every day with your great dedication. We extend our heartfelt gratitude to regulators and the Government, and we sincerely thank our valued customers for choosing NMB as their trusted financial partner. We are excited to continue serving you in 2025 and beyond. Together, we will continue to build a legacy of excellence.





Taarifa ya Afisa Mtendaji Mkuu



Ruth Zaipuna | Afisa Mtendaji Mkuu

Mwaka 2024, Benki yetu ya NMB iliendelea kujiimarisha katika nafasi yake kama Benki kiongozi, imara na stahimilivu. Pamoja na mafanikio ya kihistoria, utekelezaji wa mpango mkakati wetu kwa nidhamu na umakini mkubwa umeendelea kuisukuma Benki kufanikiwa katika nyanja zote za kiutendaji na kiufanisi. Benki imeendelea kukua kwa kasi kama taasisi kinara ya kifedha nchini, inayotambulika kwa ubunifu, ubora wa huduma kwa wateja na ongezeko la faida lenye kuleta tija kwa wadau wote. Mnamo mwaka 2024, Benki iliendela kurekodi ukuaji thabiti na wenye tija huku faida kabla ya kodi ilifikia shilingi Bilioni 931 ikiwa ni sawa na ongezeko la asilimia 20 mwaka hadi mwaka.

Utekelezaji wa Mkakati Wetu

Mpango mkakati wetu umeendelea kuwa wenye tija ukituwezesha kutumia fursa mbalimbali zinazojitokeza katika sekta ya kiBenki. Katika kipindi chote cha mwaka 2024, tuliendelea kujiimarisha kibiashara na kiushindani huku uwezo wetu wa kiteknolojia ukitupa nafasi ya kukuza wigo wa utendaji kazi. Kama Benki tunatambua wajibu wetu katika uendeleu na tumeendelea kujikita katika kutoa masuluhisho yatakayowezesha kupeleka nchi katika uchumi endelevu. Vilevile tumeendela kuimarisha mifumo yetu ya kiulinzi na kidijitali ili kuendelea kuimarisha huduma zetu za kidijitali na usalama wa wateja wetu.

Katika kutimiza dhamira yetu ya kujenga Benki kiongozi kiutendaji tumeendelea kuwekeza kwenye kukuza vipaji na umahiri wa watu wetu, hii ikijumuisha kutengeneza na kuandaa viongozi wajao wa Benki yetu. Mikakati hii inatufanya tuwe tumejiandaa kukabiliana na changamoto na kutumia fursa zitakazojitokeza kwa ukuaji endelevu.

Tumeendelea kuboresha huduma zetu kwa kuzingatia maoni ya wadau wetu na kila suluhisho tulilolitoa mwaka 2024 lililenga zaidi katika kutimiza azma yetu ya kuwa Taasisi kiongozi katika ujumuishaji wa watu kwenye sekta rasmi ya kiBenki na kutatua changamoto zinazowakabili watu mbalimbali nchini. Kwa kufanya hivi tumeendelea kujenga uaminifu kutoka kwa wadau wetu huku tukiwa mfano wa kuigwa.

Upatikanaji Mapato Bora na Endelevu

Katika miaka minne iliyopita, Benki imefanya mabadiliko makubwa kupitia utekelezaji wa Mpango Mkakati wa Muda wa Kati, ikiimarisha mizania yake. Mizania yetu imeongezeka na kufikia TZS Trilioni 13.7 mwaka 2024, huku mikopo ikiongezeka kwa asilimia 83 tangu 2021 hadi kuvuka TZS Trilioni 8. Amana ziliongezeka kwa asilimia 44 tangu mwaka 2021 hadi kufikia TZS Trilioni 9.5 mwaka 2024.



Uwekezaji wa NMB katika kukuza na kuendeleza rasilimali watu umeendelea kuwa nguzo kuu ya mafanikio yetu.

Pia, ubora wa mikopo, umeongezeka kwa kiasi kikubwa, na kupelekea uwiano wa mikopo chechefu na jumla ya mikopo ghafi ukiimarika kutoka asilimia 4.0 mwaka 2021 hadi asilimia 2.9 mwaka 2024. Katika kipindi hiki, faida baada ya kodi imekua kwa asilimia 30 hadi kufikia shilingi Bilioni 647. Aidha, Faida ya mtaji iliongezeka kutoka asilimia 21 mwaka 2021 hadi asilimia 25 mwaka 2024. Hii imechangiwa na kuongezeka kwa ufanisi ambapo uwiano wa gharama zisizo za uendeshaji na mapato umepungua hadi kufikia asilimia 38 ikilinganishwa na asilimia 46 mwaka 2021.

Kupanua Wigo wa Huduma za Kifedha na Kuwezesha Jamii

Kama ilivyo dhamira yetu ya kuongeza ujumuishwaji wa watu kwenye sekta rasmi ya kifedha, Mwaka 2024 tuliweza kufungua jumla ya akaunti Milioni 1.54 kupitia mikakati yetu mbalimbali inayojumuisha Benki vijijini, upanuzi wa wigo wa mawakala wetu, ambapo tuliweza kuvifikia zaidi ya vijiji 2,000 na kutengeneza ajira 2,057 kwenye vijiji hivyo kupitia huduma yetu ya wakala. Sanjari na hiyo, mwaka 2024 tuliongeza idadi ya mawakala wetu hadi kufikia mawakala 50,698 ikiwa ni sawa ongezeko la mawakala 22,403 ndani ya mwaka mmoja hivyo kuvuka lengo tulilojiwekea kwenye mpango mkakati wetu wa muda wa kati wa kufikia mawakala 50,000 mwaka 2025. Mawakala wetu wamekuwa sehemu muhimu katika kuhakikisha huduma zetu zinapatikana kwa ukaribu zaidi. Kutokana na uwekezaji wetu kwenye teknolojia tunajivunia ya kwamba asilimia 96 ya miamala ya wateja wetu inafanyika nje ya matawi ya Benki.

Vidokezo Muhimu

↑ **931** TZS Bilioni

Faida kabla ya Kodi
Ongezeko la asilimia 20 kutoka Bilioni 775 mwaka 2023

↑ **647** TZS Bilioni

Faida Baada ya Kodi
Ongezeko la 19% kutoka shilingi 545 Bilioni mwaka 2023

25%

Faida ya Mtaji
kutoka 28.6% mwaka 2023

↑ **13.7** TZS Trillion

Jumla ya Mali
Ongezeko la 13% mwaka hadi mwaka

↑ **8.6** Million

Jumla ya Akaunti za Wateja
Ongezeko la 21% mwaka hadi mwaka



Mabadiliko katika Sekta ya KiBenki Kupitia Teknolojia

Benki ya NMB imeendelea kuwa kinara katika ubunifu, huku tukizindua masuluhisho mbalimbali kwa ajili ya kuwahudumia wateja wetu. Juhudi zetu zilichagizwa kwa kiasi kikubwa na akaunti yetu ya NMB Pesa ambayo ni mahususi kwa ajili ya kuchagiza ujumuishwaji wa watu kwenye sekta rasmi ya kifedha kwa kuwapa fursa Watanzania wote kupata huduma za kiBenki kwa urahisi. Mbali na akaunti hii ya NMB pesa , pia tulizindua suluhisho liitwalo NMB Jiwekee maalumu kwa ajili ya kujiwekea akiba ya baadaye. Wateja wetu sasa wanafurahia manufaa ya urahisi wa ‘NMB Pay by Link’, suluhisho la malipo linaloweza ufanaji wa malipo kwa urahisi zaidi. Mwaka huu pia tulizindua bidhaa na masuluhisho mbalimbali ya kifedha. Suluhisho la “Worldwide Pesa” linarahisisha huduma ya kuhamisha fedha kimataifa kwa urahisi na usalama zaidi. Pia, tulizindua akaunti ya Kikundi, ambayo inarahisisha vikundi vya kijamii kusimamia fedha zao kwa pamoja. Mikakati yetu ya kufikia wateja ilijikita kwa kina katika kuboresha huduma zetu kwa kufuata mahitaji ya wateja wetu.

Kupitia Mshiko-Fasta, wateja wanapata mikopo kwa haraka moja kwa moja kupitia simu za mkononi, huduma hii inawalenga hasa wajasiriamali wanaohitaji mtaji wa haraka ili kukuza shughuli zao. Benki imeendelea kuhakikisha kunakuwepo na mazingira wezeshi yanayopelekea utumaji na upokeaji wa fedha kuwa rahisi na salama zaidi. Kuwepo kwa mtandao wetu mkubwa wa mawakala kumesababisha kuwepo ukaribu wa huduma zetu mijini na vijijini, na hivyo kuleta huduma za kifedha karibu na jamii ambazo hapo awali zilikuwa hazihudumiwi vya kutosha.

Huduma ya “NMB Spend-To-Save” inawasaidia wateja kuwa na tabia ya kuweka akiba, huku wakiwa huru kuzitumia fedha zao wakati wa dharura au kwa ajili ya uwekezaji. Vilevile, kupitia “NMB Pay by Link”, wafanyabiashara sasa wanaweza kupokea malipo kutoka kwa wateja wao kwa usalama na ufanisi zaidi.

Mazingira Bora ya Kazi

Uwekezaji tunaofanya kwa watu wetu umekuwa kiini cha mafanikio ya Benki yetu na kuchagiza mazingira bunifu, ukuaji na ushirikishwaji katika mazingira ya kazi.

NMB inajivunia kutambuliwa rasmi kama “Mwajiri Bora”, uthibitisho wa dhamira yetu thabiti ya kuwekeza kwa watu wetu. Hili linaendelea kuwa eneo la kipaumbele katika utekelezaji wa mkakati wetu wa muda mrefu, tukiwa na lengo la kujenga mahali pa kazi panapochochea ustawi na mafanikio ya pamoja.

NMB imejikita katika kuvutia, kulea na kukuza vipaji bora ndani ya sekta ya kiBenki, ikiwa na lengo la kuhakikisha kuwa Benki inaendelea kuwa mwajiri bora kupitia juhudi endelevu za kuwaendeleza na kuwajenga kitaaluma wafanyakazi wetu. Katika kufanikisha hilo tumeendelea na uwekezaji mkubwa kwa watu wetu ikiwemo kuboresha ujuzi na utaalamu wao kupitia mafunzo mbalimbali. Sambamba na sera yetu inayotilia mkazo uwekezaji katika rasilimali watu, mwaka huu, tulitenga zaidi ya shilingi Bilioni 5.7 tulizozielekeza katika kusaidia wafanyakazi wetu kujiendeleza kielimu na kitaaluma. Pia, zaidi ya nusu ya gharama zetu za uendeshaji wa Benki (asilimia 54) zilitumika moja kwa moja kwenye masuala yanayohusiana na rasilimali watu, hivyo kudhihirisha kwa vitendo azma ya Benki yetu kuendelea kuwa mwajiri bora na kinara nchini Tanzania.

Uwekezaji huu umeendelea kuleta tija kwa Benki yetu, ambapo kila mfanyakazi anazalisha wastani wa shilingi Milioni 423 ikiwa ni ongezeko la uzalishaji la asilimia 10 mwaka hadi mwaka. Ubora wa wafanyakazi wetu uliendelea kudhihirika ambapo asilimia 84 ya nafasi zote za kazi ziliweza kujazwa na wafanyakazi wetu wa ndani. Azma ya Benki yetu ni kuendelea kuwa mwajiri bora nchini mwenye kuzingatia misingi ya haki, usawa, na uadilifu.

Ajenda ya Uendelevu

Benki ya NMB tunatambua uhusiano wa karibu uliopo kati ya mazingira bora, na ukuaji jumuishi wa uchumi katika kuchagiza ustawi wa kibiashara. Hivyo, kwa kutambua hilo, Benki yetu ya NMB imejiwekea mpango mahususi wenye lengo la kuifanya ajenda ya maendeleo endelevu kuwa sehemu muhimu ya mkakati wetu wa kibiashara. Mpango huu unahusisha msisitizo wa Benki katika masuala ya utunzaji wa mazingira kuchagiza maendeleo ya kijamii pamoja na kuzingatia misingi ya utawala bora. Mfumo wetu mpya wa usimamizi wa ajenda ya uendelevu unaelezea maeneo muhimu ya kipaumbele na hivyo kutuwezesha kufuatilia na kutekeleza masuala ya ajenda ya uendelevu kwa ubora na ufanisi wa hali ya juu.

Mnamo Julai 2024, tulizindua Ripoti maalum ya Mwaka ya Uendelevu kama hati huru inayotoa muhtasari wa kina wa utendaji wetu wa uendelevu kwa wadau wote muhimu. Kwa kutelekeza mapema miongozo na viwango vya kimataifa uwasilishaji wa Taarifa za kifedha, yaani IFRS S1 na S2, tumeweza kuonyesha kwa vitendo dhamira yetu ya uwazi na uwajibikaji.

Kutokana na mafanikio mbalimbali tuliyoyapata katika kutekeleza ajenda ya uendelevu, Benki yetu imeweza kutambulika kitaifa na kimataifa kama Benki kinara katika maswala mazima ya utunzaji mazingira, uwajibikaji kwa jamii, na uzingatiaji wa misingi ya utawala bora. Baadhi ya tuzo hizo ni pamoja na; ‘Benki Bora Tanzania kwenye masuala ya Uendelevu, Mazingira, Jamii na Utawala bora’, na ‘Hatifungani Bunifu na Bora zaidi ya Uendelevu’, zinathibitisha uongozi wa kipekee wa NMB katika ajenda ya uendelevu.

Mustakabali wetu

Tumejipanga kusonga mbele kwa ari na kwa kujiamini kikamilifu. Safari yetu ya siku zijazo inaanza kwa maandalizi thabiti, dira, na malengo madhubuti, tukizingatia ukuaji endelevu wa muda mrefu unaonufaisha wadau wote kwa usawa.

Tunapoingia mwaka wa mwisho wa Mpango Mkakati wetu wa Miaka Mitano (MTP), tumejizatiti kuleta thamani ya kudumu, kukuza ujumuishaji wa kifedha, na kuendeleza mageuzi ya kiuchumi na kijamii nchini. Hili tutatekeleza kwa kuboresha huduma zetu, kuongeza ufanisi katika utoaji wa huduma kwenye soko, na kufanikisha malengo ya ufanisi wa hali ya juu. Tuko tayari kutoa manufaa makubwa kwa wadau wetu wote na kuongeza mchango wetu katika maendeleo endelevu.

Shukrani

Napenda kutoa shukrani zangu za dhati kwa bodi yetu, wanahisa, mamlaka za usimamizi, Serikali, wateja wetu na wanafanyakazi wenzangu, kwa kuwa chachu ya mafanikio ya Benki yetu ya NMB. Tunapotazama mbele katika siku zijazo, ninayo imani ya kuwa, Benki yetu itadumisha muenendo bora wa kiutendaji na kiufanisi, huku tukiendelea kuimarisha mchango wa Benki katika maendeleo endelevu ya kiuchumi na kijamii kwa manufaa mapana ya Taifa letu.



CFO's Statement



Juma Kimori | Chief Financial Officer

The year 2024 presented a robust operating environment, albeit one marked by some challenges due to global uncertainties and market volatility. Despite these global headwinds, the Tanzania economy demonstrated strong growth, underpinned by sustained credit to the private sector, strong industrial production, increased cash crop harvests, and a stable central bank monetary policy stance. However, the banking sector witnessed pressure on net interest margins due to intense competition for deposit prices (rising funding costs) in the back of reducing lending rates. In response, to mitigate the pressure on higher deposit rates, the Bank put in place strategies and initiatives to strengthen and grow the low-cost deposits, which brought relative success, as we have achieved strong deposit growth.

Record Setting Financial Performance

NMB delivered a strong financial performance in 2024, achieving strong growth across key metrics. The Bank's profit before tax reached TZS 931 Billion, marking a 20% increase from the previous year. Profit after tax reached TZS 647 Billion, translating to a 25% return on equity. Improved efficiency measures helped lower the cost-to-income ratio to 38% despite a 13% rise in operating expenses driven by continued investment in digital transformation and our people.

Profit Before Tax (TZS Billion)



Profit After Tax (TZS Billion)



Sustained Revenue Growth Momentum

NMB achieved a remarkable bottom-line performance, primarily driven by strong revenue momentum, cost efficiency, and strengthened portfolio quality. Our ability to refine the deposit proposition across various businesses has enabled us to effectively navigate the headwinds of net interest margin pressures, ensuring resilience and sustained growth. A concerted and diligent approach to risk management complemented this financial

Our increased technology investments have ushered us into a new era of delivering exceptional customer experiences marked by greater resilience and scalable efficiency. This progress owes much to the collaboration between our Business, Operations, and Technology teams, which has co-led the transformation of operations and customer service, creating unique digital journeys for both customers and employees.

strength, resulting in a reduced bank's risk profile and enhanced asset quality. Total revenues increased by 16% year-over-year to TZS 1.6 Trillion, up from TZS 1.4 Trillion in 2023, driven by a 13% expansion in Net Interest Income to TZS 1.06 Trillion and a 24% rise in Non-Funded Income to TZS 579 Billion.

Net Interest Income

The Bank continues to record strong and broad-based net interest income growth, driven by sustained loan-to-customer growth and effective management of our funding base. Net interest income reached TZS 1.06 Trillion, representing a 13% year-on-year increase from TZS 937 Billion in 2023, primarily driven by sustained growth in loan activities and the optimization of interest expenses. Additionally, interest income increased by 16%, closing the year at TZS 1.37 Trillion while, total interest expenses recorded a 27% year-over-year growth to TZS 308 Billion in 2024.

Key Highlights

1.6 TZS Trillion

Total Revenue
Up 17% from 1.4 Trillion in 2023

931 TZS Billion

Profit before Tax
Up 20% from 775 Billion in 2023

647 TZS Billion

Profit After Tax
19% up from 545 TZS Billion in 2023

38%

Cost to Income Ratio
Down 100 bps from 39% in 2023

27.23%

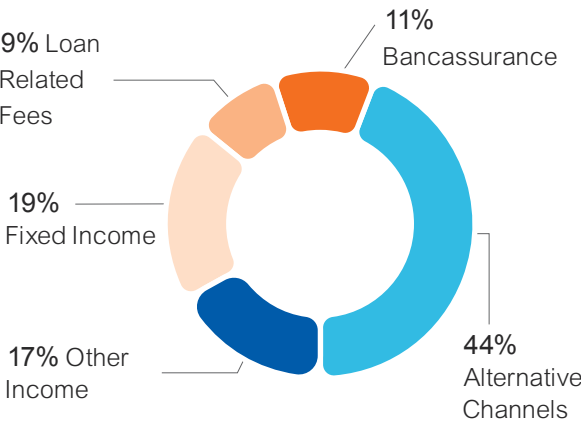
Capital Adequacy Ratio
Above minimum 14.5% Total Capital regulatory threshold.



NMB's balance sheet remained strong, with total assets reaching TZS 13.7 Trillion, reflecting a 13% year-on-year increase. Net loans and advances increased by 10% to TZS 8.5 Trillion, driven by a diversified loan portfolio across both corporate and retail segments.

Non-Interest Income

In 2024, we further focused on revenue diversification, with our revenue growth primarily driven by strong NFI growth. We are proud to report a 24% YoY growth in non-funded income, driven by substantial FX dealing income, gains from NMB Mkononi and MshikoFasta Micro-lending, as well as contributions from Agency banking and Bancassurance. The FX dealings business saw a significant 53% year-over-year (YoY) increase due to employing tactical rebalancing and reconstitution to capitalize on currency market fluctuations, increased trading activities, and demand for alternative currencies. Additionally, Agency banking recorded a 37% annual growth in revenue on account of an increased number of agents to 50,698 and customer transactions through agency banking by 27% to 129.1 Million; we also observed a 26% rise in Mkononi Income and a 21% increase in bancassurance income, driven by an increase in traction from our digital alternative channels, strategic positioning, growth in sales and bancassurance partnerships. These achievements reflect our commitment to leveraging market opportunities and evolving and enhancing revenue streams.



Notable Efficiency Gains

The Bank continues to operate efficiently at a grander scale. In 2024, we achieved a significant efficiency gain, with our cost-to-income ratio dropping by 100 basis points to 38% from 39% in 2023. This improvement reflects our commitment to scaling efficiently while making broad-based investments in key growth areas such as IT infrastructure, digital transformation, and sales. Despite a 13% increase in operating expenses year-on-year to TZS 618 Billion, these strategic investments have strengthened our foundation, emphasizing talent and technology to enhance productivity. Our focus on efficiency and innovation continues to drive our success and position us for future growth.

Cost to Income Ratio



Optimized Balance Sheet

NMB's balance sheet remained strong, with total assets reaching TZS 13.7 Trillion, reflecting a 13% year-on-year increase. Net loans and advances increased by 10% to TZS 8.5 Trillion, driven by a diversified loan portfolio across both corporate and retail segments. Customer deposits also grew by 13% to TZS 9.6 Trillion, with CASA deposits representing 85% of total deposits at the end of the year. The Bank maintained a solid capital position, with a Common Equity Tier 1 (CET1) ratio of 27.23% and a strong liquidity position, ensuring financial stability and regulatory compliance.

Balance Sheet (TZS Trillion)



Loans and Advances

Loan growth remained strong, with gross loans increasing by 10% to TZS 8.5 Trillion, driven by an 18.7% rise in Retail Banking loans and a 5% increase in Wholesale Banking loans. Overall, the loans portfolio experienced a robust growth of 10%, with consumer loans leading the charge, growing by 12% year-over-year and solidifying our position among retail customers. The Micro, Small, and Medium Enterprises (MSME) sector also saw a decent increase of 5% year-over-year, propelled by a focus on the Small and Medium Enterprises (SME) segment and our commitment to portfolio diversification. Additionally, wholesale loan growth was driven mainly by the agriculture wholesale business, highlighting our strategic emphasis on key sectors..

Loans & Advances (TZS Trillion)

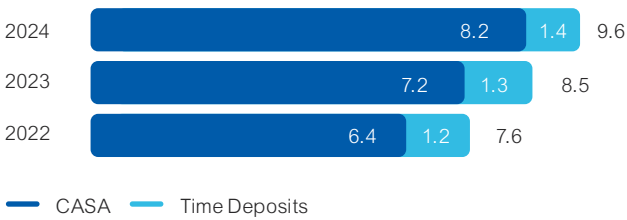


Deposits

Deposits increased by 13%, driven by a 14% rise in CASA, which raised the CASA ratio to 85.6%. Retail deposits grew by 20%, underscoring the Bank's success in strengthening its low-cost deposit base. During the year, we successfully onboarded more than 1.5 Million new customer accounts, with over 350,000 customers onboarded through our NMB Pesa Accounts initiative.

In 2024, our strategic focus was on managing and optimizing the cost of funds amidst intense deposit price competition. We doubled down on strengthening the funding position with cheap and sticky deposits to offset the NIM compression. This approach, alongside robust balance sheet optimization and a well-optimized business mix, resulted in a strong 14% year-over-year growth in CASA deposits across all segments, elevating our CASA ratio to an impressive 85.6%—consequently, the pressure from higher-cost funds moderated in the latter part of the year. Total deposits increased by 13% to close the year at TZS 9.6 Trillion, up from TZS 8.5 Trillion in 2023.

Deposits (TZS Trillion)



Robust Asset Quality

Asset quality improved significantly, with the non-performing loan (NPL) ratio declining to 2.9%, the lowest level in the past five years. The stable credit environment facilitated a modest 1% year-over-year increase in expected credit losses on loans and advances to TZS 87 Billion, compared to TZS 84.4 Billion in 2023. Our allowance coverage ratio settled at 93.0%, reflecting a strong buffer against potential credit risks and resilience while positioning us well for future growth. The cost of risk improved to 0.97%, down from 1.06% in 2023, demonstrating disciplined risk management. These improvements reflect NMB's ability to effectively manage credit risks while maintaining profitability.





Liquidity and Funding

The Bank maintained a healthy liquidity and funding position, with a LDR of 91%, while achieved the LCR of 597%, and NSFR of 207%, well-above 100% new regulatory minimum threshold.

Technological Development

NMB continued to prioritize digital transformation, enhancing customer experience and operational efficiency. More than 91% of retail customers subscribed to online and mobile banking services. Digital transformation has been a pivotal growth driver, enhancing customer acquisition and engagement. Our increased technology investments have ushered us into a new era of delivering exceptional customer experiences marked by greater resilience and scalable efficiency. This progress owes much to the collaboration between our Business, Operations, and Technology teams, which has co-led the transformation of operations and customer service, creating unique digital journeys for both customers and employees. Building on the success of our Mkononi Platform, we have integrated a seamless banking experience, allowing customers to transact and access financing directly from the app. This aims to offer instant access to a wide range of products and services while reducing processing times. We remain committed to rolling out further capabilities of our digital platforms in 2025, continuing our mission to revolutionize the future of banking.

Forward-looking

We achieved this positive financial performance through the disciplined execution of our strategic plan, which focuses on balance sheet optimization, stronger credit risk management, cost efficiency, and strengthening the Bank’s funding position. Targeted loan growth was prioritized in tandem with our portfolio diversification strategy, with an emphasis on higher-quality corporate loans and secured loans, as well as strong treasury and non-funded revenue streams. We remain highly vigilant on risk management and asset quality, identifying segments or businesses under stress via early detection systems and ensuring that appropriate precautionary and proactive measures are taken.

As we enter the final year of our five-year medium-term strategic plan, our resolve to achieve the ambitious targets set for the end of 2025 remains firm. We are committed to precisely executing our strategies, focusing on growth within targeted segments, strengthening credit risk management, and enforcing disciplined resource management. Our efforts will continue to focus on key strategic thrusts prioritizing balance sheet optimization while remaining vigilant in managing operating costs and maintaining essential technological and operational resilience, as well as investments in digital capabilities and talent.

Key Highlights (amount in TZS Billion)

	2024	2023	2022	2021
Income Statement				
Net Interest Income	1,058	937	790	680
Non-Interest Income	579	468	402	306
Total Income	1,637	1,405	1,192	986
Impairment Charges	85	84	81	113
Operational Expenses	618	546	495	454
Profit before income tax provision	931	775	616	419
Net profit for the financial year	646	545	432	292
Statement of Financial Position				
Total Assets	13,736	12,180	10,235	8,681
Net loans and advances	8,499	7,707	6,015	4,654
Deposits from customers	9,562	8,466	7,595	6,663
Total liabilities	11,174	10,087	8,545	7,327
Shareholders' funds	2,557	2,093	1,690	1,355
Total Risk-Weighted Assets	8,718	8,311	6,709	5,210
Financial Ratios (%)				
Tier 1 ratio	27.2	23.3	23.1	23.8
Total capital ratio	27.2	23.3	23.1	24.6
Return on average equity	25	29	25	21
Return on average total assets	5	5	4	4
Net interest margin	10	10	10	10
Cost-to-income ratio	38	39	42	46
Gross non-performing loans to gross loans	2.9	3.2	3	4
NPL Allowance coverage ratio	93	96	109	108
Loan loss charge	0.97	1.06	1.2	2.3
Loan deposit ratio	91	95	82	73
Book value per share (TZS)	5,115	4,185	3,380	2,709
Earnings per share (TZS)	1,287	1,090	864	584
Dividend per share (TZS)	429	361	286	193
Dividend payout	1/3	1/3	1/3	1/3





Taarifa ya Afisa Mkuu wa Fedha



Juma Kimori | Taarifa ya Afisa Mkuu wa Fedha

Mwaka 2024 uliakisiwa na mazingira thabiti ya kiutendaji licha ya kuwepo kwa changamoto mbalimbali zilizotokana na misukosuko ya kiuchumi duniani na kuyumba kwa masoko ya kimataifa ya kifedha. Uchumi wa Tanzania umeendelea kuwa imara ukichangiwa zaidi na uzalishaji viwandani, kuongezeka kwa mavuno ya mazao, ukuaji thabiti wa mikopo kwenda kwa sekta binafsi na utulivu wa sera za kifedha. Hata hivyo kulikuwepo na ongezeko la ushindani ndani ya sekta ya kibenki ambao ulipelekea kupungua kwa wastani wa mapato ya riba kwa mali zinazozalisha. Benki ya NMB imepata mafanikio ya ukuaji thabiti ya amana za wateja, ukuaji huu umetokana na mipango na mikakati thabiti ya kuimarisha na kukuza amana zenye gharama nafuu.

Mafanikio ya kiutendaji wa Kifedha

Mwaka 2024 benki iliendelea kuweka historia ya kiutendaji katika sekta ya kibenki nchini Tanzania, benki ilipata faida baada ya kodi ya shilingi Bilioni 931 ikiwa ni ongezeko la asilimia 20 mwaka hadi mwaka. Faida baada ya kodi ilikuwa hadi kufikia shilingi Bilioni 647 na kupelekea faida ya mtaji ya wanahisa kufikia asilimia 25. Vile vile benki imeendelea kuwa na ufanisi mzuri wa kifedha, sanjari na juhudi zake za kuboresha ufanisi katika maeneo yake ya kiutendaji. Japo gharama za uendeshaji zimeongezeka kwa asilimia 14, tumeendelea kuwa na nidhamu kwenye udhibiti wa matumizi ambapo uwiano wa gharama kwa mapato ghafi umeimarika kufikia asilimia 38. Hii ni kutokana na uwekezaji tulioufanya kwenye kukuza biashara yetu, kuimarisha teknolojia na kuendeleza watu wetu.

Faida Kabla ya Kodi (Shilingi Bilioni)



Faida Baada ya Kodi (Shilingi Bilioni)



Mwenendo thabiti wa Ukuaji wa Mapato

Utendaji mzuri wa kifedha wa mwaka 2024 ni matokeo ya ukuaji thabiti wa mapato, ufanisi katika uendeshaji, na kuimarika katika ubora wa kitabu chetu cha mikopo. Aidha, tumekuwa makini katika kusimamia aina zote za vihatarishi, jambo lililoongeza ubora wa mikopo tunayotoa kwa wateja wetu.

Mapato ghafi yaliongezeka kwa asilimia 16 mwaka hadi mwaka na kufikia shilingi Trilioni 1.6 kutoka shilingi Trilioni 1.4 mwaka 2023. Ukuaji huu ulitokana na ongezeko la asilimia 13 katika mapato halisi ya riba yaliyofikia shilingi Trilioni 1.06, pamoja na ongezeko la asilimia 24 katika mapato yasiyo na riba hadi kufikia shilingi Bilioni 579.



Katika kujenga msingi imara wa ukuaji endelevu, benki imeendelea kuwekeza katika ubunifu na teknolojia za kisasa ili kukidhi mahitaji ya wateja wetu. Kupitia mifumo ya kidijitali, huduma bunifu, na kuelewa mahitaji ya wateja wetu, tunalenga kutoa huduma zenye ufanisi na zinazopatikana kwa urahisi.

Mapato Halisi ya Riba

Benki imeendelea kuonyesha ukuaji thabiti wa mapato halisi ya riba, kufuatia ongezeko la mikopo kwa wateja pamoja na usimamizi wa dhima. Mapato halisi ya riba yaliongezeka hadi shilingi Trilioni 1.06, ikiwa ni ongezeko la asilimia 13 ikilinganishwa na shilingi Bilioni 937 mwaka 2023. Ukuaji huu umetokana na kuimarika kwa shughuli za utoaji mikopo pamoja na ufanisi katika uendeshaji na usimamizi wa gharama za riba.

Aidha, mapato ya riba yalipanda kwa asilimia 16 na kufikia shilingi Trilioni 1.37, kutokana na ufanisi wa benki katika utoaji wa mikopo kwa wateja. Hata hivyo, gharama za riba ziliongezeka kwa asilimia 27 hadi kufikia shilingi Bilioni 308 mwaka 2024.

Mapato Yasiyo ya Riba

Benki ya NMB imeendelea kujikita zaidi katika kuongeza wigo wa vyanzo vya mapato, ambapo ukuaji wa mapato ghafi umechangiwa zaidi na ongezeko la asilimia 24 la mapato yasiyo ya riba. Kuongezeka kwa mapato yasiyo ya riba kumechangiwa zaidi na ongezeko la biashara ya fedha za kigeni, mikopo ya kidijitali kupitia NMB Mkononi (MshikoFasta), huduma za benki kupitia mawakala na Huduma za benkibima.

Vidokezo Muhimu

↑ **1.6** TZS Trilioni

Jumla ya Mapato
Ongezeko la asilimia 17 kutoka Trilioni 1.4 mwaka 2023

↑ **931** TZS Bilioni

Faida kabla ya Kodi
Ongezeko la asilimia 20 kutoka Bilioni 775 mwaka 2023

↓ **38%**

Uwiano wa Gharama na Mapato
Ulipungua kwa pointi 100 kutoka asilimia 39 mwaka 2023

↑ **27.23%**

Mtaji wa Jumla
Juu ya kiwango cha chini cha asilimia 14.5 kilichowekwa na Benki Kuu ya Tanzania



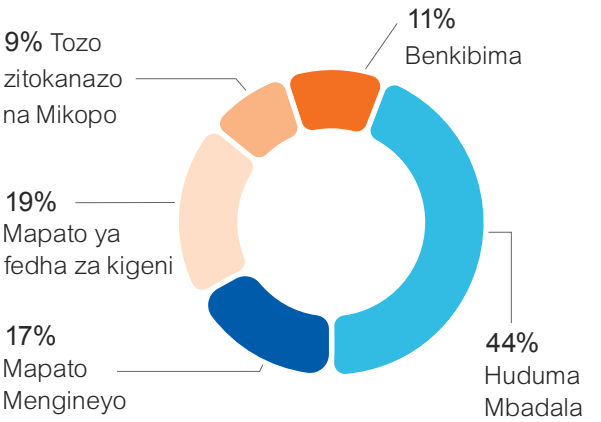


Mizania ya NMB iliendelea kuimarika, kwa kiasi kikubwa na kufikia jumla shilingi Trilioni 13.7, ikiwa ni ongezeko la asilimia 13 mwaka hadi mwaka. Mikopo iliyotolewa kwa wateja iliongezeka kwa asilimia 10 hadi kufikia shilingi Trilioni 8.5, kutokana na mkakati wa utoaji wa huduma bora na ukaribu kwa wateja wetu.

Mapato yatokanayo na Biashara ya fedha za kigeni (FX) yaliongezeka kwa asilimia 53 mwaka hadi mwaka. Ongezeko hili lilitokana na kuongezeka kwa shughuli za biashara ya fedha za kigeni, pamoja na kuongezeka kwa mahitaji ya sarafu mbadala.

Mapato yatokanayo na huduma za kibenki kupitia kwa mawakala yaliongezeka kwa asilimia 37 kutokana na ongezeko la idadi ya wakala kutoka 28,295 hadi 50,698, na miamala ya wateja kupitia huduma za wakala imeongezeka kwa asilimia 27 na kufikia miamala Milioni 129.1.

Mapato yatokanayo na huduma za NMB Mkononi yaliongezeka kwa asilimia 26 mwaka hadi mwaka huku mapato kupitia huduma za benkibima yakiongezeka kwa asilimia 21 mwaka hadi mwaka. Haya yote yalichangiwa na ukuaji wa huduma za kidijitali, pamoja na ushirikiano wetu na washirika katika sekta ya bima. Mafanikio haya yanadhihirisha juhudi zetu za kutumia fursa zilizopo kwenye soko na kuendeleza na kuboresha mifumo yetu ya kidijitali kuhakikisha wateja wetu wanaendelea kupokea huduma zetu kwa uharaka na urahisi zaidi bila changamoto yoyote.



Mafanikio makubwa ya ufanisi

Benki imeendelea kuwa na ufanisi mzuri wa kifedha katika kuendesha shughuli zake, sanjari na juhudi zake za kuendelea kuboresha ufanisi katika maeneo yote ya uendeshaji Benki. Mwaka 2024, udhibiti wa matumizi umeendelea kuleta matokeo chanya huku uwiano wa gharama za uendeshaji na jumla ya mapato ukiimarika kwa asilimia 100 kufikia asilimia 38 kutoka asilimia 39 mwaka 2023.

Uboreshaji huu unaakisi dhamira yetu ya kuwekeza kwenye maeneo ya kimkakati huku ikitilia mkazo nidhamu ya matumizi na kuimarisha zaidi ufanisi wa utendaji wetu na uwekezaji mkubwa tunaoufanya kwenye mageuzi ya kidijitali na rasilimali watu, hivyo kushusha gharama za uendeshaji kutokana ongezeko la ufanisi, lakini pia kuchagiza ongezeko thabiti la mapato.

Licha ya ongezeko la asilimia 13 katika gharama za uendeshaji mwaka hadi mwaka na kufikia shilingi Bilioni 618, uwekezaji huu wa kimkakati umeimarisha misingi ya taasisi uendelezaji wa vipaji na matumizi ya teknolojia ili kuongeza tija na chachu ya mafanikio yetu yenye sera na misingi endelevu.

Uwiano wa Gharama na Mapato



Mizania Imara

Mizania ya NMB iliendelea kuimarika, kwa kiasi kikubwa na kufikia jumla shilingi Trilioni 13.7, ikiwa ni ongezeko la asilimia 13 mwaka hadi mwaka. Mikopo iliyotolewa kwa wateja iliongezeka kwa asilimia 10

hadi kufikia shilingi Trilioni 8.5, kutokana na mkakati wa utoaji wa huduma bora na ukaribu kwa wateja wetu. Amana za wateja ziliongezeka kwa asilimia 13 hadi kufikia shilingi Trilioni 9.6, ambapo amana za wateja wenye akaunti za biashara na akiba zilichangia asilimia 85 ya jumla ya amana kufikia mwisho wa mwaka.

Benki imeendelea kuwa na mtaji madhubuti pamoja na ukwasi wa kutosha. Hali hii inatokana na ubora wa sera zetu za udhibiti wa vihatarishi ili kuhakikisha tunakuwa na ukwasi wa kutosha muda wote. Uwiano wa utoshelevu wa mtaji mkuu ukiwa ni asilimia 27.23, juu ya asilimia 12.5 inayohitajika kikanuni ili kuhakikisha uthabiti wa kifedha na uzingatiaji wa kanuni za udhibiti wa sekta ya fedha.

Mizania (Shilingi Trilioni)



Mikopo Kwa Wateja

Mikopo iliyotolewa kwa wateja iliongezeka na kufikia shilingi Trilioni 8.5 mwaka 2024 sawa na ongezeko la asilimia 10 mwaka hadi mwaka. Ukuaji huu ulitokana na ongezeko la mikopo kwa wateja wadogo kwa asilimia 18.7 na ongezeko la asilimia 5 kwa wateja wakubwa. Kwa ujumla, mikopo ilikua kwa asilimia 10, huku mikopo kwa wateja binafsi ikiongoza kwa ongezeko la asilimia 12 mwaka hadi mwaka na kuimarisha nafasi yetu katika soko la wateja wa wadogo.

Mikopo kwa sekta ya wafanyabiashara wadogo na wa kati iliongezeka kwa wastani wa asilimia 5 mwaka hadi mwaka, likichochea na mkazo katika huduma kwa wafanyabiashara wa kati pamoja na dhamira yetu ya kuhakikisha utofauti wa mkopo kwa sekta mbalimbali. Aidha, ukuaji wa mikopo kwa jumla umetokana na mikopo ya kilimo biashara, jambo linaloonesha kuwa tunaelekeza nguvu kwenye sekta muhimu za maendeleo ya uchumi.

Mikopo kwa Wateja (Shilingi Trilioni)



Amana za wateja

Amana za wateja ziliongezeka kwa asilimia 13, zikichangiwa na ongezeko la asilimia 14 katika amana za wateja wenye akaunti za biashara na akiba ilichangia kuongezeka kwa uwiano hadi asilimia 85.6. Amana za wateja wadogo ziliongezeka kwa asilimia 20, kiashiria cha ubora wa huduma zetu na ukaribu wetu kwa wateja. Mwaka 2024, tuliweza kufungua zaidi ya akaunti mpya za wateja Milioni 1.5, ambapo zaidi ya wateja 350,000 walifunguliwa akaunti kupitia mpango wetu wa NMB Pesa Account.

Amana za Wateja (Shilingi Trilioni)



— Akiba na Biashara — Amana za Muda Maalum

Ubora wa Mikopo

Ubora wa mikopo tunayotoa kwa wateja umeendelea kuimarika, uwiano wa mikopo checheifu kwa jumla ya mikopo ghafi ulipungua hadi kufikia asilimia 2.9 ikiwa ni kiwango cha chini kabisa ndani ya kipindi cha miaka mitano. Utulivu wa mazingira ya kiuchumi na biashara umefanya tengu la mikopo checheifu kuongezeka kwa asilimia 1 tu mwaka hadi mwaka na kufikia shilingi Billion 87 mwaka 2024 ikilinganishwa na shilingi Billion 84 mwaka 2023.

Benki imeendelea kuwa na akiba ya kutosha ya tengu la mikopo checheifu. Kwa mwaka 2024 uwiano wa tengu la mikopo checheifu kwa jumla ya mikopo checheifu kwa mwaka kutosha kukabiliana na vihatarishi na mikopo checheifu. Gharama za tengu la mikopo checheifu ziliimarika hadi kufikia asilimia 0.97 kutoka asilimia 1.06 mwaka 2023. Ikionesha nidhamu yetu katika kukabiliana na vihatarishi na endelea kuhakikisha Benki inapata faida.



Ukwasi

Benki imeendela kuwa na ukwasi wa kutosha na mtaji madhubuti, ambapo uwiano wa mikopo ghafi kwa jumla ya amana za wateja ulifikia asilimia 91, huku utoshelevu wa ukwasi (LCR) ukiwa ni asilimia 597 na NSFR ya asilimia 207. Kiwango hiki kilikuwa juu zaidi ya kiwango cha chini cha kikanuni, ambacho ni asilimia 100.

Maendeleo ya Kiteknolojia

Katika kujenga msingi imara wa ukuaji endelevu, benki imeendelea kuwekeza katika ubunifu na teknolojia za kisasa ili kukidhi mahitaji ya wateja wetu. Kupitia mifumo ya kidijitali, huduma bunifu, na kuelewa mahitaji ya wateja wetu, tunalenga kutoa huduma zenye ufanisi na zinazopatikana kwa urahisi. Mikakati hii ya ubunifu inalenga kuifanya benki iwe tayari kwa changamoto na fursa za siku zijazo, huku ikiendelea kuongeza thamani kwa wateja na wadau wake.

NMB inaendelea kuyapa mabadiliko ya kidijitali kipaumbele ili kuboresha huduma kwa wateja na kuongeza ufanisi wa shughuli zake. Zaidi ya asilimia 91 ya wateja binafsi sasa wanatumia huduma za benki mtandaoni na kupitia simu za mkononi na mawakala wetu. Mabadiliko haya yamekuwa chachu ya ukuaji, kwa kusaidia benki kupata wateja wapya na kuongeza ushirikiano na wale waliopo.

Matarajio

Mwaka huu tumepata matokeo mazuri ya kifedha kwa sababu tulitekeleza mpango wetu wa kimkakati kwa uangalifu. Mpango huu unalenga kuleta ufanisi, kudhibiti mikopo chechefu, na kupunguza gharama zisizo za lazima, Katika utoaji wa mikopo, benki imeendelea kuzingatia ubora wa mikopo inayotolewa na kujikita katika sekta mtambuka. Tutaendelea kuwa makini katika kukabiliana na vihatarishi hususani mikopo chechefu, maeneo yenye changamoto yatafuatiliwa kwa ukaribu zaidi kwa kutumia mifumo, na kuchukua hatua mapema.

Tunapoingia mwaka wa mwisho wa utekelezaji wa Mpango Mkakati wetu wa miaka mitano, tutaendelea na juhudi za kufanikisha malengo makubwa tuliyojiwekea kufikia mwisho wa mwaka 2025.

Tumejipanga kutekeleza mikakati yetu kwa umakini tukilenga ukuaji katika maeneo maalumu, kuboresha usimamizi wa vihatarishi na kuongeza ufanisi wa kiutendaji. Tutaendelea kuwekeza katika maeneo yetu ya kimkakati huku tukiweka kipaumbele katika kutumia mizania yetu vizuri pamoja na kuongeza ufanisi kwenye gharama za uendeshaji kupitia uwekezaji kwenye teknolojia na rasilimali watu.

Vidokezo Muhimu (shilingi Bilioni)	2024	2023	2022	2021
Taarifa ya Fedha				
Mapato Halisi ya Riba	1,058	937	790	680
Mapato yasiyo ya Riba	579	468	402	306
Jumla ya Mapato	1,637	1,405	1,192	986
Tengo katika Mikopo	85	84	81	113
Gharama zisizo za Riba	618	546	495	454
Faida kabla ya tengo la Kodi	931	775	616	419
Faida Halisi baada ya Kodi	646	545	432	292
Mizania ya Benki				
Jumla ya Mali	13,736	12,180	10,235	8,681
Mikopo Halisi iliyopo	8,499	7,707	6,015	4,654
Amana za Wateja	9,562	8,466	7,595	6,663
Jumla ya Dhima	11,174	10,087	8,545	7,327
Fedha za Wanahisa	2,557	2,093	1,690	1,355
Uwiano wa Mali zenye vihatarishi	8,718	8,311	6,709	5,210
Viashiria vya Kifedha				
Mtaji Mkuu	27.2	23.3	23.1	23.8
Mtaji Jumla	27.2	23.3	23.1	24.6
Uwiano wa Faida na Fedha za Wanahisa	25	29	25	21
Uwiano wa Faida na Jumla ya Mali	5	5	4	4
Uwiano wa Mapato ya Riba na Mali zinazozalisha	10	10	10	10
Uwiano wa Gharama na Jumla ya Mapato	38	39	42	46
Uwiano wa Mikopo Chechefu na Mikopo Ghafi	2.9	3.2	3	4
Uwiano wa Tengo la Mikopo Chechefu na Jumla ya Mkopo Chechefu	93	96	109	108
Gharama ya Tengo la Mikopo Chechefu	0.97	1.06	1.2	2.3
Uwiano wa Mikopo Ghafi na Amana za Wateja	91	95	82	73
Uwiano wa Fedha za Wanahisa kwa kila Hisa (shilingi)	5,115	4,185	3,380	2,709
Faida kwa kila hisa (shilingi)	1,287	1,090	864	584
Gawio kwa kila hisa (shilingi)	429	361	286	193
Sera ya Gawio	1/3	1/3	1/3	1/3



Stock Market Updates:

NMB’s Growing Regional Status

NMB Bank Plc stands as Tanzania’s most valuable listed bank, the second-most valuable bank in East Africa, and ranks fifth overall by market capitalization in East Africa.

Regional Ranking as of December 2024

#1st

Most Valued Listed Bank in Tanzania

#2nd

Most Valued Listed Bank in East Africa

#5th

Most Valued Listed Company East Africa, & Seychelles

Top 30

21st Most Valued Listed company in SSA, excluding South Africa

NMB Bank’s share price closed 2024 at TZS 5,350 per share, representing a 19% increase over the year. Overall, 2024 was a year of positive results in the stock markets, with most global indices closing with gains, though the Tanzania indices were notable exceptions whereby the DSE All Share Index (DSEI) and the Tanzania Share Index (TSI) recorded gains of 22.2% and 7.3% over the year, respectively. Similarly, the benchmark banking and investment index outperformed the general indices, with the Bank, Finance and Investments Index (BI) rising by 27.5%. At the end of the 2024 financial year, NMB Bank’s trading volume in number of shares was 2.0% lower than in 2023 but increased by 23.1% in Shillings. NMB Bank Plc continues to lead the Dar es Salaam Stock Exchange (DSE), holding the highest weight on the (DSEI) at 15% and contributing 22% to (TSI). The Bank achieved a historic milestone, surpassing a market capitalization of TZS 2.6 Trillion (approximately USD 1 Billion) as of 31 December 2024—the first Tanzanian bank to reach this level.

6.3 Million

Volume Trade

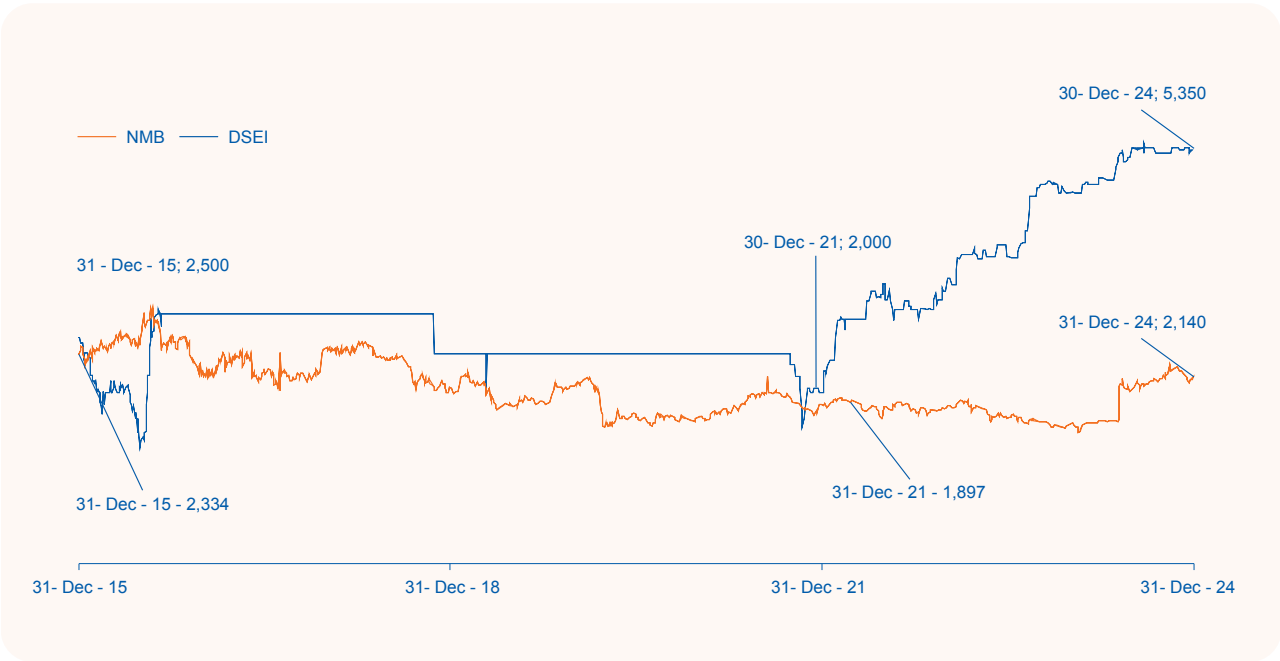
This strong performance was supported by the Bank’s solid business fundamentals, healthy balance sheet, and appealing dividend yield, appealing to both institutional and retail investors. It also indicated the market’s recognition of NMB’s sustainable profitability, consistent dividend policy, and its role as a regional leader in financial innovation and inclusive banking.

As investor interest in frontier markets increases, NMB continues to be an attractive investment anchored on long-term value creation.

Share Price Movement (% Change)

18.9% 77% 129%

NMB 3-Year 5-Year





Business Segment Review



Retail Banking

Key Highlights

1.3 TZS Trillion

Total Income
11.5% YoY

6.6 TZS Trillion

Total Loans
Up 12% YoY

6.4 TZS Trillion

Total Deposit
Up 20% YoY

In 2024, retail banking demonstrated robust performance, marked by significant growth and strategic progress. We expanded our customer base and deepened our market presence through innovative product offerings and enhanced digital services. Our focus on customer-centric solutions improved client satisfaction and loyalty, while our commitment to financial inclusion ensured broader access to banking services. By effectively investing in technology and talent, we fortified our position as a leader in retail banking, driving positive outcomes for our stakeholders and communities.

The Bank successfully leveraged its brand to execute a highly effective strategy (customer acquisition and deposit ring-fencing) to attract low-cost deposits, resulting in a favorable cost of funds. This strategic focus led to a robust 20% increase in deposits, to reach a total of TZS 6.4 Trillion by year-end. Additionally, we launched new digital products and enhanced existing offerings, all while placing a strong emphasis on customer experience. These combined efforts significantly contributed to the impressive growth in deposits.

We are leveraging Tanzania's burgeoning economy and maintaining a solid credit pipeline. We achieved an impressive 12% increase in gross loans, reaching TZS 6.6 Trillion by the year end. Our strategic focus on high-quality credit offerings drove this robust growth, with consumer loans expanding by 13% while Agri-loans growing by 30%. These results underscore our commitment to meeting the diverse needs of our customers and supporting Tanzania's economic development.

The year 2024 was pivotal for retail banking as we introduce innovative digital products and solutions to boost traction and drive business.



Filbert Mponzi | Chief Retail Banking

We rebranded the PAMOJA Account to the NMB Kikundi Account, upgrading it to serve our customers' evolving needs better. Through the NMB Mkononi and USSD service, customers can now open a Kikundi Account instantly via their phones, enjoying a seamless experience. Signatories must maintain an active NMB account, but membership is open to all. With no debit restrictions and zero transfer charges, the account is affordable and accessible. Enhanced with real-time notifications, it supports group collaboration, and we've successfully onboarded over 40,000 accounts in 2024.

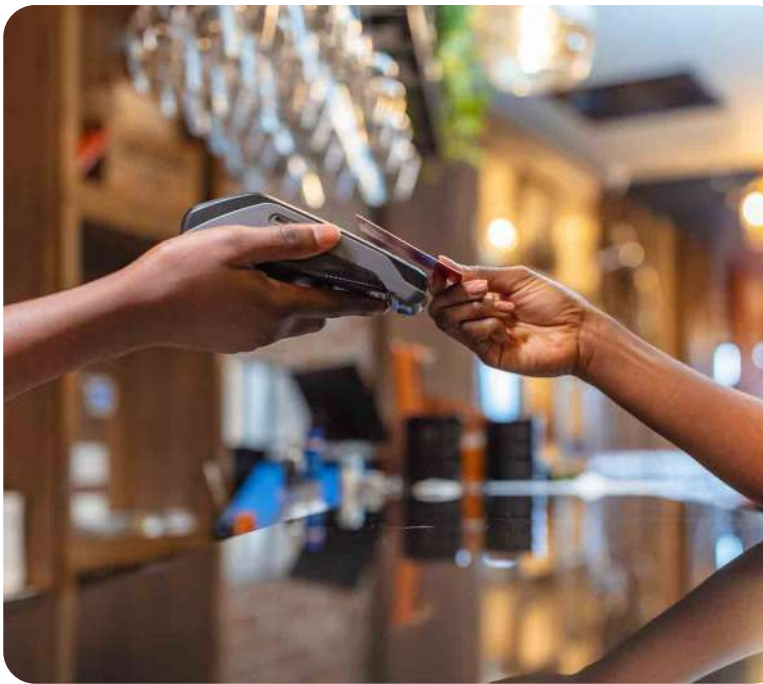
During the year, we launched NMB Jiwekee, a revolutionary digital solution for retirement savings. This product empowers customers to seamlessly allocate funds into a digital saving wallet, offering personalized saving rates and the flexibility to pause contributions. Beyond convenience, NMB Jiwekee enhances financial security with interest earnings and complimentary life insurance.



Jirani Chatbot is our customer service tool that enhances the client experience by delivering fast, reliable, and efficient assistance around the clock. It communicates proficiently in multiple languages, including swahili and english, accommodating a broad customer base. The Chatbot is accessible via WhatsApp, the Bank's website, and social media platforms. It manages common customer inquiries such as forex rates, facilitates transactions and account services, connects users to the contact center, and locates the nearest service center.

We continued deploying FlexMalipo, our tailored payment and bill management solution for schools and religious institutions. We successfully onboarded 833 schools, facilitating over TZS 15 Billion in fee collection and providing these institutions with comprehensive control over their payment cycles, reconciliation, and real-time transaction visibility at no cost.

As we look ahead, NMB's retail banking remains steadfast in delivering exceptional value to our stakeholders. By prioritizing innovation, customer satisfaction, and sustainable growth, we are well-equipped to navigate the challenges and opportunities of the future. Our strategic initiatives will continue to guide our success, ensuring we remain at the forefront of the banking industry, ready to meet the evolving needs of our customers.



Wholesale Banking

Key Highlights

116 TZS Billion

Total Income
Up 164% YoY

2.1 TZS Trillion

Total Loans
Up 5% YoY

3.2 TZS Trillion

Total Deposits
Up 2% YoY

2.5 TZS Trillion

Total Off Balance Sheet
Up 2% YoY

Overview

NMB Bank stands out as a leading financial institution in Tanzania, catering to a diverse array of sectors and clientele, including both private and public entities such as multinational companies, agribusiness, mining, development partners, and governmental agencies.

Our distinctive strength is encapsulated in our Pan Banking approach, designed to offer a wide spectrum of services tailored to meet our clients' specific needs. These offerings encompass various solutions, including structured financing, global digital transaction services (like remittance, collections, payments, and integrations), cash management platforms, trade finance alternatives, and project financing. Through our extensive network and a comprehensive selection of banking products, along with our solid position in the domestic market, rich history, and deep industry expertise, we leverage these robust capabilities to enhance our promise of being the preferred financial service partner for Wholesale Banking clients.

Loan

In 2024, Wholesale Banking continued to grow steadily, achieving notable progress in implementing its strategies. We placed even greater emphasis on vital economic sectors, supporting our clients' expansion efforts. Our loan portfolio increased by 5% year-on-year to TZS 2.06 Trillion, enabling businesses to contribute to the country's overarching socioeconomic goals.

While nurturing healthy loan book growth, we maintained a vigilant approach to asset quality through diligent liquidity and credit risk management

Throughout 2024, Wholesale Banking delivered tangible performance by effectively executing its strategy with agility and precision. The division not only sustained a consistent growth trajectory but also demonstrated the flexibility to adapt to evolving market dynamics.



Alfred Shao | Chief Wholesale Banking

efforts. This resulted in enhanced portfolio health and positive improvements in our asset book throughout 2024. Non-performing loans decreased to 3.2% by year-end, down from 5.1% in December 2023, reflecting improved credit processes and portfolio monitoring.

Deposit

We maintained our Deposits position at 3.2 Trillion, reflecting our continued dedication to fostering deeper customer relationships, crafting tailor-made solutions, and gaining a comprehensive understanding of their needs. Despite market challenges, the business maintained a focus on retention and tactical approaches to handle liquidity tensions.

Product and Service Offerings

Full suite of wholesale banking solutions, including corporate lending, deposit mobilization, trade finance, and transactional banking.

- Structured Financing
- Syndications
- Asset Financing
- Project Financing
- Trade Finance
- Global Digital Transaction Services
- Term Deposits
- Chinese Desk
- Trust Accounts
- Call Accounts
- Internet Banking (NMB Direct)

Risk Management and Compliance

The Wholesale bank's risk profile primarily revolves around transactional and corporate banking. The demand for economic capital resilience largely stems from challenges in foreign currency (FCY) liquidity and credit risk, particularly driven by trade finance and commercial clients' businesses. Overall, the department has adhered to its risk profile appetite and regulatory requirements, meeting multiple test criteria.

Technology and Digital Initiatives

We upheld our commitment to delivering extensive client-centric solutions by leveraging innovative technology and seamless digital capabilities. Throughout 2024, we remained dedicated to advancing our digital agenda, aiming to elevate our ability to meet our clients' evolving needs.

Our internet banking platform, 'NMB Direct,' underwent continual enhancements, enriching functionalities and catering to our clients' banking requisites. The platform's integration with corporate clients' ERP systems augments user experience and convenience. Further augmenting the Internet banking platform remains a top priority, aligning with our vision of delivering unparalleled digital experiences and encouraging wider adoption of the solution.

In our pursuit of operational efficiency and meaningful impact, we offer customized cash management solutions that deliver comprehensive digital experiences for both our counterparts and beneficiaries. By harnessing advanced Internet banking and integrated ring-fence transactions, we optimize financial processes, enhance cross-border trade.



Strategic Objectives and Future Outlook

- Expand our client base by targeting key names to drive local and foreign currency deposits.
- Launch new wholesale lines including fund management and the Asian desk to capture high-growth opportunities.
- Strengthen governance and risk controls to enhance portfolio quality and other core pillars.
- Drive sustainable growth through targeted, sector-specific strategies that deepen market penetration.
- Accelerate digital transformation to elevate client experience, introduce innovative products, and boost operational efficiency.
- Forge strategic partnerships and leverage ecosystem collaborations to unlock corporate supply and value chain opportunities.
- Invest in continuous professional development to empower our workforce and foster a culture of excellence.
- Enhance the client experience and deliver operational excellence while committing to sustainable business practices that create lasting value.



Treasury

Key Highlights

353 TZS Billion

Total Revenue
Up 21% YoY

116 TZS Billion

Non - Funded Income
Up 59% YoY

3 TZS Trillion

Investment Portfolio
Up 25% YoY

597%

Liquidity Coverage Ratio

Contribution to the Bank's Total Income

The Treasury business reported a remarkable 21% YoY increase in total revenue, achieving TZS 353 Billion. Furthermore, this notable growth was supported by a 59% rise in non-funded income, which rose to TZS 116 Billion. Foreign exchange income constitutes 96% of NFI revenues, attributable to the strategic utilization of alternative currencies. Additionally, Treasury Net Interest Income rose to TZS 237 Billion an increase of 10%, driven by our investments in high-quality, low-risk government securities and money market instruments.

Total Treasury assets increased to TZS 4.65 Trillion, reflecting a solid year-on-year growth of 18% from 2023. Treasury's division's management of the investment portfolio has supported the Bank's liquidity profile while achieving impressive risk-adjusted returns. In 2024, the investment portfolio grew to TZS 2.99 Trillion, a 25% increase YoY. Bonds comprised 76% of this portfolio, with 96% held at amortized cost and 4% valued at fair value through other comprehensive income, marked to market daily. As of December 31, 2024, NMB maintained a strong liquidity position with a liquid coverage ratio of 597%, a liquidity asset ratio of 33.6%, and a loan-to-deposit ratio of 91%. The Treasury business has played a crucial role in ensuring a favourable cost of funds and maintaining a resilient balance sheet, especially in a fluctuating interest rate environment. By strategically balancing customer deposits with wholesale funding, the Bank has achieved an optimal funding mix during the year.

Jamii Bond Stock Exchange Listing

In April 2024, NMB Bank achieved a historic milestone by becoming the inaugural bank in Tanzania and East Africa to list a sustainability bond on the

We continue to fortify our capital position to drive our tomorrow strategic advantage and remain committed to enhancing investor confidence, diversifying our funding sources, and unlocking long-term value across various markets.



Aziz Chacha | Treasurer

London Stock Exchange (LSE). The listing of NMB's Jamii Sustainability Bond on the LSE's International Securities Market (ISM) and Sustainable Bond Market (SBM) platforms signifies a substantial advancement for the Bank as well as the Tanzanian and East African financial markets. The Jamii Bond is allocated to finance impactful projects, including renewable energy, sustainable water and waste management, green buildings, food security, and employment generation. This bond forms part of NMB's 10-year, 1 Trillion Tanzanian shillings (approximately \$385 Million) multi-currency Medium-Term Note (MTN) Program.

Looking to 2025

Our 2024 achievement reflect dedication to excellence, innovation, and customer centricity. By leveraging market insights, advanced technologies,

and a client-centric approach, Treasury positions itself as a key partner in meeting clients' financial needs and supporting the Bank's strategic goals. The Treasury will prioritize operational efficiency, risk management, and sustainable growth to create long-term value for all stakeholders.

The outlook for 2025 is positive, with economic indicators suggesting sustained recovery and improved business confidence. Treasury's priorities include efficient liquidity management by proactively managing risks to align with market conditions. The continued focus on cross-selling initiatives will promote the Bank's comprehensive Treasury products and services. Furthermore, exploring opportunities for sustainable products is on the agenda.





Digital Transformation



Technology Review

Overview

In 2024, digital transformation continued to be at the heart of NMB Bank's strategic agenda. Building on last year's technological initiatives, the Bank continued investing in advanced IT infrastructure, cybersecurity enhancements, and the expansion of digital channels. This report outlines our key technology investments, digital innovation projects, and the evolving digital strategy designed to enhance customer experience and operational efficiency.

99.76%

IT System availability

96%

Transaction through digital channels

Digital Transformation Overview

In 2024, we further reinforced Digital Transformation efforts by deploying additional capital toward enhancing our core banking systems and virtualizing server environments, which has improved system reliability and agility.

The shift toward digital-first operations is reflected in our increasing focus on mobile banking and online services, with notable growth in the adoption of NMB Mkononi (our mobile banking platform) and NMB Direct (Internet banking).

Infrastructure & Cybersecurity Enhancements

Our IT infrastructure received further modernization. Upgrades included an expanded virtualized server environment and the implementation of Software-Defined Wide Area Networks (SDWAN) to boost network performance and scalability.

Cybersecurity remains a critical priority. Building on last year's initiatives, we advanced our cybersecurity framework by introducing AI-driven threat detection and regular vulnerability assessments. This robust framework has helped us to safeguard sensitive customer data better and maintain high service uptime, aligning with global standards such as (GDPR) General Data Protection Regulation.

We are dedicated to providing dependable and seamless technological innovations that cater to customer needs, enhancing convenience and efficiency. Our Digital transformation is at the core of our strategy, ensuring our clients experience top-tier services.



Kwame Makundi | Chief Technology and Digital Transformation

Digital Channels & Customer Experience

Our digital channels continue to drive customer engagement and operational efficiency. In 2024, we recorded significant increase in digital transactions as more customers embraced mobile and online banking solutions.

The digital onboarding process has been further optimized through our DSS module optimization, which reducing biometric requirements and replacing physical signing with digital consent for individual accounts. The Onboarding App, which now facilitates new account openings digitally, underscoring our commitment to enhance seamless experience, simplifying customer interactions and reducing operational costs, as evidenced by improvements in our cost-to-income ratio.

Continuous enhancements in our Internet banking platform (NMB Direct) and the rollout of new features, such as enhanced data analytics dashboards, have improved our ability to deliver personalized financial solutions to our customers.

Partnerships

The Bank continued to focus on enhancing partnerships to enhance inclusion in its digital revolution. The Bank partnered with the public and private sector, such as fintechs, to enhance financial inclusion.

Partnership with Ministry of Communication and Information Technology

NMB has teamed up with the Ministry to improve digital infrastructure and services, boosting the country's digital economy, aligning with the government's Ten-Year Digital Economy Strategy (2024-2034).The collaboration includes Jamii Namba, eKYC and Jamii Data Exchange.

Partnership with University of Dar es Salaam (UDSM)

The NMB forged a strategic alliance with UDSM focused on nurturing ICT talent, fostering innovation, and accelerating digital transformation in Tanzania through education-industry collaboration, financial support, and technology-driven initiatives. The collaboration is expected to empower students, support research, and contribute to the country's socio-economic development goals.

Partnership with UBX

NMB has partnered with UBX Tanzania Limited via the Umoja Switch ATM Network to establish the largest shared ATM network in the country. This collaboration connects NMB's ATMs with 280 from Umoja Switch's 17 partner banks, providing exceptional access to more than 1,000 ATMs across the nation and reducing transaction costs by over 70%.

Investing in our People

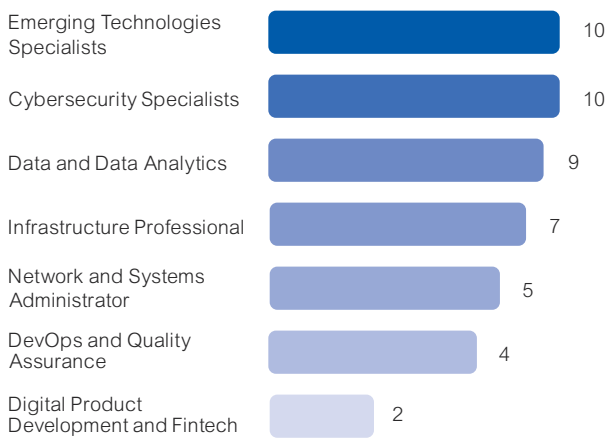
Investing in Team Capabilities

Throughout the year, our significant investment persisted in upskilling our workforce. Concurrently, our efforts centred on fortifying our teams by reinforcing attraction and retention strategies. This emphasis aimed to cultivate a robust cohort of IT and engineers, pivotal in meeting the evolving needs.

Building Future-Ready Capabilities

In 2024, NMB Bank continued to strengthen its digital and technology talent base to support innovation, resilience, and service excellence. We strategically hired bank-wide key IT and digital roles to align with our long-term transformation agenda.

Bank-wide IT Related Hires in 2024



Investment in Technology

NMB has deliberately provided a sizeable budget for innovation and technology to enhance the Bank’s capabilities and ensure its future competitiveness and innovation.

Information Technology Capital Committed

46 TZS Billion

13% YoY

The Bank is undertaking a strategic modernization of its core banking system to unlock long-term value by facilitating business growth, enhancing operational efficiency, fostering innovation, and strengthening IT risk management. Central to this transformation is the adoption of a decoupled and interoperable architecture. By disaggregating the core into modular layers, the organization mitigates technical difficulties, increases development agility, and improves system maintainability. This architecture will facilitate a faster time-to-market for new products, scalable business processes, and seamless integration with both in-house and third-party ecosystems. Transitioning from legacy infrastructure to a composable, service-oriented platform ensures adaptability within a rapidly evolving digital and regulatory landscape.

Outlook

Looking forward, NMB Bank is set to explore emerging technologies. We plan to invest in scalable data platforms to support real-time analytics, enabling faster and more informed decision-making. Such initiatives are part of our broader strategy to leverage technology as a competitive differentiator in an increasingly digital market.

The Bank’s ongoing commitment to employee training and development in ICT further reinforces our readiness to adopt these emerging innovations, ensuring that our workforce is equipped to drive digital change across the organization.



Technology Transformation Journey



Digital Solutions

Our digital platforms gained significant traction in 2024. We are leveraging our technological investments throughout the Bank to improve capabilities and productivity while fostering growth in our customer base and enhancing service quality.

4.7 Million

Mkononi Subscriptions
Up from 4.3 Million in 2023

96%

Services processed digitally
46% YoY rise in digital transactions

84%

Digitally Onboarded Retail Customers
84% in 2023

Digital as an Enabler for Growth

In 2024, NMB Bank advanced banking by providing top digitized experiences focused on convenience and efficiency. Our mobile-first strategy, spearheaded by the NMB Mkononi app, has enhanced accessibility, with over 96% of service requests now processed digitally.

We have introduced advanced digital banking features, including biometric registration, biometric-based limit control, and cross-border remittances within our NMB Mkononi mobile application. Customers using NMB Mkononi have the ability to personalize their transaction limit beyond the standard limit of TZS 5,000,000, allowing for a maximum of TZS 30 Million per day.

Subscriptions for NMB Mkononi surged by 8% throughout the year, exceeding 4.7 Million customers. We welcomed over 1.26 Million new accounts through digital onboarding, which accounts for 84% of our new retail banking customers. Moreover, a substantial 96% of all customer transactions were conducted via digital channels.

The utilization of our digital services continued to increase. Transactions through NMB Mkononi (both USSD and App) rose by 16%, totaling 155 Million in 2024, while internet banking (NMB-Direct) volumes increased by 16%, reaching 6.5 Million transactions. Additionally, agency banking transactions increased by 14% YoY to reach 129 Million. Jirani Chatbot, which we launched in Q3'2024, saw traction, enhancing the role of our social media platforms in delivering real-time information.

Concurrently, we broadened our strategic partnerships, utilizing application programming interfaces (APIs) to offer customers more options and to integrate our banking services directly within partner applications.

357,120

New Mkononi User

155 Million

NMB Mkononi Transaction Volume

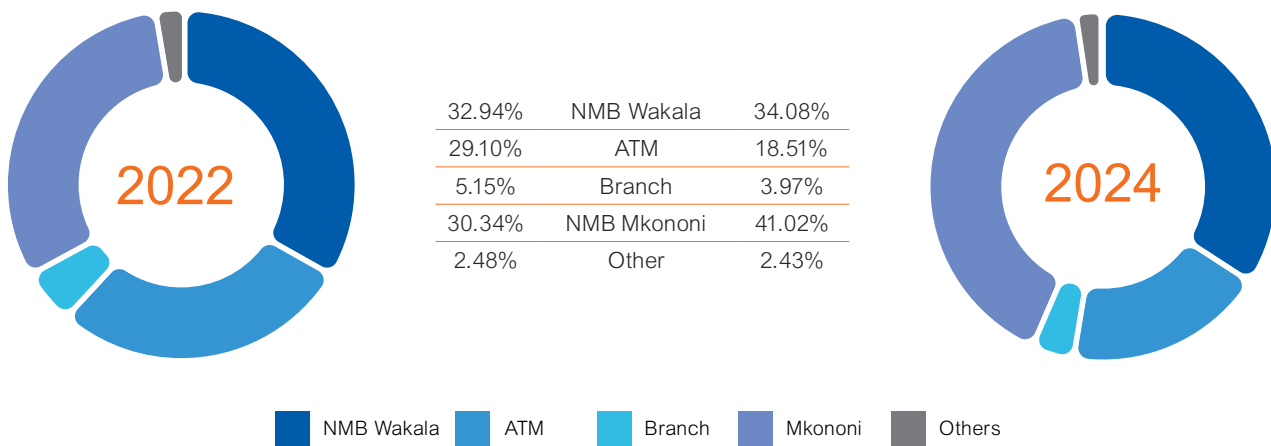
168,000

Active Daily Users

109 TZS Billion

NMB Mkononi Revenue Generated
86.9 Billion in 2023

Transaction channels split over the years



Focusing on Transforming Customer Experience

With our seamless mobile and online platforms offering multiple services, customers can effortlessly manage their banking needs without needing to visit a branch. Our AI-powered Jirani Chatbot provides smarter, round-the-clock assistance, and the launch of digital product bundles streamlines customer journeys. The introduction of Mshiko Fasta, our digital personal loan, has reduced the turnaround time for small personal loan applications to under 10 minutes, down from the previous five to six days. Our expanded services, including digital debit cards and Kikundi digital accounts, empower customers to self-serve efficiently. We are proud to see our CSAT continue to rise, reflecting impact tangible impact resulting from our commitment to enhancing customer satisfaction.

NMB's Jirani Chatbot

AI-driven conversational interface in WhatsApp to access over 25 core banking services – account information, account opening, loan application status etc.

Flex Malipo

Allows organizations (schools, churches, mosques etc.) to monitor all payments and contributions to their organizations conveniently and securely.

UmeBima App

Enables DSS, SFE, and all staff to sell insurance products to both NMB and Non NMB customers.

NMB Mkononi

Digital portal streamlining customer's business finances with services such as pooling, netting, reconciliations etc.

NMB Lipa Mkononi

Mobile payment solution contained a QR code which stores merchant information to receive payment through scanning or a LIPA number for normal feature phones.

NMB Pesa Wakala

NMB Agent using a mobile phone to offer banking services.



Pay by Link

Transfer funds to any other bank account in real time.

Pesa Fasta

Allows our customers to send money to anyone who has a mobile phone number in the country.

NMB Wakala

NMB Agents are equipped with point of Sale (POS) devices to provide banking services to our customers on Our behalf.

NMB Internet Banking

Allows our customers to have full control of their business banking in terms of user and access permissions in a simple, convenient and secure manner.

NMB ATMs

A wider range of ATM network, access ATM service on more than 1,000 ATMs across the Country.

NMB Kwetu

Designed to meet financial needs of diaspora community, Diaspora can now Digitally sign and submit relevant documentation without needing to visit a branch.



Our People



Human Resources Review

Key Highlights

TZS 423 TZS Million
Productivity

3,868
Full Time Employees

48%
Women

32%
Women in Leadership

Overview

Our People strategy remains a crucial pillar driving both performance and brand recognition. In 2024, we sustained a productive workforce supported by a performance-driven culture, customer centricity, and strong ethical standards. Thanks to this well-engaged and efficient team, our revenue per FTE reached TZS 423 Million, representing a 9.6% year-over-year growth. NMB continues to be recognized as an Employer of Choice, boasting an attrition rate of 3.49%—significantly below the market average of 8%—further emphasizing NMB’s status as an Employer of Choice.

NMB Bank proudly maintains a diverse workforce of 3,868 employees, showcasing a range of talents and expertise across our branches and offices. Our workforce breakdown reflects our commitment to inclusivity, with 48% female representation and 52% male representation. Furthermore, we value diversity in leadership, with women holding 32% of senior management positions. At NMB Bank, diversity shapes our organization's core and highlights our commitment to inclusivity and innovation. We take pride in being more than just an employer; we are dedicated partners in promoting career growth.

Talent Acquisition and Retention

In the pursuit of excellence, NMB Bank has implemented innovative recruitment strategies to attract top-tier talent. We hired 214 new employees from the market throughout the fiscal year, leveraging digital platforms and targeted recruitment campaigns. Our focus on retention strategies resulted in a commendable retention rate of 96%, while 84% of appointments were internal hires. Overall, 308 employees were promoted, some through a direct promotion as per the Bank’s promotion policy and through a competitive recruitment process.

 We continue aligning our workforce with the company’s strategic objectives, enhancing performance, and promoting a culture of excellence.



Emmanuel Akonaay | Chief Human Resources Officer

Our Talent Strategy

214 New hires	84% Internal appointment	97% Employee Retention Rate
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Employee Training and Development (Future-fit-workforce)

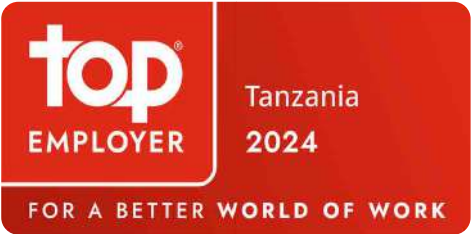
NMB champions continuous learning by providing relevant and impactful opportunities for upskilling. In 2024, through the Board’s approval, the Management passed an 8% increase in the training budget, making it TZS 5.7 Billion.

The Bank also invests in e-learning through its LMS (Learning Management System). This year, we exceeded the allocated licenses for usage with 5,283 users covering topics from AML to Climate change awareness. Furthermore, beyond traditional roles, we aim to be catalysts for professional growth. As of 2024, 72 staff have benefited from a Bursary scheme through which the Bank spent TZS 1.979 Billion. These employees were sponsored to study diverse programs, ranging from certification to master’s degrees.

Employee relations

We are committed to fostering a collaborative work environment rooted in Shared Values and a robust ethical framework. Our employee relations function diligently ensures regulatory compliance across the Bank, harmonizing our people-governance policies while advocating for top-tier employment practices. Our paramount objective remains the creation of a secure and dynamic workplace, nurturing a culture where employees feel secure, appreciated, and empowered.

Central to this commitment is our Code of Conduct, crafted to embody the NMB values in every aspect of our daily operations. This code serves as a compass, delineating fundamental principles and guiding our staff toward upholding the highest standards of ethics and integrity. Our Culture Transformation initiative aimed at enhancing workplace satisfaction, has resulted in notable improvements across all thematic areas each scoring above 75% (Culture Audit survey, 2024). Among these, organizational values and customer focus emerged as the highest-rated themes, achieving impressive scores of 93% and 92%, respectively. Our comprehensive benefits package has resulted in a reduced attrition rate of 3.49%, in contrast to the prevailing market rate of 8%.



Performance Management

Performance evaluation at NMB Bank is a collaborative process to foster growth and recognition. Our robust performance management system integrates regular feedback sessions and goal-setting exercises. In line with our commitment to transparency, 100% of employees participated in performance reviews, fostering a culture of continuous improvement and accountability.

Wellbeing, Health, and Safety

Employee well-being and safety are paramount at NMB Bank. We bolstered our health and safety protocols throughout the year, ensuring compliance with global standards. Our initiatives resulted in a relatively low workplace injuries (4 in 2024). The Bank recognizes the importance of staff wellbeing, and we have special mental health support and other initiatives aimed at improving work-life balance. This is to demonstrate the organization’s commitment to caring for its employees beyond professional development.

Corporate Culture Transformation

Throughout 2024, we intensified our focus on the culture transformation journey, achieving significant milestones (an 70% completion rate) across critical strategic dimensions. This means that out of the 56 interventions designed to address different gaps, 50 were closed by the end of 2024.

At the core of this initiative lies our unwavering commitment to cultivating an environment where each workforce member is not merely an employee but an engaged and valued contributor dedicated to furthering the Bank’s overarching mission. Our concentrated efforts revolve around comprehensively evaluating our existing culture, identifying areas primed for enhancement, and crafting a robust culture transformation blueprint.

Management Trainee

In 2024, we successfully concluded the management trainee program for the 2023 cohort, welcoming nine promising graduates. Consequently, eight graduates transitioned to full-time roles within the Bank. These individuals underwent comprehensive practical training throughout the two-year program and participated in an accelerated skills development pathway, preparing them to assume key positions.

Top Employer Certification/Award

In 2025/4, NMB was recognized as one of the world’s top 2,400 organizations for career growth and talent development. This landmark achievement highlights NMB’s leadership in both financial and non-financial sectors. It underscores the Bank’s commitment to fostering a positive corporate culture, upholding the code of conduct, and investing in employee welfare.

Future HR Strategies

Looking ahead, NMB Bank remains committed to furthering our HR initiatives. We aim to implement a culture transformation program (phase II), continue to promote gender diversity and employee welfare and enhance policies and frameworks to implement agile HR practices that adapt to evolving workplace dynamics. These strategies align with our vision to empower our workforce and drive sustainable growth.

Summary

Throughout 2024, we aim to enhance our performance by creating an exceptional working experience. Notably, we significantly strengthened our talent pool and leadership capabilities while accelerating the implementation of our culture transformation program.

Strategic initiatives focused on culture transformation led to noticeable improvements in our employees’ experience, reinforcing our position as Tanzania’s Top Employer. We firmly believe that our continuous focus on talent acquisition and retention, along with the ongoing development of a performance-driven culture, will distinguish us in the years to come.

Looking Ahead

In the coming year, our primary focus will be further amplifying our employee centric approach. We are committed to nurturing an environment that fosters productivity, creativity, and empowerment. Our aim is to elevate employee welfare by nurturing a workplace where every individual feels valued, motivated, and empowered to contribute their best.

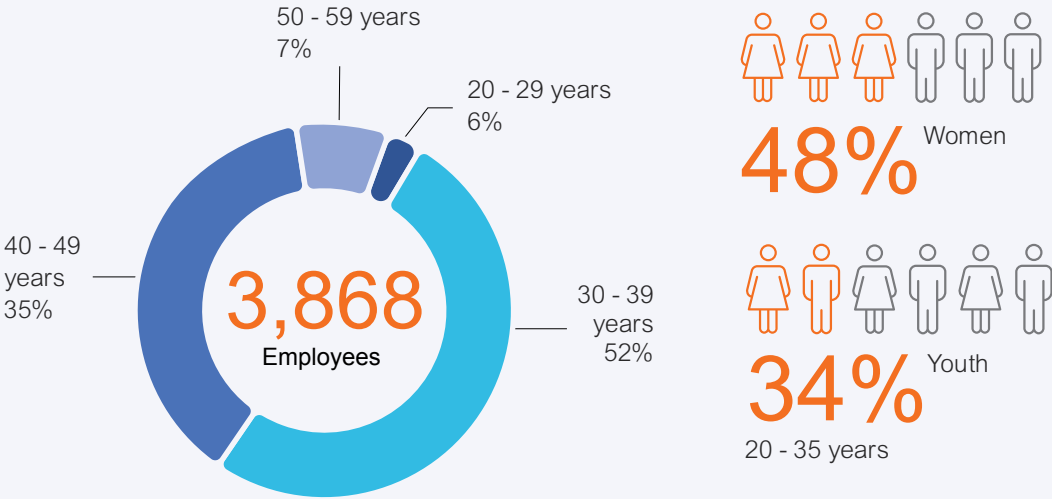
The cornerstone of our strategy for 2025 is centered on talent, culture, and productivity. We are prepared to attract and retain the brightest minds in the industry, further enhancing our talent pool. Fostering a culture of innovation will be essential in maintaining our competitive edge.



Key Employee Figures	2024	2023	2022	2021	2020	2019
Female staff (in %, Headcount) 1						
Female ExCo	31	31	25	25	25	22
Female Head of Department	25	30	29	32	33	36
Female Senior Managers	32	30	26	21	25	31
Female Managers	38	33	32	31	30	30
Female Officers	55	52	52	52	52	51
Total female staff in %	48	48	48	48	48	47
Age (in %, headcount) 2						
20 - 29 years	6	3	2	1	1	0.2
30 - 39 years	52	51	50	50	47	47
40 - 49 years	35	38	38	39	40	42
50 - 59 years	7	8	10	10	11	10.8
Total in %	100	100	100	100	100	100
Division (in %, Headcount) 3						
Retail Banking	81	81	81	81	82	82
Wholesale Banking	2	2	2	2	2	2
Treasury Banking	1	1	1	1	1	1
Other	16	16	16	16	15	15
Total in %	100	100	100	100	100	100
Employment type/Contract (in % of total staff)						
Permanent-term Employment	74	79	84	86	88	87
Fixed-term Employment	26	21	16	14	12	13
Total in %	100	100	100	100	100	100
Other Metrics						
Employees	3,868	3,642	3,544	3,482	3,471	3,452
Women in Leadership %	32	32	31	31	30	30
Internal mobility/hires %	84	59	64	64	57	47
Internal Hires by gender (women) %	53	36	40	30	26	39
Employee retention rate %	97	97	98	97	97	95



Age Cluster in % Headcount





Sustainability





Sustainability 2024 Highlights

Click or scan here for full Sustainability Report 2024



Sustainable Operations



14%

Reduction in paper usage

10%

Cut in water consumption.

0

Data breaches; ISO 27001 & PCI-DSS certified cybersecurity.

- ✓ In 2024, we significantly advanced resource efficiency by deploying LED lighting in our branches, converting eight vehicles to CNG, and launching a solar power pilot at our head office. We also reduced paper usage by 14% and introduced a water purification system that cut water consumption by 10%, underscoring our commitment to responsible resource management.
- ✓ Simultaneously, we strengthened data privacy and cybersecurity governance, maintaining zero data breaches and implementing red-team simulations and ISO-certified controls. Furthermore, as of 2024, women made up 48% of our total employees and held 31% of executive leadership positions. Through our flagship "NMB Balance" initiative, we continue to advance gender equity by empowering women across all levels, including board and senior management.

Sustainable Finance



400

TZS Billion

Amount Raised

83%

of the total funds allocated.

- ✓ Throughout, we have raised two sustainability bonds, including Jasiri and Jamii Bond. We have successfully mobilized both the Jasiri and Jamii Bond proceeds. As of 2024, the Jamii Bond disbursed TZS 333 Billion toward renewable energy, food security, water management, and economic empowerment. This strategic focus allows us to support our customers' transitions while growing the share of sustainable assets in our portfolio, with a target of greening at least 5% of our loan book by 2030.

Climate Risk



5,638

Scope 1 GHG emissions,

7,580

Scope 2 GHG emissions

1.4

Million

Trees planted

- ✓ NMB established its first GHG emissions baseline, covering Scope 1, 2, and selected Scope 3 categories. This milestone enables us to track decarbonization progress, set reduction targets, and align with IFRS S2 and national climate reporting requirements.
- ✓ We continue to refine our financed emissions assessments and climate-related financial risk models, especially for high-exposure sectors. Our risk appetite includes ESG thresholds, and we are investing in data systems and partnerships to improve climate metrics and resilience.

Financial Inclusion



1.5

Million

New customers

89%

CSAT

56

NPS

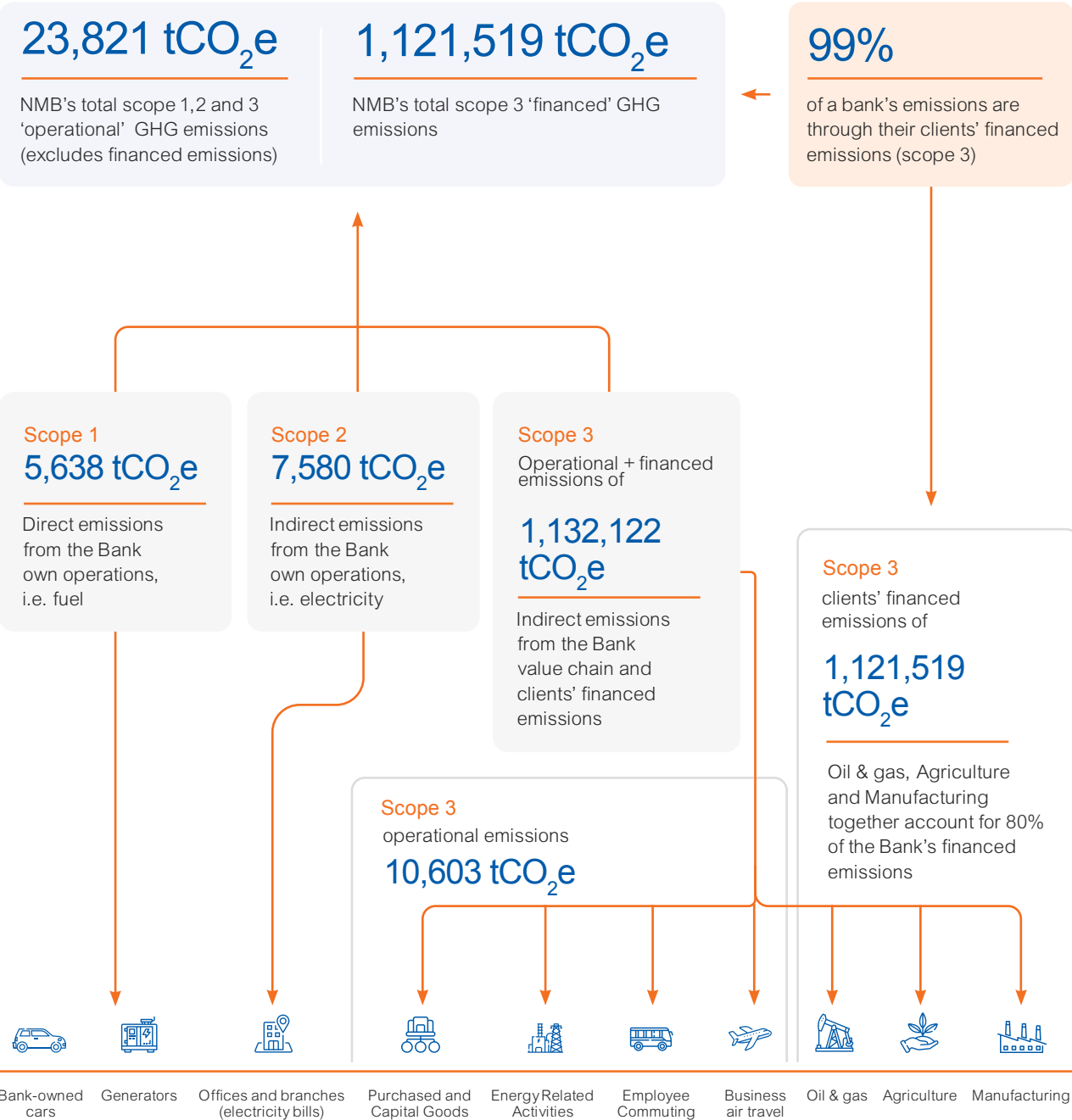
- ✓ NMB has onboarding of over 1.54 Million new customers accounts in 2024 and expansion to 1,369 rural villages. We now operate 50,698 NMB Wakala agents and 240 branches,
- ✓ Notably, we introduced the NMB Pesa Account with an entry deposit of just TZS 1,000, specifically tailored to low-income households, and opened 300,000 such accounts.
- ✓ Deliver service excellence to meet customers' evolving needs in an increasingly competitive market. In 2024, NMB scored CSAT 89% (87%, 2023) and NPS 56 (59, 2023).





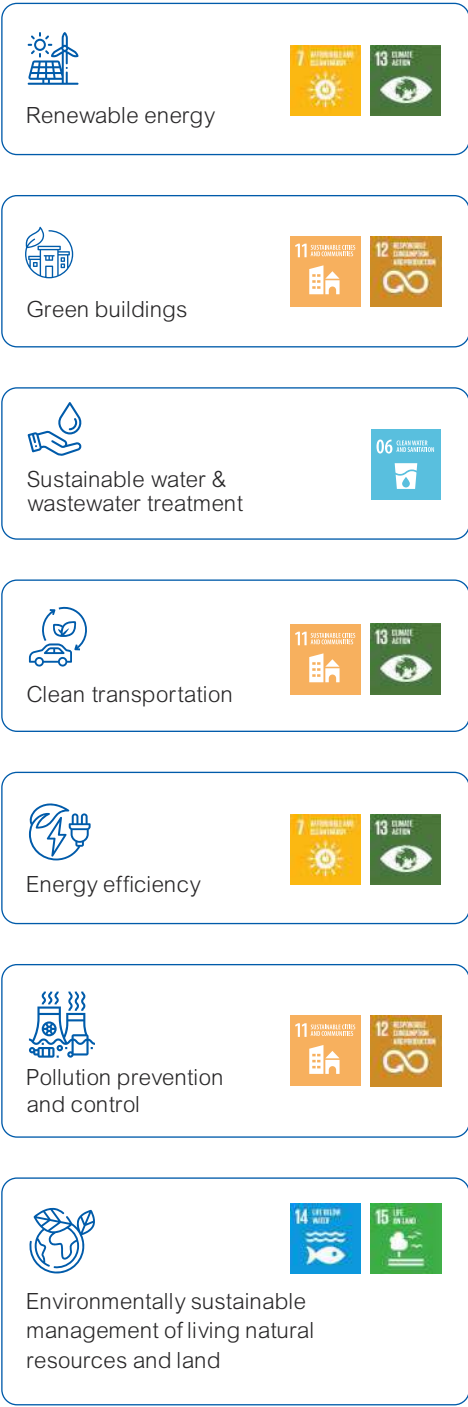
NMB's climate impact is primarily derived from the emissions of the clients it finances, as measured under global standards

The Greenhouse Protocol (GHG) is the international standard for measuring GHG emissions covering Scopes 1,2,3



Eligible Jamii Bond Loan Portfolio (EJLP) allocation & impact summary

Jamii Bond Use of proceeds categories

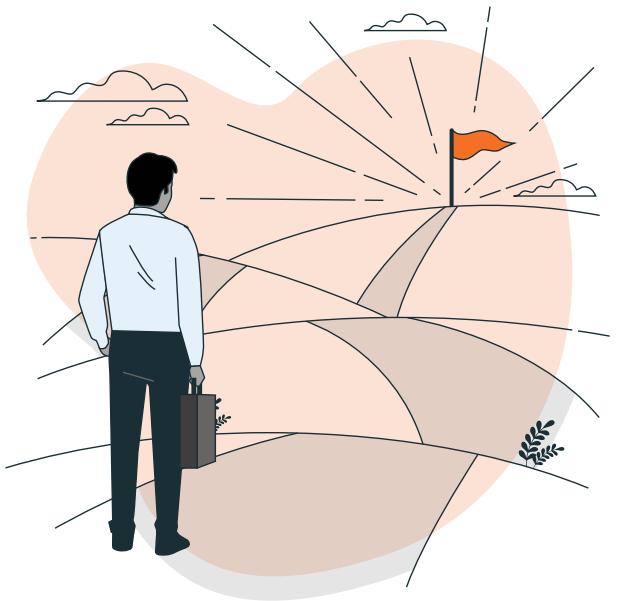


Allocation by ICMA category (by value, TZS Bn)

On Balance Sheet	Dec 31, 2024	% of Total Allocation
Renewable Energy	0.8	0.2%
Environmentally Sustainable Management	24.5	7.4%
Sustainable water and wastewater treatment	3.0	0.9%
Food Security	290.3	87.2%
Social Economic Advancement & Empowerment	14.5	4.3%
Total Eligible Green Loan Portfolio	333	83%

Impact Highlights

- Emissions avoided 45.2 tCO₂e
- Annual renewable power generated 22,760 MWh
- 7,569ha area of Sustainable Agriculture
- 52,800m₃ annual clean water treated
- Direct and Indirect job creation 600+



Corporate Governance



Dear Shareholders

Our unwavering commitment to long-term, value-creating decisions for all stakeholders forms the very foundation of our strategic approach.

In 2024, we continued to uphold a rigorous governance framework that meets regulatory standards and industry best practices. This commitment highlights our focus on transparency, accountability, and responsible stewardship.

In December 2024, we welcomed new board members, striking a balance between continuity and the introduction of diverse expertise vital for our long-term success. The addition of Chairman David Carol Nchimbi and Non-Executive Directors Girriaj Jadeja, Prof. Sylvia Temu and Dr. Sophia Kongela has notably strengthened our Board's collective capabilities in finance, business, risk management, and governance.

Aligned with our strategic vision, the Board prioritized the performance of our Medium-Term Plan (MTP). We achieved significant progress in our three pillars: Winning Propositions, Operational Efficiency, and Innovation. The effective implementation of our MTP initiatives resulted in mass account openings, growth in the agri and SME segment, deeper penetration involvement in wholesale, improved productivity, and increased usage of digital channels. These achievements strengthen our dedication to improving customer experience and providing sustainable value.

Furthermore, we are keenly aware of the broader impact of our operations on the economy, society, and the environment. The Board actively monitors and addresses adverse impacts of the Bank's operations while promoting environmental and socio-economic sustainability. Our Sustainability Program—launched in 2022 and underpinned by a science-based approach—ensures that sustainability considerations are integrated into every decision, from strategic planning in the boardroom to operational execution on the ground.

Additionally, we want to convey our deep appreciation to Dr. Edwin Mhede, Mr. George Mandepo, and Mr. Aziz Dachi. Their outstanding service and unwavering dedication have played a crucial role in enhancing our corporate governance journey. As they retire from their respective positions, we offer them a respectful farewell, recognizing their significant contributions. Their legacy will keep inspiring our future efforts, and we wish them all the best in their upcoming endeavors.

The Board reaffirms its commitment to upholding governance practices, recognizing that these standards are essential to our long-term success. We will continue to collaborate closely with management to ensure that these high standards are integrated into every facet of our business and drive the effective execution of our strategic priorities.

In conclusion, I sincerely thank our shareholders for your ongoing trust and support. Together, we will navigate the changing landscape with resilience and determination, positioning NMB Bank Plc for sustained growth and prosperity.

Yours faithfully,

Mr. David Carol Nchimbi
Chairman, NMB Bank Plc



Board of Directors

Setting Our Strategic Direction

Comprised of members selected based on their experience, qualifications, diversity, and independence, the Board of Directors guides the Bank's strategic direction by approving and monitoring management's effective strategy execution. Our Board composition embodies a wide range of diversity, including age, race, ethnicity, country of origin, culture, educational background, skills, experience, and knowledge. This diversity fosters meaningful discussions, valuable input, constructive challenges, and thoughtful outcomes.

2025 Focus Areas ➔

- Reviewing progress on Medium-Term Plan (2021-2025) and relevant strategic initiatives
- Reviewing and approving Governance policies
- Overseeing performance and risk
- Overseeing the execution of the Bank's Transformation journey
- Overseeing the comprehensive execution of ESG-related matters.



David Carol Nchimbi - 51
Chairman*
ACPA

Appointed on 6th December 2024,
*Appointed as Board Chairman on 29th January 2025



Dr. Edwin P. Mhede - 46
Chairman**
Economist, CDIoDT

Appointed on 5th June 2020
**Cessation on 29th January 2025



Juma Kisaame - 61
Non-Executive
Banker, CDIoDT

Appointed on 5th June 2020
Re-appointed on 2nd June 2023



George Mandepo - 49
Non-Executive**
Lawyer, CDIoDT

Appointed on 15th June 2019
**Cessation on 5th December 2024



Hendrik Reisinger - 60
Non-Executive
Economist/ Banker

Appointed on 15th June 2019
Re-appointed on 3rd June 2022



Benson Mahenya - 56
Independent-Non-Executive
CPA (T), CDIoDT

Appointed on 15th June 2021
Re-appointed on 7th June 2024



Aziz Dachi - 49
Non-Executive**
ICT, Auditor, CDIoDT

Appointed on 3rd June 2022
**Cessation on 5th December 2024



Clement Mwinuka - 61
Independent-Non-Executive
CPA (T), CDIoDT

Appointed on 3rd June 2022



Ramadhani Mwikalo - 70
Independent-Non-Executive
IT Expert, CDIoDT

Appointed on 3rd June 2022



Giriraj Jadeja - 65
Non-Executive*
Investment Banking

*Appointed on 7th June 2024



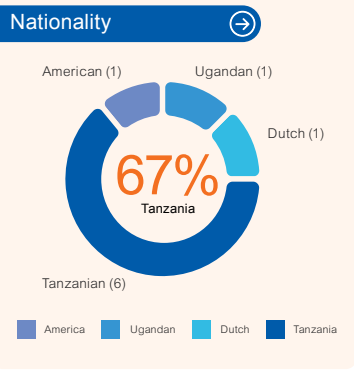
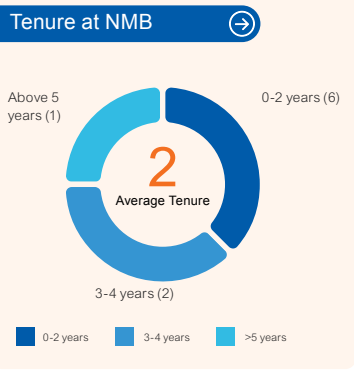
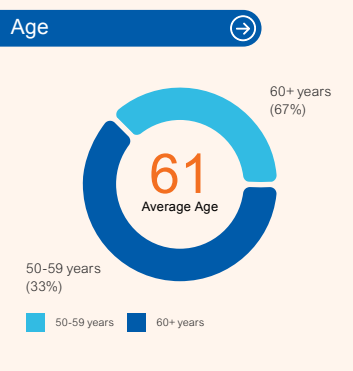
Prof Sylvia Temu - 67
Non-Executive*
PhD, CPA(T)

*Appointed on 6th December 2024



Dr. Sophia Kongela - 49
Non-Executive*
MBAFin, PhD

*Appointed on 24th February 2025

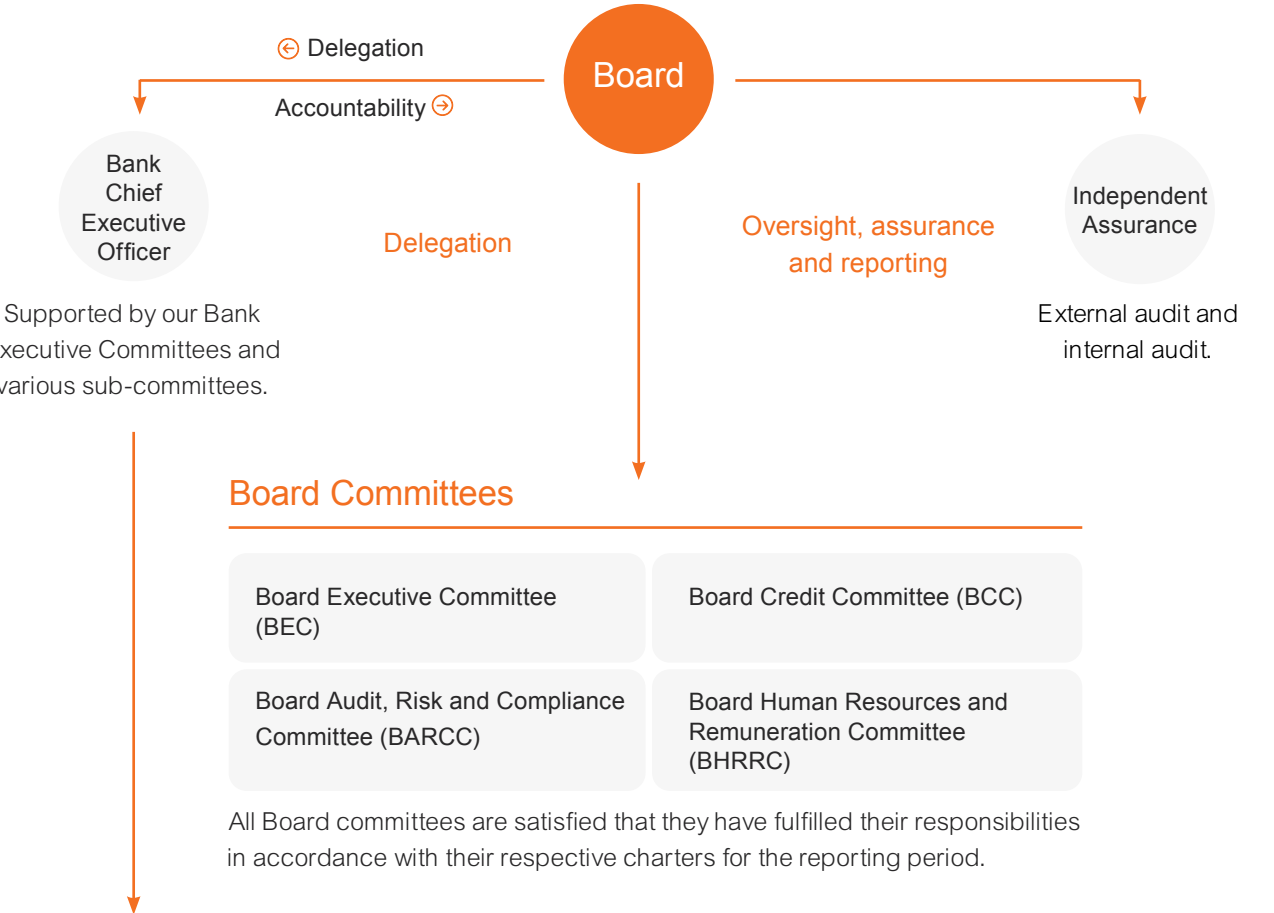


The Bank's Governance Framework

✓ The Board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities.

✓ The Board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the period.

✓ The Board believes arrangements for accessing professional services are effective.



Board Executive Committee (BEC)

Juma Kisaame
Non - Executive
Committee Chair



2024 ➔

2024 ➔	2025 ➔
Focus area and material decision - Worked on integrating the ESG agenda by approving the Sustainability Framework, making tangible progress on sustainability commitments. - Reviewed and approved policies. - The Board continued to oversee the Bank's governance, smooth operation, and oversight. - Received updates on the Bank's performance, including business-level performance updates. - Reviewed the progress made on the execution of MTP. - Regulatory relations (top-of-mind matters, fines and penalties, and regulatory commitments and relationships). - Evaluation regarding the effectiveness of the Board and its committees (outcomes were presented, with actions introduced, where relevant). - Oversight over significant digital transformation initiatives. - Oversight over the inorganic strategic initiatives of the Bank	Focus area and material decision - New MTP 2030 plan - Expanding and Integrating the ESG agenda with MTP 2030. Deepen ESG strategy execution within the Bank structures. - Board effectiveness actions evaluations. - Board composition (to achieve optimal composition in terms of the number of members, respective skill sets, and gender) and succession planning. - Undertake a mid-cycle evaluation of the MTP, adjusting for macroeconomic shifts and emerging industry best practices. - Board governance objectives (approve objectives and monitor the work performed). - Guiding the Bank inorganic growth and internationalization strategy.

Board Human Resources and Remuneration Committee (BHRRC)

Ramadhani Mwikalo
Independent
Non - Executive
Committee Chair



Board Credit Committee (BCC)

Hendrik Reisinger
Non - Executive
Committee Chair



2024



Focus area and material decisions

- Executive management succession planning
- Approval of staff benefits, emoluments and incentives.
- Extending participation in our long-term incentive arrangements to increase coverage for scarce and critical skills and align with peers' market practices.
- Taking additional steps in fair and responsible pay, predominantly regarding fixed remuneration increases and short-term incentive allocation for frontliners, as well as addressing pay differentials.
- The Board approved exponential training budget growth to further accelerate the upskilling agenda for the Bank.
- Overseeing cost-benefit analysis and related implications of changes in the emolument's adjustments.
- The Committee received regular updates on the progress of the Culture Transformation project and key labor cases.

2025



Focus area and material decisions

- Attracting and retaining top talent, scarce and critical skills, and mitigating the impact of increased sectoral competition for local talent.
- Fair and responsible remuneration in the context of fair pay practices and evolving market dynamics.
- Ongoing evaluation of the impact of our evolving remuneration frameworks and their outcomes ensure that they remain locally relevant and competitive and effectively balance stakeholder interests.
- Deepen efforts to embed a high-performance, customer-centric culture, including robust metrics to track cultural progress.
- Strengthen internal leadership development programs and refine high-potential talent pathways to enhance leadership pipeline.
- Skill set assessment for future proof.

2024



Focus area and material decisions

- Discussed and approved Risk Appetite and Sectoral Limits.
- Reviewed and approved credit portfolio strategies.
- The Committee continues to monitor the corporate loan book's credit risk exposure, sector, and single-name concentration.
- Material limit increases in 2024 for several significant single-name exposures were reviewed and approved.
- The overall portfolio health of the lending book, the related loan loss ratios, vintages, and related matters were considered.
- Deep dives on high-risk sectors and portfolios considering the global macroeconomic environment, resultant heightened risks, and the impact of climate risks.

2025



Focus area and material decisions

- The Bank's loans and advances growth in the context of concentration risks and exposures, in particular to the higher risk sectors of the economies.
- Explore new credit products tailored for emerging industries (green financing, circular economy, digital economy), balancing profitability and responsible lending.
- Continued overall loan portfolio quality management.

Board Audit, Risk and Compliance Committee (BARCC)

Clement Mwinuka
Independent
Non - Executive
Committee Chair



Categories of Directors and Balance of Skills

2024 →

Focus area and material decisions

- Evaluated risk appetite and principal risk profiles.
- Deep dives into market and liquidity risks including FX liquidity and overall impact to clients and the business.
- Reviewed the updated Internal capital adequacy (ICAAP) and Internal liquidity adequacy (ILAAP).
- Update on Policy changes, including Compliance Risk Management Policy, Financial Consumer Protection Policy, and Strategic Risk Management Policy.
- Received, reviewed, and approved financial forecast results.
- Received regular risk reports focused on the Bank's risk and control environment.
- Approved the risk appetite validation of the 2025 Budget.
- Considered legislative and governance developments, including Basel III finalization.
- Considered external legislative and governance developments and received regulatory updates.
- Received and discussed reports from the assurance providers including Internal and External auditors.
- Reviewed and recommended for the Board approval the financial statements and audit plans.

2025 →

Focus area and material decisions

- Continued monitoring of the macroeconomic environment, including economic recovery, headwinds, and volatility, and stress testing possible impacts on the Bank's balance sheet.
- Internal capital and liquidity adequacy assessment processes.
- Invest in appropriate risk processes to respond to climate change's direct and indirect impacts. This includes processes for screening sensitive and ESG financing transactions.
- Continue to enhance the Bank's risk culture and risk appetite to effectively support our financial resources allocation.
- Continue building robust frameworks to address direct and indirect climate impacts, including updated risk modeling and compliance protocols.



Evaluation and Performance of the Board

The Board ensures that the evaluation of its performance, and that of its committees, its chair and its members supports continued improvement in its performance and effectiveness

Assessing the Board's effectiveness

The Board assesses its performance and that of its committees in several ways:

1 Mandate self-reviews

The Board conducts a formal and rigorous annual evaluation of its collective performance, the individual Directors' contributions, and the Board Committees' performance against their respective mandates to constructively identify achievements and improvement areas.

2 Effectiveness evaluation

The Board, its Committees and individual Board members in accordance with the section 21 (i) of the Bank of Tanzania Corporate Governance Regulations 2021, undergo a comprehensive evaluation periodically to assess the effectiveness of the Board, its committees and its members.

3 Peer to Peer evaluation

Evaluation of individual director performance is carried out by an Independent External evaluator in one-one-one discussions with each Board member.



The Board Committees are evaluated on effectiveness in discharging their responsibilities, diligence, and responsiveness to the Board. Additionally, the Committees self-evaluate on annual basis their abilities to carry out the responsibilities set out in their respective Terms of Reference.

In 2024, the Board engaged KPMG East Africa, an independent external evaluator, to conduct the Board performance and evaluation with the Company secretary overseeing the process and the BHRRC providing guidance.

The evaluation process took the form of a series of questions that allowed the Board to review its effectiveness in 2024, with the opportunity to provide free text comments or observations throughout the questionnaire. The evaluation also focused on the Board's effectiveness in overseeing new and emerging themes and the Bank's strategic priorities.

We are a dynamic learning organization, fostering continuous growth and development from the Board level to every member of our workforce.

Key areas in the 2024 review included

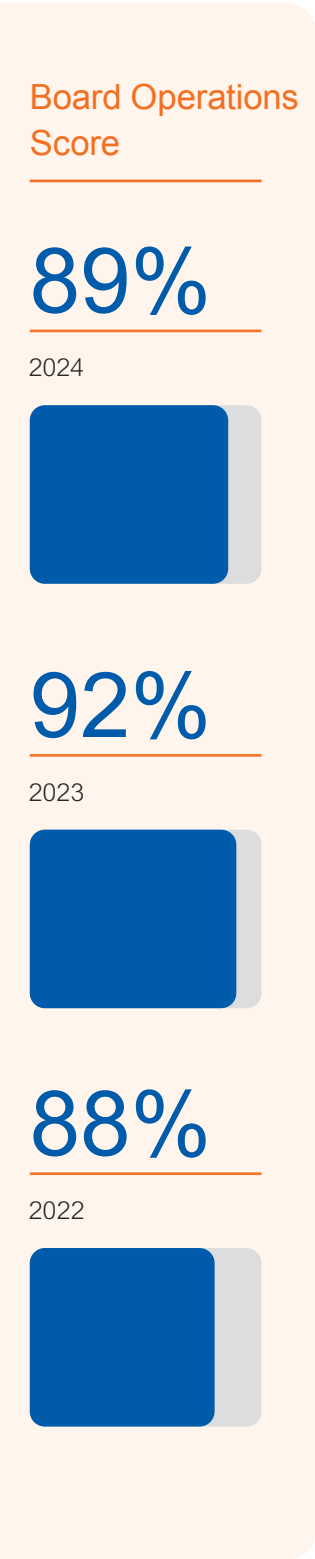
- Board Composition and Structure
- Board Operations and Meetings
- Governance and ethics
- Cooperation with management
- Strategic Leadership
- Cooperation amongst members
- Strategic alignment and the Board mandate
- Diligence and commitment

Key Findings

The Board demonstrated excellent performance in the 2024 annual evaluation, attaining an average of 3.53 out of 4 as reflected in the feedback received through the Board effectiveness assessment. The results underscored the Board's effectiveness in implementing its operations and mandate with rigor and foresight.

The Board's sub-committees continued to play a pivotal role in reinforcing the Bank's governance and oversight framework. Their effective functioning has been instrumental in ensuring accountability, transparency, and strategic alignment across all governance layers. Notably, the Board has been proactive in addressing improvement areas identified in the previous review, reflecting its commitment to continuous enhancement of governance practices.

The Executive Management team remains empowered to execute the Bank's strategy, with the Board exercising appropriate oversight to ensure alignment with strategic goals and risk appetite.



Our Executive Team

Driving the Strategy of the Bank

The Board also delegates authority for the operational management of the Bank's business to the Chief Executive Officer for further delegation in respect of matters that are necessary for the effective day-to-day running and management of the business. These delegations aim at creating a desired balance between effective oversight on one hand with appropriate empowerment and accountability of senior executives of the Bank on the other hand.

2025 Focus Areas →

- Execution of key strategic initiatives in line with bank's MTP
- Making sound investment choices in critical strategic areas
- Enhancing our risk management and governance framework
- Advancing the Bank's sustainability agenda
- Investing and empowering our people to create a fit for purpose and fit for growth organization.



1 Ruth Zaipuna - 51
Chief Executive Officer
ACPA (T), MBA, CDIoDT
Appointed on 18th August 2020

2 Juma Kimori - 46
Chief Financial Officer
ACPA (T), MBA, CDIoDT
Appointed on 12th March 2021

3 Filbert Mponzi - 49
Chief Retail Banking
CPA (T), MBA, CDIoDT
Appointed on 1st June 2019

4 Alfred Shao - 49
Chief Wholesale Banking
ACCA, MBA, CDIoDT
Appointed on 17th February 2020

5 Aziz Chacha - 43
Treasurer
MBA, ACI
Appointed on 27th August 2011

6 Emmanuel Akonaay - 43
Chief Human Resources Officer
MBA, Certified Reward and HR Practitioner, CDIoDT
Appointed on 6th August 2020

7 Kwame Makundi - 43
Chief Technology and Digital Transformation
MBA, CDIoDT
Appointed on 1st November 2021

8 Nenyuata Mejooli - 51
Chief Shared Services
MBA, CDIoDT
Appointed on 1st June 2019

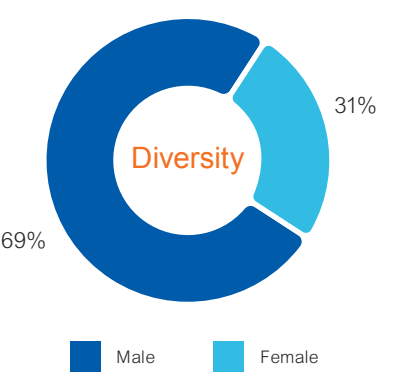
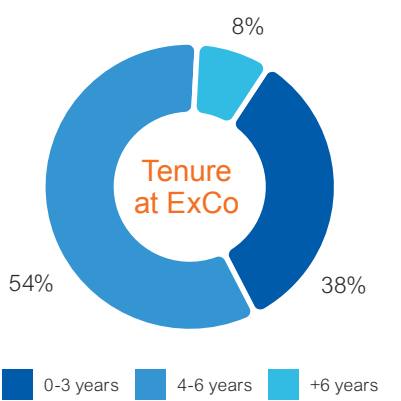
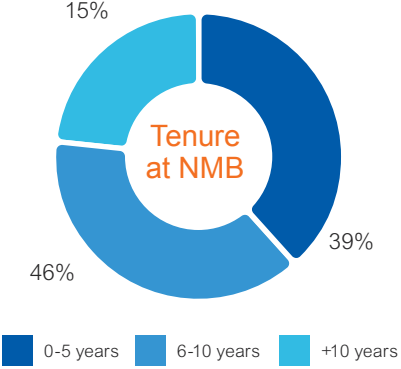
9 Doreen Joseph - 42
Chief Risk Officer
MBA, CRM, CDIoDT
Appointed on 12th September 2022

10 Ezekiel Herman - 44
Chief Compliance Officer
CPA (T), CDIoDT
Appointed on 3rd October 2022

11 Benedicto Baragomwa - 41
Chief Internal Auditor
ACPA, MSc, CISA, CDIoDT
Appointed on 15th November 2021

12 Nishad Jinah - 47
Chief Credit Officer
CPA (T)
Appointed on 12th March 2025

13 Mwanjuma Salum - 55
Company Secretary
LLB (Hons), LLM
Certified Compliance Officer
Appointed on 11th October 2023





Risk Report



Risk Management

Resilience performance 2024

27.2%

Total Capital Ratio
Above regulatory requirement of 14.50%

2.9%

NPL Ratio
Down 30 bps from 3.2% in 2023

93%

NPL Coverage ratio
300bps decrease from 96% in 2023

0.97%

Cost of Credit risk
Down From 1.06% in 2023

33.6%

Liquid Asset Ratio
Up 0.65bps from 32.95% in 2023

Loan Book Quality

The Bank remains strategically positioned with a robust capital structure and solid liquidity buffer, well-equipped to pursue growth opportunities and maintain resilience amid anticipated market volatility. Our loan book remained resilient, and our non-performing loan ratio, asset quality, value at risk, and loan provision coverage ratios were at healthy levels.

Net recoveries remained resilient, totaling TZS 23 Billion, albeit lower than the TZS 28 Billion achieved the previous year. The Bank recorded credit impairment charges amounting to TZS 87 Billion in 2024, modestly higher than TZS 84.4 Billion in 2023. Our non-performing loan (NPL) ratio improved marginally to 2.9%, a testament to stringent risk controls, credit underwriting, and effective asset recovery procedures. Furthermore, we maintained a strong provision coverage, with impairment allowances covering 93% of non-performing loans, underscoring the Bank's conservative and prudent provisioning policies.

Markets Risk

Market risk remains subdued and well within the Bank's defined risk appetite and regulatory parameters. In 2024, NMB Bank's risk exposure amount for market risk was TZS 95.2 Billion (2023: TZS 46.1 Billion), mainly due to a greater concentration in interest rate risk within our trading book.

In this dynamic landscape, NMB remains steadfast in applying strong risk governance and agile risk management practices. These efforts ensured a high-quality, resilient loan portfolio, reflected in a non-performing loan (NPL) ratio of 2.9%, and sustained confidence among stakeholders.



Doreen Joseph | Chief Risk Officer

Operational risk

We continue to ensure that our operational framework meets the highest security, stability, and efficiency standards, in line with our commitment to providing uninterrupted customer experience. NMB Bank rigorously monitors incident trends to prevent any potential disruptions. Overall operational risk levels remained within acceptable thresholds, and the frequency of material incidents has remained steady compared to 2023. Risk exposure under the Basic Indicator Approach was TZS 854.2 Billion (compared to TZS 705.1 Billion in 2023). In 2024, we launched various programmes which have continued to enhance our risk culture and strengthen our control environment.

Liquidity and Capital Risk

NMB Bank maintained a strong liquidity profile throughout the year, with key liquidity metrics surpassing both internal and regulatory benchmarks; the liquidity ratio stood at 33.6% at year-end 2024. Customer deposits increased, driving the loan-to-deposit ratio down to 91.4% (from 95% in 2023) and emphasizing deposits as the primary funding source moving forward.

Key highlights include

- A 10.4% increase in customer loans and advances, reaching TZS 8.5 Trillion by December 31, 2024, primarily driven by agri-wholesale and consumer-related lending.
- A 13% rise in customer deposits to TZS 9.6 Trillion, with current and savings (CASA) deposits approximately 85% of our funding mix.
- Tier 1 and Total Capital adequacy ratios of 27.21% and 27.23%, respectively, significantly above the regulatory minimums of 12.5% and 14.5%.
- An Net Open Position of 3.9% as of December 31, 2023—a noteworthy improvement from 0.7% the previous year—yet comfortably within our +/-10% limit.



Risk Governance

Our risk management approach ensures consistent and effective risk management within our board-approved risk appetite and provides for appropriate accountability and oversight.

We take a holistic, forward-looking view of our risks, assessing both the prevalent and emerging threats in our operating environment. Our well-developed framework supports a consistent approach to risk and capital management throughout the Bank.

Our Risk Framework

The Board’s mandate includes approval of the Bank’s risk appetite and risk tolerance, as well as monitoring risk exposures to ensure that risk materialization is consistent with our overall goals and strategic objectives. The Board is accountable for reviewing the effectiveness of the system and processes of risk management and internal control, with the Audit, Risk, and Compliance Committee assisting in discharging this responsibility. At the Board, Committee, and Management levels, we develop formal policies and procedures that define how risks are systematically identified, assessed, quantified, managed, and monitored.

Each business line engages in the risk management process by identifying the key risks applicable to its business. The principal risks and uncertainties faced by the Bank are identified through this bottom-up process. On a day-to-day basis, the Bank’s Risk Management Committees are responsible for the implementation of the Bank’s risk management and internal control policies and procedures. In line with our risk culture, managers “own” the risks originating in their respective business processes. For each material risk identified at any level of the business, the risk is measured, mitigated (if practicable), and monitored in accordance with our policies and procedures. In regard to such risks, managers are required to report on identified issues and risk responses in a timely, consistent, and systematic manner. The Risk Management Committees regularly review and challenge the output from the bottom-up process and assess the effectiveness of the implementation of the risk management and internal control policies and procedures. Our reporting process enables key risks to be escalated to the appropriate level of authority and provides assurance to the Committees and the Board.

Key developments affecting our principal risks and associated mitigating actions are reviewed quarterly (or more often, if necessary, on an ad hoc basis, outside of the regular reporting process) by the Audit, Risk, and Compliance Committees, as appropriate, and the Board. The principal risks and uncertainties faced by the Bank are identified through the above processes.

The Enterprise Management Framework

The Enterprise Risks Management Framework sets the strategic approach for risk management by defining standards, objectives, and responsibilities for all areas of NMB Bank’s Operations. It is approved by the Board on the recommendation of the Bank’s Chief Risk Officer (CRO) and then adopted by the Bank with modifications as needed. The framework supports Executive Management in effective risk management and in developing a strong risk culture.

The ERMF outlines

1. Segregation of duties: The ERMF defines the Three Lines of Defence model.
2. Principal risks faced by the Bank: This list guides the organization of the risk management function and the identification, management, and reporting of risks.
3. Risk appetite requirements: This defines the level of risk the Bank is willing to undertake in its business.
4. Roles and responsibilities for risk management: The ERMF outlines the accountabilities of the Bank’s CEO and other Members of the Executive Management
5. The ERMF is complemented by frameworks, policies, and manuals that are primarily aligned to individual Principal Risk Types:

Our Risk Management Strategy involves

- **Risk identification:** Conducting an impact analysis of risks arising from growth plans, strategic initiatives, and business model vulnerabilities.
- **Risk appetite:** Performing an impact analysis to confirm that growth plans and strategic initiatives are within the Board Approved Risk Appetite.

- **Stress Testing:** Utilizing the outcomes of the risk identification process to develop scenarios for stress tests and using the results of stress tests to recommend strategic actions

Risk Governance

Ultimate responsibility for setting our risk appetite and for the effective management of risk rests with the Board.

Acting within an authority delegated by the Board, the Board Audit, Risk and Compliance Committee (BARCC), whose membership is comprised exclusively of non-executive directors, has the responsibility for oversight and review of prudential risks including, but not limited to, credit, market, strategy, capital, liquidity and operational. It reviews the Bank’s overall risk appetite and makes recommendations thereon to the Board. Its responsibilities also include reviewing the appropriateness and effectiveness of the Bank’s risk management systems and controls and considering the implications of material regulatory change proposals.

The BARCC receives regular reports on risk management, including our portfolio trends, policies and standards, stress testing, liquidity, and capital adequacy, and is authorized to enquire or seek any information relating to an activity within its terms of reference.

The Board

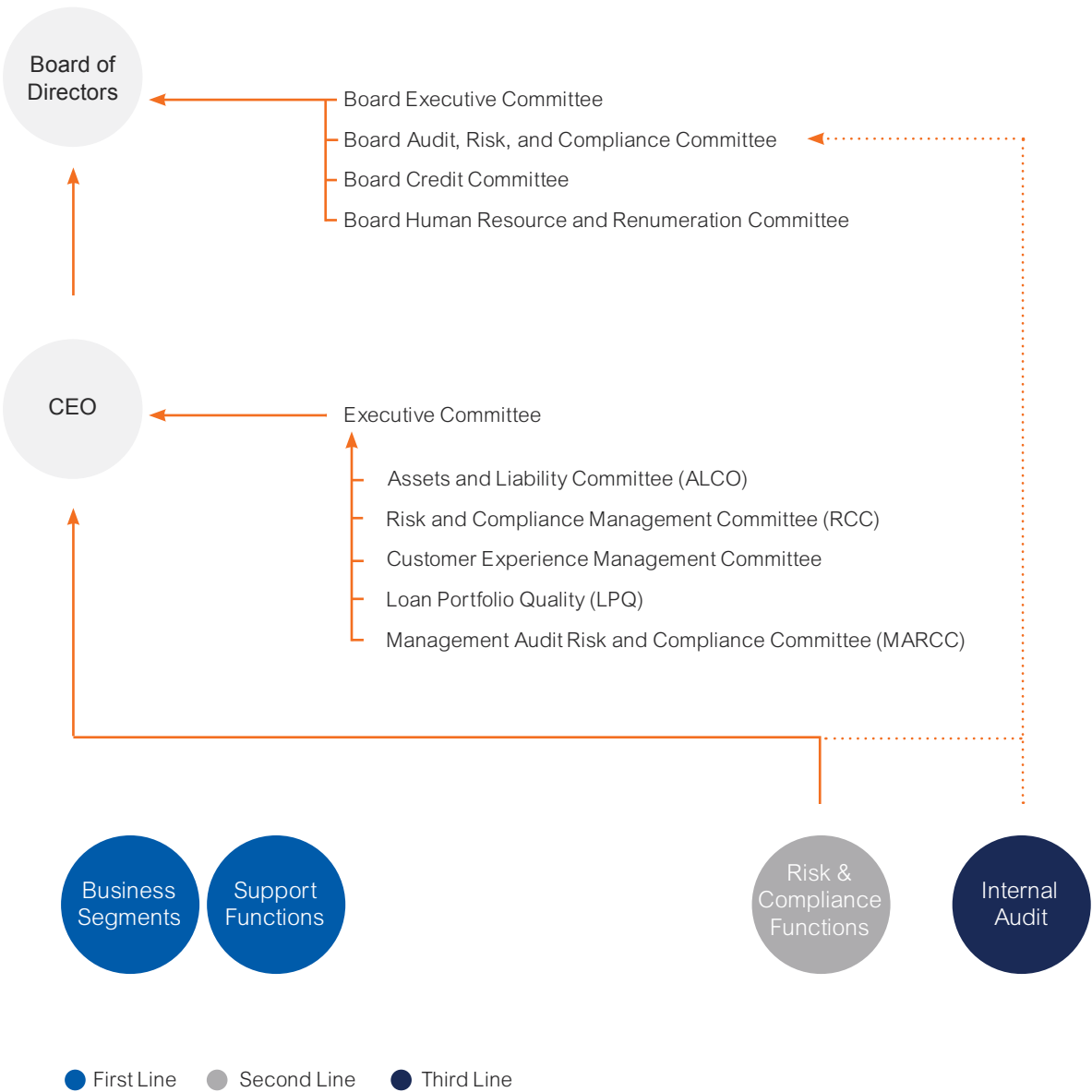
The Board has ultimate responsibility for effectively managing risk and approving our risk appetite. It is responsible for delineating the overall risk management strategy and supervising the risk management framework of the Bank, directly or through the Audit, Risk, and Compliance Committee.

Main duties of the Board of Directors around risk management are:

- Establishing the risk appetite and risk capacity framework of the Bank.



- Approving a risk-management policy consistent with the risk-appetite framework, including the establishment of risk limits in the various areas of activity and main risk areas.
- Approving methodologies for risk assessment and control and for the allocation of capital in respect of risks.
- Supervising and monitoring the implementation of the established risk-management policies; examining the Bank's actual risk profile and examining the processes and actions that the Bank must apply to comply with all regulatory directives.
- Providing clear guidance to senior management with regard to risk management and ensuring that senior management takes the necessary actions in order to identify, measure, control, and monitor risks.



Risk Committees

To facilitate strong risk oversight, the following risk committees have been established.

At the Board level, there are four Board-level forums that oversee the application of the ERMF, review and monitor risk. These are the Board Executive Committee, Board Audit Risk and Compliance Committee, Board Credit Committee, and the Board Human Resources and Remuneration Committee, which oversees, among other things, pay practices focusing on aligning pay to sustainable performance in line with policies. Finally, the Board receives regular information on the Bank's risk profile and has ultimate responsibility for risk appetite and capital plans within the parameters set by the Board.

- **The Board:** One of the Board's responsibilities is the approval of the risk appetite of the Bank. The Board is also responsible for the approval of the ERMF.
- **Board Credit Committee:** The Committee assists the full Board and the management of credit risk by continuously reviewing the credit portfolio, credit standards, and Credit Policy
- **Board Human Resources and Remuneration Committee (BHRRC):** The BHRRC receives a detailed report on HR-related risk management performance and risk profile and proposals on ex-ante and ex-post risk adjustments remunerations. These inputs are considered in the setting of performance incentives. The primary function of the Committee is to assist the Board of Directors in fulfilling its oversight responsibility to shareholders by ensuring that the Bank has coherent remuneration policies and practices that fairly and responsibly reward executives and staff with regard to performance, governing laws, and the highest standards of governance.

- **The Board Audit, Risk and Compliance Committee (BARCC):**

The BARCC also oversees the identification, monitoring, management, and reporting of credit, market, liquidity, operational, and reputational risks. To facilitate the BARCC's risk oversight, the following risk management committees have been established.

The BARCC also reviews certain key risk methodologies, the effectiveness of risk management, and NMB Bank's risk profile, including the material issues affecting each business portfolio and forward risk trends. The Committee also commissions in-depth analyses of significant risk topics, which are presented by the Chief Risk Officer and Chief Compliance Officer. It also receives regular reports on the effectiveness of internal control systems, material control issues, and accounting judgments (including impairment), and a quarterly review of the adequacy of impairment allowances relative to the risk inherent in the portfolios, the business environment, and NMB Bank's policies and methodologies.

Internal Control Framework

Our Three Lines of Defence

Roles and responsibilities for risk management are defined under a 'three lines of Defence' model. Each line of Defence describes a specific set of responsibilities for risk management and control.

This model delineates management accountabilities and responsibilities for risk management and the control environment. The model underpins our approach to risk management by clarifying responsibility and encouraging collaboration, as well as enabling efficient coordination of risk and control activities. As such, all NMB Bank's employees are responsible for understanding and managing risks within the context of their individual roles and responsibilities, as set out below:





Management Committees

Executive Management Committees

As the overall executive body regarding strategy, performance, and risk matters. From a risk perspective the Executive Committee oversees NMB's risk management and control environment.

Each of the Committees reports to the Executive Committee, individually and collectively they serve as executive forums to discuss and implement NMB's risk management.

Overall responsibilities of Management Committees:

- Oversee NMB's risk management infrastructure, which includes frameworks, decision criteria, authorities, people, policies, standards, processes, information, and systems.
- Approve risk policies and procedures, stress testing scenarios (including macroeconomic variable projection) and the evaluation and endorsement of risk models.
- Assess and monitor specific credit concentration.
- Assess and approve risk-taking activities.
- Oversees new product approvals, assessing risks and their mitigating risk within the Bank and the appropriate systems to monitor and manage the resulting risks.
- Achieve sustainable and stable profits within a framework of acceptable financial risks and controls and to maximize the value generated from active management of balance sheet and financial risks, within agreed risk parameters.
- Review and approve credit applications as per mandated credit thresholds.

Asset and Liability Committee

Product Approval Committee

Customer Experience Management Committee

Crisis Management Committee

Risk and Compliance Management Committee

Loan Portfolio Quality

1. **First line of Defence:** All employees are required to ensure the effective management of risks within the scope of their direct organizational responsibilities. The first line is responsible for identifying and managing the risks they generate, establishing a control framework, and escalating risk events to Risk and Compliance.
2. **Second Line of Defense:** This consists of the Risk and Compliance functions, which establish the parameters and regulations within which first-line activities are to be conducted, aligning with the Bank's risk appetite. Furthermore, they monitor the performance of first-line operations against these established limits. The scope of the Risk and Compliance responsibilities is delineated according to a specific risk type and the corresponding risk management processes associated with that risk type.
3. **Third line of Defence:** The independent assurance provided by the Internal Audit (IA) function to assess the effectiveness of controls supporting the activities of the first and second lines of defense. Its role is defined and overseen by the Board Audit, Risk and Compliance Committee





Risk Appetite and Risk Thresholds

Risk appetite is an expression of the amount of risk we are willing to take in pursuit of our strategic objectives, reflecting our capacity to sustain losses and continue to meet our obligations arising from a range of different stress trading conditions.

Our Risk Appetite is set by the Board and governed by the Risk Appetite Statement. This seeks to reinforce our risk culture and provide clarity on the risks that we are willing to accept. A robust organizational risk and governance culture helps us to embed our risk appetite further. We define our risk appetite in terms of both the volatility of earnings and the maintenance of adequate regulatory capital requirements under stress scenarios. We also define a risk appetite with respect to liquidity risk, operational risk, and reputational risk. Our quantitative risk profile is assessed through a bottom-up analytical approach covering all of the major businesses and products. It is also assessed against a range of exposure concentration thresholds.

The Bank’s risk appetite statement is approved by the Board and forms the basis for establishing the risk parameters within which the businesses must operate, including policies, concentration limits and business mix. The Bank shall not compromise adherence to our risk appetite in order to pursue revenue growth or higher returns.

Stress Testing

Stress testing is an integral part of NMB’s risk management processes and is used to evaluate the Bank’s potential vulnerability to certain unlikely but plausible events or movements in financial variables. It includes both sensitivity analysis and scenario analysis and is conducted regularly. Additional stress tests are carried out in response to microeconomic and macroeconomic conditions or portfolio developments. Every stress test is documented, and the results are discussed at the BARCC.

Stress testing and scenario analysis are used to assess the financial and management capability of the

Bank to continue operating effectively under extreme but plausible operating conditions. Such conditions may arise from economic, regulatory, legal, political, environmental, and social factors.

Our stress testing framework is designed to:

- Contribute to the setting and monitoring of risk appetite.
- Identify key risks to our strategy, financial position, and reputation.
- Support the development of mitigating actions and contingency plans.
- Ensure effective governance, processes, and systems are in place to coordinate and integrate stress testing.
- Ensure adherence to regulatory requirements.

Our stress testing activity focuses on the potential impact of macroeconomic, geopolitical, and physical events on relevant customer segments, product lines, and asset classes.

NMB Bank’s Risk Culture and Code of Conduct

All NMB Bank’s staff must attest to the Bank’s Code of Conduct and comply with all frameworks, policies, and standards applicable to their roles. The Code of Conduct outlines the purpose and values which govern our way of working. It constitutes a reference point covering the aspects of colleagues’ working relationships with other NMB employees, customers and clients, governments and regulators, business partners, suppliers, competitors, and the broader community.

The Management is committed to maintaining a robust risk culture in which:

1. Management expects, models, and rewards the right behaviors from a risk and control perspective.

2. Staff identify, manage, and escalate risk and control matters and meet their responsibilities regarding risk management.
3. Specifically, all NMB Bank employees, regardless of their positions, functions, or locations, must participate in the Bank’s risk management. All employees are required to be familiar with risk management policies relevant to their responsibilities, know how to escalate actual or potential risk issues, and have a role-appropriate level of awareness of the risk management process as defined by the ERMF.

Our Principal Risks

The ERMF identifies eight principal risks and sets out associated responsibilities and expectations around risk management. The principal risks are credit risk, market risk, liquidity and solvency risk, technology risk, operational risk, compliance risk, and strategic risk.

Each of the principal risks is overseen by an accountable executive within the Bank who is responsible for the framework, policies and standards that detail the related requirements. Risk reports to executive and Board committees are clearly organized by principal risk. In addition, certain risks span more than one principal risk; these are also subject to the ERMF and are reported to executive and Board committees.





Principal Risk	Definition	Approach	Oversight
Credit Risk	Potential for financial loss due to the failure of a customer to meet the agreed obligations to pay the Bank. This also includes concentration risk (large exposure to specific client groups, sectors, or geographies) and decreases in credit quality.	• Credit risk is managed through a deep analysis and understanding of our corporate customers' business activities, risks, returns and needs together with the Industry and economy in which they operate. • We apply a set of criteria and policies to lending. • We have established risk appetite per sector, assigned credit ratings and set lending limits. Risk appetite statements are set and approved by the Board. • We use our internally built Risk rating models using the Bank's loss data to assign ratings for Corporate and higher-end Retail Portfolios. • We regularly monitor credit exposures, portfolio performance, and external trends that may impact risk management outcomes. • Internal risk management reports are presented to risk committees, containing information on key environmental, political, and economic trends across major portfolios. • Independent credit risk management function that reports to the CRO is responsible for developing and maintaining a robust credit stress testing program.	Accountable Executives Chief Credit Office Chief Risk Officer Chief Retail Banking Chief Wholesale Banking Accountable Committees • BARCC • BCC • RCC

Principal Risk	Definition	Approach	Oversight
Market Risk	The risk of loss arising from potential adverse changes in the value of the NMB's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities, and asset correlations. The primary categories of Market risks are Liquidity Risk, Interest Rate Risk, Currency Risk, and Capital Risk.	• We apply a set of market Risk policies to obtain the best balance of risk and return whilst meeting customers' requirements. • We actively manage our liquidity and funding base to ensure that the Bank always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation. • We control our Treasury Banking activities to ensure that losses related to market risk do not cause material Impact to the Bank. • The Bank's Treasury Policy sets our overall approach towards market risk management. Treasury Policy consist of Guidelines that provides more details on each market Risk type and set overall approaches, Standards and Controls governing Market Risk Stress Testing within NMB Bank. • We measure the risk of losses arising from future potential adverse movements in market rates, prices and volatilities using the VaR methodology. • Robust Internal Controls, processes and systems which are reviewed regularly have been assigned and implemented to support our Risk Management Approach.	Accountable Executives Treasurer Chief Risk Officer Head, Market Risk Accountable Committees • BARCC • ALCO • RCC





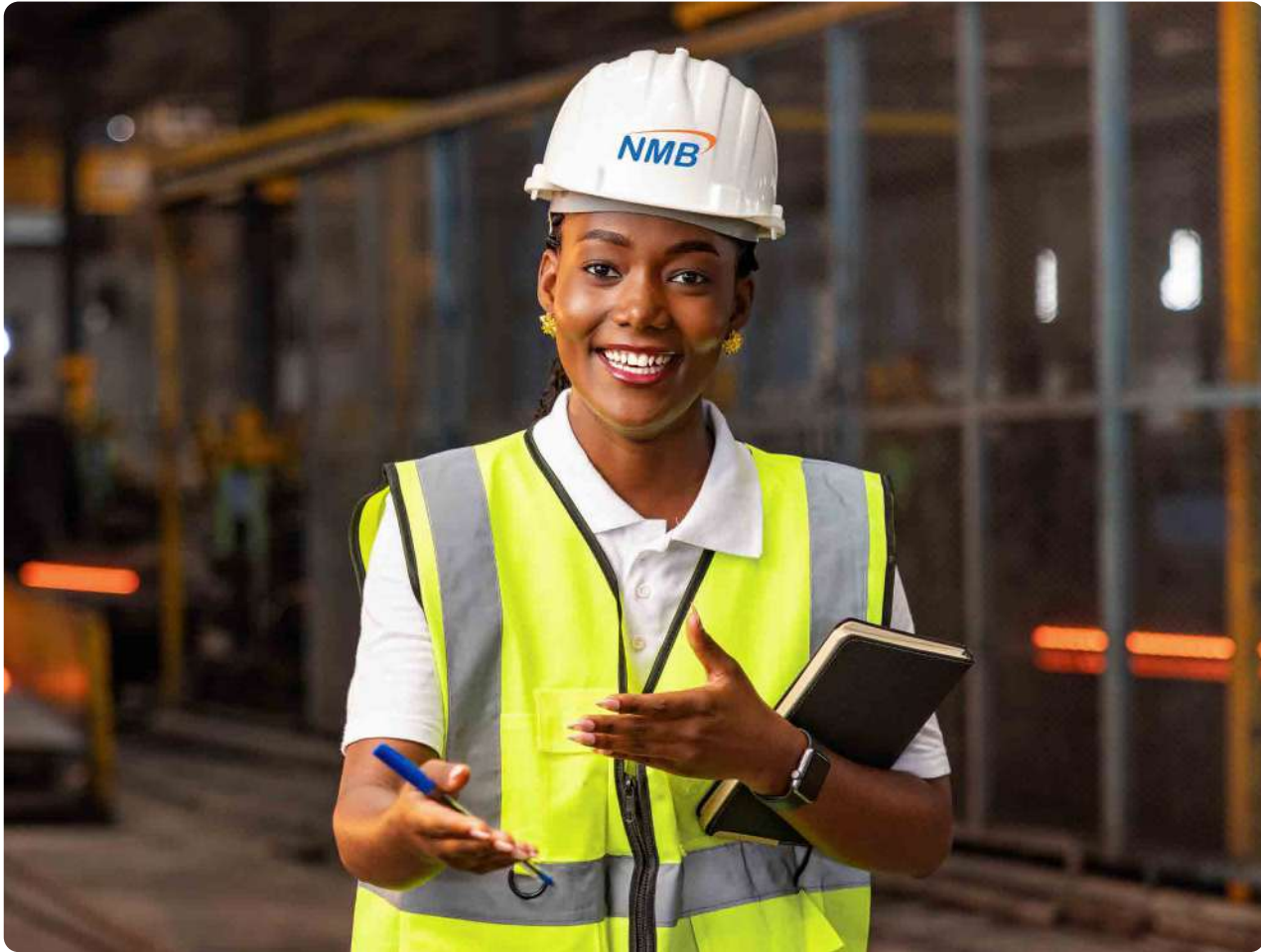
Principal Risk	Definition	Approach	Oversight
Climate Financial Risk	The potential adverse effects that climate change and the transition to a low-carbon economy can have on financial institutions, businesses, and investment portfolios.	- We have developed Sustainability Framework, E&S Policy, Climate Risk Management Policy in line with the Bank of Tanzania guidelines. The frameworks and policies assign clear roles and responsibilities for managing climate-related financial risks, establishes lines of authority, and requires that material risks are embedded into policies, processes, and controls. - We have developed emissions baselines to track and monitor our decarbonization of emissions towards 2030 targets. - We have reviewed our ICAAP, ILAAP, and Stress testing policy to integrate climate-related risks.	Accountable Executives Chief Risk Officer Head, Operational Risk Head of Departments Accountable Committees - BEC - BARCC - RCC
Technological Risk	The potential for technology-related events or issues to harm the Bank's ability to achieve its objectives. It encompasses a wide range of potential challenges and uncertainties that can arise in the context of technology use and application.	- The Bank has adequate oversight of technology risks at the senior Management and Board of Directors levels through governance committees such as the Risk and Compliance Committee, Executive Committee as well as Board, Audit, Risk and Compliance Committee. - The Bank manages technology risks through adequate implementation of technology risk policies that address all key areas of cybersecurity, vendor risk, IT operations, and third-party risks.	Accountable Executives Chief Risk Officer Head, Technology Risk Head of Departments Accountable Committees - BEC - BARCC - RCC
Operational Risk	The potential risk of loss arising from inadequate or failed internal processes, systems, people, and external events. Subtypes of operational risk include process failure, changes in external business environment, liability, legal enforceability, damage to assets, safety and security, internal crime or dishonesty, and financial crimes.	- We systematically identify and manage operational risks by segmenting our activities into manageable units. - Each unit conducts regular self-risk control assessments to evaluate the efficacy of its risk and control environment, including compliance with legal and regulatory obligations. - Each unit performs a key risk Indicator assessment to detect early warning signals and facilitate appropriate management actions before risks materialize.	Accountable Executives Chief Risk Officer Accountable Committees - BARCC - RCC

Principal Risk	Definition	Approach	Oversight
Strategic Risk	The possible losses a business may incur are based on decisions made at the strategic level. These include failures in business strategy or a business plan as they relate to either internal or external forces. Internal events that could cause the failure of a business strategy include poor communication, low cash flow, poor execution on stated initiatives, or a change in senior management. External events, such as changes in consumer demand, new technologies, and new market entrants, can also undermine a business's ability to meet its core objectives	- The Bank mitigates Strategic risks through a comprehensive structure of internal controls and monitoring systems. Policies and procedures governing all aspects of business operations are also in place. - The Bank has adequate oversight of the Strategic risks at Senior Management and Board levels. Committees such as Risk and Compliance Committee; Executive Committee; Board, Audit, Risk and Compliance Committee.	Accountable Executives Chief Risk Officer SS, Strategic risks, MI, and Governance Head of Departments Accountable Committees - BEC - BARCC - RCC
Compliance Risk	Risk of penalties or adverse impacts from failing to comply with applicable laws, regulations, or internal standards.	Robust internal controls, continuous regulatory monitoring, periodic audits, and targeted training programs.	Accountable Executives Chief Compliance Officer Accountable Committees - BARCC - RCC
Funding Risk (1) Liquidity Risk	Risk of insufficient liquid funds to meet obligations under normal and stressed conditions.	Diversify funding sources, maintain adequate liquidity buffers, and perform regular stress testing to ensure readiness.	Accountable Executives Treasurer, Chief Risk Officer Accountable Committees - ALCO - BARCC - RCC
Funding Risk (1) Capital Risk	Risk of an inadequate capital base to support business operations and absorb losses, affecting capital adequacy ratios.	Proactive capital planning, optimizing capital structure, periodic stress tests, and adherence to regulatory capital requirements.	Accountable Executives CFO; Chief Risk Officer Accountable Committees - ALCO - BARCC - RCC





Principal Risk	Definition	Approach	Oversight
Reputational Risk	Negative public perceptions can erode stakeholder confidence and harm the institution's brand and market position.	Maintain transparent communication, enforce high ethical standards, and deploy crisis management protocols to address emerging issues swiftly.	Accountable Executives Chief Risk Officer Head Accountable Committees - BARCC - RCC
Cybersecurity Risk	Risk of cyber-attacks or data breaches causing operational disruption and compromising sensitive information.	Implement layered cybersecurity defenses, continuous monitoring, regular audits, and routine incident response drills.	Accountable Executives Chief Technology Officer, Chief Risk Officer Accountable Committees - BEC - BARCC - RCC



Emerging Risk	Key Concerns	Our Approach
Economic Risk	Volatility in local and global economic indicators, including fluctuations in interest rates, FX liquidity, inflation, and political instability.	Regular stress tests; agile capital/liquidity management; proactive client engagement.
Regulatory Risk	Rapid changes in financial regulations (e.g., Basel reforms, IFRS updates, privacy laws, and financial crime controls) may affect business operations.	Proactive regulator engagement; robust compliance and audits.
Competitive Environment	Intensifying competition from new entrants, fintech disruptors, and evolving customer expectations could erode market share and compress margins.	Differentiated products; agile market strategy; digital innovation.
Data Stewardship	Risks related to data integrity, privacy, and possible misuse that may result in reputational harm or financial penalties.	Strong governance, advanced analytics, and regular audits.
Fraud Risk	The growing sophistication of fraud schemes, money laundering, and other financial crimes in a digital environment.	Regular monitoring, enhanced KYC, and cross-functional coordination.
Change Risk	Risks stemming from large-scale transformation initiatives, strategic shifts, or operational restructurings that may lead to execution challenges.	Clear project governance, phased implementation, and senior oversight.
Geopolitical Events	Potential disruptions from political instability, trade conflicts, or macroeconomic shocks could affect supply chains and currency markets.	Scenario analysis; agile contingency planning; strategic hedging.
People Risk	Competition for top talent and evolving workforce expectations that could impact operational continuity and innovation capacity.	Competitive compensation, continuous training, and high employee engagement.
Model Risk	Risks arise from errors or mis-estimations in quantitative models used for credit, market, and operational risk management decisions.	Independent validation, strict model governance, continuous review.





REPORT OF THOSE
CHARGED WITH
GOVERNANCE AND
AUDITED FINANCIAL
STATEMENTS



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CORPORATE INFORMATION

DIRECTORS

Name	Remarks	Date
David C. Nchimbi	Chairman*	6 December 2024 ¹
Dr. Edwin P. Mhede	Chairman**	29 January 2025
Benson Mahenya	Independent Non-Executive Director	
Hendrik Reisinger	Non-Executive Director	
Juma Kisaame	Non-Executive Director	
George Mandepo	Non-Executive Director**	5 December 2024
Clement Mwinuka	Independent Non-Executive Director	
Ramadhani Mwikalo	Independent Non-Executive Director	
Aziz Dachi	Non-Executive Director**	5 December 2024
Giriraj Jadeja	Non-Executive Director*	7 October 2024
Prof. Sylvia Temu	Non-Executive Auditor*	6 December 2024

* Newly appointed member

** Cessation

¹ David Nchimbi was appointed as a Non-Executive Director on 6 December 2024 and became the Board Chairman on 29 January 2025.

BOARD EXECUTIVE COMMITTEE

Name	Remarks
Juma Kisaame	Chairman
Dr. Edwin P. Mhede	Member
Ramadhani Mwikalo	Member
Giriraj Jadeja	Member

BOARD AUDIT, RISK AND COMPLIANCE COMMITTEE

Name	Remarks
Clement Mwinuka	Chairman
Aziz Dachi	Member
Benson Mahenya	Member
Prof. Sylvia Temu	Member

BOARD HUMAN RESOURCES AND REMUNERATION COMMITTEE

Name	Remarks
George Mandepo	Chairman
Ramadhani Mwikalo	Member
Hendrik Reisinger	Member
Giriraj Jadeja	Member

BOARD CREDIT COMMITTEE

Name	Remarks
Hendrik Reisinger	Chairman
Juma Kisaame	Member
George Mandepo	Member
Giriraj Jadeja	Member

COMPANY SECRETARY Mwantumu Salim



CORPORATE INFORMATION (CONTINUED)

REGISTERED OFFICE	NMB Head Office Ohio/Ali Hassan Mwinyi Road P.O. Box 9213 Dar es Salaam	
AUDITOR	Deloitte & Touche Certified Public Accountants (Tanzania) 3rd Floor, Aris House Plot 152, Haile Selassie Road P.O. Box 1559 Dar es Salaam	
LAWYERS	Galati Law Chambers Advocates P.O. Box 11317 Mwanza	ADCA Veritas Law Group P.O. Box 63238, Dar es Salaam
	CSB Law Chambers P.O. Box 375 Morogoro	Nexlaw advocates P.O. Box 75578 Dar es Salaam
	K&M Advocates P.O. Box 71394 Dar es Salaam	Apex Attorneys P.O. Box 34674 Dar es Salaam
	Baistar Advocates P.O. Box 1854 Mbeya	Locus Attorney P.O. BOX 4110 Dar es Salaam
	Derost Attorneys & Law Counsellors P.O. Box 1481 Mtwara	CLYDE & CO P.O Box 80512 Dar es Salaam
	Goldmark Attorneys P.O. Box 1605 Dodoma	Dexter Attorneys P.O. Box 1976 Arusha
	MM Attorneys P.O. Box 7281 Dar es Salaam	Vemma Consult Attorneys P.O. Box 7297 Dar es Salaam
	Breakthrough Attorneys P.O. Box 72838 Dar es Salaam	Kemi Advocates P.O. Box 106196 Dar es Salaam
	Eastwoods Attorneys P.O. Box 72432 Dar es Salaam	KZR Law Chambers P.O. Box 988 Mwanza

CORPORATE INFORMATION (CONTINUED)

LAWYERS (CONTINUED)	Luno Law Chambers P.O. Box 75045 Dar es Salaam	Brickhouse Law Associates P.O. Box 80512 Dar es Salaam
	Vertex Law Chambers P.O. Box 31985 Dar es Salaam	IMMMA Advocates P.O. Box 72484 Dar es Salaam
	B&E Ako Law P.O. Box 71748 Dar es Salaam	AI & PEG Block 60, Saba Saba Grounds Mbeya
	Locus Attorneys P.O. Box 4110 Dar es Salaam	BOWMANS 2nd Floor, The Luminary CNR Dar es Salaam
	Neptunes P.O. Box 859 Dar es Salaam	Dentons P.O. Box 38192 Dar es Salaam
	Mawala Advocates P.O. Box 4490 Dar es Salaam	Phoenix Legal Services P.O. Box 859 Mtwara
	Vigilance Law Chambers P.O BOX 31985 Dar es Salaam	



1 INTRODUCTION

Those charged with governance, the Board of Directors (the “Directors”), are honoured and have the pleasure to submit their report and the audited financial statements for the year ended 31 December 2024, which discloses the state of affairs of NMB Bank Plc (the “Bank” or “NMB” or “Entity”) and its subsidiary, Upanga Joint Venture Company Limited (“UJVC”) together hereinafter referred to as, the “Group.”

This report has been prepared in compliance with the revised TFRS 1: The Report of Those Charged with Governance issued by Tanzania’s National Board of Accountants and Auditors (NBAA), effective on 1 January 2021.

2 INCORPORATION

The Bank is incorporated in Tanzania under the Companies Act, Cap 212 (as amended), as a public company limited by shares with the International Securities Identification Number (ISIN) TZ1996100222. The Bank was established in 1997 and listed on the Dar es Salaam Stock Exchange (DSE) in 2008, under the ticker symbol NMB.

3 VISION

To be the preferred financial services partner.

4 MISSION

To be the Bank of choice, delivering an innovative and transformative customer experience that promotes financial inclusion and wellbeing.

5 ENTITY OPERATIONS

NMB is a fully-fledged commercial bank incorporated in the United Republic of Tanzania and licensed under the Banking and Financial Institutions Act, 2006 to conduct banking business in Tanzania. The Bank is regulated by the Bank of Tanzania (BOT) and is subject to the provisions of the Banking and Financial Institutions Act, 2006 and its regulations.

The Bank takes customer deposits, provides credit facilities, and offers other commercial banking services and related financial solutions. NMB provides financial services and products to retail customers, farmers, industrialists, small businesses, corporations, institutions, and the Government through its three main business divisions: Retail, Wholesale, and Treasury.

The Bank’s subsidiary, Upanga Joint Venture Company Limited (UJVC), specializes in property development and leasing to potential tenants.

6 OPERATING STRUCTURE

NMB Bank’s Operating Model

The Bank’s operating model enables it to manage resources and relationships responsibly to deliver the best outcomes for stakeholders. The Bank’s business is anchored by a corporate philosophy centered around customer focus and agility to change while encouraging a robust economic transformation.

The Bank develops and distributes a wide range of financial solutions, products, and services tailored to our market segments in a secured and accessible channel and runs a strong customer care program. These activities help ensure sustainable business growth and high financial output. In turn, the bank reinvests its financial output into the resources and relationships that are essential for fulfilling its core purpose.

Our Offerings: Solutions, Products, and Services

The Bank has grown to become the most innovative and preferred financial solutions and services partner, supported by unique and up to date services such as agency banking, mobile banking, and Internet banking. The core solutions and services provided by the Bank include retail banking, consumer banking, payment solutions, corporate banking, treasury services, business banking, agribusiness, bancassurance services, custody services, and advisory services.

Resources Management

The Bank’s relevance today and in future, along with its ability to create long-term value for the stakeholders, depends on the Bank’s readiness and ability to effectively manage and leverage the forms of capital available to the Bank.

Financial Capital

This capital enables us to deliver funding for our business activities. The Bank maintains a strong level of capital to support its business growth strategies and to meet regulatory requirements. We deploy this capital to productive opportunities to sustain our business, leverage growth, achieve sustainable returns, and create value for the Bank’s shareholders and our stakeholders (including the community in which we operate).

The Bank has pursued a balanced funding strategy that enables us to reward shareholders while at the same time providing funds to support our business growth ambitions. The balance sheet has recorded steady growth over the years to TZS 13,735 Billion (13% YoY) as of 2024, with shareholders’ funds growing to TZS 2,561 Billion (22 % YoY) as 31 December 2024. The Bank paid shareholders dividends in June 2024 amounting to TZS 180.59 Billion for the year ended 31 December 2023.

In 2024, through the Bank’s wide distribution networks, enhanced customer propositions, and solid financial footing, we attracted and mobilized a good mix of deposits to support our business growth ambitions. Customer deposits grew by 13% YoY to TZS 9,564 Billion, with the majority comprised of cost-effective deposits, which supported a 10% growth in our loan book to TZS 8,499 Billion as of 31 December 2024. The borrowed funds, mainly from our key strategic and development partners, stood at TZS 1,370 Billion at the end of December 2024.



6 OPERATING STRUCTURE (CONTINUED)

Resources Management (Continued)

Financial Capital (Continued)

The Bank has robust internal policies for capital and liquidity management, in line with regulatory requirements, which ensure all its obligations to stakeholders are met on a timely basis and that strong returns are achieved from these investments. With a Liquid Assets Ratio (LAR) of 33.6% as of the end of December 2024, our balance sheet can adapt to the current and emerging opportunities and changes.

Cost efficiency also guides the Bank's financial decision-making, ensuring we manage our operating costs effectively. The Bank has pursued various strategies and initiatives aimed at cost optimization, with further efficiency gains during the year, resulting in a cost-to-income ratio of 38.3% as of December 2024.

Asset quality continues to be emphasized, with further improvements in overall credit quality during the year. The Bank's NPL ratio for the year stood at 2.9%, below the regulatory maximum threshold of 5%. The performance is anchored on proactive and close customer relationship management. In addition, we have robust risk management measures and credit underwriting policies that underpin our approach to lending.

The Bank will continue to enhance its balance sheet to remain agile and adapt to any changes in the business operating environment as enabled by a stable funding position, adequate capital position, and improved asset quality. The Bank will continue to invest in automation for increased operational efficiency and convenience to our customers and diligently oversee the utilization of financial resources in the Bank's operations.

Human Capital

Human capital (embodied in people) is at the core of the Bank's strategic ambitions. As of 2024, NMB had a team of 3,868 employees drawn from diverse professional backgrounds to deliver on our strategic ambitions, and serving our customers across the business networks. The Bank continues to buttress its human capital by investing in human resource development, focusing on, but not limited to, training, staff wellness, staff recognition, competitive remuneration, and career growth.

The Bank remains steadfast in its vision of being the employer of choice in Tanzania by attracting and retaining the best talents in the market. NMB Bank is committed to policies, standards, and practices that provide equality of opportunity for all, protect the dignity of employees, and promote an environment that fosters innovation and growth. In this spirit, NMB received an international certification of the Top Employer, a recognition for demonstrating excellence in employee wellbeing, employee experience, culture, and human resource practices.

Fostering a performance-driven culture

To embed the high-performance culture across the network, the Bank reviews performance through financial and non-financial lenses and assesses individual performance on 'what' is achieved following the Bank's remuneration philosophy and policy. This approach applies equally to executives and all other employees. In 2024, the People agenda continued to focus on enhancing staff productivity across the Bank, which was in line with the Bank's goal of being customer-centric and highly performing. As a result, the annualized income per staff increased by 10% to TZS 423 Million.

6 OPERATING STRUCTURE (CONTINUED)

Resources Management (Continued)

Human Capital (Continued)

Investing in our people

A key pillar of the Bank's people strategy is to develop and nurture talents across the NMB network. To achieve this, the Bank has continued to invest significantly in staff learning and development, welfare, rewards, and benefits. In 2024, the Bank invested over TZS 335.7 Billion in staff-related costs (an increase of 12.7% YoY). Staff costs currently contribute 54.2% of the Bank's total costs, further highlighting the Bank's unwavering commitment to employees' welfare.

Employees' Welfare

- **Benefit Plans:** The Bank has a statutory requirement to contribute to the Public Service Social Security Fund (PSSSF) and National Social Security Fund (NSSF), which are defined contribution schemes. For example, PSSSF offers employee pension plans, where a pension allowance contribution of 20% is made. NMB has deliberately decided to support staff under this person scheme where employees contribute only 5% and the Bank contributes 15% of the basic salary. The financial statements, note 15, reveal that a total of TZS 24.1 Billion was paid under pension plans (2023: TZS 21.5 Billion). See Table 1, Employee Welfare Summary.
- **Financial assistance:** Loans provided to employees, including personal loans, carloans, mortgage loans, and other advances, amounted to TZS 385 Billion. See Table 1, Employee Welfare Summary.
- **Training:** The Bank allocated TZS 5.7 Billion for staff training, representing a 7.55% increase YoY, to enhance the much-needed technical skills and overall performance of employees.
- **Medical assistance:** The Bank provides medical services to all staff and their dependents (spouses and up to four children). Furthermore, the medical assistance extends to staff's parents and their in-laws under medical insurance.

Table 1: Employee Welfare Summary	2024	2023	2022	2021	2020
Non-Financial Metrics					
Total Employees	3,868	3,642	3,544	3,482	3,465
Total % of Women	48	48	48	48	48
Employee retention rate %	97	97	98	97	97
Internal mobility/hires %	84	59	64	64	57
Financial Metrics (TZS in Billions)					
Productivity per FTE	0.4	0.4	0.3	0.2	0.3
Training Budget	5.7	5.3	3.9	3.7	1.8
Paid Pension Plans	24	21	20	18	17
Medical Bill	9.4	8.7	7.7	6.91	6.1
Total Staff loans	385	302	258	182	172
General staff loans	357	285	246	171	156
Staff mortgage loans	17	13	8.8	7	8
Staff car loans	3	2	1.7	1.8	1.7
Staff annual loans	0.3	0.2	0.2	0.2	0.2
IPF loans	0.1	0.9	0.1	0.1	0
Prepaid House allowance	7.8	1.3	1.2	7	6



6 OPERATING STRUCTURE (CONTINUED)

Resources Management (Continued)

Human Capital (Continued)

Diversity Equity, and Inclusion

Diversity, Equity, and Inclusion are cornerstones for the Bank as they provide a competitive advantage by enriching the composition of the talented team. As of 31 December 2024, 48% of the Bank's employees were female, and 31% of female were in leadership roles. The Bank's Diversity, Equity and Inclusion (DE&I) policy continues to drive the diversity, equity, and inclusion agenda. See Table 1, Employee Welfare Summary.

Intellectual Capital

Intellectual capital comprises the Bank's brand perception, intellectual property, and overall capacity to innovate in providing its products and services. At NMB, our intellectual capital includes highly talented human capital, leading technological innovations, our systems and processes, our rich heritage, and a strong brand that resonates with over 8.6 Million customers in Tanzania.

Brand and Reputation

NMB brand is supported by marketing and branding efforts, investor relations, well-trained personnel, and customer advocacy. The Bank is geared to create positive customer experiences at every touch point. The Bank periodically reviews brand health, identifying top brand drivers and the stress points with specific remedial actions. To this end, NMB has invested in various products and solutions and has a contact center that handles a high volume of customer engagements. Furthermore, the Bank ensures its reputation remains solid, driven by rigorous and professional stakeholders' engagement, compliance with regulatory requirements, and a strategic communications approach. The Bank maintained a positive tonality level of 99% during the year.

Innovation

Products and services need to reflect the ever-evolving customer needs to remain relevant. During the year, our innovation teams continued to work on different solutions to enhance customer propositions through continued innovation and development of our platforms. The ongoing innovation has resulted in better customer experience, improved system efficiencies, and helped unlock data potential for future product development.

Technology

Technology is pivotal in driving our growth, performance, and operations. We have a team of specialists in key areas, including data analytics, data architecture, and systems development, to drive the digital transformation agenda and enhance our technological capabilities. We have also made several enhancements to our technological infrastructure, improving stability, connectivity, and service availability. Nonetheless, an upsurge in digital channels and technology usage means increased potential risks that target technology solutions and clients on various platforms. To enable us to protect against potential attempts, we enhanced our overall cyber-security environment to safeguard our information and technological assets. We regularly test our systems for cyber risks and security as we prioritize safeguarding our client's information.

6 OPERATING STRUCTURE (CONTINUED)

Resources Management (Continued)

Manufactured Capital

Manufactured capital consists of equipment, physical facilities and infrastructure, digital channels such as ATMs, and technology whose value is realized in the delivery of products and services. Our equipment and facilities provide comfort, convenience, and security to our customers and employees. Our wide distribution network and innovative digital platforms, including mobile banking, cards, and agents, provide competitive differentiation and are key delivery channels that support the widening of access to financial services in the country – over 96% of all our customer transactions are carried out on our alternative channels. We invest constantly to improve our infrastructure, which is essential for the efficiency of our business model.

Bank's Channels

To complement the wide branch distribution, the Bank has invested heavily in innovative delivery channels, which have played a critical role in improving access to financial services and widening financial inclusion.

- NMB Mkononi: NMB Mkononi is a mobile banking service that enables customers to easily access various banking services, including money transfer and payment services. In 2024, mobile banking (NMB Mkononi) users increased by 8%, reaching 4.7 Million.
- Agency Banking: The Bank has been at the forefront of widening financial inclusion by implementing the agency banking model. Through agents, the Bank can extend banking services in areas where banking services are unavailable or not easily accessible. With 50,698 agents as of the end of December 2024, customers can access banking services, including deposits, withdrawals, and bill payments beyond official banking hours. Due to the greater geographical area covered by agents, customers enjoy greater convenience as services come closer to their most accessible location.
- Internet Banking (NMB Direct): NMB Direct is the Bank's internet-banking solution, which enables customers to do end-to-end banking through a secure and feature-rich platform. In 2024, Internet Banking users increased by 37%, reaching 42,234 users.
- Branch Network and ATM: Our footprint across the country consists of 240 branches and 714 ATMs, which support service delivery to our customers nationwide. Services accessed by customers in our ATMs include cash withdrawals and deposits, balance inquiries, and cardless cash withdrawals.
- Cards and Merchants: We offer a wide range of card-based payment products, including debit cards, credit cards, prepaid cards, and QR codes, as cash-free payment solutions. Our debit and credit cards can also be used for online e-commerce transactions. Our cards feature industry PCI security standards to safeguard our customers' transactions. We have partnered with various merchants to offer card discounts to our customers to support cash displacement.



6 OPERATING STRUCTURE (CONTINUED)

Resources Management (Continued)

ICT Infrastructure

The Bank invests optimally in ICT to improve the overall customer experience. Various robust digital platforms enable us to offer enhanced digital experiences to our customers. As a result of our continued investment in digital space, we remain a top-tier financial institution in the country, providing innovative solutions, improving ease of access to banking services, and ensuring system availability and reliability.

We are also upgrading the Core Banking System (CBS), and Internet Banking and investing in new systems such Procure to Pay (P2P) to ensure continued stability, efficiency, and enhanced customer satisfaction.

We are keen to remain a pacesetter for the progressive modernization of the infrastructural and manufactured capital, improving efficiency and enhancing our multi-channel customer engagement while creating a scalable and resilient infrastructure. Our investments in these areas will deliver a more efficient, scalable, and flexible infrastructure to support our strategic ambitions.

Natural Capital

Natural capital encompasses the natural resources we employ for our stakeholders' value creation. We are committed to responsibly employing natural resources and ensuring that we minimize negative impacts on the resources. The Bank recognizes its responsibility to achieve global climate goals and invests optimally to ensure sustainable change. Internally, the Bank is committed to reducing its carbon footprint by continuing to install energy-efficient LED lighting, HVAC systems, and solar power across the network. We will continue to identify effective ways to use and manage the natural resources available more efficiently and support our customers in elevating ESG compliance.

Social and Relationship Capital

Social capital and dividends broadly represent the Bank values and the relationships within and between communities, various stakeholders, and the ability to enhance individual and collective well-being. To champion socio-economic development, the Bank implements various social impact initiatives through its CSI arm, which serves as its corporate philanthropy vehicle.

The social investment programs are guided by the key pillars of Education, Health, Natural Disaster Recovery, and Financial Skills-building for various groups. To deepen its impact on communities, the NMB Foundation was established as a vehicle to broaden social impact. A core facet of the revamped model seeks to leverage the Bank's strategic partnerships with local and international stakeholders, including development organizations and the private sector, to advance social and economic change for Tanzanians further.

We maintain strong and positive working relationships with our industry regulators and key stakeholders, including the Government of the United Republic of Tanzania and the Revolutionary Government of Zanzibar. The relationships have been deepened through enhanced engagements to support the Bank's overall mission.

7 OPERATING ENVIRONMENT

Global Macro Landscape and Economic Overview

The global economy has exhibited resilience by maintaining modest growth, despite significant regional divergences and uncertainties around fiscal policies (tariffs), inflation, commodity markets, and financial conditions highlight the continued need for vigilant policymaking and prudent economic management. According to the October 2024 IMF World Economic Outlook (WEO), global output is projected to expand by 3.2% in both 2024 and 2025. Nevertheless, regional divergences will endure, driven by variations in macroeconomic adjustments and ongoing mismatches between monetary and fiscal policies.

Advanced Economies: Mild uptick led by the U.S.

Advanced economies are expected to expand by 1.8% in 2025, a modest improvement from 1.7% in 2024. This is chiefly propelled by a resilient U.S. economy growing at 2.2%. Japan, the UK, the Euro Area, and Canada are also poised for modest expansion.

Emerging Markets: India and China as growth engines

Emerging markets and developing economies remain the primary drivers of global growth. According to IMF estimates, India is projected to achieve robust GDP growth of 6.8% in 2024, while China's growth is expected to trim to 4.8% amid structural issues, persistent challenges in its property sector, and weak domestic demand.

Global Inflation: Easing but still elevated in some regions

Global headline inflation is on a downward trajectory—falling from 6.7% in 2023 to 5.8% in 2024 and expected to ease further to 4.3% in 2025—driven by post-pandemic stabilization. Core inflation, however, remains above target, underpinned by wage growth. While advanced economies could see inflation settle around 2% by 2025, emerging markets will experience a more uneven disinflation path.

Commodity Prices: Oil declines, precious metals surge

Commodity prices are generally softening, with the World Bank pink sheet forecasting a 5.1% drop in 2025 and a further 1.7% in 2026, following a 3.3% dip in 2024. Brent crude oil price for 2024 has been in the range of about US\$75 to US\$80 per barrel, expected to average US\$73 in 2025, while precious metals have rallied on lower U.S. interest rates and geopolitical uncertainty, reinforcing their status as safe-haven assets.

Financial Markets: Tight conditions, gradual rate cuts

Financial conditions remain constricted, yet the global banking sector shows resilience attributed by robust capital and liquidity positions. US 10-year bond yields continue to climb, pressuring currencies in both advanced and emerging markets. As inflation moderates, several advanced-economy central banks, including the U.S. Federal Reserve, have begun cutting policy rates to balance growth and inflation objectives.



7 OPERATING ENVIRONMENT (CONTINUED)

Africa Region Highlights

Africa ended 2024 on a positive economic trajectory, with recovering sectors, stabilizing imbalances, and progress in managing sovereign debt through restructuring and assistance. However, growth remains uneven, constrained by lingering challenges such as regional conflicts, rising energy and food prices, climate change, fiscal and monetary pressures, and elevated borrowing costs.

Regional rivalries, social issues, and global geopolitical tensions complicate policy decisions. Entering 2025, Africa is a region of dynamic opportunities yet prone to persistent volatility and uncertainty.

Africa is poised to lead global economic growth in 2025, with most of the world’s fastest-growing economies on the continent, driven by robust trade, industrial expansion, and a thriving services sector. Africa is estimated to experience modest economic growth of 4% (2024) from 3.3% (IMF World Economic Outlook Update, 2024), with most countries in the continent accelerating compared to the previous year. Among the different regions, the East Africa bloc is expected to outperform others in terms of economic growth.

Foreign direct investment is expected to rise, particularly in energy, technology, and manufacturing, although challenges in fostering investor-friendly environments persist. The anticipated renewal of the African Growth and Opportunity Act (AGOA) could strengthen US-Africa trade ties. At the same time, geopolitical rivalries in regions like the Horn of Africa and localized sociopolitical unrest remain key risks.

Emerging challenges that some African countries will face in 2025 is the continued financial strain caused by Sovereign debt and the burden of debt repayments. According to the IMF, the region’s ratio of interest payments to revenue has more than doubled since the early 2010s and is now close to four times the ratio in the advanced economies.

Sub-Saharan Region

Sub-Saharan Africa faces a more subdued outlook, with growth expected at 3.4% in 2024, improving to 4.2% in 2025 (Moody’s Ratings 2025), driven by improvements in economic conditions and a decline in inflation rates, which are expected to drop from 18% in 2024 to 12.3% in 2025. However, faster headline growth marks underlying vulnerabilities, with inflation remaining sticky and elevated debt-servicing costs and commodity price volatility putting pressure on fiscal balances and foreign reserves. Furthermore, Moody’s lifted its outlook for the region’s credit fundamentals to stable from negative because of fiscal consolidation to reduce debt.

FX rates were broadly stable from 2016-20 but showed weakness in 2021-24 as the US Dollar kept on strengthening. Thus, currency weakness has, until recently, not been an issue faced by most. Year-to-date, Kenya’s currency has notably appreciated by 21.4%, while Tanzania’s has seen a modest increase of 2.2%. In contrast, several currencies have depreciated, with South Africa down 3.1%, Botswana 3.9%, Mauritius 6.5%, Ghana 18.9%, and Nigeria experiencing a significant drop of 41.9%. Additionally, Zimbabwe replaced its currency Zimdollar, with the ZiG in April 2024, and since then, the ZiG has fallen by 98%.

7 OPERATING ENVIRONMENT (CONTINUED)

Africa Region Highlights (Continued)

Sub-Saharan Region(Continued)

Table 2: Currency devaluation of the major Sub-Saharan African economies (source: African Financials (2024), *Sub-Sahara Africa Top 30 Companies*)

Country	5 Years	10 Years	20 Years
Nigeria	33.6%	23.8%	13.0%
Ghana	20.9%	16.4%	15.0%
Côte d'Ivoire	1.6%	1.6%	1.4%
Kenya	5.0%	3.6%	2.5%
Mauritius	5.3%	4.0%	2.6%
Tanzania	1.2%	3.5%	4.4%
Uganda	0.2%	3.0%	3.9%
Rwanda	8.0%	7.2%	4.7%
Seychelles	1.2%	0.5%	n.a.
Botswana	5.7%	3.9%	6.1%
Namibia	6.2%	5.0%	6.2%
Malawi	18.7%	14.1%	14.9%
Zambia	14.6%	15.9%	9.3%

Tanzania Focus: Operating Environment, Market Overview and Outlook

GDP Growth

According to data from the NBS, Tanzania’s GDP growth continued its positive trajectory in 2024, with an estimated growth of 5.4%. This growth was fueled by robust performance in key sectors of the economy, including agriculture, mining, and services. Agriculture remained pivotal due to favorable weather conditions and government initiatives to boost production efficiency.

The mining sector witnessed expansion supported by increased investments and favourable commodity prices. Meanwhile, the service sector saw growth driven by tourism resurgence following global recovery post-pandemic and technological advancements in telecommunications.

Inflation Rates

Inflationary pressures remained moderate in 2024 at 3.1%, well below the Bank of Tanzania target of 5%, as per data released by the National Bureau of Statistics. This stability was attributed to prudent monetary policies executed by the Bank of Tanzania, which effectively targeted supply-side constraints while ensuring adequate liquidity. However, external factors such as fluctuating oil prices posed risks necessitating vigilant monitoring to mitigate pass-through effects on domestic prices.

Fiscal Policies

The Tanzanian government’s fiscal discipline was crucial to economic stability throughout 2024. Fiscal deficits were maintained sustainably through careful management of public expenditures and revenue mobilization endeavors, including tax reforms. The government prioritized investments in infrastructure development projects, which stimulated economic activities across various regions, enhanced connectivity, and provided job opportunities, contributing positively to economic growth.



7 OPERATING ENVIRONMENT (CONTINUED)

Tanzania Focus: Operating Environment, Market Overview and Outlook (Continued)

Trade Balance

According to BOT statistics for 2024, Tanzania experienced a slight improvement in its trade balance deficit, mainly driven by a surge in export revenues from agricultural produce such as cashew nuts and coffee, along with minerals like gold and tanzanite. Efforts to diversify exports combined with promotional incentives for local manufacturers bolstered competitiveness in international markets. However, imports remained high primarily due to the acquisition of technological goods necessary for developmental purposes, highlighting an area requiring strategic intervention.

Structural Reforms & Policy Initiatives

Tanzania undertook significant structural reforms to improve business environments, as reflected by increased rankings in ease-of-doing business indices reported by international bodies. IMF projections noted positive impacts from regulatory improvements alongside anti-corruption measures, fostering investor confidence and enhancing FDI inflows, further catalyzing growth.

Liquidity and Monetary Stance

The private sector experienced robust credit growth in 2024, surging by 15%, driven by increased economic activities, an upsurge in demand for capital spending, and a generally optimistic economic outlook. While overall lending rates remained relatively stable, averaging at 15% as of December 2024, deposit rates marginally increased by 85 basis points to average at 8.3% in 2024 compared to 7.45% % in 2023.

Looking ahead

According to the International Monetary Fund (IMF), Tanzania's economy is projected to grow by 6% in 2025, buoyed by a tourism rebound, an improved business environment, and agricultural growth. Inflation is expected to stay within the Bank of Tanzania's 5% target.

Tanzania Banking Sector: Higher Credit Growth and Continued Rising Profitability

Tanzania's banking sector thrived within an accommodating business environment in 2024, demonstrated by an expanded credit portfolio, soaring total revenue, and a substantial leap in profitability. Despite experiencing a mild deceleration, the private sector's credit growth maintained its momentum with double-digit expansion.

Throughout the year, the Tanzanian banking sector showcased impressive performance levels and exhibited remarkable stability and resilience against both short-term domestic and international challenges. This resilience was chiefly attributed to the overarching stability of the macroeconomic environment. As of 31 December 2024, Tanzania's banking sector posted a profit before tax amounting to TZS 3,01 Billion, marking a 34% increment from the previous year. Significantly, there was a reduction in the non-performing loan ratio to 3.2%, reflecting upgraded loan portfolio quality within the banking sector. This improvement was bolstered by robust economic growth and a more favourable operating environment aided by ongoing decreases in non-performing loans. Illustrating further efficiency throughout the sector, the cost-to-income ratio was recorded at 47.8% (2023: 50.7%).

7 OPERATING ENVIRONMENT (CONTINUED)

Tanzania Banking Sector: Higher Credit Growth and Continued Rising Profitability (Continued)

The net loans and advances growth was accelerated, reaching TZS 36,677 Billion, underscoring the increased appetite for private sector credit. NMB Bank is at the forefront of performance in Tanzania's banking industry, which has retained its dominance by showcasing superior performance across diverse parameters. The Bank achieved an impressive profit after tax of TZS 643 Billion, capturing the largest market share at 30%. Notably, NMB Bank's efficiency ratio exceeded industry averages (see table 4), confirming our preeminent standing in this category. Expectations for Tanzania's banking sector remain optimistic, with projections of continued growth and enhanced performance metrics. This upbeat outlook aligns well with the positive operating environment underpinned by Tanzania's resilient and diversified economy and the structural robustness of its banking sector. Tanzania's banking sector remains fervently competitive in terms of competition dynamics, with financial institutions actively rolling out innovative products to attract customer deposits and adequately fund burgeoning credit demands. To ensure robust growth in key market segments, NMB Bank is committed to devising superior propositions and enriching customer experiences aimed at surpassing average market growth rates. Our strategic focus centers on enhancing customer journeys while launching novel propositions to achieve above-market growth levels. Maintaining high-quality portfolios with competitive pricing remains crucial amid competitive market scenarios in extending credit facilities.

Table 3: Selected Financial Soundness Indicators as per Bank of Tanzania (BOT)

Financial Ratios (%)	NMB Bank		Industry Position		
	Dec-2024	Nov - 2024p	2023	2022	2021
Core Capital/TRWA+OBSE	27.21	18.7	17.7	17.9	19.5
Total capital/TRWA+OBSE	27.23	20	18.4	18.7	20.2
Liquid assets to demand liabilities	33.6	27.7	28.8	26.1	29.4
Gross NPLs to gross loans	2.9	3.6	4.4	5.8	8.5
Return on assets	4.7	5.3	4.4	3.4	2.8
Return on equity	25.2	24.1	20.5	14.2	11.5
Net open positions in FX to total capital	3.9	6.3	4.5	2.5	7.8

Source: Bank of Tanzania; Monetary Policy Report – January 2025, and NMB computation
Note: The 2024 Annual Banking Sector Supervision Report is expected to be issued in 3rd quarter of 2025. TRWA+OBSE denotes total risk-weighted assets and off-balance sheet exposures, p denotes provisional data as of 3rd quarter of 2024.



7 OPERATING ENVIRONMENT (CONTINUED)

Tanzania Banking Sector: Higher Credit Growth and Rising Profitability (Continued)

Table 4: Key performance indicators of the Bank in comparison with the industry in 2024

KPI	Industry Average	NMB Bank Plc
Non-Performing Loans	3.2%	2.9%
Return on Asset	3.4%	4.7%
Return on Equity	21.4%	25.2%
Cost to Income Ratio	47.8%	38.8%
Net Interest Margin (NIM)	8.0%	9.2%
Cost of Funds	3.3%	2.8%
Loan-to-Deposit Ratio (LDR)	89.5%	91.4%

Note: The source of the above KPI computed is based on the numbers of the audited financial statements, and no adjustments were made. Compared to previous financial years, there were no changes to KPIs or the computation method that needed to be disclosed in the underlying accounting policies adopted in the financial statements during the year. Section 9, table 12, discloses the KPI targets for 2024. The industry averages are based on published quarter-four unaudited financials.

Regulatory Environment in Tanzania's Financial Services Sector

The Bank of Tanzania's oversight role in supervising financial institutions remains paramount for fortifying the financial sector's stability and soundness. The regulatory environment is a bastion of stability, and our ongoing engagements with regulators exemplify our unwavering commitment to achieving optimal compliance.

In 2024, the Bank of Tanzania introduced new and amended existing regulations, guidelines, and acts, including, but not limited to, Guidelines on Fees and Charges, Foreign Currency Transactions, Fintech Regulatory Sandbox, and Compulsory Liquidation Regulations.

- Guidelines on Fees and Charges for Banks and Financial Institutions, 2024: Effective July 16, 2024, these guidelines mandate that banks and financial institutions impose reasonable and affordable fees on financial products and services. They emphasize transparency, requiring clear disclosure of all fees, especially those related to lending and electronic transactions. Certain fees, such as those for basic services like the first electronic bank statement each month, are prohibited to protect consumers.
- Finance Regulatory Sandbox 2024: Effective August 2024, this framework is designed to foster growth in fintech solutions while maintaining consumer protection and financial stability
- Maintenance of 50% Risk Weight on Salary-Based Retail Exposures: Effective July 2024, a circular was issued temporarily to maintaining a 50% risk weight on salary-based retail exposures for banks and financial institutions. This measure is designed to support lending to individuals based on their salary income, encouraging financial institutions to continue providing credit to retail customers without significantly increasing their capital requirements.

7 OPERATING ENVIRONMENT (CONTINUED)

Regulatory Environment in Tanzania's Financial Services Sector (Continued)

- Amendment of the Finance Act 2024: The Finance Act, No. 6 of 2024, was enacted on June 30, 2024, and came into effect on July 1, 2024. Key amendments include:
 - o Changes to the Banking and Financial Institutions Act allowing banks to engage in trading activities.
 - o Amendments of provisions that mandate banks to surrender abandoned properties to the Bank of Tanzania at the end of each calendar year.
 - o Amendments to tax regulations, including withholding tax exemptions on interest payments made by resident financial institutions to foreign entities under specific agreements, aimed at promoting economic growth by facilitating access to affordable credit.

NMB compliance status with BOT 2023 Liquidity Management and Capital Adequacy regulations.

In 2023, the Bank of Tanzania updated regulatory frameworks, including the Banking and Financial Institutions (Capital Adequacy) Regulations 2023 and the Banking and Financial Institutions (Liquidity Management) Regulations 2023. Key provisions of these regulations include maintaining a Common Equity Tier 1 (CET1) ratio of at least 8.5%, a leverage ratio of at least 7%, an unencumbered stock of high-quality liquid assets to meet 100% of net cash outflows (LCR), and a net stable funding ratio (NSFR) of at least 100% at all times.

Banks have been provided with moratorium periods ranging from 18 to 54 months to support compliance with mandatory reporting effectively from 30 April 2025. In response to these changes, NMB conducted a comprehensive gap analysis in 2023 and is on track to align its operations with the new regulatory requirements. In 2024, the Bank recorded a Liquidity Coverage Ratio (LCR) of 597%, leverage ratio of 13.4% and a Net Stable Funding Ratio (NSFR) of 207%. These ratios are above the new regulatory minimum thresholds.

Key Trends Impacting Future Development in Banking

The banking industry is undergoing transformative shifts driven by increasing competition, embedded finance, evolving customer expectations, regulatory dynamics, and disruptive technologies.

Below is a summary of the banking sector's challenges and how NMB is addressing them to thrive in this new environment.

- Continuous Innovation: To succeed in the current fast-evolving landscape, banks must embrace innovations that meet customer demands and enhance the overall experience. Investments in advanced analytics, risk control, and overall digital transformation are critical to sustaining the Bank's long-term existence. At NMB, innovation is a strategic focus and one of our core Values. We continue to innovate in areas of competitive advantage, including overall customer experience, operational efficiency, analytics, and risk management. Our progress in innovation has received domestic and international recognition (see Section 19, Awards and Achievement).



7 OPERATING ENVIRONMENT (CONTINUED)

Key Trends Impacting Future Development in Banking (Continued)

- Emerging Risk - Climate Change: Climate change emerges as a significant risk, impacting the economy. The Bank must assess its effects on strategy and operations while assisting customers and societies in navigating the complexities of a transitioning market toward a low-carbon economy. NMB Sustainability framework, Environmental and Social Policy (E&S Policy), and Climate Risk Policy are critical tools governing, assessing, and reviewing the risks of our lending activities.
- Increased Competition: The banking sector continues to be competitive. Banks aggressively launch various products and solutions to retain customer deposits and provide adequate funding to meet increasing credit demands. NMB continues to develop best-in-class propositions and experiences for robust growth in our key target segments. In credit provision, our focus remains on maintaining a high portfolio quality and better pricing, considering the competitive yet subdued market conditions.
- Technology Shift: Manual processes are becoming obsolete in the digital era. Banks must adopt technology-driven solutions to optimise efficiency. Establishing a culture of innovation is crucial for leveraging technology to address industry challenges. We continue to invest in our governance, technological infrastructure, systems, and people to shape our organisation for the fast-evolving digital world to remain future proof.
- Regulatory Compliance: The evolving regulatory landscape poses challenges, requiring banks to incur additional costs to stay compliant. In overcoming these challenges NMB continue to foster a culture of compliance, implementing formal structures, and staying abreast of regulatory changes.
- Evolving Customer Expectations: Informed and tech-savvy customers expect personalised and convenient banking experiences. Millennials prefer digitized interactions, emphasizing the need for a hybrid banking model catering to both older and younger generations. We continuously engage our customers to identify their needs and respond to them through ongoing investments in relevant products and solutions.

7 OPERATING ENVIRONMENT (CONTINUED)

SWOC Analysis

Table 5: NMB’s competitive position supports its strategic development and planning

Item	Description
Strengths	The Bank boasts a robust brand presence, establishing itself as a leading financial institution. With a substantial asset size, NMB holds a systematic market position in Tanzania. A commitment to digitalization and innovation places us at the forefront, facilitating outstanding customer experiences and fostering growth.
	Customer focus, extensive network, operational excellence, and strong governance foundations are integral to NMB’s competitive edge. Our unwavering commitment to customer-centric practices distinguishes us in the market. With the largest network of branches and agents, we maintain an extensive footprint.
	The Bank has forged strong relationships with diverse stakeholders, including the Government, and has demonstrated a commitment to Corporate Social Investment (CSI), which contributes to community development.
Weakness	Enhancing our competitive model, focusing on product offerings, customer experience, and pricing strategies, is necessary to differentiate ourselves further.
Opportunities	Amidst a growing and vibrant population, there are significant opportunities to tap into the youth segment. The underserved segments of women, informal businesses, and SME sectors present areas for expansion. Exploring the unexploited potential in agriculture value chains can yield fruitful outcomes. The rural population remains largely excluded from formal financial services, which also presents a significant growth opportunity for the Bank.
	Strategic partnerships with diverse stakeholders will offer a pathway for growth and expedited execution. There is also an opportunity to position NMB Bank as a pan-African bank, solidifying its status as a crucial regional player through inorganic growth.
Challenges	The landscape presents challenges in cyber risks, macroeconomic and geopolitical uncertainties, climate-related risks, disruptions caused by evolving technology, and market competition. Addressing and mitigating these challenges will be crucial for sustained success.

Stakeholders’ Issues and Engagement

During the year, the Board continued to engage with stakeholders and was informed about relevant stakeholder matters through management updates. The Board engaged with or received views from its key stakeholders during the year, which are provided below.



7 OPERATING ENVIRONMENT (CONTINUED)

Stakeholders’ Issues and Engagement (Continued)

Table 6. Stakeholders’ Issues and Engagement (Continued)

Stakeholders And How We Engage	Stakeholders Expectations	How We Meet Stakeholders’ Expectations	Our Efforts In 2024
Customers			
• Face-to-face interactions • Interactions at our branch network. • Social media and website channels. • Call centre interactions. • Customer satisfaction surveys.	• High quality and seamless service. • Customer privacy and data protection • Strong cyber risk management. • Reasonable service fees. • Innovative financial solutions and services. • Convenient access to banking services through digital channels. • Knowledgeable employees • After-service care. • Minimal service disruptions.	• Maintaining the highest professional and ethical standards when dealing with our customers. • Focusing on our customers’ personal and business financial needs when developing our products and services. • Strengthening cyber risk management and data privacy policy. • Improving our digital banking channels to enhance seamless accessibility. • Ensuring that our people are equipped with relevant knowledge on service delivery and committed to giving advice and acting in the best interests of our customers.	• Revamped our Mkononi platform to add more features. • Introduction of Jirani Chatbot. • Continued introducing sophisticated products and solutions: NMB Kikundi, Jiwekee, Flexi Malipo, and Nondo za Pesa. • Channels: 240 branches, 714 ATM, 50,698 wakala. • Signed collaboration agreements with government, trade, and commercial organizations to help facilitate the expansion plans of our corporate clients. • Enhanced our Data Protection Policy to improve the safeguarding of customers’ information.
Community			
• University scholarships (Nuru Yangu Scholarship). • Participate in the Government’s employment creation initiatives. • Supporting financial inclusion initiatives.	• Good corporate citizen • Inclusive and equal employment opportunities. • Responsible financing. • Contributing to job creation. • Partnership to address social and environmental issues. • Support for communities and access to financing for societal needs.	• Integrating ESG factors into our risk framework and credit decision processes. • Giving back to the community through corporate social investment programs focused on Education, Health, and Environment. • Creating an inclusive workforce and work environment.	• Sustainability Framework and E&S Policy. • Continued financing to sustainable projects: Jamii and Jasiri Bond. • Budgeted TZS 5.4 Billion on CSI activities, 1% of net profit. • Continued Investment in community and CSI activities see section 20.4, and Table 24. • Incorporated ESG responsibilities in the Board Charter.

7 OPERATING ENVIRONMENT (CONTINUED)

Stakeholders’ Issues and Engagement (Continued)

Table 6. Stakeholders’ Issues and Engagement (Continued)

Stakeholders And How We Engage	Stakeholders Expectations	How We Meet Stakeholders’ Expectations	Our Efforts In 2024
Employees			
• Periodic engagement initiatives such as the SIKIKA platform, BM meetings, and Townhall. • HR Support services. • HR policies and procedures. • Periodic performance reviews. • Team building, games, and recreation activities. • Training, seminars, and workshops. • Employee annual feedback and satisfaction survey. • HR business partnering support	• Continuous training and career development. • Safe and healthy work environment. • Job satisfaction and recognition. • Competitive benefits. • Trust, respect, and fair employment practices. • Safe and healthy work environment. • Embracing equity, diversity, and inclusiveness.	• Ensuring fair HR policies and processes • Ensuring transparent and objective performance appraisals and performance-based rewards and recognition. • Providing opportunities for training and development to build skills. • Offering health and wellness benefits • Ensuring fair and equitable opportunities for all colleagues. • Promoting teamwork and supporting one another to achieve shared goals.	• Increased basic salary by 5% - 10%. • Increased the minimum pay for our fixed-term staff. • Internal appointments (84%). • Review of staff loan interest rates • Increase the training budget by 7.6% for the career development of our colleagues across the network. • Conducted credit attachment programme for potential Branch Managers. • Automation: claims, loans, allowance, and transfers.
Regulatory Authorities and Government			
• Regular meetings. • Mandatory filings and reporting with regulators. • Policy updates and directives. • Consultative meetings with regulators. • Audited annual reports. • Report of those charged with governance.	• Strong corporate governance and ethical practices. • Compliance, including policy formulation and enforcement. • Prevention of financial fraud, terrorism financing, and money laundering. • Compliance with tax laws. • Adhering to the laws of the land. • Maintaining financial stability with robust liquidity and capital adequacy ratios. • Supporting economic development. • Respect for human rights and labour laws. • Deeper engagement and collaboration on ESG issues.	• Continuous compliance with laws, policies, regulations, frameworks, and guidelines. • Maintaining a robust risk and control framework. • Maintaining strong capital and liquidity levels. • Performing regular internal and external audits to check the effectiveness of controls. • Regular compliance training for the Bank’s staff. • Issuing products for SMEs, MSEs, Agribusiness, Start-ups, and Women.	• Supported Government initiatives on SMEs, women’s business financing, MSEs financing, and Agribusiness financing. • Complied with all regulatory guidelines. • Complied with the new TFRS1 standards. • Adoption of new liquidity and capital requirements. • Contributed to economic development. • Continuous engagement with the Bank of Tanzania and other regulatory bodies, including TRA, CMSA, TIRA, and BRELA.



7 OPERATING ENVIRONMENT (CONTINUED)

Stakeholders’ Issues and Engagement (Continued)

Table 6: Stakeholders Engagement Summary 2024 (Continued)

Stakeholders And How We Engage	Stakeholders Expectations	How We Meet Stakeholders’ Expectations	Our Efforts In 2024
Investment Community • Quarterly financial results publications. • Annual reports. • Annual general meeting. • Quarterly Investors’ breakfast. • Presentations, conferences, meetings, and roadshows. • Periodical meetings with Credit rating agencies.	• Competitive return on investment/Equity • Strong corporate governance and ethical practices. • Timely disclosure and compliance with laws and regulations. • Sustainable growth. • Strong profitability and well-capitalized. • Strong and resilient balance sheet. • Responsible banking practices.	• Ensuring timely disclosure and reporting • Implementing sustainability framework. • Ensuring robust risk culture, governance, and management. • Disciplined execution of the Bank’s strategy. • Ensure a high standard of corporate governance and ethical practices. • Ensuring strong oversight and accountability by the Board and Executive management team. • Continuous business performance enhancements.	• Held more meetings with analysts, credit rating agencies, and investors to share our corporate strategy, financial performance, and macroeconomic and financial performance outlook. • Paid dividends consistently (TZS 361 per share for the 2023 financial year). • Enhanced our Investor Relations department to improve engagement with shareholders. • Report on ESG agenda progress and achievements toward our strategic sustainability goals. Issued the 1st sustainability report. • Develop and implement comprehensive ESG frameworks and policies to effectively operationalize our ESG agenda • Conducted relevant ESG trainings for Board members, the leadership of the Bank and the entire network.
Suppliers • Regular vendor meetings. • Purchase contracts. • Request for proposal and quotation.	• Fair and transparent bidding and selection process. • Timely settlement. • Strong Governance and ethical conduct. • Timely communication and settlement of disputes.	• Regular engagement and reconciliations of supplier accounts. • Whistle-blower policy implementation • Timely settlement of vendors’ claims. • Adhering to contract and agreement terms. • Ensuring integrity in all procurement processes.	• The Bank conducted a detailed review of the Procurement Policy and related Operating Procedures with the support of an independent external consultant with a view to, - o To align the policy with the Bank’s evolving needs - o To align the Procurement Policy with best practices • Implemented Procure to Pay (P2P) Systems to improve efficiency and effectiveness in suppliers’ management.

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8 BANK’S OBJECTIVE AND STRATEGY

Strategic Objectives

The Bank’s mission that drives its short-term, medium-term, and long-term strategic focus is to be the Bank of choice, delivering an innovative and transformative customer experience that promotes financial inclusion and well-being. While fulfilling the mission, NMB Bank seeks to maintain its leadership in financial performance, leading in digital and innovation and keeping a stronghold in the retail and wholesale markets. The Bank has re-imagined its Medium-Term Plan, focusing on three pillars: Winning Propositions, Operational Efficiency, and Innovating for the Future. Under each strategic pillar, strategic thrusts guide the Bank’s execution.

Table 7: Banks Strategic Framework Mapping: Objective and Strategic goals 1,2,3

	Banks Objective	Strategic Goals 1	Strategic Goals 2	Strategic Goals 3
Strategic	Achieve superior results through delivering key strategic initiatives.	Deliver Distinctive Proposition: Develop and implement unique value propositions.		
Economic	Economic objectives focused on financial performance and prudent management.	Deliver Solid Returns on Shareholders' Funds: Maximize returns to shareholders.	Drive Efficiency Gains Through Improved Efficiency Ratios: Enhance operational efficiency.	Sustainable Loan Book Growth: Achieve responsible growth in the loan book.
Operational	Operational excellence, efficiency, and adaptability through strategic initiatives.	Accelerate Ongoing Digital Transformation Efforts: Propel digital transformation.	Sustain Investments in People Through Training: Invest in employee skills.	Fast Track Manual to Automation Initiatives: Streamline operations.
Social	Emphasize social responsibility and inclusivity	Responsible Community Investments: Contribute to communities.	Drive Financial Inclusion: Expand access to financial services.	Maintain the Employer of Choice Status: Cultivate a positive work environment.
Environmental	Commitment to environmental stewardship.	Drive Environmental Stewardship	Leveraging sustainable instruments to support a range of environmentally impactful projects.	Reduce carbon footprint.

Implementation of Strategic Objectives

The oversight of the Bank’s operations rests with those charged with governance. This responsibility involves establishing and vigilantly monitoring of Key Performance Indicators (KPIs) which are tracked quarterly and annually. Management presents comprehensive performance reports during these intervals to those charged with governance, shedding light on the successful realization of each KPI. These reports also articulate any challenges encountered within the internal or external environment. In addition, they outline the requisite support needed to navigate and accomplish the predetermined objectives.



8 BANK’S OBJECTIVE AND STRATEGY (CONTINUED)

Bank’s Medium-Term Plan (MTP) Strategic Pillars to Drive and Sustain Growth

Winning proposition.

- Enhance Mass Customer Loyalty: NMB Bank will build loyalty by providing both financial and non-financial services to prioritised sub-segments of mass customers (farmers, MSEs, low-skilled labourers, urban youth, SWL). By understanding their unique financial needs and behaviours, NMB will develop targeted financial and non-financial solutions, thus driving deposit growth and increasing customer penetration. Increases in customers will measure our success, serving as a demonstration of improved livelihoods and reflecting our commitment to financial inclusion.
- Excel in the Core Middle Segment: The Bank’s aim is to strengthen it’s market share in the core middle market sub-segment by focusing on partnerships with employers and digitising customer journeys. The Bank will identify key employers and tailor partnership programmes to their specific needs. Digitisation will streamline processes, improve turnaround times, and enhance the customer experience.
- Lead in SME (Focus on Agriculture): To leverage growth opportunities in the SME sector, particularly in agribusiness, the Bank plans to launch customised products and services designed for these markets to facilitate business expansion. Additionally, we will digitise the entire credit process.
- Deepen Penetration in Wholesale: Wholesale portfolio growth has been well supported by enhanced customer relationships and well-trained and equipped staff. Capacity building, exposure, and enhancement of Internet banking have been key agendas in spearheading wholesale growth. The wholesale business recorded a moderate loan growth of 4.6% YoY.

Operational efficiency

- Enhance branch productivity: We will migrate transactions to digital channels, consolidate roles, and optimise branch processes to improve efficiency and reduce costs. The Bank will identify areas for process improvement and track the impact of our initiatives.
- Optimise organisational productivity: Strong efficiency gains, with the Cost-to-Income ratio reducing to 38.3% in 2024 from 39.0% in 2023. This resulted from factors such as revenue per FTE improving by 10% YoY, reaching TZS 423 Million per FTE, driven by increased efficiency by our staff in generating revenue.
- Strengthen end-to-end Credit Risk Management: Investments such as in Loan Management systems and enhanced IFRS 9 systems are all geared towards improving credit management, and the result is a continuously decreasing Loan Loss ratio (LLR) to 0.97% and NPL to 2.9% by the end of 2024.

8 BANK’S OBJECTIVE AND STRATEGY (CONTINUED)

Bank’s Medium-Term Plan (MTP) Strategic Pillars to Drive and Sustain Growth (Continued)

Innovate for the future.

- Exceed customer expectations: According to the recent customer satisfaction survey (CSAT) conducted in 2024, the Bank’s CSAT scored 89% highlighting the customers satisfaction with services. The Bank has also achieved a 56 Net Promoter Score (NPS), indicating a positive outlook towards enhancing overall customer experience.
- Enhancing IT infrastructure: NMB will upgrade the core banking system, implement an API gateway, and enhance our data centre infrastructure to support future growth and innovation. This will ensure system availability, minimise downtime and improve infrastructure readiness and deployment times. These enhancements will also support our “containerisation” and data centre monetisation strategies.

Spotlight on the Execution of the Five-Year Strategy MTP

The performance trend of Key Performance Indicators for the Medium-Term Plan (2021-2025) Strategy underscores the Bank’s success in navigating market dynamics and consistently outperforming strategic financial KPIs. This robust performance is attributed to the enhancement of balance sheet efficacy, seamless digital experiences for customers, addressing efficiency and productivity gaps, overhauling the distribution model, and maximizing strategic partnerships and stakeholder engagement. As the Bank moves towards the culmination of its strategic journey, it stands as a testament to its commitment to innovation and sustainable growth.

Those charged with governance, the Directors oversee the Bank’s operations through quarterly performance reviews. These reviews highlight key performance indicators (KPIs), identify potential internal and external challenges, and outline necessary support to attain set goals. See Tables 9.10.11,12 and Section 9 of the Report of Those Charged with Governance.

Table 8: Materials Factors Impacted Our Ability to Create Value

Material Matters	Risks to Value Creation	Our Response
Increasing Competition	Potential market share loss and revenue pressure due to competitiveness.	Innovate products/services in an automated, digitized environment to sustain competitiveness.
Disruptive Technologies & Digital Adoption	Business landscape evolution via digital transformation.	Strengthening partnerships between business and technology for adaptability to changes.
Rising Stakeholder Expectations	Stakeholder sentiments are impacting reputation and funding access.	Engage stakeholders, incorporate their expectations into strategic planning, and adopt transparent value creation through integrated reporting.
Ongoing Regulatory & Policy Changes	Escalating compliance costs affecting customer expenses and shareholders’ returns.	Allocate substantial investments towards compliance and risk mitigation. Engage policymakers for regulatory reforms. Foster proactive relationships with regulators.
Current & Emerging Risks	Cyber-attacks disrupt services and compromise confidential information as well as Climate change risks.	Maintain robust cybersecurity frameworks. Integrate long-term ESG criteria into business decisions for sustainable stakeholder benefits.



9 PERFORMANCE FOR THE YEAR

2024 Financial Highlights:

Statement of Profit or Loss and Other Comprehensive Income

Overall, the execution of the Bank's key strategic initiatives continues to trend well in line with agreed timelines and budgetary commitments. As a result of disciplined strategy execution, the Bank closed the year 2024 with strong performance, underscoring both the quality of our strategy and the discipline of execution. In 2024, the Bank witnessed broad-based balance sheet growth and sustained P&L momentum.

Profit & Loss

The Bank has continued to sustain a strong financial performance, as reflected in the financial results for 2024. This positive momentum is driven by steady revenue growth in the back of strong credit growth and increased customer activities, enhanced operational efficiency, and improvements in the overall quality of the Bank's loan portfolio.

Net Interest Income

The bank's total revenue closed at TZS 1,637 Billion in 2024, up 17% (TZS 233 bn) YoY. The Revenue performance is attributed to solid growth in net interest income (NII), which closed at TZS 1,058 Billion in 2024, up 13% YoY, and continued strong performance on non-funded Income (NFI), which increased by 24% YoY to close 2024 at TZS 577 Billion. NII's performance primarily reflects the continued strong growth in interest income, which increased by 16% YoY, driven by solid growth in lending by 10% YoY. Interest expenses closed at TZS 308 Billion, an increase of 27% YoY.

Table 9: Bank's Net Interest Income (NII) summary for the reportable segments for the year 2024

	2024	2023	YoY
Interest Income	1,366	1,180	16%
Retail	917	834	10%
Wholesale	212	126	68%
Treasury	237	219	8%
Interest Expense	308	242	27%
Retail	149	111	36%
Wholesale	162	131	24%
Treasury	0.6	4	-86%
Net Interest Income (NII)	1,058	939	13%

Non-Funded Income (NFI)

NFI continued to trend with a 24% YoY increase, mainly attributed to continued traction on income diversification initiatives and increased customer activities. Performance was driven by solid growth across key lines, including FX income (up 73% YoY), Mkononi (up 26% YoY), Agency banking (up 37% YoY), and Bancassurance (up 21% YoY).

9 PERFORMANCE FOR THE YEAR (CONTINUED)

2024 Financial Highlights (Continued):

Table 10: Bank's Non-Funded Income (NFI) summary for the reportable segments for the year 2024

TZS Bn	2024	2023	%Δ YoY
Fx income	111	64	73%
Loan-related commissions	53	49	6%
Card Business	61	68	-11%
Agency Banking	62	45	37%
Mkononi	110	87	26%
Bancassurance	61	51	21%
Total NFI	577	465	24%

Operational Efficiency & Cost Optimization

The bank continued to record substantial efficiency gains, closing the year with a cost-to-income ratio of 38% (2023: 39%), well within the regulatory benchmark of less than 55%. The bank's operating expenses were recorded at TZS 625 Billion (14% YoY increase), trending above the budget by TZS 17 Billion, mainly because of some unbudgeted significant costs. The bank continues to prioritize overall cost optimization and emphasizes its significance.

Bank Profitability

The bank recorded a profit before tax (PBT) of TZS 931 Billion in 2024, up 20% YoY. Profit after tax (PAT) closed at TZS 647 Billion, an increase of 19% YoY. The positive financial performance of the Bank is attributed to solid business momentum and sales performance, efficiency gains, and continued focus on prudent loan portfolio risk management. This solid performance demonstrates the positive progress we have made against the execution of our MTP strategic initiatives. The bank maintains an optimistic outlook, aligning with its strategic ambitions for the year.

Table 11: Profit & Loss Summary for the year 2024 (TZS Billion)

	2024	2023	%Δ YoY
Total Income	1,637	1,406	17%
Operating expenses	618	546	14%
Impairment	87	84	1%
PBT	931	775	20%
PAT	647	545	19%

Statement of Financial Position

The Bank recorded an increase in total assets to TZS 13,736 Billion, representing a 13% growth from the TZS 12,180 Billion recorded in 2023. This asset growth was primarily driven by a TZS 877 Billion increase (10% up YoY) in net loans and advances, fueled by increase demand in both Retail and Wholesale loan segments. Additionally, and balances with other banks increased by TZS 569 Billion (69% up YoY), while cash and balances with the Bank of Tanzania increased by TZS 110 Billion (8% up YoY). The strategic management of these assets highlights the Bank's focus on optimizing its liquidity position and maximizing returns on the asset portfolio. The growth in assets was effectively funded by an increase in customer deposits, which rose by TZS 1,099 Billion (13% up YoY). The audited financial statements and Notes for 2024 are set out on pages 243 to 385.



9 PERFORMANCE FOR THE YEAR (CONTINUED)

2024 Financial Highlights (Continued):

Cash Flow

During the year, the Bank generated TZS 1,007 Billion (2023 used: TZS 52 Billion) in its operating activities. This was mainly attributed to the growth of customer deposits by TZS 1,007 Billion (2023: TZS 871 Billion), against slower loan and advances to customer growth of TZS 877 Billion (2023: 1,777 Billion). The major source of cash outflow was financing by TZS 179 Billion (2023 inflow: TZS 441 Billion). Furthermore, major cash use was mainly in investing in TZS 538 Billion investments in government securities at amortized cost (2023: TZS 933 Billion) and paying a dividend to TZS 181 Billion (2023: TZS 143 Billion).

The Bank's cash projections indicate that future cash flows will mostly be generated from deposits. The Bank will continue implementing different strategies to mobilize customer deposits by targeting individual depositors, offering competitive rates for fixed deposits, and improving cash collection solutions for corporate customers, Government institutions, non-Government organizations, and other agencies.

Dividend

As of 31 December 2024, the Bank complied with BOT requirements on dividend payment, specifically recording a Cost-to-Income Ratio of 38.3% and a Non-Performing Loans ratio of 2.9% against regulatory maximum limit requirements of 55% and 5%, respectively. A formal dividend payment proposal considering capital requirements will be presented in the May 2025 Board meeting prior to the AGM in June 2025. The Annual General Meeting (AGM) held in June 2024 approved the Board's dividend proposal of TZS 361.18 per share from the total dividend of TZS 180.59 Billion, which was 1/3 of the profit after tax for the year ended 31 December 2023 in line with the Bank's dividend policy.

Borrowing

The Bank maintains strong relationships with various Development Finance Institutions (DFIs), who, through close engagement, continue demonstrating confidence in the Bank by providing us with long-term facilities in the form of borrowed funds. These funds are lent to final beneficiaries to support overall economic development and the growth of key business segments. As of 31 December 2024, the Bank's borrowings balance amounted to TZS 1,370 Billion (2023: TZS 1,380 Billion). The Bank complied with all lender's covenants as of 31 December 2024 (2023: Compliant).

Liquidity

The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have adequate liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation. To support adequate levels of liquidity, the Bank has arrangements for diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind, and monitors future cashflows and liquidity daily. The Bank has developed respective internal control processes and contingency plans for managing liquidity risk.

9 PERFORMANCE FOR THE YEAR (CONTINUED)

Liquidity (Continued)

Within the Bank, the Treasury function maintains a portfolio of short-term liquid assets, largely comprised of short-term liquid investment securities, loans, and advances to banks and other inter-bank facilities, to ensure sufficient liquidity. The daily liquidity position is monitored, and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies are subject to review and approval by the Board.

In 2024, the Bank's Loans to Deposits Ratio (LDR) closed at 80% (including borrowings) and 91.4% (excluding borrowings), an improvement from 80.7% and 94.8% respectively from previous year. Furthermore, the Bank's Liquid Asset Ratio (LAR) improved to 33.6% in 2024 from 33.2% in 2023 and well above the regulatory minimum threshold of 20.0%. The Bank continues to monitor the trend of these ratios to ensure they are maintained at healthy levels to sustain growth momentum in loans and advances.

The Bank's strategic initiatives in 2024 have laid the groundwork for sustained growth and resilience in the face of market challenges. By focusing on asset optimization, expanding its credit portfolio, and maintaining operational efficiency, the Bank has positioned itself to capitalize on emerging opportunities while navigating potential risks. The strategic emphasis on digital transformation, particularly through the expansion of digital banking channels, has not only enhanced customer engagement but also fortified the Bank's competitive positioning in a rapidly evolving financial landscape.

Furthermore, the Bank's prudent risk management practices, coupled with its strategic investment decisions, have contributed significantly to its financial robustness. The ability to balance growth with risk management has been a key factor in the Bank's success, ensuring that it remains well-equipped to handle economic fluctuations and regulatory changes.

The Bank remains committed to driving sustainable growth and delivering long-term value to its stakeholders. The strategic focus on leveraging technology, optimizing operational processes, and expanding its product offerings will continue to be central to the Bank's growth strategy. As the Bank builds on its achievements in 2024, it is well-positioned to further enhance its market presence, drive innovation, and achieve its strategic objectives in the coming years.

KEY PERFORMANCE INDICATORS FOR THE BANK

The oversight body actively supervises and sanctions the execution of the Bank's Key Performance Indicators (KPIs) aligned with strategic goals. This occurs quarterly through the management's presentation of a performance report. This report outlines KPI achievements, potential challenges arising from internal and external environments, and any support required to attain the established objectives.



9 PERFORMANCE FOR THE YEAR (CONTINUED)

Key Performance Indicators for the Bank (Continued)

In managing these KPIs, the Bank follows a structured process:

- Management proposes KPIs which are reviewed and endorsed by the Board of Directors.
- The CEO cascades these KPIs to senior management, engaging in discussions to ensure effective implementation.
- Senior management disseminates KPIs to department heads, facilitating the creation of departmental balanced scorecards that align with the Bank KPIs.
- Monthly reviews within each department ensure adherence to KPIs aligned with the Bank's strategic objectives. Quarterly reports on these reviews are presented to the Board.
- The Board ensures the availability of resources necessary for successful delivery in line with the KPIs.
- The positive and negative impact on stakeholders due to KPI implementation is assessed to meet their expectations.

Both financial and non-financial KPIs serve as evaluation tools for those overseeing governance, allowing an assessment of the Bank's performance vis-à-vis its strategic goals.

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9 PERFORMANCES FOR THE YEAR (CONTINUED)

Key Performance Indicators for the Bank (Continued)

Table 12: Financial and Non-Financial KPIs as of December 31, 2024, are detailed below

KPI	Formula	2024	2023	Purpose
Return on Equity (ROE)	(Net Profit / Total Equity) * 100%	25.2%	28.6%	Measures the Bank's profit generation capability from shareholders' funds.
Return on Assets (ROA)	(Profit Before Tax / Total Assets) * 100%	4.7%	4.7%	Evaluate the Bank's efficiency in utilizing assets to generate profit.
Operating Expenses to Operating Income Ratio (CIR)	Operating Expenses / (Net Interest Income + Non-Interest Income) * 100%	38.3%	39.0%	Measures operational cost against income generation; how much the Bank spends out of income generated.
Gross Loans to Customer Deposits Ratio	(Gross Loans to Customers / Total Deposits from Customers) * 100%	91.4%	94.8%	Assess bank's liquidity by comparing total loans to total deposits.
Growth in Customer Deposits	(Increase in Customer Deposits / Opening Balance of Customer Deposits) * 100%	13.0%	11.5%	Measure growth in customer deposits from the previous year.
Non-Performing Loans to Total Loans Ratio	(Non-Performing Loans / Gross Loans and Advances) * 100%	2.9%	3.2%	Evaluate the loan portfolio quality.
Growth in Loans and Advances to Customers	(closing Loans &Advances / Opening Loans& Advances) * 100%	10.3%	28.1%	Measures the growth of loans and advances to customers from the previous year.
Growth in Total Assets	(Assets at Year-end/opening Asset Balance) * 100%	12.7%	18.9%	Assess the growth of total assets from the previous year.
Tier 1 Capital Ratio	(Core Capital / Risk-Weighted Assets) * 100%	27.2%	23.3%	Measure the Bank's financial capital position against risk-weighted assets.
Total Capital Ratio	Total Capital / Risk-Weighted Assets * 100%	27.2%	23.3%	Evaluate supplementary capital position against risk-weighted assets.
Earnings per Share (EPS)	Profit attributable to equity shareholders / Number of ordinary shares in issue (TZS)	1,287	1,084	Indicate earnings generated per share invested in the Bank.
Net Interest Margin (NIM)	(Interest Income - Interest Expense) / Average Earning Assets * 100%	9.2%	10%	Measure the difference between interest income generated and interest paid out.
Cost of Funds	(Interest Expense / Interest-Bearing Liabilities) * 100%	2.8%	3%	Indicate the Bank's cost to gather funds, especially through deposits and borrowings.
Loan Loss Provision Ratio	(Loan Impairment Charge / Total Loan Portfolio) * 100%	1.0%	1.1%	Assess the amount set aside to cover potential losses from non-performing loans.
Deposit Mix	Composition of Low-Cost Deposits vs Higher-Cost Deposits	85.4%	84.8%	Analyses the distribution of deposits to strategic funding sources.
Customer Retention Rate	(Number of Customers at the End - New Customers) / Number of Customers at the Start	100%	118%	Gauge customer satisfaction and loyalty.
Digital Transactions (in MIn)	Number of Transactions in Digital Platforms (Mkononi, Internet Banking, ATM & Agency Banking)	285	292	Show the number of transactions conducted and initiated through digital platforms.
NMB Wakala	Number of registered NMB wakala	50,698	28,295	Growth of agency banking initiative.
NMB Mkononi Users	Number of Active Mkononi Users in Millions	4.7	4.3	Growth of digital banking users via NMB app.

Note: Compared to previous financial years, there were no changes to either KPIs or methodologies that needed to be disclosed in the underlying accounting policies adopted in the financial statements during the year. The Bank KPI targets for 2024 are disclosed in Section 9 of those charged with governance reports and Table 12.



10 PRINCIPAL RISKS AND UNCERTAINTIES

The Bank faces various risks impacting its short-to-medium-term strategy, including Credit, Operational, Compliance, Information and Communication Technology (ICT), Market, Liquidity, Strategic, and Reputational risk.

Risk Management Principles and Internal Controls

NMB emphasizes effective risk management principles to align with its objectives. This involves a continuous review of processes and integrated risk management structures at both operational and strategic levels. Decision-makers rely on proactive risk management to make informed choices and address uncertainties. The framework recognizes the role of human and cultural factors, emphasizing stakeholder engagement throughout the risk management process. The Bank actively takes risks within defined appetite and tolerance levels, considering regulatory requirements. Risk management is a core function, with policies and procedures ensuring alignment with best practices.

The overall risk management responsibility lies with those charged with governance (Board). The Board sets the tone, approves strategies and a risk management framework, oversees risk management, and regularly monitors the risk profile. The senior management team facilitates framework development and ensures compliance with policies, laws, and regulations. The focus is on establishing effective internal controls and maintaining a dynamic approach to identifying and addressing emerging risks.

Operating Environment: Navigating Uncertainties

In our operating setting, unforeseen circumstances create unpredictable uncertainties, posing a risk of negative economic events. NMB employs a robust risk management process with deployed tools to address these uncertainties proactively.

The Bank diligently monitors the economic landscape, adapting processes and systems to navigate changes while ensuring customer protection through enhanced value propositions and strategic contingencies.

We believe proactive risk prevention adds shareholder value by optimizing earnings, ensuring stability, and protecting against unexpected losses. Our risk management processes aim to safeguard the Bank’s solvency through high asset quality, efficient operations, and prudent capital management, resulting in sustained earnings, regulatory compliance, and enhanced market reputation.

TYPES OF RISK

Operational risk

Operational risk arises from inadequate or failed internal processes, people, or systems and external events, including legal risks. It encompasses a wide range of potential incidents, such as fraud, human error, technology failures, and natural disasters.

Fraud Risk: A subset of operational risk, both internal and external, is mitigated by stringent controls, including preventive and detective measures such as a code of ethics and business conduct, policies, and processes to address fraud incidents.

10 PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

TYPES OF RISK (CONTINUED)

Operational risk (Continued)

Risk Management Approach: The Bank implements various measures to mitigate operational risk as part of its Enterprise Risk Management (ERM) framework:

- People: Code of ethics and business conduct guide staff behavior and ensure the right skills and resources are available.
- Processes: Internal policies and procedures, Risk and Control Self Assessments (RCSA), and regular control evaluations are conducted. Management committees, including the Risk and Compliance Committee (RCC), discuss risk events and mitigating measures.
- Systems: Investment in new technology platforms improves risk reporting, aggregation, and visibility. The adoption of international best practices guides the protection of information assets.

Compliance risk

Compliance risk is the current or prospective risk to earnings, capital, and reputation arising from violations or non-compliance with laws, rules, regulations, agreements, prescribed practices, ethical standards, and incorrect interpretation of relevant laws or regulations. NMB is exposed to compliance risk due to its relations with multiple stakeholders, such as regulators, customers, tax authorities, and other authorized agencies.

Risk Management Approach: Managed within the Bank’s Enterprise Risk Management (ERM) framework, compliance risk is supported by various policies and procedures aligned with relevant standards and industry best practices. The Bank promotes regular regulatory monitoring and assurance reviews to ensure continuous compliance with internal policies, procedures, guidelines, and regulatory requirements.

NMB uses a range of tools and processes to promote effective management of Compliance risks. The Bank adequately oversees the Compliance risks at senior management and Board levels. Compliance risks and issues are escalated and deliberated on in various committees, such as the Management Risk and Compliance Committee (RCC), Executive Committee, and the Board Audit, and Risk and Compliance Committee (BARCC).

Strategic risk

Strategic risks are the possible losses a business may incur based on decisions made at the strategic level. These include failures in business strategy, or a business plan related to internal or external forces. Internal events that could cause the failure of a business strategy include poor communication, low cash flow, poor execution of stated initiatives, or a change in senior management. External events, such as changes in consumer demand, new technologies, and new market entrants, can also undermine a business’s ability to meet its core strategic objectives.

Risk Management Approach: The Bank is focused on executing the Medium-Term Plan. Key risks associated with our long-term growth aspirations have been identified, and periodic reviews and measurements are performed to provide assurance.



10 PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

TYPE OF RISK (CONTINUED)

Credit risk

This is the risk resulting from the possibility that an asset in the form of a monetary claim against a counterparty may not result in a cash receipt (or equivalent) as per the terms of the contract. The Bank has robust controls to manage exposure to credit risk, including intensive appraisal, approval process, disbursement controls, continuous monitoring, collection and recovery, and a robust risk appetite statement.

Risk Management Approach: Responsible lending is critical to a well-functioning bank. This means considering each customer’s long-term financing needs, repayability, and resilience. A range of tools and measures are used to manage credit risk within the approved risk appetite.

From a governance perspective, the apex credit decision-making committee is the Board of Directors, which works through the Board Credit Committee and other Management committees, including the Wholesale Credit Committee, Retail Credit Committee, Loan Portfolio Quality (LPQ) Committee, and Watchlist and Special Assets Management (SAM) Committee to review credit applications, loan-related controls, as well as loan portfolio quality. The BARCC reviews compliance with the credit risk appetite quarterly. Branches also have the discretion to autonomously approve certain credits up to closely monitored internal limits.

Technology risk

Risk associated with using Information and Communication Technology to support business processes/ standards. Technology Risk results from inadequate or failed technology strategy, project, program, or technology operations. The Bank has robust checks in place to limit its exposure to Technology risk and performs regular monitoring to validate the efficacy of its ICT risk controls.

Risk Management Approach: The Information Technology Risk Management Policy governs the protection of the Bank’s information assets from all threats, whether internal or external, deliberate or accidental, to ensure business continuity, minimize business damage, and maximize return on investments and business opportunities. The policy’s objective is to protect the Bank, its staff, customers, and other third parties from information risks that have significant likelihoods of occurrence and consequences. The policy also stipulates key risk management principles with respect to managing IT Risk across the Bank, including continuous assessment and monitoring that is done using key risk indicators, risk and control self-assessments, and other reviews performed by the second and third line of defense.

10 PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

TYPE OF RISK (CONTINUED)

Market risk

Market risk is the risk of losses in on and off-balance sheet positions caused by adverse changes in market prices, such as interest rates, foreign exchange rates, equity prices, and commodity prices. Market risk exists in both trading and banking books. A trading book consists of positions in financial instruments and commodities held either with trading intent or to hedge other elements of the trading book.

Risk Management Approach: The market risk team at NMB oversees market risk day-to-day in close collaboration with the Treasury team. Several tools are used to control this risk, e.g., system limits, dealer mandates, etc. Market risk issues are also closely monitored and tracked by the monthly Asset and Liability Committee (ALCO) and other key Management Committees.

Stress testing is used to monitor market risks. Four comprehensive rounds of stress testing were performed in 2024, incorporating stress scenarios for all key risk factors (liquidity, solvency, market, credit, operational risk, and a black swan combined stress scenario).

Funding Risk

Funding risk refers to a bank’s potential challenges in securing the necessary funding to meet its obligations and support business growth. This risk can impact liquidity and capital adequacy, affecting the Bank’s ability to function smoothly and comply with regulatory standards. Funding Risk comprises of;

a. Liquidity Risk

The risk of having insufficient stable or diverse sources of funding to meet financial obligations as they fall due, without raising funds at unfavourable rates or resorting to distressed sale of assets or central bank support.

Risk Management Approach: Liquidity risk at NMB is overseen day-to-day by the Treasury function in close consultation with the Market Risk team. The Bank has deployed various tools to manage this risk, including system limits and dealer mandates. Liquidity risk issues are closely monitored and tracked via the monthly Asset and Liability Committee (ALCO) forum.

Stress testing is another tool for monitoring the Bank’s liquidity risks. It incorporates stress scenarios for all key risk factors (liquidity, solvency, market, credit, operational risk, and a black swan combined stress scenario).

b. Capital Risk

The risk that the Bank has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments or stressed conditions (both actual and as defined for internal planning or regulatory testing purposes). This includes the risk from the Bank’s pension plans.



10 PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

TYPES OF RISK (CONTINUED)

Reputational risk

The risk is that an activity, action, or stance taken by the Bank’s officials will impair its image in the community and/or the long-term trust placed by its stakeholders, resulting in the loss of business or legal actions against the Bank. The Bank has stringent reputation risk controls, including very tight controls on corporate communications and messaging.

Risk Management Approach: The Bank proactively seeks to enhance its overall reputation and manages potential reputational risks in line with its overall control framework. Reputational risk is monitored and managed through a review of respective incident reports and assessments, risk and control assessments pertaining to the first and second lines of defence functions, as well as results of respective surveys covering the Bank’s overall brand health and their respective action plans.

Cybersecurity Risk

Cybersecurity risk may arise from vulnerabilities or threats in internet-facing computer systems, networks, and digital infrastructure that may result in cyberattacks or data breach and their related impacts.

Risk Management Approach: NMB has implemented comprehensive cybersecurity risk management, including Secure software development, security monitoring, security incident response, information classification, handling and retention, protection of personal data, access controls, cryptography control and key management, vendor management, outsourcing, and cloud management, security awareness training and physical and environmental security, among other things. Effective cyber security reduces the risk of cyber threats and protects against the unauthorized exploitation of systems, networks, and technologies.

Climate Financial Risk

Climate risk arises from the adverse impact of climate change and the transition to a low-carbon economy on overall business and investment operations. This affects business operations, asset valuations, and our ability to serve our customers.

Risk Management Approach: NMB Bank, via its Enterprise Risk Management Framework (ERMF), Sustainability framework, Climate Risk management policy, and E&S Policy, governs and manages the climate risk and its impact on the business’s day-to-day operations. See Section 20.3 of those charged with Governance.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

10 PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Table 13: Risk Register

Principal Risk	Cause/ Circumstance	Key Risk Indicators (KRI)	Likelihood	Magnitude/ Impact	Opportunities and Mitigations
Operational Risk	Potential incidents include fraud, human error, technology and process failures, and natural disasters.	Losses due to operational risk events, fraud incidences, and losses.	High	Severe - could lead to financial loss, reputational damage, and operational disruptions.	Bank policies, code of ethics, business conduct, risk management strategies, and robust enterprise risk framework as well as enhanced automated tools.
Compliance Risk	Non-compliance with laws/ regulations, incorrect interpretations, late submissions, fines, and penalties.	Late submission of returns/ payments, fines, and penalties.	High	Severe - could result in financial losses (penalties and fines) and reputational damage.	Robust monitoring of regulatory changes, staff awareness, conformance tests, and engagement with policymakers to resolve jurisdictional contradictions.
Credit Risk	Changes in borrowers' environment or business activities, including borrower death or bankruptcy.	Significant increases in credit risk and default.	High	Severe - increases impairment losses affecting profitability and liquidity.	Insurance on credit facilities, detailed and thorough assessment across the entire credit value chain. Proactive Credit Risk Management through the automated tools. Disciplined approach on adhering to risk appetites and limits.
Market Risk	Adverse market rate/price movements include interest rates, forex, and equity prices.	Adverse movements in interest rates, forex, and equity prices.	High	Severe - impacts profitability.	Matching sensitivity of assets/liabilities, diversification of funding sources, and closely monitoring equity price movements.
Funding Risk	Insufficient cash/cash equivalents and capital due to mismatches between loans/deposits or asset/liability maturities and decreased money supply.	Breach of market risk limits.	High	Severe—may lead to fines, failure to meet obligations, and operational disruptions.	Daily monitoring and adherence to liquidity limits, diversification of funding sources, and close tracking of cash flow and funding patterns. Robust contingency funding strategies in place.
Strategic Risk	Failures in strategic decisions, changes in consumer demand, new technologies, and market entrants.	Decrease in liquidity and capital ratios below the regulatory and internal limits.	Medium	Moderate - may hinder long-term growth objectives.	Scenario planning, robust risk assessments, and monitoring of strategic initiatives aligned with organizational objectives.



10 PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Table 13: Risk Register (Continued)

Principal Risk	Cause/ Circumstance	Key Risk Indicators (KRI)	Likelihood	Magnitude/ Impact	Opportunities and Mitigations
Technology Risk	Insufficient or unsuccessful Technology Strategy and Operations.	Business interruptions frequencies, malware presence, unpatched and misconfigured systems.	High	Severe - could lead to operational disruptions and data breaches	Implementing Enterprise Risk Framework, robust security assessments and monitoring, and adherence to Risk Appetites.
Cybersecurity	Increasing sophistication of cyber-attacks, including phishing, ransomware, and data breaches, due to rapid digital transformation without adequate security protocols.	Number of attempted cyber-attacks and successful breaches. Time taken to detect and respond to security incidents.	Medium	Severe – can lead to financial losses, reputational damage, and regulatory penalties for data breaches.	Implementing robust monitoring as per the Enterprise Risk Framework, regular monitoring of system security using automated tools and adherence to Risk Appetites related to Technology risks.
Reputational Risk	Negative publicity following operational failures, compliance breaches, or customer dissatisfaction.	Media coverage, customer complaints, and social media sentiment.	Low	High - could damage brand reputation and customer trust.	Robust communication strategies and monitoring of reputational risk controls per the Reputational Risk Policy and respective Risk Appetites, Crisis Management plans, and focus on delivering exceptional customer service
Climate Financial Risk	Adverse climate change and shifting climatic patterns affecting operational efficiency, loan performance, and asset valuation.	Asset exposure to physical or transition risks. Regulatory non-compliance notices regarding climate policies.	Medium	High—leads to physical asset damage, increased default rates in climate-sensitive sectors, rising compliance costs, and reputational damage.	Monitoring of the Climate Risk controls and risk appetites. Continuous monitoring of the credit exposures in line with Climate Policy aligned with Regulatory Requirements.

10 PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the Bank’s risk management and internal control systems. It is the responsibility of the Board, through delegation to senior management under supervision of the Chief Executive Officer, to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations.
- The safeguarding of the Bank’s assets.
- Compliance with applicable laws and regulations.
- The reliability of accounting records.
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviors towards all stakeholders.

The efficiency of any internal control system depends on the strict observance of prescribed measures. Staff always risk non-compliance with such measures. While no system of internal control can provide absolute assurance against misstatement or losses, the Bank’s system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Board conducts risk and internal control assessments through the Board Audit, Risk and Compliance Committee. The Board assessed the internal control systems throughout the fiscal year ended 31 December 2024 and is of the opinion that they met the accepted criteria.

11 TREASURY POLICY

The Bank maintains a well-documented treasury policy that articulates how various risks arising from dealings and other banking activities are identified, measured, and managed. These include liquidity risk, foreign exchange risk, and interest rate risk.

The policy stipulates regulatory ratios and internal limits on the above-stated risks to enable efficient compliance monitoring. Moreover, to combat any losses resulting from dealing activities, the policy allows for establishing dealer, counterparty, and stop-loss limits that are reviewed regularly and updated. The policy also assigns responsibilities for specific roles, including Treasury department staff, the Market Risk unit, the Executive Committee, and members of the Assets and Liabilities Committee (ALCO).

In collaboration with the Market risk unit, the Asset and Liabilities Management (ALM) team provides monthly reports to ALCO to confirm compliance with the policy requirements. From a risk and governance perspective, the second and third lines of defense ensure the Bank’s compliance with Policy guidelines. Operationally, any incident where a guideline has been breached is reported by the treasury functions to the Treasurer, who then escalates the breach to ALCO members and Bank’s Executive Management for immediate action. The following sections are covered in the Treasury policy:

11 TREASURY POLICY (CONTINUED)

(i) Liquidity Management

Liquidity management evaluates the Bank's ability to meet its commitments as they fall due whilst maintaining confidence in the market to be able to replace funds when they are withdrawn.

The Bank's sound and robust liquidity management process, as carried out within the Bank and monitored by ALCO, encompasses the following:

- Day-to-day funding is managed by monitoring future cash flows to ensure that daily obligations can be met. This includes replenishing of funds as they mature or are borrowed by customers. The Bank maintains an active presence in money markets to enable this.
- Maintaining a portfolio of highly liquid and marketable securities that can easily be liquidated as protection against any unforeseen interruption to cash flows.
- Monitoring balance sheet liquidity ratios, i.e., Liquid Asset Ratio (LAR), Loan Deposit Ratio (LDR), and Long-term Funding Ratio (LTFR) against internal and regulatory requirements.
- Managing the concentration and profile of debt maturities.
- Diversification of depositor base.
- Performing liquidity stress and scenario tests; and
- Maintaining a robust and effective contingent funding plan.

(ii) Foreign Exchange Risk Management

Foreign exchange risk is a current or prospective exposure to earnings and capital arising from adverse movement in the currency exchange rate. The Treasury policy mainly focuses on the foreign exchange risk that arises from trading activities whose management principles are as outlined below:

- Identification of foreign exchange risks in the trading and banking book.
- Risk appetite specification in the form of limits and triggers.
- Breach management.
- Price validation and profit recognition.
- Sign off positions and profit or loss.

The policy further outlines the roles and responsibilities of ALCO, the Market risk unit, and foreign exchange traders in managing this risk for the Bank.

(iii) Interest Rate Risk Management

Interest rate risk arises from mismatches between the re-pricing dates on interest rate-sensitive assets and liabilities in the normal course of business activities. Treasury policy explains the types of interest rate risk and methods for measuring and managing it. The policy additionally outlines the roles and responsibilities of ALCO and Treasury in managing risk. All these are disclosed both internally via reports to ALCO (monthly) and to the Board Audit Risk and Compliance Committee (BARCC) every quarter and publicly through annual financial reports.

11 TREASURY POLICY (CONTINUED)

(iii) Interest Rate Risk Management (Continued)

In addition to liquidity management, the Bank manages its interest expenses through regular review of the fixed deposit rates and other savings account rates and strives to obtain reasonable and fair borrowing rates from interbank and multilateral lenders.

All borrowings have been disclosed under note 36 to the financial statements. Interest rate sensitivity analysis is disclosed under note 9.2.2.

(iv) Contingency Funding Plan

Treasury policy puts together a contingency funding plan to provide a framework within which an effective plan of action can be put in place in response to an adverse liquidity event. The plan stipulates:

- The points that will trigger the implementation of the plan.
- Roles and responsibilities of management.
- Team members identified during impending crisis likely to happen in the near term (phase 1) situation and crisis likely to lead into default within next to 48 hours (phase 2); and
- an updated communication channel during the liquidity crisis.

12 CAPITAL STRUCTURE AND FUNDING MIX

CAPITAL STRUCTURE

The Bank's capital structure for the year under review is disclosed in note 39 of the financial statements. The Banks capital structure for the year under review is as follows:

- Authorized: 625,000,000 ordinary shares of TZS 40 each.
- Issued and fully paid: 500,000,000 ordinary shares of TZS 40 each.

The capital structure remained consistent with the preceding financial year, indicating stability. The Bank has maintained a robust capital structure that strikes the right balance between debt and equity financing, providing sufficient funds for growth while minimizing capital costs and financial risks. The conclusion of the financial year revealed that the capital ratio stood at 27.21% for Tier 1 and 27.23% for Total Capital, which is well above the regulatory threshold of 12.5% and 14.5%, respectively. The Bank has robust strategies in place to continue upholding the solid capital position to support growth ambition and regulatory compliance. More details are shared under note 9.6 and 39 in the financial statements.

FUNDING MIX

The Bank's primary funding source during the year was customer deposits, focusing on current accounts and savings accounts (CASA), including demand deposits, savings deposits, and time/ fixed deposits, as sources of funds to finance customer lending. Furthermore, the Bank borrows to fund its short-term liquidity needs through interbank markets and funding lines as a secondary source.



12 CAPITAL STRUCTURE AND FUNDING MIX (CONTINUED)

FUNDING MIX (CONTINUED)

Table 14: Debt and Equity summary for the year 2024.

	Group		Bank	
Figures in TZS' Million	2024	2023	2024	2023
Equity				
Issued Capital	20,000	20,000	20,000	20,000
Retained Earnings	2,534,076	2,066,586	2,526,349	2,062,118
Other Reserves	500	1,550	2,050	1,550
Non-Controlling interest	4,804	4,441	-	-
Total	2,559,380	2,074,577	2,530,399	2,065,668
Debt				
Customer Deposits	9,564,221	8,465,608	9,577,116	8,474,678
Borrowings - Current	669,344	333,496	669,344	333,496
Borrowings - Non-Current	700,159	1,046,697	700,159	1,046,697
Total	10,933,724	9,845,801	10,946,619	9,854,871

Funding Strategy:

NMB's funding approach/strategy prioritizes diversification and a stable funding base.

The stability of the Bank's funding base depends on deposit mobilization through enhanced customer proposition and confidence. Customer deposits grew by 13.0% YoY to TZS 9,564 Billion as of December 2024, with the majority comprised of low-cost deposits. CASA commands 85.4% of the Bank's total deposits, with the funding mix broadly similar YoY.

To address liquidity needs, the Bank explores an array of borrowings from interbank markets, debt instruments and issuance, and partners. As part of the contingency funding plan, the Bank has established funding lines with local and foreign banks, providing flexibility for short-term funding requirements. This strategy effectively enhances the Bank's adaptability to different liquidity scenarios.

MAJOR FINANCING TRANSACTIONS

During the year, the Bank did not secure significant borrowings. See Note 36.

SOLVENCY

Solvency risk is the risk of insufficient capital available in relation to the amount of capital required to carry out NMB's strategy and satisfy regulatory capital adequacy requirements. ALCO and other key Management Committees monitor and oversee this risk. The Bank continues to be adequately capitalized.

Stress Testing:

In adherence to the Bank's policy, assessing liquidity involves a thorough examination across various scenarios, with careful consideration given to stress factors affecting both the market and the Bank. Stress testing is a valuable tool for monitoring the Bank's solvency risks. In 2024, the Bank conducted four comprehensive rounds of stress testing, encompassing stress scenarios for key risk factors such as liquidity, solvency, market conditions, credit, operational risk, climate risk, and a combined black swan stress scenario.

12 CAPITAL STRUCTURE AND FUNDING MIX (CONTINUED)

MAJOR FINANCING TRANSACTIONS (CONTINUED)

Stress Testing (Continued):

Stress test results indicate that the Bank remains resilient against different scenarios, albeit notable challenges under certain extreme scenarios with a low likelihood of occurrence.

Furthermore, stress testing evaluates the impact of a combination of market and specific stress factors pertinent to the Bank. The liquidity mismatch reporting and stress testing results undergo regular reporting and review processes by the Asset and Liability Committee (ALCO), Executive Committee, and Board Audit, Risk and Compliance Committee. This thorough evaluation ensures a proactive approach to identifying and mitigating potential risks, contributing to the Bank's overall risk management framework.

Going Concern:

Those charged with governance confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going-concern basis. The Board of Directors has a reasonable expectation that the Bank has adequate resources to continue in operational existence for the foreseeable future.

13 STOCK EXCHANGE INFORMATION AND SHAREHOLDERS' INFORMATION

NMB Bank Plc is a listed public company under the ticker symbol NMB. NMB Bank Plc is licensed under the Capital Markets and Securities Act of 1994 to be traded in the Dar es Salaam Stock Exchange. NMB Bank Plc. share registration is ISIN: TZ1996100222.

- During 2024, a total of 6.3 Million shares were traded during the year for a total cash amount of TZS 32.21 Billion, making NMB among the top contributors to total market activities, contributing 14.0%. As of 31 December 2024, the price per share was TZS 5,350, an 18.9% increase (2023: TZS 4,500).
- NMB is Tanzania's most valued listed bank, the second-most valued bank in East Africa, and the sixth company overall by market capitalization as of December 2024. NMB's consistent financial performance has also earned it a place among Sub-Saharan Africa's top 30 valuable companies (excluding South Africa) - NMB ranking number 21, according to Capital Market Union CMU, Sub-Sahara Africa Top 30 Companies Report 2024.

Table 15: NMB Bank Plc Stock Snapshot

NMB Bank Plc Stock Snapshot	2024	2023	2022	2021
Share Price (TZS)				
Highest	5,550	4,880	3,140	2,340
Lowest	4,300	3,000	2,000	1,680
Average	5,101	4,085	2,769	2,209
Closing price	5,350	4,500	3,020	2,000
Volume traded ('000)	6,279	6,405	11,342	14,984
Market Capitalization in Billions*	2,650	2,250	1,510	1,000
Ratios				
Price-to-earnings ratio**	4.0	3.8	3.3	3.8
Price-to-Book Value** (number of times)	1.0	1.0	0.8	0.8
Dividend yield (%) **	na	8.8	10.3	8.7

NMB Bank Plc share five-year share performance. Source: Dar es Salaam Stock Exchange
* Based on the closing price
** Based on the average price



13 STOCK EXCHANGE INFORMATION AND SHAREHOLDERS’ INFORMATION (CONTINUED)

Corporate Bonds Market

Information regarding the trading tickets of listed NMB Corporate bonds in the Dar es Salaam Stock Exchange, London Stock Exchange and Luxemburg Stock Exchange.

NMB JAMII BOND_TZS	NMB JAMII BOND_USD
NMB-2023/26. T1A	NMB-2023/26.T1B
ISIN: TZ1996105270	ISIN: TZ1996105213
NMB BOND TRANCHE 1 (SUSTAINABLE/JAMII)	NMB BOND TRANCHE 1 (SUSTAINABLE/JAMII)

NMB JASIRI BOND

NMB-2022/25. T4
ISIN: TZ1996104463
NMB JASIRI BOND TRANCHE 4

SHAREHOLDERS OF THE BANK

The total number of shareholders as of 31 December 2024 was 17,341 (2023: 17,014).

The following is a shareholding structure of NMB Bank Plc.

Major Shareholders (Above 10% Shareholding)

	No. of shares held	%
Arise B.V.	174,500,000	34.90%
The Treasury Registrar (Government of the United Republic of Tanzania)	158,901,800	31.78%
Grand Total	333,401,800	66.68%

Shareholders by Categories:

	No. of shareholders	% No. of shareholders	No. of shares held	% No. of shares held
Tanzania Retail Investors	17,128	98.77%	42,214,251	8.44%
Tanzania Permanent Residents	6	0.03%	26,531,998	5.31%
Tanzania Institutional Investors	161	0.93%	213,282,583	42.66%
Foreign Retail Investors	31	0.18%	427,149	0.09%
Foreign Institutional Investors	15	0.09%	217,544,019	43.51%
Grand Total	17,341	100%	500,000,000	100.0%

13 STOCK EXCHANGE INFORMATION AND SHAREHOLDERS’ INFORMATION (CONTINUED)

SHAREHOLDERS OF THE BANK (CONTINUED)

Shareholders by Tranche:

Tranche	No. of shareholders	% No. of shareholders	No. of shares held	% No. of shares held
1 to 200	5,591	32.24%	674,396	0.13%
201 to 1,000	5,624	32.43%	3,624,264	0.72%
1,001 to 3,000	2,758	15.90%	5,432,093	1.09%
3001 to 30,000	3,222	18.58%	20,992,714	4.20%
30,001 to 400,000	115	0.66%	10,718,803	2.14%
more than 400,000	31	0.18%	458,557,730	91.71%
Grant Total	17,341	100%	500,000,000	100%

Table 16: According to company information, the following is a list of shareholders who own 0.5% or more of NMB Bank’s shares.

Name of the Shareholder	%	2024 Number of Shares	%	2022 Number of Shares
Arise B.V	34.90	174,500,000	34.90	174,500,000
The Treasury Registrar (Government of the United Republic of Tanzania)	31.78	158,901,800	31.78	158,901,800
National Social Security Fund (NSSF Uganda)	4.68	23,400,000	4.68	23,400,000
National Investments Plc (NICOL)	4.08	20,395,130	4.08	20,395,130
Sajjad Fidahussein Rajabali	2.65	13,250,300	2.96	14,775,300
Aunali Fidahussein Rajabali	2.65	13,250,000	2.96	14,775,000
Banque Pictet And Cie Sa A/C Patrick Schegg	1.84	9,222,017	1.84	9,222,017
Public Service Social Security Fund (PSSSF)	1.56	7,790,451	1.56	7,790,451
Abbasi Exports Limited	1.53	7,634,863	0.76	3,775,800
Duet Africa Opportunities Master Fund Ic	0.90	4,498,923	0.90	4,498,923
Umoja Unit Trust Scheme	0.86	4,322,460	0.86	4,322,460
BNYM Re Frontaura Global Frontier Fund Llc	0.63	3,129,094	0.62	3,098,772
TCCIA Investment Company Ltd	0.51	2,540,919	0.52	2,590,919
National Social Security Fund	0.51	2,535,414	0.51	2,535,414
General Public	10.93	54,628,629	11.08	55,418,014
Total	100.00	500,000,000	100.00	500,000,000



14 CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STATEMENT

The Bank is committed to maintaining high standards of corporate governance, which enhance performance, reduce risks, and promote the protection of our shareholders’ interests. The Board recognizes that sound and effective corporate governance is essential to the organization’s long-term success, creating trust and ensuring positive relationships with its stakeholders. The Bank has, therefore, put in place a comprehensive range of governance committees, policies, and procedures designed to ensure alignment with sound corporate governance practices and principles.

The Board of Directors (“Board”) of NMB sees governance as a tool for promoting strategic decision-making that balances short-, medium-, and long-term outcomes and safeguards the interests of the organization and its stakeholders.

This Governance report describes how, during 2024, the Board applied the main principles and complied with the relevant provisions of Guidelines on Corporate Governance Practices by Public Listed Companies in Tanzania (1994), the Banking and Financial Institutions (Corporate Governance) Regulations, 2021, and internal governance instruments.

Code of Good Governance

The Board is committed to the principles of good corporate governance. Regular review of corporate governance arrangements and practices and has continued to evolve the Bank’s governance framework and underlying governance structures to reflect evolving good corporate governance norms as well as meeting the needs of the business.

Dedicated to fostering robust corporate governance practices, the Board seeks to strengthen confidence in the Bank, thereby contributing to sustained long-term value for shareholders and other stakeholders. Acknowledging its collective responsibility for the Bank’s enduring success, the Board unwaveringly commits to compliance with all relevant laws and regulations. Additionally, the Board places a high priority on adherence to non-binding rules, codes, and standards, with compliance consistently on the agenda for all Board and Committee meetings.

The Board has undertaken steps to ensure ongoing compliance with the Corporate Governance Code and related Guidelines during the year. Throughout the year, which ended 31 December 2024, the Company has endeavored to apply core governance principles and comply with the provisions of the Code of Conduct. This statement and the reports from the Board Committees set out how we applied and adhered to the Corporate Governance laws, regulations, and standards. The Directors’ report also contains information required to be disclosed under the Code of Corporate Governance Practices for Listed Companies (1994) and Disclosure Guidelines and Transparency Rules (DSE Rules, 2022). To the extent necessary, certain information is incorporated into this Report by reference.

Through the Board Audit, Risk and Compliance Committee, the Board takes a proactive approach to identifying and monitoring all regulations relevant to the Bank, ensuring vigilance toward changes and new regulations impacting the organization.

14 CORPORATE GOVERNANCES (CONTINUED)

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Value Creation through Effective Corporate Governance

The Bank actively embraces effective corporate governance through well-defined governance structures, recognized as vital support for our capacity to create and preserve value. Our governance approach not only propels the achievement of strategic objectives but also harmonizes the interests of all stakeholders, fostering sustainable value creation. Moreover, our Board maintains an unwavering commitment to advancing corporate governance principles and practices by staying abreast of regulatory changes and best practices.

Our corporate governance approach ensures that the Bank:

- Adheres to applicable legal, regulatory, and effective corporate governance practices.
- Delivers sustainable impact to the Bank’s stakeholders.
- Cultivates an ethical and risk-awareness culture.
- Promotes transparency, accountability, and empathy in managing relationships with stakeholders.

Continual improvement in corporate governance principles and practices remains a key focus, ensuring the Bank’s resilience in a dynamic regulatory landscape and adherence to the highest standards of ethical conduct and responsible business practices.

OUR CORPORATE GOVERNANCE FRAMEWORK

Our corporate governance framework enables the Board to oversee the Bank’s strategic direction, financial goals, resource allocation, and risk appetite.

This section details the key corporate governance arrangements and practices of NMB Bank Plc and its subsidiary (hereinafter, the “Bank”). The statement sets out the key components of NMB Bank Plc’s corporate governance framework, which provides guidance to the Board, management and employees and defines the roles, responsibilities and expected behaviors and conduct standards.

The Bank’s Governance Framework

NMB operates within a well-defined corporate governance framework, ensuring the delegation of specific mandates and delineating clear lines of responsibility while maintaining the Board’s oversight role. Our governance philosophy is rooted in our ability to foresee and adeptly respond to changes, serving as a cornerstone for accelerating our strategic initiatives. This extends to how the Board offers guidance and supervision. Our governance framework, endorsed by the Board, is integrated into all Bank operations, providing strategic guidance for responsive decision-making and upholding responsible conduct.

14 CORPORATE GOVERNANCES (CONTINUED)

OUR CORPORATE GOVERNANCE FRAMEWORK (CONTINUED)

The Bank's Governance Framework (Continued)

We apply the guiding principles of our framework to.

- Establish controls that effectively prevent financial losses or damage to reputation resulting from misconduct or unethical conduct.
- Ingrain the principle of conducting business ethically and responsibly.
- Ensure the exploration of strategic opportunities within the risk appetite approved by the Board, Fostering a judicious equilibrium between risk and reward. Uphold our standing as a conscientious corporate entity.
- Through the framework, the Board sets out NMB's strategic direction while entrusting the day-to-day management of the business and the implementation of the Bank's strategy to the Executive Management team led by the Chief Executive Officer ("CEO"). The Board operates through four committees mandated to review specific areas and assist the Board in undertaking its duties effectively and efficiently.

The Board:

NMB is governed by the Board of Directors ("Board"). The appointment of directors is regulated by the Memorandum and Articles of Association of the Company (MEMARTS), as well as the guidelines issued by the Bank of Tanzania (BOT) and the Capital Markets and Securities Authority, pursuant to the Banking and Financial Institutions Act 2006, and the Capital Markets and Securities Act 1994, respectively.

The Board is accountable to the shareholders for the Bank's overall performance and is collectively responsible for its long-term success. The Board is responsible and accountable for providing effective corporate governance, direction, and control. The Directors have a duty to exercise leadership, enterprise, integrity, and judgment based on transparency, fairness, accountability, and responsibility.

The Board structure comprises of nine Directors seats, three of whom are Independent Non-Executive Directors. Four principal committees assist the Board in fulfilling its responsibilities: the Executive Committee, the Human Resources and Remuneration Committee, the Audit, Risk, and Compliance Committee, and the Credit Committee. The Committee charters are reviewed annually to ensure they are aligned with the most recent version of corporate governance laws, regulations, and guidelines and that the Committees function effectively. The relevant committee recommends any amendments on the charters to the Board for final approval.

The Board Charter

The Board Charter is reviewed regularly by the Board and clearly defines the roles and responsibilities of the Bank's Chairman, Directors, and Company Secretary. The roles and responsibilities of the Board Chairman and the Chief Executive Officer are separate and distinct, with a clear division of responsibility between the running of the Board and the executive responsibility of strategy execution and running of the business.

14 CORPORATE GOVERNANCES (CONTINUED)

OUR CORPORATE GOVERNANCE FRAMEWORK (CONTINUED)

The Board Charter (Continued)

The Board Charter is also used for the following purposes:

- As an orientation tool for new Directors.
- As a reference document for Directors to learn more about the Board
- As a reference document to external stakeholders (including regulators, development finance institutions, etc.) to gain further insights on the Board's functioning, mandate, and guiding principles.

The Board Charter is structured to seamlessly align with regulatory frameworks, including, but not limited to, the Banking and Financial Institutions Act 2006 (BFIA), CMSA Act & Guidelines, the Bank's Memorandum and Articles of Association (MEMARTS), and other pertinent legal provisions. Regular reviews are conducted annually or as deemed necessary to maintain its relevance and ensure consistent alignment with the Board's overarching objectives.

The Revised Charter of the Board of Directors:

In line with good corporate governance practice of annual and regular review of the Board Charter, the Charter has recently been reviewed and revised to:

1. Align with prevailing best standards, including the incorporation of an ESG agenda as one of the board's key responsibilities, to demonstrate our continued commitment to sustainability.
2. Incorporate recommendations for a sustainable path to continuous governance improvement, as informed by periodic Corporate Governance Assessments and Reviews on the Bank.

The revised Board Charter was reviewed by the BARCC and approved by the Board in November 2024. The approved Board Charter further aligns the Bank's governance standards with:

- The Banking and Financial Institutions (Corporate Governance) Regulations 2021,
- Risk Management Guidelines for Banks and Financial Institutions, 2010,
- Corporate Governance Guidelines for Listed Companies and
- The Personal Data Protection Act, 2023

The Board is confident that, in line with the approved Board Charter, no circumstances existed during the reporting period that impaired the objective judgment of any individual Non-Executive Director. This commitment to independence reflects the Board's dedication to ensuring transparency, accountability, and high standards of corporate governance.



14 CORPORATE GOVERNANCES (CONTINUED)

OUR CORPORATE GOVERNANCE FRAMEWORK (CONTINUED)

The Bank's Governance Framework (Continued)

The Board of Directors reviewed and approved the changes to the Code of Conduct for the Board of Directors in August 2024. The changes specifically introduced the Director's obligation to manage risks arising from undertaking transactions involving related parties and insiders and enhancement of the list of prohibited gifts and entertainments.

The Code has been adopted to set principles and ethical standards for Board Members in connection with, or having a bearing upon, their status and responsibilities in the Bank. It governs Directors' personal and professional conduct to ensure the highest ethical standards.

Prior to the adoption of this Code, the conduct of Directors was governed by the NMB Code of Conduct, which applied to both Bank employees and Directors.

Board Structure

To enhance its effectiveness, the Board establishes specialized committees, each assigned specific duties and responsibilities to support and enhance its functions. These committees serve both monitoring and advisory roles, recognizing that the Board retains collective responsibility for decision-making. Every committee comprises directors possessing relevant skills, and their terms of reference are meticulously reviewed annually to ensure ongoing relevance, alignment, and compliance with applicable regulations and best practices.

The Board diligently monitors these responsibilities to guarantee comprehensive coverage and control over the Bank's operations. Committee chairs provide regular written and verbal feedback during quarterly Board meetings. This structured approach reflects our commitment to robust corporate governance and effective oversight.

BOARD'S ROLE AND DIRECTORS' RESPONSIBILITIES

The Board is responsible to shareholders for creating and delivering sustainable shareholder value by managing the Bank's business. Among our responsibilities are developing and overseeing the execution of the Bank's strategy within a framework of effective risk management and internal controls, demonstrating ethical leadership, and upholding corporate governance best practices.

The Board recognizes and ensures that the Directors discharge their fiduciary duties under Tanzania's Companies Act, cap 212, to promote the Company's long-term success.

The Board is responsible for directing and supervising the management of the Bank's affairs and delegates authority for the day-to-day management of the business to the CEO, who, in turn, delegates authority, as permitted under the corporate governance framework, to the Bank's Executive Management.

14 CORPORATE GOVERNANCES (CONTINUED)

BOARD'S ROLE AND DIRECTORS' RESPONSIBILITIES (CONTINUED)

Operation of the Board

The Board held 23 meetings in 2024, 4 ordinary Board meetings and 19 Special Board meetings. As set forth in the Board Charter, a minimum of four standard meetings must be held annually, with at least one each quarter. The Board adheres to an established yearly calendar and follows an agenda outlining topics for discussion. Board members are duly informed of any Changes to the calendar or the agenda to be discussed.

The Board's responsibilities include:

- Promoting the Bank's long-term success and delivering sustainable value to shareholders.
- Establish and approve the Bank's strategic and financial plans to be implemented by management.
- Setting the Bank's risk appetite and monitoring the Bank's risk profile.
- Overseeing the Risk Management Framework and its operation by management.
- Approving capital expenditure for material transactions.
- Reviewing succession planning for the Senior management team and making senior executive appointments, organizational changes, and high-level remuneration issues.
- Providing oversight over performance against targets and strategic objectives
- Providing oversight over reporting to shareholders on the Bank's direction, governance, performance, and other material events requiring reporting and disclosure.
- Manage Environmental, Social, and Governance (ESG) and related matters.

Separation of Roles and Responsibilities

The role of the Board Chairman is separate from that of the Chief Executive Officer. There is a clear division of responsibilities between the Board Chairman's leadership and the Bank's chief executive officer's executive responsibility for day-to-day management of the Bank's business.

The Board Chairman is responsible for the board's strategic leadership and is pivotal in creating conditions for its overall effectiveness. The Chairman also plays a pivotal role in fostering constructive dialogue between shareholders, the Board, and management at the Annual General Meeting and other shareholder meetings.

This governance model emphasizes a collaborative leadership approach between the Chairman and the CEO. A precise division of responsibilities safeguards against unilateral decision-making, fostering transparency and accountability.

Access to Information

Those charged with governance have unrestricted access to timely and comprehensive information on the Bank's material strategic, operational, risk management, and financial matters. The Board Secretariate offers guidance on governance matters through the Company Secretary, and independent professional advice is accessible when needed, covered by the Bank's expenses.



14 CORPORATE GOVERNANCE (CONTINUED)

BOARD'S ROLE AND DIRECTORS' RESPONSIBILITIES (CONTINUED)

Separation of Roles and Responsibilities (Continued)

Chairman	- Responsible for leading the Board, its effectiveness and setting high governance standards. - Cultivating effective relationships, fostering transparent communication, and facilitating constructive debates. - Guiding the board in formulating and determining the Bank's strategic direction and policies. - Ensuring the Chief Executive Officer rigorously implements board-approved strategies and policies. - Upholding and promoting the highest standards of integrity, probity, and corporate governance. - To ensure effective communication with shareholders and, where appropriate, the stakeholders. - Upholding rigorous standards of preparation for meetings and ensuring that decisions by the Board are executed.
Non-Executive Directors	- Responsible for ensuring that the Bank has in place proper internal controls as well as a robust system of risk management. - To support the development of strategy proposals, hold management accountable, and ensure that they discharge their responsibilities properly while creating the right culture to encourage constructive challenge.
Chief Executive Officer	- Responsible for the executive responsibility for day-to-day management of the Bank's business - Recommending bank's strategy to the Board and ensuring that the strategic objectives and the Board's directives are implemented with the management team's support. - Implementing the board-approved strategies and policies as directed by the Chairman and the Board. - Conducting the Bank's affairs strictly following board-adopted practices and procedures, championing integrity and corporate governance excellence. - Maintaining robust relationships with the Chairman and the Board through regular reviews of key developments.
Company Secretary	- Provides support and guidance to the Board in matters relating to governance and ethical practices. - Also responsible for induction programs of new directors, keeping Board members abreast of relevant changes in legislation and governance principles, and training for the Board members. - Provides a link to ensure effective communication between the Board and Chief Executive Officer.

14 CORPORATE GOVERNANCE (CONTINUED)

BOARD'S ROLE AND DIRECTORS' RESPONSIBILITIES (CONTINUED)

Director Independence

Directors' independence is fundamental for effective corporate governance. The Board relies on impartial, objective, and independent judgment on all issues under its remit of consideration.

To ensure Independence, the Board Charter is prepared in line with the Banking and Financial Institutions (Corporate Governance) Regulations, 2021, issued by the Bank of Tanzania (BOT), which provides that;

- The Board shall be composed of not less than five (5) members, two-thirds of whom shall be Non-Executive Directors, and at least one-third (1/3) of the Non-Executive Directors shall be Independent Directors with the requisite experience in Banking, Finance, Accounting, Auditing, Law, or Economics.
- Chairmanship of the Board is reserved exclusively to Non-Executive Directors
- The Chairman of the Board is restricted from being a member of the Audit Committee or Credit Committee of the Board.
- The Chairman of the Board is restricted from being a Chairman of any Committee of the Board.
- An Independent Director is expected to be devoid of any relationships that could potentially impair, or create the appearance of impairing, their capacity to exercise unbiased judgment.
- Members of the Board Audit, Risk, and Compliance Committee (BARCC) are restricted from being a member of any other Board committee.

Assessing Independence:

When evaluating a director's independence, the Board considers all facts and circumstances meticulously. This assessment concentrates on whether the director maintains any direct or indirect relationships with the company, senior management, or fellow directors that could impact actual or perceived independence. This encompasses associations with entities holding substantial business connections with the company or not-for-profit organizations substantially supported by the company.

The Board's independence undergoes an annual evaluation based on regulations set by the National Board of Accountants and Auditors (NBAA). Additionally, the Board conducted Board assessments for the year 2024 for all Board members, committees, and the Board in terms of Regulation 21 of the Banking and Financial Institutions (Corporate Governance) Regulations, 2021. During the year, the Board reflected on the topic 'independence of mind' in the context of the periodic Board evaluation, and it was identified that throughout the reporting period, there was neither an incidence where independence of mind was impaired nor complaints regarding Board Independence were received by the Board from NBAA.

Restrictions on Insider Trading:

The Bank enforces a policy requiring directors and employees deemed to possess privileged knowledge of material facts or changes in the Bank's affairs undisclosed to the public to be prohibited from buying or selling ("trading") Bank securities except in strict adherence to the Bank's policy. It is mandatory for insiders to maintain confidentiality and ensure adequate protection from unauthorized disclosure or access to any unpublished and non-public sensitive information received by them in the course of their employment or office.



14 CORPORATE GOVERNANCE (CONTINUED)

BOARD NOMINATION, APPOINTMENT, INDUCTION, AND TRAINING

Board Nomination, Appointment, and Re-Election of Directors

As prescribed in the Bank’s MEMARTS, shareholders with more than a 10% stake in the share capital are entitled to nominate one director for every 10% of their shares. The names of the nominated Non-Executive Directors are presented to the Annual General Meeting (AGM) for approval and further submitted to the Bank of Tanzania for final vetting and approval.

Directors not nominated by the Shareholders with more than 10% stake in the Bank’s share capital shall be identified by an independent firm of good repute, which shall take action to identify and attract the best candidates for directorship for the remaining 1/3 of the Board positions. Identified candidates will also undergo interviews with the BHRRC and subsequently by the main Board.

Board members are appointed based on merit, and candidates undergo a thorough assessment of objective criteria, with a keen awareness of the advantages of fostering diversity within the Board. The appointment process adheres to rigorous standards, especially concerning Directors and specific senior roles per the Board Charter guidelines.

The Board recommends that shareholders appoint directors at the Annual General Meetings (AGMs). Independent Non-Executive Directors (INEDs) shall be appointed as per regulatory requirements.

The Board determines its size and composition, subject to the Company’s Articles of Association, Board Charter, and applicable guidelines, laws, and regulations, including Banking and Financial Institutions (Corporate Governance) Regulation.

Appointment Update

The Bank of Tanzania issued a no-objection letter confirming the appointment of Mr. Giriraj Jadeja, Prof Sylvia Temu and CPA David Nchimbi to the NMB Bank Plc Board of Directors.

Succession Planning

Succession planning is an ongoing process, with the Board discussing the same regularly and robustly. The process to appoint a new director (Independent Non-Executive Directors) is overseen by the Board Human Resources and Remuneration Committee (BHRRC). The Committee is responsible for recommending the procedure for selecting new directors and the proposed criteria for selecting candidates with reference to the current mix of skills, knowledge, and experience. Prior to confirmation of appointment, all Directors are required to meet the “Fit and Proper” requirements set out in the Regulatory Guidelines issued by the Bank of Tanzania. The director’s appointment’s key terms and conditions are documented in a letter of appointment.

14 CORPORATE GOVERNANCE (CONTINUED)

BOARD NOMINATION, APPOINTMENT, INDUCTION, AND TRAINING (CONTINUED)

Board Induction and Training

New Board members undergo a comprehensive induction program tailored to familiarize them with the Bank’s business, organizational structure, subsidiaries, the roles of the Board and its committees, strategy, objectives, policies, procedures, operations, senior management, and the business environment.

The BHRRC is committed to ensuring continuous training and development of its members, addressing identified needs, and keeping them well-informed on critical information pertinent to the business and corporate governance environment. The Board conducts an annual review to identify training needs for each member regularly, facilitating upskilling and continuous development.

In 2024, the Board completed planned training and development sessions as follows:

- Corporate Governance and Leadership in Banks and Financial Institutions.:
- Principles for Managing Credit Risk and Management of Risk Assets Regulations of 2014.
- Labour Laws & Sexual Harassment.
- ESG and Sustainability Agenda.
- Cyber Security.
- IFRS 9.
- Overview of Banking Sector.
- Corporate Governance Regulations.
- Credit Concentration and Other Exposure Limits Regulations.
- FATCA Policy.

Board performance and evaluation.

The BHRRC assesses at least once a year to determine whether the Board and its committees are performing effectively and identify steps for improvement. We believe it is important to obtain an independent perspective on the Board’s performance during the execution of a Medium-Term Plan (3-5 years) and to gain insights into the Board’s performance against peer boards and best practices.

An independent external evaluator is engaged to conduct the Board performance evaluation for the financial year.

On November 2024, the Board engaged KPMG East Africa, an independent external evaluator, to conduct the Board performance evaluation for 2024.



14 CORPORATE GOVERNANCE (CONTINUED)

Board Engagements and Relationships

Board Stakeholders Engagement

Investors	• Directors held virtual and in-person meetings with investors, the analyst community, and peers to understand evolving views, trends, and sentiments. Key meetings with the Bank’s shareholders include: • Investors’ Breakfast Meeting. The June 2024 meeting allowed the Board to meet with shareholders, development partners, regulators, and analysts. The Bank’s strategic direction, performance, and commitment to long-term value creation were presented during the meeting. • The 24th Annual General Meeting. The AGM was held virtually in June 2024. During the Meeting: ◦ The shareholders approved a record dividend payout of TZS 361/—per share, up from the TZS 286/—dividend per share approved and paid out in 2023. ◦ The shareholders also approved proposed changes to Directors’ Remuneration at the AGM, adjusted by 5% increase. • Planned visits to/by strategic shareholders. During the year, the Board Chairman held one-on-one meetings with the Bank’s strategic shareholders, including a meeting with the Arise BV CEO, Mr. Garvin Tipper, and the Treasury Registrar, Mr. Nehemiah Mchechu.
Employees	Directors also held engagements with the employees to boost morale, engagement, productivity and communicating on expected ethical standards. Examples of the Board’s engagement with the bank’s employees in 2023 included: • Directors engaged with employees at the Head Quarters, during quarterly Board meetings. • Directors engaged with the Branch network during branch visits. • Board Chairman held a series of periodic meetings with the Management Team members, with a view to fostering deepened relations and healthy collaboration between the Board and the management team.
Customers	With a view to driving the customer centricity agenda, directors held several engagements with the Bank’s customers. Examples of Board engagement with customers in 2024 included: • The Board Chairman met with customers for a variety of reasons, including to hear customer feedback, and deepen value adding relationship. • Management provided reports to the Board, which contained updates on client relations and sentiments, net promoter scores, value generated from key client relations, and related ring-fencing strategies.

14 CORPORATE GOVERNANCE (CONTINUED)

COMPOSITION OF THE BOARD OF DIRECTORS DURING THE YEAR ENDED 31 DECEMBER 2024

The Bank is committed to ensuring the overall effectiveness of the Board and achieving the appropriate composition and balance of Directors. The Board comprises Non-Executive Directors who bring diverse skills, experience, and knowledge to the discussion and play an important role in supporting the Board. The Non-Executive Directors are expected to have a clear understanding of the Bank’s strategy as well as knowledge of the industry and the operating market.

The Board, through the Human Resources and Remuneration Committee, regularly reviews the skills, knowledge, experience, and diversity represented on the Board against the skills and experience needed to deliver the strategy and continues to make efforts to diversify further.

The current Board composition is as follows:

As of 31 December 2024, the Board comprises eight (8) Non-Executive Directors. One Board position remained vacant during the year pending recruitment. The table below sets out the existing directors’ roles and responsibilities as of the year’s end.



14 CORPORATE GOVERNANCE (CONTINUED)

COMPOSITION OF THE BOARD OF DIRECTORS DURING THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

No	Name	Position	Gender	Age	Nationality	Qualification discipline	Date of Appointment/ Retired
1	David Carol Nchimbi*	Chairman ¹	Male	51	Tanzania	ACPA, CDoLoDT	Appointed on 6 December 2024
2	Dr. Edwin P. Mhede**	Chairman	Male	46	Tanzanian	Economist, CDoLoDT	Appointed on 5 June 2020. Cessation on 29 January 2025
3	Juma Kisaame	Non-Executive	Male	61	Ugandan	Banker, CDoLoDT	Appointed on 5 June 2020. Re-appointed on 2 June 2023
4	George Mandepo**	Non-Executive	Male	49	Tanzanian	Lawyer, CDoLoDT	Appointed on 15 June 2019. Cessation on 5 December 2024
5	Hendrik Reisinger	Non-Executive	Male	60	Dutch	Economist/ Banker	Appointed on 15 June 2019. Re-appointed on 3 June 2022
6	Benson Mahenya	Independent - non-executive	Male	56	Tanzanian	CPA (T), CDoLoDT	Appointed on 15 June 2021. Re-appointed on 7 June 2024
7	Aziz Dachi**	Non-Executive	Male	49	Tanzanian	ICT, Auditor, CDoLoDT	Appointed on 3 June 2022. Cessation on 5 December 2024
8	Clement Mwinuka	Independent - Non-Executive	Male	61	Tanzanian	CPA (T), CDoLoDT	Appointed on 3 June 2022
9	Ramadhani Mwikalo	Independent - Non-Executive	Male	70	Tanzanian	IT Expert, CDoLoDT	Appointed on 3 June 2022
10	Giriraj Jadeja	Non-Executive	Male	65	American	Investment Banking	Appointed on 7 October 2024
11	Prof Sylvia Temu*	Non-Executive	Female	67	Tanzania	PhD, CPA (T)	Appointed on 6 December 2024

* Newly appointed member

** Cessation of duties

¹David Nchimbi was appointed as Board member on 6 December 2024 and became Board Chairman on 29 January 2025.

NMB BANK PLC

THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

14 CORPORATE GOVERNANCE (CONTINUED)

Those Charged with Governance

The Board expresses confidence in its composition, affirming the presence of an adequate number of members possessing a diverse mix of skills, experiences, and knowledge. This diversity equips the Board to effectively challenge and contribute to the development of strategic proposals while also offering independent judgment on matters related to performance and risk. Notably, the Board includes three Independent Non-Executive Directors who provide unbiased opinions on various board-related matters, enhancing the overall objectivity and robustness of decision-making processes.

Board of Directors Compensation

The remuneration for all Directors undergoes an annual assessment to ensure alignment with industry benchmarks in terms of compensation and benefits. Non-Executive Directors are not eligible for pension scheme enrollment and do not partake in the Bank's remuneration program. The total Board compensation and remuneration for the year amounted to TZS 1,826 Million (2023: TZS 1,447 Million). Further details can be found in note 45 of the financial statements.

Table 17: Board Fees and Sitting Allowance (Remunerations) Summary

	2024	2023
Remuneration in TZS Million	1,826	1,447
Annual Directors fee	558	345
Chairman	72	53
Per Member	62	45
Sitting Allowance*	1,268	1,103
<i>Full Board meetings</i>		
Chairman	3.2	3
Members	2.1	2
<i>Committee meetings</i>		
Chairman	2.1	2
Members	1.6	1.5

Company Secretary

The Company Secretary provides support and guidance to the Board in matters relating to governance and ethical practices. The Secretary is also responsible for induction programs for new Directors and keeping Board members abreast of relevant legislation and changes to governance principles. The Secretary plays a key role in ensuring good governance by helping the Board and its Committees function effectively and in accordance with terms of reference and best practices.



14 CORPORATE GOVERNANCE (CONTINUED)

Conflict-of-Interest and Related Party Transactions

The Board is responsible for evaluating all declared potential or perceived conflicts of interest and approving appropriate transactions with the Bank. The Company Secretary diligently maintains a register documenting declared conflicts of interest.

Those charged with governance are expected to refrain from any action, position, or interest that conflicts with the Bank’s interests or appears to be a potential conflict. In this context, directors are obligated to:

- Declare any interests that might lead to potential or perceived conflicts, such as holding multiple directorships or having business relationships that could compromise objective judgment.
- Disclose, as soon as they become aware, if a subject to be discussed at a Board or Committee meeting may result in a conflict of interest. The conflicted director is prohibited from further participation in the discussion or voting on the matter.
- Consider resigning from the Board if they have a continuing material conflict of interest.

During the year, none of the Directors had a material interest, either directly or indirectly, in any significant contracts with the Bank.

15 BOARD COMMITTEES

The Board has delegated authority to various Board committees to enable them to oversee certain specific responsibilities based on their terms of reference. The terms of reference of each Board Committee set out the responsibilities of the Board Committee, the conduct of meetings including quorum, voting requirements, and qualifications for Board Committee membership. All our Board committees are comprised of Non-Executive Directors only. Any change to the terms of reference for any Board Committee requires approval. The minutes of Board Committee meetings, which record the key deliberations and decisions taken during these meetings, are circulated to all Board members for their information.

Mechanisms are in place to facilitate these linkages, including ensuring that there are no gaps or unnecessary duplications between the remits of each Committee and overlapping membership between Board committees where necessary. The next section of this report provides further details on each committee, including their oversight and focus during 2024.

During the year, the Board had the following Committees to ensure a high standard of corporate governance throughout the Bank.

- Board Executive Committee (BEC)
- Board Audit, Risk and Compliance Committee (BARCC)
- Board Human Resources and Remuneration Committee (BHRRC)
- Board Credit Committee (BCC)

15 BOARD COMMITTEES (CONTINUED)

15.1 Board Executive Committee (BEC)

The Committee assists the Board in fulfilling its oversight responsibilities in accordance with the Articles of Association of the Company. The Committee, which is a steering committee for the full Board, has an oversight role over the execution of the Bank’s strategy and critical key projects of the Bank, provides guidance, supports, and mentors management during transitional periods as well as being involved in any crisis that may arise within the Bank.

Committee Functions

- Exercise the delegated authority of the Board in terms of its authority and purpose and in the affairs and property of the business and affairs of the Company except for those matters that are expressly delegated to another committee of the Board and matters that cannot be delegated by the full Board.
- Serve as a sounding board for management on emerging issues, challenges, and initiatives.
- Provide support to ensure the effectiveness and accountability of the Board’s performance as well as maintenance of good governance practices, including consumer protection as per law.
- Oversee Board development, mentoring, and conducting annual board member evaluations.
- Oversee Board composition.
- Facilitate an annual process to assess its own and the full Board’s performance.
- Authorise the obtaining of advice and assistance, during a crisis or extraordinary situation, from internal or external legal, accounting, and other advisors and approve the fees and other terms related to such external counsel, consultants, or advisors.

It is the general intention that all substantive matters in the ordinary course of business are brought before the full Board for action and/or ratification, but the Board recognizes the need for flexibility to act on substantive matters where action may be necessary between Board meetings.

Board Executive Committee Specific Responsibilities

The BEC acts as the ultimate liaison/responsible Board Committee with respect to all sustainability/ ESG issues and promotes respective communications and feedback from all the Board of Directors Committees.

The Committee conducts regular evaluations to confirm that its members collectively possess the requisite knowledge, skills, and experience related to sustainability, Environmental, Social, and Governance (ESG) issues, and the Bank’s business operations. This assessment ensures the appropriate composition of the Board of Directors and oversees the selection process and suitability requirements essential for the Committee to fulfill its responsibilities effectively.

15 BOARD COMMITTEES (CONTINUED)

15.1 Board Executive Committee (BEC) (Continued)

The primary responsibilities of the Committee on ESG/Sustainability encompass, but are not limited to, the following:

- Ensuring the availability and utilization of resources and expertise to comprehensively understand ESG matters and identify the organization's position within the ESG framework.
- Supervising the implementation of the Bank's policies on Sustainability and ESG issues, ensuring adherence to established guidelines.
- Setting ESG-related objectives and ensuring that these objectives are integrated into the overarching strategy of NMB rather than being pursued separately. This involves ensuring that Management embeds ESG considerations into the strategy, recognizing them as a central component of NMB's overall strategic framework.

Board Executive Committee Specific Responsibilities

- Monitoring developments in ESG-related areas on both national and international fronts, including regulatory changes, public opinion, market trends, and emerging global patterns.
- Enhancing and maintaining NMB's maturity level regarding ESG through pre-determined metrics, ensuring a collective and appropriate understanding of ESG at both the Board and Senior Management levels.
- Reviewing the Bank's Sustainability/ESG Policy and Framework at least annually, proposing necessary amendments, and recommending approval by the Board of Directors.
- Delineating the roles and responsibilities of senior management, internal organizational structures, and Board members, as applicable, for effective ESG management.
- Strengthening ESG expertise through the design of relevant capacity development and training programs focused on ESG.
- Performing any additional roles deemed appropriate for providing oversight of ESG-related issues in terms of governance or strategic functions.
- Receive and review the Sustainability Update report from management at least semi-annually, the report covers all key Sustainability/ESG aspects undertaken by the Bank

The Board Executive Committee assists the Board of Directors in ensuring the implementation of sustainability standards in accordance with the regulatory framework and relevant best practices. This effort strengthens the Bank's long-term commitment to creating value through sustainable development. To achieve this purpose, the Committee ensures robust coordination on Sustainability issues between Committee Members and Members of the Audit, Risk and Compliance (BARCC) Committee, the Board Human Resources and Remuneration Committee (BHRRRC), and the Board Credit Committee (BCC).

15 BOARD COMMITTEES (CONTINUED)

15.1 Board Executive Committee (BEC) (Continued)

The Board Executive Committee convened four (4) times during the year. It was comprised of the following members:

	Name	Position	Nationality	Qualification
1	Juma Kisaame	Chairman	Ugandan	Banker
2	Dr. Edwin P. Mhede**	Member	Tanzanian	Economist
3	Ramadhani Mwikalo	Member	Tanzanian	IT Expert
4	Giriraj Jadeja*	Member	Tanzanian	Investment Banking

* Newly appointed member on 7 October 2024

** Cessation of duties on 29 January 2025.

15.2 Board Audit, Risk, and Compliance Committee (BARCC)

The Committee assists the Board in fulfilling its oversight responsibility relating to the integrity of the Bank's financial statements and financial reporting process, systems of accounting and financial controls; the annual external audit of financial statements, reporting and internal controls; performance of the Internal Audit, Risk and Compliance Functions; compliance with legal and regulatory requirements; adequacy of the risk management function; the oversight responsibility on planning and conduct of audits to determine that the Bank's financial statements and disclosures are complete and accurate and are in accordance with International Financial Reporting Standards and applicable laws, rules and regulations.

Audit Functions:

The BARCC assists the Board by providing oversight of the Bank's financial reporting responsibilities, including external audit independence and performance. The Audit Committee is comprised of three Non-Executive Directors. The Committee's responsibilities include the following:

- Reviewing the quarterly and full- year statutory financial reports for recommendation to the Board.
- Reviewing significant accounting estimates and judgments used to prepare the financial reports.
- Advising the Board on the Bank's financial reporting requirements to ensure that the Board has exercised oversight of the work carried out by management, the Internal Audit Function, and the external auditor.
- Reviewing and approving any new or proposed changes in the Bank accounting policies.
- Monitoring developments in statutory reporting and accounting and disclosure requirements.
- Reviewing the effectiveness of and ensuring that management has appropriate internal controls over financial reporting.
- Reviewing and monitoring the relationship with the external auditor and overseeing its appointment, tenure, rotation, remuneration, independence, and engagement for non-audit services; and



15 BOARD COMMITTEES (CONTINUED)

15.2 Board Audit, Risk, and Compliance Committee (BARCC) (Continued)

Audit Functions: (Continued)

- Overseeing the work of the Internal Audit and monitoring and assessing the effectiveness, performance, resourcing, independence, and standing of the function.

BARCC also has non-executive oversight of risk-related matters and the risks impacting the Bank, including sustainability risk management.

Risk and Compliance Functions:

- Advising the Board on risk appetite-related matters and key regulatory submissions.
- Overseeing and advising the Board on all risk-related matters, including operational, financial, non-financial, and the effectiveness of the Bank's Enterprise Risk Management framework.
- Undertaking a review and challenge of the Bank's stress testing exercises.
- Reviewing the effectiveness of the Bank's Enterprise Risk Management framework and internal controls systems.
- Review the Bank's overall Risk Appetite Statement and recommend it to the Board.
- Reviewing the appropriateness and effectiveness of the Bank's risk management systems, considering the implications of material regulatory change proposals, and reviewing reports on principal risks to the Bank's business.
- Maintaining an oversight of all risk-related matters and the risks impacting the Bank.
- Monitor the changes in the external regulatory environment to ensure we continue to have appropriate financial, compliance, and internal controls in place.
- Continue to assure the Board that controls, and compliance culture fully support the Bank's strategy.
- Ensure that the policies, processes, and systems align with regulatory requirements and reflect the changing regulatory landscape.
- To ensure the Bank fully complies with applicable laws, regulations, and prevailing requirements within the operating jurisdiction.

This Committee met twelve (12) times during the year. It comprised of the following members;

	Name	Position	Nationality	Qualification
1	Clement Mwinuka	Chairman	Tanzanian	CPA (T)
2	Benson Mahenya	Member	Tanzanian	CPA (T)
3	Aziz Dachi**	Member	Tanzanian	ICT, Auditor
4	Prof. Sylvia Temu*	Member	Tanzanian	PhD, CPA (T)

* Newly appointed member on 6 December 2024
** Cessation of duties on 5 December 2024.

15 BOARD COMMITTEES (CONTINUED)

15.3 Board Human Resources and Remuneration Committee (BHRRC)

The primary function of the Committee is to assist the Board of Directors in fulfilling its oversight responsibility to shareholders by ensuring that the Bank has coherent remuneration policies and practices that fairly and responsibly reward executives and staff, having regard to performance, governing laws, and the highest standards of governance.

Committee's Functions:

- The critical role of the Committee is to ensure robust succession planning is in place and that the composition of the Board and its committees continue to evolve, providing effective oversight of the Bank's strategy.
- To ensure the Bank has a diverse Board comprising individuals with a range of skills, backgrounds, experience, and perspectives.
- The Committee oversees how the Board, its committees, and individual Directors assess their effectiveness.
- The Committee is responsible for appointing Board Members and Senior Executives.
- The Committee is responsible for overseeing the remuneration of Senior Management, determining the framework and policies for remuneration, and overseeing workforce remuneration to ensure alignment of reward, incentives, and culture.

This Committee met six (6) times during the year. It is comprised of the following members:

	Name	Position	Nationality	Qualification
1	George Mandepo**	Chairman	Tanzanian	Lawyer
2	Ramadhani Mwikalo	Chairman	Tanzanian	IT Expert
3	Hendrik Reisinger	Member	Dutch	Economist/ Banker
4	Giriraj Jadeja*	Member	American	Investment Banking

* Newly appointed member 7 October 2024.
** Cessation of duties on 5 December 2024.

15.4 Board Credit Committee (BCC)

The Committee assists the full Board in managing credit risk by continuously reviewing the credit portfolio, credit standards, and credit policy.

Committee functions:

- The Committee is tasked with the supervision of the Bank's credit performance.
- It conducts reviews of loans issued, monitors credit metrics and provides reports on loan performance.
- The Committee approves credit policies, individual lending authorities, and methodology.
- It evaluates the quality of the credit portfolio and analyses trends that may impact it.
- The Committee collaborates with other board committees, such as the Audit, Risk, and Compliance Committee. Reviewing and ensuring that the Bank complies with regulatory requirements regarding the grant of credit facilities and
- Handling such other issues referred to the Committee occasionally by the Board.



15 BOARD COMMITTEES (CONTINUED)

15.4 Board Credit Committee (BCC) (CONTINUED)

This Committee met twelve (12) times during the year. It is comprised of the following members:

	Name	Position	Nationality	Qualification
1	Hendrik Reisinger	Chairman	Dutch	Economist/ Banker
2	Juma Kisaame	Member	Ugandan	Banker
3	George Mandepo**	Member	Tanzanian	Lawyer
4	Giriraj Jadeja*	Member	American	Investment Banking

* Newly appointed member on 7 October 2024.
** Cessation of duties on 5 December 2024.

16 BOARD ACTIVITIES DURING THE YEAR

The Board held 23 Board meetings during the year, of which 4 were ordinary, and 19 were special meetings. There were also:

- Four (4) Board Executive Committee meetings,
- Twelve (12) Board Audit, Risk and Compliance Committee meetings,
- Twelve (12) Board Credit Committee meetings, and
- Six (6) Board Human Resources and Remuneration Committee meetings

The following table shows the number of Board and Committee meetings held during the year and the attendance by directors:

Directors	Board (23)	BARCC (12)	BCC (12)	BHRRC (6)	BEC (4)
Dr Edwin P. Mhede	23	n/a	n/a	n/a	4
Juma Kisaame	22	n/a	12	n/a	4
George Mandepo	20	n/a	10	6	n/a
Hendrik Reisinger	22	n/a	12	6	n/a
Benson Mahenya	23	12	n/a	n/a	n/a
Aziz Dachi	20	12	n/a	n/a	n/a
Clement Mwinuka	23	12	n/a	n/a	n/a
Ramadhan Mwikalo	23	n/a	n/a	6	4
Giriraj Jadeja	2	n/a	1	1	n/a
Prof. Sylvia Temu*	n/a	n/a	n/a	n/a	n/a
David Carol Nchimbi*	n/a	n/a	n/a	n/a	n/a

* Newly appointed Board members on 6 December 2024

16 BOARD ACTIVITIES DURING THE YEAR (CONTINUED)

Key Board Activities in 2024

The Board adhered to an annual schedule of rolling agenda items to ensure that all matters were considered and reviewed at the appropriate point in the financial and regulatory cycle. During 2024, the Board had an extensive agenda with considerable focus on reviewing the progress of the Medium-Term Plan (2021-2025) and relevant strategic initiatives, reviewing and approving governance policies, and overseeing performance and risk.

What was on the Board's agenda during 2024:

Financial and corporate reporting	• Reviewed and approved quarterly, half-year, and full-year results. • Received quarterly financial performance updates. • Reviewed and approved 2025 budget • Declared proposed dividend in respect of the period ended 31 December 2023. • Annual Report discussion, updates, and recommendations (from the Board Audit, Risk and Compliance Committee). • Reviewed and approved the Bank's annual report and accounts. • Reviewed and approved the notice of AGM.
Strategy and Business Performance	• The Board received progress and monitored the progress made on key strategic initiatives (under year 4 of MTP) and financial commitment, with the overall progress on strategy commended across the Board. The Board approved the 2025 bank's strategy. • Monitored and assessed the strength of the Bank's capital and liquidity positions. • Received bank's performance updates, including business-level performance updates. • Reviewed potential scenarios with probable material impact on performance. • Received an update on the progress of the Operations strategy, including the focus on Operations re-engineering through Simplification, Automation, and Migration. • Received an update on the priorities and progress against the cross-border strategy, including a focus on the strategic opportunities and initiatives across the region. • Received updates on key projects (e.g., Digital transformation strategy and related projects). • Received CSI, Sustainability, and Climate activities report from the CEO.
Financial decisions	• The Board approved key financial decisions throughout the year and approved the Annual Report and Accounts 2023. • The Board passed a proposed dividend payout of 33%, resulting in TZS 361/- per ordinary share. The Board approved a total dividend payout of TZS 180.59 Billion, subject to Shareholders' approval at the Annual General Meeting.



16 BOARD ACTIVITIES DURING THE YEAR (CONTINUED)

Key Board Activities in 2024 (Continued)

What was on the Board’s agenda during 2024: (Continued)

Governance and Policies	• Considered external legislative and governance developments and received regulatory updates. • The Board continued to oversee the Bank’s governance, smooth operation, and oversight • The Board continued to review its skills and experience to ensure it comprises the relevant skills, experiences, and competencies to discharge its responsibilities effectively. • The Board monitored its compliance with the Principles of Good Corporate Governance Practices and the Companies Act 2002 throughout the year. • Reviewed and approved Bank policies. - Data Protection and Privacy Policy - NMB Pricing Policy - Communication Policy - Human Resources Policy - Environment Social Impact Management Policy for Lending and Investment - Capital Management Policy - Code of Conduct for Board of Directors - Cloud Computing Policy - Board Charter - Board Audit Risk and Compliance Committee Charter - Board Executive Committee Charter - Board Human Resource and Remuneration Committee Charter • Considered Board and Committees’ effectiveness.
Budget and Performance	• Approved the Bank’s 2025 budget. • Monitored the Bank’s financial performance. • Approved the full-year and half-year results and considered the key internal and external factors in determining payment of a final and interim dividend. • Monitored the Bank’s Competitor and Market position and performance. • Noted management’s presentation regarding the 2024 risk scenario stress test and assessed its potential material impact on performance.
Risk, Regulatory and Legal Considerations	• Received regular risk and compliance reports from the Chief Risk and the Chief Compliance Officer focusing on the Bank’s risk and control environment. • Approved the risk appetite validation of the 2025 Budget.

16 BOARD ACTIVITIES DURING THE YEAR (CONTINUED)

Key Board Activities in 2024 (Continued)

What was on the Board’s agenda during 2024: (Continued)

Digital and Technology	• Throughout the year, the Board received regular updates on technology from the Chief Technology and Digital Transformation Officer including implementation status of digital and technology related initiatives.
People, Culture and Values	• Received an update on Management Team succession planning and an overview of the refreshed People Strategy for 2025. • Received an update on the implementation of critical training interventions linked to MTP and culture transformation program. • Received updates on progress on implementation of cultural transformation intervention.
Stakeholder Engagement	• Received periodic updates from management on key stakeholder engagements.
Sustainability & Climate agenda	• The Board approved related policies and frameworks and received periodic sustainability reports that covered the topic as part of its discussion agenda.



16 BOARD ACTIVITIES DURING THE YEAR (CONTINUED)

What was on the Board’s agenda during 2024: (Continued)

Board Activities in 2024 Calendar Year

Main Topic	Sub-topic	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Strategy	Bank Strategy	■	■						■			■	
	CSI & ESG	■	■			■			■			■	
Business and Financial Performance	Local/Region/global business	■			■				■			■	
	Financial performance	■	■	■	■		■	■		■			
Financial	Other	■	■		■				■			■	
	Results and accounts	■	■	■	■				■			■	
Risk	Dividends					■							
	Bank financial resource planning	■				■						■	
Regulatory	Risk Function	■	■	■	■	■			■			■	
	Risk Appetite	■	■	■	■	■			■			■	
External	Capital and liquidity adequacy	■	■	■	■	■			■			■	
	Regulatory and legal matters	■	■	■	■	■			■			■	
Technology	External Insights	■	■	■	■	■			■			■	
	Strategic and operational	■	■	■	■	■			■			■	
People and Culture	Purpose, engagements	■	■	■	■	■			■			■	
	Policies	■	■	■	■	■			■			■	
Governance	Performance	■	■	■	■	■			■			■	
	Other	■	■	■	■	■			■			■	
AGM and resolution	Policies and Terms of Reference	■	■	■	■	■			■			■	
	Board/Committee Effectiveness	■	■	■	■	■			■			■	
AGM and resolution	Appointment and succession	■	■	■	■	■			■			■	
	AGM and resolution						■						

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

17 CORPORATE GOVERNANCE AND MANAGEMENT OF THE SUBSIDIARY

The subsidiary (Upanga Joint Venture Company Limited) (“The Company”) is 86.3% owned by the Bank. The Board of Directors (the “Board”) consists of three (3) Directors. Two Directors hold executive positions in the Bank. The Board takes overall responsibility for the company, including identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative and for compliance with sound corporate governance principles.

The Directors meet at least four times a year. The Board delegates the day-to-day management of the business to the Executive Directors, assisted by parent company professionals in the areas of accounting and secretarial services as per the management service agreement. No sub-committee has been formed for the subsidiary Board.

The Company’s management is under the Executive Directors. Due to the minimal number of transactions, the Company has no employees. Per the management service agreement, the parent company has outsourced the secretarial and other accounting services. As the volume of transactions increases, the company shall review its structure and fill any identified gaps accordingly.

The following were the Board members of the Upanga Joint Venture Company Limited during the year ended 31 December 2024.

	Name	Other Key Positions	Age	Nationality	Date Appointed
1	Ruth Zaipuna	Executive Director/ Chairman	51	Tanzanian	15 July 2021
2	Robert Mwita	Executive Director	42	Tanzanian	15 July 2021
3	Mafuru Majura	Director	62	Tanzanian	15 July 2021



NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

18 EXECUTIVE COMMITTEE

The Management of the Bank is led by the Chief Executive Officer (CEO) assisted by the Executive Committee (EXCO). Management of the Bank at the date of the report consisted of the following:

Title	Gender	Qualification	Responsibilities
Chief Executive Officer Ruth Zaipuna	Female	ACPA (T), MBA, CDIoDT	Overall responsible for driving the Bank's corporate strategy to deliver sustainable business growth.
Chief Financial Officer Juma Kimori	Male	ACPA (T), MBA, CDIoDT	Overall responsible for the financial management, regulatory reporting, tax compliance, general ledger reconciliations, strategy and research, investor relations, and accounting of the Bank.
Chief Retail Banking Filbert Mponzi	Male	CPA (T), MBA, CDIoDT	Overall responsible for the development and execution of the Retail Banking Strategy for the Bank, with a focus on delivering the best-in-class innovative, customer-centric financial services for Individual, MSME, and Agribusiness customers that promote financial inclusion.
Chief Wholesale Banking Alfred Shao	Male	ACCA, MBA, CDIoDT	Overall responsible for large corporate customers and business, transactional business, government, and international trade.
Treasurer Aziz Chacha	Male	MBA, ACI	Leads the treasury department and supports the Bank in foreign exchange business, investment in securities and market and liquidity risk management.
Chief Human Resources Officer Emmanuel Akonaay	Male	MBA, Certified Reward and HR Practitioner, and a CDIoDT	Overall responsible for the development and execution of Human Resource strategy in support of the overall business plan and strategic direction of the Bank and providing the necessary guidance to the HR team in strategy implementation

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

18 EXECUTIVE COMMITTEE (CONTINUED)

Title	Gender	Qualification	Responsibilities
Chief Technology and Digital Transformation Kwame Makundi	Male	MBA	Overall responsible for driving the Bank's digital and technology strategy.
Chief Shared Services Nenyuata Mejooli	Female	MBA, CDIoDT	Overall responsible for shared services support, ensuring a conducive workplace across the Bank, strategically and operationally managing customer experience, facilities, Business Continuity Management, operational transformation, and management and execution of strategic projects in the Bank.
Chief Risk Officer Doreen Joseph	Female	MBA	Overall responsible for sound monitoring, mitigating, and reporting of the Bank's business risks in line with the Bank's overall strategic ambitions.
Chief Compliance Officer Ezekiel Herman	Male	CPA (T), CDIoDT	Overall responsible for overseeing compliance monitoring in line with prevailing internal policies, procedures, guidelines, and respective laws and regulations.
Chief Internal Auditor Benedicto Baragomwa	Male	ACPA, MSc, CIA, CISA, CDIoDT	Overall responsible for managing Internal Audit and other assurance activities of the Bank and reports to the Board of Directors.
Acting Chief Credit Officer Nishad Jinah	Male	CPA (T)	Overall responsible for all credit department which includes the appraisal of loans, portfolio management, and collection of bad debts, ensuring a sound portfolio quality and training of credit department staff.
Company Secretary Mwantumu Salum	Female	LLB (Hons), LLM Certified Compliance Officer	Supporting the Board in ensuring the effective functioning of the Board and its committees, and transparent engagement with senior management.



Executive Committee Key KPI as per CEO's Scorecard

Title	KPI																					
Chief Executive Officer Ruth Zaipuna	Customers Perspective: The strategic focus on creating a superior customer experience, evidenced in 2024 by a CSAT of 89% and an NPS of 56—has grown the customer base to 8.6 Million, a 21% YoY increase. People Perspective: Create a well-engaged workforce with high productivity. The Bank’s engagement scores trend at around 80%, in line with global benchmarks. Productivity per staff has increased by 10% YoY to TZS 423 Million per FTE. Financial Perspective: Drive solid business growth, with sustainable returns and value creation.																					
	<table><tr><th></th><th>KPI 2024</th><th>Actual 2024</th></tr><tr><td>Profit After Tax (TZS Billion)</td><td>615</td><td>647</td></tr><tr><td>Return on Equity</td><td>24.5%</td><td>25.2%</td></tr><tr><td>Return on Assets</td><td>4.6%</td><td>4.7%</td></tr><tr><td>NFI Contribution</td><td>32.6%</td><td>35.4%</td></tr><tr><td>NPL</td><td>2.8%</td><td>2.9%</td></tr><tr><td>CIR</td><td>39.0%</td><td>38.3%</td></tr></table>		KPI 2024	Actual 2024	Profit After Tax (TZS Billion)	615	647	Return on Equity	24.5%	25.2%	Return on Assets	4.6%	4.7%	NFI Contribution	32.6%	35.4%	NPL	2.8%	2.9%	CIR	39.0%	38.3%
	KPI 2024	Actual 2024																				
Profit After Tax (TZS Billion)	615	647																				
Return on Equity	24.5%	25.2%																				
Return on Assets	4.6%	4.7%																				
NFI Contribution	32.6%	35.4%																				
NPL	2.8%	2.9%																				
CIR	39.0%	38.3%																				
	Sustainability: In line with the Bank’s sustainability financing ambitions, the Bank cross-listed the Jamii Bond on the Luxembourg and London stock exchanges. The mobilization of the proceedings from the Jamii bond stands at 83%, while the Jamii allocation is earmarked for completion by the end of Q1 2025. The bond’s net proceeds are used to finance eligible green and social assets in line with the Bank’s Sustainable Financing Framework (in adherence to the ICMA Sustainability Bond Guidelines). Risk and Governance Perspective: The Bank maintained a stable risk and control environment with key risk parameters trending within risk appetite thresholds. There were no regulatory penalties during the year.																					

Training and Development Program for the Management

The training covers fiduciary duties, responsibilities, and any unique aspects relevant to the business. The primary goal is to ensure that the management clearly understands their role in corporate governance, enabling them to exercise sound and objective judgment about the Bank's affairs.

In 2024, the Executive Committee completed planned training and development sessions.

- Executive Leadership Program
- Chairing of Disciplinary Proceeding
- Certificate In Directorship (CiDir) Course
- CBS Awareness Training
- Accountants & Auditors Annual Conference 2024
- Introduction to Governance Practices for Listed Companies

Compensation of Key Management Personnel

The Board conducts a thorough review and approval process for key management personnel's compensation annually. The current year's remuneration for key management personnel amounted to TZS 11,219 Million (2023: TZS 8,174 Million). Further details can be found in note 45 of the financial statements.

Management Committees

The committees are responsible for developing and implementing the Bank's vision and strategy. They convene regularly to ensure information flow and consensus views to the executive management regarding decisions affecting the Bank's overall organization and position. Each committee reports to the Executive Committee, individually and collectively.

Below is the list of management committees.

- Executive Committee
- Management Audit Risk and Compliance Committee
- Risk and Compliance Committee
- Corporate Social Investment Committee
- Customer Experience Management Committee
- Management Legal Committee
- Product Approval Committee
- Assets and Liabilities Committee
- Wholesale Credit Committee
- Retail Credit Committee
- Loan Portfolio Quality Committee
- Management Tender Committee
- Cost Efficiency Committee
- Project Management Review Committee
- Disciplinary Appeals Committee
- Fraud Risk Management Committee
- Data Governance Committee
- Crisis Management Team Committee

18 EXECUTIVE COMMITTEE (CONTINUED)

ESG Update: The management team and designated management committees actively manage the daily implementation of sustainability initiatives. In 2024, management took a significant step forward by approving the integration of comprehensive policies and frameworks to guide our sustainability agenda. Key among these are the ERMF, Sustainability Framework, and the Environmental & Social (E&S) Policy, which will serve as foundational elements in our commitment to sustainable practices.

19 STRATEGY AND BUDGETARY PERFORMANCE

Budget Process

The Budget and Strategy Guidelines govern the overall budget process and prescribe the objectives, timing, process, and methodologies used to formulate the Bank’s budget for 2024. The key objectives for the 2025 budget included providing business and financial commitments within strategic pillars and optimizing the use of bank’s resources and productivity.

Budget approval process

The Bank adopts a collaborative approach to budget processes, consolidating bottom-up and top-down budget processes. The process starts with discussions on revenue, NPL, impairment, and cost budget at the functional level. Once a draft is finalized at functional levels, the budget and strategy document undergo a three-layered approval process.

Budgetary Performance at Glance

Performance relative to the budget in 2024 showcased exceptional results and consistent expansion despite market fluctuations. The Bank’s accomplishments stemmed from effectively aligning planned activities with the Bank’s overarching strategy, prevailing business conditions, and underlying assumptions.

The global dynamics highlighted heightened business challenges; despite that, the Bank’s balance sheet and revenue growth projected in 2024 were driven by:

- Continued focus on account opening, improving digital subscriptions, and growth in the channel to ensure optimal reachability of banking service. Account openings are trending above 1.54 Million new accounts, and over 22,403 new agency banking agents were onboarded during the year.
- Improved usage in digital platforms (Mkononi App, NMB Wakala, and Internet Banking) and uptake of value-added products (MshikoFasta, NMB Kikundi, Jiwekee Lipa Mkononi, and Banc assurance). This has been highly driven by consistent digital and insurance campaigns.
- Strengthened relationships with government, corporates, and SME customers, leading to execution excellence in both credit and deposit mobilization.
- Prudence in deal execution to ensure all risks are well mitigated and the non-performing loan is maintained below the regulatory limit of 5%.
- Continued investment in technology through CAPEX investment of TZS 46.0 Billion in technology.
- The Group has continued to manage its operations efficiently, closing the year with a Cost to Income Ratio 38.3%.

19 STRATEGY AND BUDGETARY PERFORMANCE (CONTINUED)

Budgetary Performance at Glance (Continued)

Table 18: Given the above considerations, the Group’s performance against the budget was as follows:

Key Performance Indicator	Actual (TZS' Billion)	Target (TZS' Billion)	Variance	Remarks
Revenue	1,637	1,575	+3.9%	The Group surpassed the revenue target by TZS 62 Billion, delivering TZS 1.64 Trillion in total revenue against the budgeted revenue of TZS 1.58 Trillion.
Profit after Tax	647	615	+5.2%	Record PAT of TZS 647 largely driven by strong revenue momentum, with a total income up 16.5% YoY, coupled with prudent cost management and improved portfolio quality.
Total Assets	13,735	14,545	-5.7%	Growth is attributed to broad-based balance sheet growth, driven by loans and advances increasing by 10.3% YoY and deposits growing by 13.0% YoY.
Total Deposits	9,564	10,210	-6.3%	Driven by an 8.3% increase in term deposits, 15.6% in personal account deposits, and 11.7% in current account deposits due to various deposit mobilization campaigns.
Net Loan & Advances	8,499	8,896	-4.5%	Growth is attributed to a 4.7% increase in Wholesale loans and an 11.6% rise in retail loans.
Return on average Asset	4.7%	4.6%	+10bps	Remarkable performance throughout the year, contributing to profit growth.
Return on Average Equity	25.2%	24.5%	+7bps	Exceptional performance driven by increased profits.
Cost to Income Ratio	38.3%	39.0%	-70bps	The Group demonstrated strong efficiency levels owing to good progress through several cost optimisation initiatives, coupled with solid revenue growth momentum.
Non-Performing Loan Ratio	2.9%	2.8%	-10bps	Overall improvement in NPL is credited to the growth of the quality portfolio. Strong credit risk management performance ensured a commendable NPL, keeping us well below the regulatory threshold of 5%, and furthermore managed to contain impairment charges within budget.
Off-Balance sheet	2,244	2,147	+4.5%	Off-balance sheet growth of 7.1% YoY driven by growth in Guarantees from increased sales across the network.



19 STRATEGY AND BUDGETARY PERFORMANCE (CONTINUED)

Awards and Achievements

Our performance has received both domestic and international acclamations. In 2024, NMB Bank received 35 awards and recognition for excellent performance.

Below are the awards won;

No.	Award	Grantor
1	Best Bank in Tanzania	Euromoney Awards
2	Tanzania's Best Bank for ESG	Euromoney Awards
3	Tanzania's Best Digital Bank	Euromoney Awards
4	Tanzania's Best Domestic Private Bank	Euromoney Awards
5	Tanzania's Best for High-Net-Worth	Euromoney Awards
6	Best Corporate Bank Tanzania	International Business Magazine
7	Best Trade Finance Bank Tanzania	International Business Magazine
8	Best Syndicate Loans and Project Finance Tanzania	International Business Magazine
9	Best Retail Bank Tanzania	World Economic Magazine
10	Best Investment Bank Tanzania	World Economic Magazine
11	Best Bank in ESG Tanzania	World Economic Magazine
12	Best Bank for Financial Inclusion Tanzania	World Economic Magazine
13	Best Investment Bank Tanzania	International Banker
14	Best Innovation in Retail Banking	International Banker
15	Best Trade Partner Bank – Advisory Services	IFC
16	Best Corporate Bank Tanzania	Global Banking & Finance Awards
17	Best Retail Bank Tanzania	Global Banking & Finance Awards
18	Platinum Award - Sustainable Bond of the Year	IFC Global SME Finance Awards -Global category
19	Silver Award - Best Financier for Women Entrepreneurs	IFC Global SME Finance Awards -Global category
20	Most Innovative Sustainability Bond of the Year "NMB Jamii Bond - East Africa	Global Brands Magazine
21	Visionary CEO of the Year "Ruth Zaipuna" - Tanzania	Global Brands Magazine
22	Best SME Bank of the Year - Tanzania	Global Brands Magazine
23	Best Bank in Tanzania	Global Brands Magazine
24	Best Listed Company of the Year in the Main Investment Market (MIM) Segment (Category- Banks)	Dar es Salaam Stock Exchange
25	Best Custodian of the Year	Dar es Salaam Stock Exchange
26	Best Bond Issuer of the Year	Dar es Salaam Stock Exchange
27	Best Bond Dealer of the Year (1st Runner-Up)	Dar es Salaam Stock Exchange
28	Most Compliant and Largest Taxpayer in the Banking Sector	Tanzania Revenue Authority (TRA)
29	Overall Outstanding Tax Contributor	Tanzania Revenue Authority (TRA)
30	National Largest and Most Compliant Taxpayer	Tanzania Revenue Authority (TRA)
31	East Africa Gender Mainstreaming Champion	Gender Mainstreaming Awards
32	Women Empowerment in the Workplace	Gender Mainstreaming Awards
33	Investing in Young Women	Gender Mainstreaming Awards
34	Outstanding Housing and Infrastructure Financing Bank of the Year	East Africa Building and Construction Awards
35	Top Employer Award – WorldWide	Top Employers Institute

20 SUSTAINABILITY AGENDA

NMB Bank believes that Sustainability consideration is not just a corporate responsibility but a strategic imperative that is integral to driving business resilience, innovation, competitiveness, and long-term value creation. NMB aims to promote Sustainability practices by providing products and services and operating its business with a sense of social and environmental responsibility and stewardship.

Our material matters

Our core material matters include environmental, social, economic, and governance priorities that present both challenges and opportunities for our organization and its stakeholders. At NMB, we implement a double materiality approach, acknowledging not only our influence on the environment and society but also how these elements impact our financial performance. This approach fosters a comprehensive understanding of our obligations and directs us towards sustainable value creation.

Our approach

To achieve our purpose, we have defined four strategic pillars encompassing key material topics/ workstreams that need to be managed and a set of commitments for establishing common standards across the Bank. The four pillars of our sustainability framework are sustainable finance, sustainable operations, financial inclusion, and climate & environment. These pillars support NMB Bank's objectives through risk reduction, new business opportunities, and brand strengthening. Each pillar contains commitments critical for establishing common global standards.

20.1 Sustainable Operations

NMB Bank integrates Environmental and sustainability criteria into its business operations and supply chain to uphold ethical and efficient practices. Our goals include enhancing corporate governance, fostering workforce equality, and reducing carbon emissions from our activities. This strategy ensures compliance with sustainability demands and positions NMB Bank as an employer of choice.

Our strategic commitments to Sustainable operations are as follows.

Corporate Governance, Compliance, and Risk Management:

NMB's dedication to maintaining equity, ethical conduct, and accountability is embodied in its governance structure that meticulously oversees compliance and risk management across all tiers. Each employee is responsible for discerning potential risks, reinforcing our pervasive risk awareness and vigilance culture. See Section 10 and 14-16.

Financial Crime, Anti-Bribery, and Corruption:

NMB Bank upholds the highest ethical standards, ensuring compliance with all relevant laws and regulations. The Bank is proactive in preventing financial crime, including money laundering, terrorist financing, bribery, corruption, sanctions evasion, and proliferation financing. Recognizing risk management as a core business principle, NMB prioritizes implementing and maintaining a comprehensive financial crime risk management framework.



20 SUSTAINABILITY AGENDA (CONTINUED)

20.1 Sustainable Operations(Continued)

Human Rights and Labor Standards:

NMB Bank is committed to upholding human rights across all its operations, ensuring that dignity and equality are fundamental principles for everyone, regardless of race, religion, gender, age, or language. The Bank provides a workplace environment where employees are treated fairly, equally, and respectfully. This commitment extends to providing equitable remuneration and development opportunities, implementing effective grievance mechanisms, prohibiting discrimination, and safeguarding the safety and security of our employees. We also hold our customers and suppliers to the same high standards of respect for human rights.

Talent Management and Development:

NMB offers training opportunities aligned with business needs and supports employee career advancement. Refer to section 6 and table 1.

Customer Privacy, Data Protection and Cybersecurity:

NMB nurtures a culture attentive to risk across the organization to safeguard customer data and privacy according to laws and regulations. The Bank ensures that customer information is protected and respects the right to privacy within the guidelines of all applicable privacy and data protection laws and regulations. NMB complies with the Personal Data Protection Act, 2022 and international standards governed by Data Governance Policy 2024. See Table 23, data security category.

Environmental Impact of our Operations:

NMB considers its environmental impact in its daily business. NMB sustainable operation initiatives are geared towards contributing to SDG goals. Initiatives include achieving net zero carbon emission within its operations, driving a sustainable supply chain, practicing sustainable resource consumption, including energy and water, and having sustainable waste management practices. See table 24, other ESG highlights

20.2 Sustainable Finance

NMB's commitment to sustainable financing involves creating innovative instruments and fostering partnerships guided by our Sustainable Financing and Social Bond Frameworks. A second-party opinion (Sustainalytics) evaluated our social and sustainable financing frameworks to ensure the credibility and desired impact would be achieved through a Social Bond Issuance and Sustainable Bond Issuance. The second-party opinion affirmed that both Frameworks are credible and impactful and align with the four core components of the ICMA Principles, covering the use of proceeds, project evaluation, management of proceeds, and reporting.

20 SUSTAINABILITY AGENDA (CONTINUED)

20.2 Sustainable Finance (Continued)

Instrument	Bond Name	Issuance date	Due date	Amount
ISIN TZ1996104463	Jasiri	Mar-22	Mar-25	TZS 74 Bn
ISIN TZ1996105270	Jamii	Nov-23	Nov-26	TZS 213 Bn
ISIN TZ1996105213	Jamii	Nov-23	Nov-26	USD 73 Mn

Sustainable and social bonds issued dubbed Jamii Bond and Jasiri Bond respective highlights:

Jamii Bond 2024 Allocation

Description	Allocation (TZS Mn)	Allocation %
Eligible Sustainable Loan Portfolio by category		
Environmentally sustainable management of living and natural resources and land use	24,498	7.4%
Renewable energy	800	0.2%
Sustainable water and wastewater management	3,000	0.9%
Total green loans	28,298	8.5%
Eligible Sustainable (Social loans) Loan Portfolio by category		
Food Security	290,316	87.2%
Social Economic Advancement and Empowerment	14,484	4.3%
Total Social loans	304,800	91.5%
TOTAL ALLOCATED	333,098	83%

As of December 2024, partial allocation was achieved in the bond's first post-issuance reporting cycle, NMB commits to fully allocate all remaining proceeds within 18 months of the issuance date. Unallocated proceeds will be managed in accordance with NMB's Sustainable Financing Framework.



20 SUSTAINABILITY AGENDA (CONTINUED)

20.2 Sustainable Finance (Continued)

Jamii Bond impact indicators

Category	Indicator	Impact
<i>Green Assets</i>		
Environmentally Sustainable Management of Living and Natural Resources and Land Use	Productivity gains due to climate-smart agriculture	27,500 tonnes of sugar
	Amount/size of sustainable agriculture	7,569 ha
Renewable Energy	Total installed capacity	26.4 MW
	Annual generated renewable power	22,760 MWh
	Estimated annual tonnes of CO2 equivalent emission reduction	45.2 tCO2e
	Estimated number of jobs supported by renewable energy projects (skilled and unskilled)	103
Sustainable Water and Wastewater Management	Annual volume of wastewater treated for reuse	52,800 m³
	Additional number of people with access to safe drinking water	24,600
<i>Social Assets</i>		
Food Security	Number of agri-businesses¹ supported	14,121
	Number of smallholder² farmers engaged	31,295
	Estimated number of farmers reached	50,244
Employment Generation	Number of MSEs/SMEs financed	29
	Value of MSE/SME loans	TZS 14.5 Billion
	Estimated number of jobs supported	515

1. Agri/Agribusiness encompasses all commercial activities in agriculture value chain, from production to distribution.
2. Smallholder farmer is an operator of a modest-sized farm who relies on limited resources contributing significantly to local economies
3. The impact indicators are referenced from the sustainable financing framework.

Jasiri Bond Allocation

Allocation	2024		2023		2023	
Eligible Social Loan Portfolio by category	# Businesses	Amount in TZS Mn	# Businesses	Amount in TZS Mn	# Businesses	Amount in TZS Mn
Total Agri Loans	25	774	47	934	340	7,897
SMEs fully owned by women	30	6,356	79	14,768	74	14,165
SMEs employing > 33% women	18	3,791	40	6,945	61	13,077
Sub-total MSE Loans	2,841	38,371	2,994	42,232	3,116	56,947
Sub-total SME loans	30	6,356	84	15,138	89	17,322
Total	2,871	44,728	3,078	57,369	3,205	74,269

20 SUSTAINABILITY AGENDA (CONTINUED)

20.3 Climate Risk and the Environment

NMB Bank recognizes that climate change is a critical global challenge that poses significant risks and opportunities for the financial sector. Understanding its profound impact on our clients, stakeholders, and the communities we serve, NMB Bank is committed to supporting the transition to a net-zero economy by setting targets aligned with the National ambitions, the United Nations Framework Convention on Climate Change, and the Paris Agreement, striving to mitigate global warming while ensuring an equitable transition for all communities. In alignment with this commitment, we have integrated climate risk as one of the Principal Risk types within our Enterprise Risk Management Framework (ERMF), ensuring that climate considerations are embedded in our strategic decision-making processes.

Governance

NMB Bank has established a robust governance framework to effectively manage climate-related risks and opportunities. In 2024, our Board of Directors approved the Environmental and Social (E&S) Policy and the Sustainability Framework, reinforcing our commitment to sustainability at the highest level.

Our Climate Risk Policy, aligned with the Bank of Tanzania's climate-related financial risk management guidelines, is a cornerstone of our approach. This policy is integrated into our broader Environmental & Social Impact Management Policy, which guides the assessment and management of environmental and social risks throughout our lending and investment activities.

Strategy

NMB Bank is steadfast in integrating climate-related considerations into our core business strategy to ensure long-term sustainability and resilience. In 2024, we conducted a comprehensive Climate Materiality Assessment using both qualitative and quantitative methods. This assessment informed the identification of significant climate risks and opportunities across short-, medium--, and long-term horizons, shaping our strategic priorities.

Key strategic initiatives include:

- Sustainable operations, specifically decarbonization: NMB has quantified its own emissions. The Bank aims to fully decarbonize its own operations by 2030. Beginning in 2025, NMB will implement targeted reduction measures of it's for those internal emissions. These goals are guided by the findings of its Climate Materiality Assessment and updates to the emissions baseline.
- Sustainable Finance Expansion: We are significantly expanding our portfolio of sustainable financial products, such as green loans and social loans, to support ESG-eligible and responsible initiatives.
- Enhance our coverage and reporting of climate matters, including committing to assessing and publicly sharing data on own emissions and financed emissions (Scope 3 category 15) associated with our most carbon-intensive portfolios
- Operational Resilience Enhancement: Investing in our operational infrastructure and processes to enhance resilience against physical climate risks, ensuring continuity and reliability of services for our clients.



20 SUSTAINABILITY (CONTINUED)

20.3 Climate Risk and the Environment (Continued)

Key strategic initiatives include:

- Integrate ESRM in our credit assessment, due diligence, and credit approval processes, adhering to the Equator Principles to ensure we prevent environmental or societal harm within our operational areas. The Bank will apply globally recognized and accepted categorizations to project finance endeavors.
- NMB Bank will comply with all applicable environmental legislation across all jurisdictions of operation, set targets for minimizing our operational carbon emissions, and improve resource efficiency, including energy, water, paper, and waste management.
- As part of NMB's carbon offsetting strategy, annual tree planting remains crucial to our commitment to nature conservation.
- Innovation and Technology: Exploring innovative technologies and digital solutions contributing to climate change mitigation and adaptation efforts, positioning the Bank at the forefront of sustainable financial services.

We utilize climate-related scenario analysis and stress testing to assess the potential impact of climate change on our business under various future states, including scenarios aligned with the Paris Agreement's goals. This analysis informs our strategic planning and ensures the resilience of our business model.

NMB Bank's strategy aligns with global efforts to combat climate change, including the objectives of the Paris Agreement and the United Nations Sustainable Development Goals, particularly Goal 13: Climate Action. By embedding these commitments into our strategic framework, we contribute to global sustainability initiatives while securing the Bank's long-term viability.

To track our progress and ensure accountability, we have established clear strategic targets against our commitments:

- Greening the Bank's loan portfolio by 5% by 2030.
- Increasing our sustainable finance portfolio over the years.
- Achieving a reduction of 30% in our operational greenhouse gas emissions by 2030.
- Supplement our electricity from renewable sources by 2030.
- Providing financing solutions to support clients in reducing their carbon emissions.

The insights from our Climate Materiality Assessment not only shape our strategic direction but also inform our risk management practices. By identifying and prioritizing physical and transition risks with potential financial impacts, we ensure that our strategic initiatives are closely aligned with our risk mitigation efforts, detailed further in the Risk Management section 10.

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20 SUSTAINABILITY (CONTINUED)

20.3 Climate Risk and the Environment (Continued)

Climate Financial Related Risks (Continued)

Climate Materiality Assessment: Identified Material Climate Risk and Impact

Following a climate materiality assessment that identified significant financial implications, we have identified the key climate risks in the medium- and long-term outlook below. These risks could materially affect business operations and financial performance.

Risk Category	Identified Climate-Related Risk	Potential Financial Impacts (Operations)	Potential Financial Impacts (Business)
Physical Risk	Increased frequency and intensity of extreme weather events, specifically floods	- Reduced revenue streams due to disrupted operations. Asset write-offs or repairs for damaged properties. Elevated capital expenditure (restoring and upgrading facilities). Supply chain interruptions (transportation challenges)	- Potential impairment of loan collateral, increasing overall credit risk and erosion of profitability resulting in heightened liquidity pressures.
	Greater variability in weather patterns	- Operational disruption, logistics bottlenecks, and workforce availability. Need for enhanced resilience measures (infrastructure retrofits)	- Elevated counterparty risk when borrowers and partners face climate-related production or distribution challenges. Shifts in consumer or client demand due to erratic environmental conditions
	Rising average temperatures	- Increased cooling requirements for branches, data centers, and other operational sites. Potential impacts on employee productivity and health	- Depreciation in asset values in regions susceptible to heat stress. Diminished collateral quality, which may affect lending capacity and credit ratios
Transition Risk	Regulatory shifts affecting current business models; Exposure to litigation for noncompliance	- Fines, penalties, and heightened compliance expenditures (monitoring, reporting, workforce training). Unforeseen operational changes to meet evolving standards	- Stranded assets due to more stringent emissions rules. Elevated default rates among climate-sensitive sectors. Volatile pricing is tied to new policy frameworks. Reduced liquidity or cash flow from adjusting credit portfolios and underwriting practices
	Costs associated with transitioning to low-emission operations and technologies	- Significant capital outlay for cleaner technologies. Potential need for workforce retraining or repurposing	- Short-term disruptions to borrowers' core revenue streams and cashflows during the transition.
	Intensified stakeholder scrutiny or adverse stakeholder response	- Increased focus on proactive communication and engagement. Potential loss of clientele if perceived as lagging on climate action	- Reputational risks leading to diminished investor confidence and valuation. Higher cost of capital and credit if deemed to have inadequate climate strategies

Note: Operational Impacts encompass direct consequences on day-to-day functioning, including revenue and resource allocation, while business Impacts consider broader financial and strategic outcomes, such as credit risk, interest rates, liquidity, and potential market sentiment or regulatory environment shifts



20 SUSTAINABILITY (CONTINUED)

20.3 Climate Risk and the Environment (Continued)

Climate Financial Related Risks (Continued)

Climate Risk Management

NMB Bank integrates these risks into its Enterprise Risk Management Framework (ERMF), categorizing them as significant principal risks. The ERMF outlines the methodologies and processes by which climate-related risks are identified, assessed, managed, monitored, and reported across all risk types, including credit, market, operational, and liquidity risks. Additionally, our Sustainability Framework and E&S policy provide detailed guidance on managing climate and environmental risks within our lending processes, ensuring that sustainability considerations are embedded in our financial activities.

NMB Bank employs a comprehensive approach to managing sustainability and climate-related risks, underpinned by close coordination between our business units and risk management functions. Our ERMF sets out clear risk management principles and procedures that enable us to identify, monitor, and manage climate risk.

Climate-related risks are managed through NMB Bank’s established Three Lines of Defense (3LoD) model, which ensures they receive the same level of rigor and oversight as other principal risks.

Climate risk management at NMB Bank is fully integrated into all operations, extending to our subsidiaries, client selection processes, investment activities, transaction structuring, and relationships with third-party vendors. This integration is facilitated through:

NMB Bank adheres to regulatory standards and international best practices, aligning our risk management processes with guidelines from the Bank of Tanzania and frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD). We regularly update our climate risk status and management activities to governance bodies and regulators, ensuring transparency and accountability.

NMB Bank remains committed to continuously improving its climate risk management capabilities. It plans to enhance risk assessment methodologies further, expand scenario analysis, stress testing, and impairment assessment of assets and liabilities activities, and deepen stakeholder engagement on climate-related matters. By doing so, NMB aims to strengthen resilience and contribute positively to the global transition towards a sustainable economy.

Scenario Analysis

NMB includes three scenarios exploring transition and physical risks to different degrees. These scenarios are built on the climate scenarios developed by the Network for Greening the Financial System (NGFS). The scenarios include the Orderly transition in 2050, the Disorderly transition in 2030, and Hot House World in 2050.

NMB periodically identifies the client sectors in its portfolio that face the most elevated exposure to climate risk or present the most significant potential for climate-related opportunities on its On-Balance loan book portfolios. As of December 2024, below is the aggregate climate risk scenario assessment against our credit portfolio.

20 SUSTAINABILITY (CONTINUED)

20.3 Climate Risk and the Environment (Continued)

Climate Financial Related Risks (Continued)

Climate Risk Management (continued)

Scenario Analysis(continued)

Table 19: Climate Change Risks on Credit Exposure for NMB portfolio as of December 2024 (excludes SWLs)

	Orderly transition 2050		Disorderly transition 2030		Current policies 2050
	Physical risk	Transition risk	Physical risk	Transition risk	Physical risk
Aggregated climate risk	5%	41%	1%	2%	0%
	95%	22%	99%	52%	0%
	0%	37%	0%	46%	45%
	0%	0%	0%	0%	55%

Note: E&S risks exposure on NMB portfolio as of December 2024 excludes personal loans

Orderly Transition Scenario: Under this scenario, both physical and transition risks are generally low and manageable across most sectors. However, the energy sector, particularly oil and gas—stands out with high transition risks due to global commitments to phase out fossil fuels by 2050. Given our exposure concentration of 7.08% in this sector, our strategy is focused on assessing these clients’ transition plans and readiness to shift towards more sustainable energy sources, thereby reducing our long-term risk exposure.

Disorderly Transition Scenario: Key sectors, including manufacturing, gas, mining, forestry, agriculture, and transport, are anticipated to have medium to high transition risk. While these sectors are identified as potentially high-risk, the relatively low exposure concentration and the short-term nature of the associated credit facilities (mostly under five years) provide some mitigation.

Hot House World/Current Scenario: Our portfolio experiences minimal risk exposure. This is primarily due to the short-term nature of our credit facilities, with most maturing in under five years. This limited timeframe reduces our exposure to physical and transition risks, which are projected to become more significant over the next 10 to 15 years.



20 SUSTAINABILITY (CONTINUED)

20.3 Climate Risk and the Environment (Continued)

Climate Financial Related Risks (Continued)

Metrics & Targets

NMB Bank targets to reduce its own operations emissions by 30% by 2030 against a 2023 benchmark.

To ensure transparency and accountability, NMB Bank reports comprehensively on Scope 1 and Scope 2 emissions, which cover direct emissions from its operations and indirect emissions from purchased energy. In accounting for Scope 3 emissions, reporting relevant scope 3 operational categories, we include emissions from business travel, employee commuting, and waste generated in operations, demonstrating our commitment to a comprehensive understanding of our environmental impact.

In 2024, we successfully measured our Scope 1 and Scope 2 emissions and broadened our efforts to encompass Scope 3 emissions. Our approach to financed emissions aligns with the industry's leading methodologies, including the Partnership for Carbon Accounting Financials (PCAF) and the Greenhouse Gas (GHG) Protocol.

The GHG inventory shows that Scope 1 and 2 constitute 55% of our operational carbon emissions. Notably:

- A significant portion of our Scope 1 emissions is linked to vehicle usage. Our initial strategy is to enhance the monitoring of fugitive emissions to ensure the completeness of Scope 1 reporting.
- Electricity consumption accounts for 33% of our total emissions. We intend to monitor energy usage rigorously to maintain data quality.
- Operations Scope 3 emissions represent 45% of our total carbon emissions, with the most material categories being Employee commuting, Fuel and Energy activities, and Business travel.

Table 20: Detailed breakdown of NMB's baseline emissions:

GHG emissions	Unit	2024
Scope 1 emissions		
Fuel Consumption	tCO2e	5,638
Refrigerants	tCO2e	-
Scope 1 total	tCO2e	5,638
Scope 2 emissions		
Scope 2 (Location-based)	tCO2e	7,580
Scope 2 (Market-based)	tCO2e	-
Scope 2 total	tCO2e	7,580
Total Scope 1 and Scope 2	tCO2e	13,218

20 SUSTAINABILITY (CONTINUED)

20.3 Climate Risk and the Environment (Continued)

Climate Financial Related Risks (Continued)

Metrics & Targets (Continued)

Table 20: Detailed breakdown of NMB's baseline emissions: (Continued)

Scope 3: (Our Operational Scope 3)		
Category 1: Purchased Goods	tCO2e	2,394
Category 2: Capital Goods	tCO2e	2,781
Category 3: Fuel and Energy Upstream	tCO2e	1,757
Category 6: Business Travel	tCO2e	681
Category 7: Employee Commuting	tCO2e	2,989
Scope 3 total	tCO2e	10,603
Total Operational GHG Emissions		
	tCO2e	23,821

Note:
1. GHG emission intensity is the total operational emissions per full-time employee.
2. Total operating GHG emissions do not include financed emissions; these will be addressed separately.
3. Due to NMB's operational characteristics, emissions associated with Scope 3 categories 4, 5, and 8 to 14 are deemed immaterial. These exclusions are based on our current materiality evaluation and may be subject to further review as our operational framework evolves.
4. The GHG emission inventory assessment adhered to the Operational Control Approach for defining the organizational boundary, thus encompassing all branches and offices under NMB's operational control.

GHG Computation Methodology

Our climate-related reporting methodology adheres to internationally recognized standards and guidelines for greenhouse gas (GHG) accounting. The emission factors used in our calculations are sourced from reputable frameworks, including the GHG Protocol, EPA, DEFRA, IEA, ICAO Emission Calculator, and the IPCC Guidelines for National Greenhouse Gas Inventories and Global Warming Potentials. These sources are publicly accessible, ensuring transparency and accuracy in our reporting.

In line with the GHG Protocol Corporate Value Chain Accounting and Reporting Standard (WRI & WBCSD; 2004), NMB Bank follows an operational approach to account for the emissions from our operations, which means NMB Bank accounts for all the emissions from operations. This includes:

Scope 1 and 2 Emissions

We measure energy and fuel consumption across our operations to calculate our Scope 1 and Scope 2 emissions. This includes:

- Scope 1 (Direct Emissions): Emissions from fuel consumed by generators for electricity and our vehicle fleet (both owned and leased), including diesel, petrol, and compressed natural gas (CNG).

Emission amount (tCO2e) = $\sum$ Fuel Consumption (Liters) x Emission Factors



20 SUSTAINABILITY (CONTINUED)

20.3 Climate Risk and the Environment (Continued)

Climate Financial Related Risks (Continued)

Metrics & Targets (continued)

Scope 2 (Indirect Emissions): emissions arising from purchased electricity and district heating.

Emission amount (tCO2e) = $\sum$ Electricity Consumption (kWh) x Emission Factors

Scope 3 Emissions

Scope 3 emissions are indirect emissions (not included in Scope 2) that occur in the value chain across 15 categories. Our Scope 3 emissions evaluation encompasses upstream and downstream activities, following the guidelines set by the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. We assess emissions across the full spectrum of Scope 3 categories (1–14), ensuring thorough identification and management of indirect emissions within our value chain. This includes supply chain emissions, employee commuting, business travel, and product lifecycle impacts. NMB does not engage in all activities linked to the categories, and we are at varied degrees of maturity in establishing methodologies and basis to calculate Scope 3 emissions.

Financed Emissions

Our Scope 3 Category 15 emission (Financed emissions) assessment encompasses Scope 1 and Scope 2 emissions of our in-scope investments, calculated using the PCAF methodology. Estimations are derived based on borrower-specific business characteristics and available data, ensuring consistency with industry best practices for carbon accounting.

Portfolio GHG Emissions_{FI} = $\sum ((\text{Outstanding Amount}_{FI}) / (\text{Equity} + \text{Debt}_i)) \times \text{GHG Emissions}_i$

Exposures to Carbon-Related and Climate-Sensitive Sectors

NMB has identified the client sectors in our portfolio that face the most elevated exposure to climate risk or present the most significant potential for climate-related opportunities. The values calculated below include both On-Balance and Off-Balance loan book portfolios.

20 SUSTAINABILITY (CONTINUED)

20.3 Climate Risk and the Environment (Continued)

Climate Financial Related Risks (Continued)

Table 21: Exposures to Carbon-Related and Climate-Sensitive Sectors

Sector	2024 Exposure (TZS Bn)	% of total credit portfolio	2023 Exposure (TZS Bn)	% of total credit portfolio	Change YoY
<i>High Emission Sectors</i>					
Transport and logistics	191	2.2	119	1.5	▲
Manufacturing	338	3.8	387	4.9	▼
Mining and quarrying	9.7	0.1	133	1.7	▼
Electricity	140	1.6	142	1.8	▼
Sub-Total	678	7.7	781	9.9	▼
<i>Climate Sensitive Sectors</i>					
Transport and logistics	191	2.2	119	1.5	▲
Agriculture	1,062	12.1	731	9.2	▲
Manufacturing	338	3.8	387	4.9	▼
Mining and quarrying	9.7	0.1	133	1.7	▼
Construction	176	2	150	4.9	▲
Electricity	140	1.6	142	1.8	▼
Sub-Total	1,914	21.8	1,662	24	▲

Climate Data

Mitigating climate risk depends on accurate, transparent data and reliable analytic tools. At NMB, we are committed to elevating industry standards and enhancing disclosure practices to ensure the highest quality of climate-related information. By improving data granularity and consistency, we empower our investors and management to assess environmental impacts effectively and make well-informed, responsible decisions.

Our 2025 Climate Initiative Outlook

By 2025, NMB will strategically align its objectives with decarbonization pathways through the Science Based Targets initiative. Building on our revised GHG baseline established in 2024, we are committed to investing in advanced monitoring and management tools. Additionally, we will expand our disclosure practices—particularly for Scope 3 emissions—to address information gaps and deliver greater transparency to our stakeholders.

Climate-Related Opportunities

Sustainable finance offers a transformative path to tackle climate change, allowing NMB to empower customers with sustainable products. NMB is dedicated to delivering sustainable financing through innovative products. Our diverse portfolio, guided by the Bank Sustainable Financing Framework, includes an array of social and sustainable loans tailored to meet the unique needs of a varied customer base.

Potential Financial Impacts of Climate-Related Opportunities on the Bank

- Growing on-balance sheet and Off-balance sheet book.
- Reduced exposure and geographical footprint related to activities identified as harmful within our E&S risk acceptance criteria.



20 SUSTAINABILITY (CONTINUED)

20.3 Climate Risk and the Environment (Continued)

Climate Financial Related Risks (Continued)

Potential Financial Impacts of Climate-Related Opportunities on the Bank

- Net interest income through lending activities.
- Additional Non-Funded Income through advisory and underwriting activities

20.4 Financial Inclusion

NMB remains committed to unlocking access to affordable and user-friendly banking services for individuals and businesses with limited access to financial services. NMB's mission is to extend its reach to those with limited access to financial services by tailoring products, services, campaigns, and training activities to suit diverse needs.

Customer Outreach: In 2024, we will continue to serve the Tanzania economy and our valued Customers through our access point detailed below.

Table 22: Points of access

Access Point	2024	2023	2022
Branches	240	231	227
NMB Wakala	50,698	28,295	19,870
Bank on Wheels	7	7	7
ATM	714	715	781
Stand Alone Bureau De Change	2	2	2

*ATM network is enhanced by our partnership with UMOJA SWITCH, NMB customers now have access to over 1,000 ATMs nationwide.

Customer Satisfaction Assurance:

NMB's growth strategy is to deliver service excellence to meet customers' evolving needs in an increasingly competitive market. In 2024, NMB scored CSAT 89% (87%, 2023) and 56 NPS (59, 2023), indicating a positive overview towards enriching and enhancing customer experience. Moreover, we launched the "SISI NI HUDUMA" campaign, underscoring our dedication to providing the highest-quality service. Additionally, October 2024 marked the introduction of the JIRANI chatbot, a pioneering digital service. By December, JIRANI had adeptly managed 78% of social media inquiries, with only 22% requiring escalation to our contact center. These innovations exemplify our ongoing investment in the delivery service, ensuring we remain close to our customers and responsive to their needs.

Mass account opening:

Driven by bank's strategic goals and Sustainable banking practices, NMB Bank has leveraged mass account openings as a pivotal tool to broaden the Bank customer base by providing sustainable, innovative, and affordable financial services. In 2024, this initiative successfully onboarded 1,540,000 new customers (see table 23). Our Rural Banking initiative, specifically targeting underserved and unserved rural populations, expanded its reach to 1,369 villages. We introduced the NMB Pesa Account, a digital and cardless banking solution for low-income households, requiring only TZS 1,000 as an initial deposit. This effort resulted in the opening of over 354,120 accounts.

20 SUSTAINABILITY (CONTINUED)

20.4 Financial Inclusion (Continued)

Mass account opening (Continued):

To support this Rural banking growth and ensure seamless service delivery to NMB rural banking customers, we onboarded more than 2,156 NMB Wakala agents in these 1,369 Villages, further strengthening our commitment to financial inclusion. See Table 23 for the types and number of accounts opening trend.

Support for MSMEs, Agribusiness and Entrepreneurs:

NMB Bank remains steadfast in its commitment to supporting the growth of Micro, Small, and Medium Enterprises (MSMEs), entrepreneurs, startups, and small businesses by providing vital access to financial services. This focus not only enhances financial inclusion for unbanked or underserved groups but also stimulates economic development. NMB's efforts in financing agribusiness also exhibited robust growth, with total loans reaching TZS 941 Billion by December 2024, compared to TZS 429 Billion the previous year, thereby contributing to Tanzania's food security and agricultural development. See Table 23.

Empowerment through Financial Inclusion:

Our strategic initiatives continue to empower women, women-led businesses, microbusinesses, and youth through enhanced financial education and innovative financial solutions. These efforts are designed to create empowered communities capable of contributing to broader economic growth. In 2024, we launched the Nondo za Pesa campaign, a groundbreaking financial education initiative by the Bank. This program empowers consumers and potential customers with essential knowledge and skills for sound financial decisions while heightening awareness of personal financial planning. It also ensures consumers understand their rights and obligations in transactions, aligning with BOT regulations to protect and include them. See Table 23.

Digital and innovative propositions:

NMB Bank is dedicated to enhancing our digital services to meet customers' banking needs efficiently and effectively. By the end of 2024, the number of individual digital active customers surpassed 4.7 Million, marking significant growth from the previous year. Our mobile application, "MKONONI," underwent substantial enhancements to improve security and functionality. The app is distinguished by its digital intelligence, customizable dashboard, user-friendly interface, and enriched menu options, offering customers a superior banking experience.

Our digital transformation strategy in 2024 included the successful launch of NMB JIWEKEE, a digital wallet tailored for the informal sector, enabling customers to save for retirement. NMB KIKUNDI, a digital group account solution, was also introduced to support savings, contributions, and financial management for community groups, onboarding 35,680 groups in 2024. The introduction of NMB Pay by Link allows Tanzanian merchants to accept digital payments using secure EMVCo-compliant QR Codes, enhancing the digital payment landscape and providing greater convenience and security for merchants and customers alike.



20 SUSTAINABILITY (CONTINUED)

20.4 Financial Inclusion (Continued)

Responsible Customer Communications and Marketing:

NMB prioritizes forming lasting bonds with customers built on trust and transparency. From the outset, the Bank openly shares all decision-critical information regarding products and services. The Bank's marketing and communications frameworks are designed to align with regulatory requirements, internal policies, and customers' expectations. Across all platforms, from branch to online, we guarantee precise, accurate, and comprehensive product and service information, ensuring that no misleading information is provided in our marketing activities.

Investment in the Community:

NMB Bank continues demonstrating commitment to socio-economic development through targeted education, healthcare, financial literacy, and disaster recovery initiatives. We empowered communities by providing financial literacy programs via Business Clubs, supporting education with resources like desks and computers, and offering the Nuru Yangu Scholarship. NMB equipped 55 healthcare facilities and renovated the Muhimbili National Hospital's maternity block. Our disaster recovery efforts reached over 260,000 individuals, offering training and relief in affected areas. Inclusivity was promoted through investments in assistive devices, and employee volunteerism impacted over 20,300 lives positively. See Table 24 for highlights on corporate social responsibility (CSI).

A significant milestone in 2024 was the completion and handover of Tasani Preparatory School, equipped to accommodate 200 students across five classes with state-of-the-art facilities. This initiative underscores NMB's commitment to nurturing educational foundations and fostering community growth through sustained investment in critical infrastructure and learning opportunities. See Table 24 for highlights on corporate social responsibility (CSI).

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

20 SUSTAINABILITY (CONTINUED)

20.4 Financial Inclusion (continued)

Table 23: IFRS S1 Disclosure: SASB Index for Commercial Banks, Sustainability Disclosure Topics & Metrics

Category	Code	Metrics Monitored	2024	2023	2022
Data Security	FN-CB-230a.1	(1) Number of data breaches	nil	nil	nil
		(2) % that are personal data breaches	nil	nil	nil
		(3) Number of account holders affected	nil	nil	nil
	FN-CB-230a.1	Description of approach to identifying and addressing data security risks ²	na	na	na
Financial Inclusion & Capacity Building	FN-CB-240a.1	Total Customer	8.6	7.1	6
		Total Number of MSME customers (in Million)	0.485	0.386	0.234
		Total Amount of MSMEs loans outstanding (Tzs Billion)	754	785	690
		Total Number of Agricultural customers (in Million)	1.055	0.828	0.693
		Value of Agricultural loans (Tzs Billion)	941	429	558
Women Proposition (Jasiri)		Number of NMB customers who are women (in Million)	3.1	2.4	1.9
		Percentage of Women Customers in the NMB customer base	36%	35%	32%
		Value of loans disbursed to women (Tzs Billion)	0.976	0.857	0.934
		Number of youth customers (Millions)	4	3	3
		Percentage of youth active customers	45%	44%	43%
	FN-CB-240a.4	Number of women reached through the Jasiri Business Clubs and provided Financial Literacy.	9,050	7,000	4,000
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.2	Description of approach to incorporation of Environmental, Social, and Governance (ESG) factors in credit analysis ³	See page 229		

² Methodology: Data security is governed by the Information Technology Risk Management and Data Protection and Privacy policies, which identify and address data security risks. By systematically assessing risks, implementing robust security controls, fostering a strong security culture, and continuously monitoring and improving security measures, NMB can effectively protect its data assets.

³ NMBs Environmental & Social (E&S) Management Policy guides the integration of management of E&S opportunities and risk management into the credit portfolio growth and credit procedures in line with international standards, best practices, and applicable laws and regulations.



20 SUSTAINABILITY (CONTINUED)

20.4 Financial Inclusion (Continued)

Table 23: IFRS S1 Disclosure: SASB Index for Commercial Banks, Sustainability Disclosure Topics & Metrics

Category	Code	Metrics Monitored	2024	2023	2022
Financed Emission	FN-CB-410b.1	Absolute gross financed emissions, disaggregated by (*) Scope 1, (2) Scope 2 and (3) Scope 3		na	
	FN-CB-410b.2	Gross exposure for each industry by asset class			See page 225
	FN-CB-410b.3	% of gross exposure included in the financed emissions calculation			
	FN-CB-410b.4	Description of the methodology used to calculate financed emissions			Section 20.3.and page 224
Business Ethics	FN-CB-510a.2	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	na	na	na
	FN-CB-510a.2	Description of whistleblower policies and procedures			See section 31
Systemic Risk Management	FN-CB-550a.1	Global Systematically Important Bank (G-SIB) score by category ⁴	na	na	na
	FN-CB-550a.2	Description of the approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	na	na	na
	FN-CB-000.A	Total number of NMB customers	8.6	7.1	6.0
		(1.a) Number of Checking Accounts: Personal	6.2	5.1	4.2
Activity Metrics (in Mn)		(1.b) Number of Checking Accounts: Small Business	1.5	1.2	1.0
		(2.a) Value of Checking Accounts: Personal	3,342	2,779	2,658
		(2.b) Value of Checking Accounts: Small Business	1,095	871	686
		(1.a) Number of Saving Accounts: Personal	0.806	0.695	0.623
		(1.b) Number of Saving Accounts: Small Business	0.037	0.037	0.036
		(2.a) Value of Saving Accounts: Personal	1,023	900	793
		(2.b) Value of Saving Accounts: Small Business	26	20	19
	FN-CB-000.B	(1.a) Number of personal loans	0.408	0.384	0.352
		(1.b) Number of small businesses	0.047	0.048	0.046
		(1.c) Number of corporates	0.001	0.001	0.000
		(1.a) Value of personal loans	5,397	4,783	4,167
		(1.b) Value of small business	1,282	1,200	1,028
		(1.c) Value of corporates	2,061	1,969	1,048

4 NMB is neither a Global Systemically Important Bank (G-SIB) nor has the G-SIB score been calculated by the entity or obtained from regulatory authorities. It is not required to report the underlying data to the regulators.

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

20 SUSTAINABILITY (CONTINUED)

20.4 Financial Inclusion (Continued)

Table 24: Other ESG Highlights

Category	Description	2024	2023	Framework
CSI				
Budget	Dedicated CSI budget (TZS Billion)	5.4	4.2	SDG 1, SDG 10; GRI 201-1; SASB FN-CB-240a.2
	Number of scholarships offered	131	65	SDG 4; GRI 203-1; SASB FN-CB-240a.2
	Value of scholarship support offered (TZS Million)	886	208	SDG 4; GRI 203-1; SASB FN-CB-240a.2
	Number of schools benefitting from facility support	185	247	SDG 4; GRI 203-1; SASB FN-CB-240a.2
Education Support	Number of students benefitting from support	33,310	15,500	SDG 4; GRI 203-1; SASB FN-CB-240a.2
	Funding	1 Billion to JKIC cardiac surgeries	350 Million to Muhimbili Hospital	SDG 3; GRI 203-1; SASB FN-CB-240a.2
	Persons with disabilities supported	250 white canes, 8 wheelchairs, 40 beds	17.9 Million to procure for assistive devices	SDG 10; GRI 413-1; SASB FN-CB-240a.2
	Number of facilities donated	65	55	SDG 3; GRI 203-1; SASB FN-CB-240a.2
Health Support	Number of patients benefiting	505,000	300,000	SDG 3; GRI 203-2; SASB FN-CB-240a.2
	Sustainability & Climate Action			
	Dedicated sustainability and climate budget commitment (TZS Billion)	Continuous	2	SDG 13; GRI 302-1; SASB FN-CB-410a.2
	Number of dustbins supported for clean environments	100	> 200	SDG 11; GRI 306-2; SASB FN-CB-410a.2
Environment	Climate/ESG collaborations and partnerships	19	17	SDG 17; GRI 102-12; SASB FN-CB-410a.2
	Value of disaster recovery support (TZS Million)	103.5	> 70	SDG 13; GRI 201-1; SASB FN-CB-410a.2
	Number of trees planted	1.4M	1M	SDG 15; GRI 304-2; SASB FN-CB-410a.2
	Beehives donated to beekeeping groups	Continuous	500	SDG 15; GRI 304-2; SASB FN-CB-410a.2
Clean Energy Transition	Beekeeping groups supported	15	15	SDG 15; GRI 304-2; SASB FN-CB-410a.2
	Number of branches using LED lighting	203	> 175	SDG 7; GRI 302-1; SASB FN-CB-410a.2
	Number of motor vehicles converted to CNG	8	8	SDG 7; GRI 302-4; SASB FN-CB-410a.2
	Number of branches using solar energy	1	1	SDG 7; GRI 302-1; SASB FN-CB-410a.2



20 SUSTAINABILITY (CONTINUED)

20.4 Financial Inclusion (Continued)

Table 24: Other ESG Highlights (Continued)

Category	Description	2024	2023	Framework
Waste Management	Total waste (kg)	na	32,000	SDG 12; GRI 306-3; SASB FN-CB-410a.2
	Waste recycled (kg)	3,425	na	SDG 12; GRI 306-2; SASB FN-CB-410a.2
	Cans	1	na	SDG 12; GRI 306-2; SASB FN-CB-410a.2
	Cardboard	278	na	SDG 12; GRI 306-2; SASB FN-CB-410a.2
	Food waste	2,910	na	SDG 12; GRI 306-2; SASB FN-CB-410a.2
	Nylon	11	na	SDG 12; GRI 306-2; SASB FN-CB-410a.2
	Paper	192	na	SDG 12; GRI 306-2; SASB FN-CB-410a.2
Diversity, Equality, and Inclusion	Plastic	33	na	SDG 12; GRI 306-2; SASB FN-CB-410a.2
	% of women employees to total workforce	48%	48%	SDG 5; GRI 405-1; SASB FN-CB-330a.1
	% of women in senior leadership positions	28%	32%	SDG 5; GRI 405-1; SASB FN-CB-330a.1
	% of youth in workforce (below 35 years)	32%	34.8%	SDG 8; GRI 405-1; SASB FN-CB-330a.1
	Number of staff with disabilities	11	11	SDG 10; GRI 405-1; SASB FN-CB-330a.1

NMB BANK PLC
THE REPORT OF THOSE CHARGED WITH GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

21 RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed in note 45 to the financial statements.

22 SERIOUS PREJUDICIAL MATTERS

In the opinion of the Directors, there are no serious unfavourable matters that can affect the Bank (2023: NIL).

23 POLITICAL CONTRIBUTIONS AND DONATIONS

The Bank did not make any political donations during the year (2023: NIL)

24 BANK COMMUNICATION/PUBLIC RELATIONS POLICY

The primary objective of the Bank’s Communication/Public Relations Policy is to ensure that information originating from the Bank is accurate and complete, reflects the Bank’s official position, and is consistently and in a timely manner released to the media and targeted public. The overarching goal is cultivating a mutually beneficial relationship between the Bank and the public. The Board has established effective communication channels with the Bank’s stakeholders, including the media and other relevant channels.

Key stakeholder communication initiatives encompass the Bank’s Annual Report, quarterly financial reports, investor presentations, and various publications. Through the Bank’s official website, www.nmbbank.co.tz, stakeholders can access comprehensive information, including general details about the Bank and its subsidiaries. This platform is a centralized resource for stakeholders to review all publications and stay informed about the Bank’s activities.

25 ACCOUNTING POLICIES

The Bank’s material accounting policies, disclosed in Note 6 to the financial statements, have been approved by the Board. The policies have been updated to reflect the new and revised International Financial Reporting Standards (IFRSs) in Note 5.

26 INTERNAL AUDIT FUNCTION

The Bank has an independent Internal Audit function reporting to the Board Audit Risk and Compliance Committee (BARCC).

27 STATEMENT OF COMPLIANCE WITH TFRS-1

This report on Those Charged with Governance complies with the provisions of TFRS-1.



28 REMUNERATION POLICIES

The Bank emphasizes a well-defined approach to remuneration, encompassing not only its staff but also its Directors. The Remuneration Policy is embedded in the Bank’s overarching strategy and linked to individual performance metrics. This alignment ensures that the policy not only reflects the current market demands and industry benchmarks but also remains adaptive to the dynamic nature of the business landscape. The policy undergoes a meticulous annual review to maintain its relevancy and competitiveness, providing the necessary flexibility to address emerging trends and evolving market conditions.

In the customary process, management conducts an extensive market survey to prepare a proposal delineating fees and other emoluments for the Directors. The Board rigorously evaluates this proposal to ensure alignment with the Bank’s strategic objectives and subsequently presents it for approval at the Annual General Meeting (AGM).

29 WHISTLEBLOWING POLICY

NMB Bank’s Whistleblowing Policy is pivotal in cultivating an unwavering ethical and conduct culture. The Bank is resolutely committed to upholding the pinnacle of standards in ethical and legal conduct across its projects, programs, and businesses. In perfect alignment with this unwavering commitment and to underscore its dedication to good governance and transparency, the Policy establishes a well-structured mechanism for raising concerns related to fraud, corruption, or any other misconduct without fear of victimization. Significantly, it ensures unequivocal protection for individuals disclosing information related to such misconduct, shielding them from retaliation.

The policy precisely outlines the procedures for both employees and non-employees to report concerns or suspicions regarding potential violations of laws, rules, or regulations, as well as suspected wrongdoing in internal bank policies, standards, or procedures. It is imperative to underscore that the Whistleblower and Witness Protection Act of 2015 categorically prohibits employers from retaliating against whistleblowers.

Staff members receive periodic training during induction and ongoing development, emphatically underscoring the paramount importance of bringing forth information that profoundly contributes to the enforcement of sterling corporate governance practices. The Bank also provides a dedicated whistleblower section on its website, where customers and other stakeholders are resolutely encouraged to report misconduct through a diverse array of channels, whether internal or external. Independent third parties, known for their impartiality, are readily available for reporting. Importantly, whistleblowers are empowered with the unequivocal option to disclose their identity or remain anonymous, thereby granting them a formidable voice in upholding the ethical standards within the Bank.

30 RESPONSIBILITIES OF AUDITORS

The auditor is responsible for considering the materiality and consistency of the information in the report of those charged with governance with the financial statements, their knowledge obtained in the audit, and reporting any material inconsistency.

31 AUDITORS

Our external auditor (Deloitte & Touche) has been appointed in accordance with section 170(2) of the Companies Act, No.12 of 2002, and as per the ‘Banking and Financial Institutions (External Auditors) Regulation, 2014, section 5. Deloitte & Touche was appointed for a three-year period from 2022 following a competitive bidding process as required by the Banking and Financial Institutions (External Auditors) Regulation, 2014, subject to annual assessments.

Following assessments for their performance for the year ended 2022 and 2023, Deloitte & Touche was approved at the Annual General Meeting held in June 2024 to continue as external auditor for the year ending 2024.

Deloitte & Touche, with PF No 025 and TIN 100-148-692, is an audit firm registered by the National Board of Accountants and Auditors of Tanzania (NBAA).

32 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

It is the solemn duty of those charged with governance to prepare the financial statements of the Bank. These statements are mandated to present a true and fair view, adhering strictly to applicable standards, rules, regulations, and legal provisions. This responsibility encompasses the entirety of the financial year, commencing from its initiation until the date of approval of the audited financial statements by those charged with governance. The obligation extends to all individuals who assumed the role of those charged with governance at any point during the period covered by the financial statements.

BY ORDER OF THE BOARD OF DIRECTORS

SIGNED ON ITS BEHALF BY:



David C. Nchimbi
Chairman

27th March 2025

Date



NMB BANK PLC
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

The Companies Act, Cap. 212 (as amended) requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Bank and of the Group at the end of the financial year and of the profit or loss for the year. It also requires the Directors to ensure that the Bank and its subsidiary keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Bank and the Group. They are also responsible for safeguarding the assets of the Bank and the Group and hence taking reasonable steps for the prevention and detection of fraud, error, and other irregularities.

The Directors accept responsibility for the financial statements herein, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards as issued by International Accounting Standards Board and a manner required by the Companies Act, Cap. 212 (as amended), and the Banking and Financial Institutions Act, 2006.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs and of its operating results of the Bank and the Group. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Nothing has come to the attention of the Directors to indicate that the Bank and the Group will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Board of Directors by:



David C. Nchimbi
Chairman

27th March 2025

Date

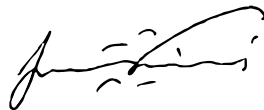
NMB BANK PLC
DECLARATION BY THE CHIEF FINANCIAL OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2024

The National Board of Accountants and Auditors (NBAA), according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by the Act No. 2 of 1995, requires the financial statements to be accompanied by a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors in discharging the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's financial position and performance in accordance with applicable IFRS Accounting Standards as issued by the International Accounting Standard Board and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as per the Statement of Directors' Responsibility on page 236.

I, Juma A. Kimori, being the Chief Financial Officer of NMB Bank Plc, hereby acknowledge my responsibility of ensuring that the Bank and the Group's financial statements for the year ended 31 December 2024 have been prepared in compliance with the IFRS Accounting Standards as issued by the International Accounting Standard Board , the requirements of the Companies Act, Cap. 212 (as amended) and the Banking and Financial Institutions Act, 2006.

I thus confirm that the financial statements give a true and fair view of NMB Bank Plc's financial performance for the year ended 31 December 2024 and its financial position as of that date and that they have been prepared based on properly maintained financial records.



Juma A. Kimori
Chief Finance Officer
NBAA Membership number: ACPA 3755

27th March 2025

Date





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INDEPENDENT AUDITOR’S REPORT
TO THE SHAREHOLDERS OF NMB BANK PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the separate financial statements of NMB Bank Plc (the “Bank”) and the consolidated financial statements of the Bank and its subsidiary (together, the “Group”) set out on pages 243 to 385, which comprise the separate and consolidated statements of financial position at 31 December 2024 and separate and consolidated statements of profit or loss and other comprehensive income, separate and consolidated statements of changes in equity and separate and consolidated statements of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements give a true and fair view of the financial position of the Group and of the Bank as of 31 December 2024 and of their financial performance and cash flows for the year then ended in conformity with IFRS Accounting Standards as issued by International Accounting Standards Board and the requirements of the Companies Act, 2002, and the Banking and Financial Institutions Act, 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Bank and the Group in accordance with the National Board of Accountants and Auditors (NBAA) Code of Ethics which is consistent with the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*, together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Partners: F.J. Kibiki Y.F. Kasenge M.R. Richard
Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
<i>Estimation of Expected Credit Losses on loans and advances to customers</i> Loans and advances to customers constitute a significant portion of the total assets of NMB Bank Plc. As disclosed in notes 6(f), 7(a), 9.1 and 23 of the consolidated and separate financial statements, management exercise significant judgment when determining both when and how much to record as Expected Credit Losses. This is because a number of significant assumptions and inputs go into the determination of Expected Credit Loss (ECL) amounts on loans and advances to customers as required by IFRS 9, <i>Financial Instruments</i>. The key areas where we identified greater levels of management judgment and therefore increased levels of audit focus in the Bank’s implementation of IFRS 9 include: • The judgments made to determine the categorisation (staging) of individual loans and advances accounts in line with IFRS 9. In particular, the identification of a Significant Increase in Credit Risk (“SICR”) and Default require consideration of quantitative and qualitative criteria. This is a key area of judgement as this determines whether a 12-month or lifetime Probability of Default is used; • Where there is uncertainty in respect of the respective models’ ability to address specific trends or conditions due to inherent limitations of modelling based on past performance, the timing of model updates, and macroeconomic events, additional provisions are made via management overlays. Significant judgement was made in determining the management overlays; • Identification and measurement of economic scenarios to measure ECLs on a forward-looking basis reflecting a range of future economic conditions; and	Our audit of the Expected Credit Losses of loans and advances to customers included, amongst others, the following audit procedures performed together with the assistance of our internal credit risk specialists: • Obtained an understanding of the Bank’s methodology for determining Expected Credit Losses (ECL), including enhancements in the year, and evaluated it against the requirements of IFRS 9, <i>Financial Instruments</i>; • Testing the design and implementation of critical controls on ECL-related processes, particularly the allocation of assets into stages and management overlays; • On a sample of contracts, we assessed the identification of loans and advances that had experienced a significant increase in credit risk or met the Bank’s default definition criteria for classification purposes. This was completed by reviewing documentation and credit performance to determine whether the staging of such facilities was in accordance with Bank’s policy and IFRS 9 standards; • Assessed the reasonableness of management overlays, taking into account industry and client-specific risk. We recalculated the management overlays and assessed their completeness in light of our understanding of the model and data limitations; • Tested the assumptions, inputs and formulae used in the ECL models with the support of our internal credit risk specialists (including assessing the appropriateness of model design and formula used, considering alternative modelling techniques and recalculating the Probability of Default, Loss Given Default and Exposure at Default; • We corroborated the assumptions used for the determination of forward-looking information (FLI) in the models using publicly available information;



Key Audit Matters (Continued)

Key audit matter	How our audit addressed the matter
- Modelling for estimation of ECL parameters: - Probabilities of Default (PDs) - Loss Given Default (LGD); and - Exposure at Default (EAD). Because of the significance of these estimates, judgments and the size of loans and advances to customers portfolio, the audit of Estimation of Expected Credit Losses on loans and advances to customers is considered a key audit matter.	Tested the data used in the ECL calculation by reconciling to source systems; and Assessed the adequacy and appropriateness of disclosures for compliance with IFRS and requirements of Bank of Tanzania. Based on the procedures described above, our audit evidence was consistent with the inputs in the ECL on loans and advances to customers which were found to be within an acceptable range in the context of IFRS 9.

Other Information

The Directors are responsible for the other information. The other information comprises Index to the Notes, List of Abbreviations, Corporate Information, The Report of Those Charged With Governance, Statement of Directors’ Responsibilities and Declaration of the Chief Financial Officer but does not include the consolidated and separate financial statements and our auditor’s report thereon, which we obtained prior to the date of this auditor’s report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report which will be made available to us after the date of this auditor’s report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies Act, 2002 and the Banking and Financial Institutions Act, 2006, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, the Directors are responsible for assessing the Group’s and the Bank’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or Bank or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and the Bank’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s and the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal Requirements

As required by the Companies Act, 2002, we report to you, based on our audit, that:

- i) we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
- ii) in our opinion, proper books of account have been kept by the Group and the Bank, so far as appears from our examination of those books; and
- iii) the Bank's separate and consolidated statement of financial position (balance sheet) and separate and consolidated statement of profit or loss and other comprehensive income (profit and loss account) are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is F.J. Kibiki.

Deloitte & Touche

Certified Public Accountants (Tanzania)



Signed by: F.J. Kibiki

NBAA Registration No. ACPA-PP 3214

Dar es Salaam

28 March 2025

NMB BANK PLC FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2024 TZS' Millions	2023 TZS' Millions
Interest income	10	1,366,006	1,179,592
Interest expense	11(a)	(307,599)	(242,354)
Net interest income		1,058,407	937,238
Impairment charge – loans and advances	12(a)	(85,068)	(84,485)
Impairment charge – other	12(b)	(2,403)	50
Total impairment charge		(87,471)	(84,435)
Net interest income after impairment		970,936	852,803
Fee and commission income	13	574,762	469,306
Fee and commission expense		(135,396)	(102,819)
Net fee and commission income		439,366	366,487
Realized gain on investment securities	24	4,831	7,527
Foreign exchange income		110,758	65,835
Other income	14(a)	23,786	28,531
Total operating income		1,549,677	1,321,183
Employee benefits expense	15	(335,656)	(297,923)
Other operating expenses	16(a)	(226,694)	(199,015)
Depreciation and amortization	17(a)	(56,037)	(49,444)
Total operating expenses		(618,387)	(546,382)
Profit before tax		931,290	774,801
Income tax expense	18(a)	(284,397)	(229,594)
Profit for the year		646,893	545,207
Attributable to			
Owners of the Bank		646,530	544,890
Non-controlling interests		363	317
Profit for the year		646,893	545,207



NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2024 TZS' Millions	2023 TZS' Millions
Other comprehensive income, net of tax			
<i>Items that may subsequently be reclassified to profit or loss:</i>			
Fair value gain on debt instruments at FVOCI – net of tax	39 (iii)	500	464
Total comprehensive income for the year		647,393	545,671
Attributable to:			
Owners of the Bank		647,030	545,354
Non-controlling interests		363	317
Total comprehensive income for the year		647,393	545,671
		TZS/share	TZS/share
Basic and diluted earnings per share	19(a)	1,293.79	1,089.78

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

BANK'S STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2024 TZS' Millions	2023 TZS' Millions
Interest income	10	1,366,006	1,179,592
Interest expense	11(b)	(311,641)	(246,077)
Net interest income		1,054,365	933,515
Impairment charge – loans and advances	12(a)	(85,068)	(84,350)
Impairment charge – other	12(b)	(2,403)	(85)
Total Impairment charge		(87,471)	(84,435)
Net interest income after impairment		966,894	849,080
Fee and commission income	13	574,762	469,306
Fee and commission expense		(135,396)	(102,819)
Net fee and commission income		439,366	366,487
Realised gain on Investment Securities	24	4,831	7,527
Foreign exchange income		110,758	65,835
Other income	14(b)	23,815	28,556
Total operating income		1,545,664	1,317,485
Employee benefits expense	15	(335,656)	(297,923)
Other operating expenses	16(b)	(226,530)	(198,866)
Depreciation and amortization	17(b)	(56,924)	(50,329)
Total operating expenses		(619,110)	(547,118)
Profit before tax		926,554	770,367
Income tax expense	18(b)	(283,283)	(228,599)
Profit for the year		643,271	541,768
Other comprehensive income, net of tax			
<i>Items that may subsequently be reclassified to profit or loss:</i>			
Fair value gain on debt instruments at FVOCI – net of tax	39 (iii)	500	464
Total comprehensive income for the year		643,771	542,232
		TZS/share	TZS/share
Basic and diluted earnings per share	19(b)	1,286.54	1,083.54



NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	Note	2024 TZS' Millions	2023 TZS' Millions
Assets			
Cash and balances with Bank of Tanzania	21	1,450,570	1,340,934
Placements and balances with other banks	22	905,687	336,759
Derivative financial instruments	30	14,721	-
Loans and advances to customers	23	8,498,677	7,706,925
Investment securities			
- At amortised cost	24(a)	2,180,270	2,245,260
- At FVOCI	24(b)	78,339	28,345
- At FVPL	24(c)	10,154	-
Equity investment at FVOCI	25(a)	4,233	2,920
Other assets	26(a)	173,278	145,701
Current tax assets	18(c)	9,508	10,969
Property and equipment	27(a)	182,662	180,846
Intangible assets	28	65,889	37,347
Right-of-use assets	29(a)	22,382	25,232
Deferred income tax assets	31(a)	139,320	118,324
Total assets		13,735,690	12,179,562
Liabilities			
Deposits due to other banks	33	73	15,008
Deposits from customers	32(a)	9,564,222	8,465,608
Derivative financial instruments	30	2,956	-
Other liabilities	34(a)	211,639	194,044
Lease liabilities	29(c)	24,298	28,844
Provisions	35	2,779	2,431
Borrowings	36	1,369,504	1,380,193
Deferred income tax liability	31(b)	839	857
Total liabilities		11,176,310	10,086,985
Capital and reserves			
Share capital	39(i)	20,000	20,000
Retained earnings		2,532,526	2,066,586
Fair valuation reserve	39(iii)	2,050	1,550
Capital and reserves attributable to owners of the parent		2,554,576	2,088,136
Non-controlling interest	38	4,804	4,441
Total equity		2,559,380	2,092,577
Total equity and liabilities		13,735,690	12,179,562

The financial statements on pages 243 to 385 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:



David C. Nchimbi
Chairman

27th March 2025

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

BANK'S STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	Note	2024 TZS' Millions	2023 TZS' Millions
Assets			
Cash and balances with Bank of Tanzania	21	1,450,570	1,340,934
Placements and balances with other banks	22	905,687	336,759
Derivative financial instruments	30	14,721	-
Loans and advances to customers	23	8,498,677	7,706,925
Investment securities			
- At amortised cost	24(a)	2,180,270	2,245,260
- At FVOCI	24(b)	78,339	28,345
- At FVPL	24(c)	10,154	-
Equity investment at FVOCI	25(a)	4,233	2,920
Investment in subsidiary	25(b)	39,639	39,639
Other assets	26(b)	170,675	143,260
Current tax assets	18(d)	5,610	7,783
Property and equipment	27(b)	156,903	153,056
Intangible assets	28	65,889	37,347
Right-of-use assets	29(b)	54,557	60,325
Deferred tax assets	31(a)	139,320	118,324
Total assets		13,775,244	12,220,877
Liabilities			
Deposits due to other banks	33	73	15,008
Deposits from customers	32(b)	9,577,116	8,474,678
Other liabilities	30	2,956	-
Lease liabilities	34(b)	217,274	199,706
Provisions	29(d)	58,693	65,193
Borrowings	35	2,779	2,431
Current tax liabilities	36	1,369,504	1,380,193
Total liabilities		11,228,395	10,137,209
Capital and reserves			
Share capital	39 (i)	20,000	20,000
Retained earnings		2,524,799	2,062,118
Fair valuation reserve	39 (iii)	2,050	1,550
Total equity		2,546,849	2,083,668
Total equity and liabilities		13,775,244	12,220,877

The financial statements on pages 243 to 385 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:



David C. Nchimbi
Chairman

27th March 2025



NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent					
	Share capital TZS' Millions	Retained earnings TZS' Millions	Fair valuation reserve TZS' Millions	Total TZS' Millions	Non- controlling interest TZS' Millions	Total equity TZS' Millions
At 1 January 2024	20,000	2,066,586	1,550	2,088,136	4,441	2,092,577
Profit for the year						
Other comprehensive income (OCI)	-	646,530	-	646,530	363	646,893
Gain of fair valuation	-	-	714	714	-	714
Deferred tax on OCI	-	-	(214)	(214)	-	(214)
Total comprehensive income	-	646,530	500	647,030	363	647,393
Transactions with owners						
Dividends paid for the year 2023	-	(180,590)	-	(180,590)	-	(180,590)
At 31 December 2024	20,000	2,532,526	2,050	2,554,576	4,804	2,559,380

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent					
	Share capital TZS' Millions	Retained earnings TZS' Millions	Fair valuation reserve TZS' Millions	Total TZS' Millions	Non-con- trolling interest TZS' Millions	Total equity TZS' Millions
At 1 January 2023	20,000	1,664,821	1,086	1,685,907	4,124	1,690,031
Profit for the year						
Other comprehensive income (OCI)	-	544,890	-	544,890	317	545,207
Gain of fair valuation	-	-	663	663	-	663
Deferred tax on OCI	-	-	(199)	(199)	-	(199)
Total comprehensive income	-	544,890	464	545,354	317	545,671
Transactions with owners						
Dividends paid for the year 2022	-	(143,125)	-	(143,125)	-	(143,125)
At 31 December 2023	20,000	2,066,586	1,550	2,088,136	4,441	2,092,577



NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
BANK'S STATEMENT OF CHANGES IN EQUITY

	Share capital TZS' Millions	Retained earnings TZS' Millions	Fair valuation reserve TZS' Millions	Total equity TZS' Millions
At 1 January 2024	20,000	2,062,118	1,550	2,083,668
Comprehensive income				
Profit for the year	-	643,271	-	643,271
<i>Other comprehensive income (OCI)</i>				
Gain of fair valuation	-	-	714	714
Deferred tax on OCI	-	-	(214)	(214)
<i>Total comprehensive income</i>	-	643,271	500	643,771
Transactions with owners and other transfers				
Dividends paid for the year 2023	-	(180,590)	-	(180,590)
At 31 December 2024	20,000	2,524,799	2,050	2,546,849
At 1 January 2023	20,000	1,663,475	1,086	1,684,561
Comprehensive income				
Profit for the year	-	541,768	-	541,768
<i>Other comprehensive income (OCI)</i>				
Gain of fair valuation	-	-	663	663
Deferred tax on OCI	-	-	(199)	(199)
<i>Total comprehensive income</i>	-	541,768	464	542,232
Transactions with owners				
Dividends paid for the year 2022	-	(143,125)	-	(143,125)
At 31 December 2023	20,000	2,062,118	1,550	2,083,668

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2024 TZS' Millions	2023 TZS' Millions
Cash (used in)/generated from operations	41(a)	1,006,632	(51,850)
Interest received	24(a-c)	219,816	212,093
Interest paid	29(c) & 36	(119,982)	(66,301)
Tax paid	18(c)	(303,562)	(251,330)
Net cash generated/(used in) operations		802,904	(157,388)
Cash flows from investing activities			
Proceeds from government securities	24(a)	595,587	607,278
Investment in government securities	24(a)	(537,565)	(932,548)
Purchase of property and equipment	27(a)	(35,367)	(41,041)
Purchase of intangible assets	28	(37,788)	(22,903)
Proceeds on disposal of property and equipment		300	691
Equity investments	25	(1,313)	-
Lease acquisition	29(b) & (d)	(834)	-
Dividends received	14	65	55
Net cash used in investing activities		(16,915)	(388,468)
Cash flows from financing activities			
Proceeds received from borrowings	36	170,073	785,238
Principal repaid on borrowings	36	(159,035)	(190,353)
Principal paid on lease liabilities	29(c)	(9,478)	(13,228)
Dividends paid	20	(180,590)	(143,125)
Net cash (used in)/generated from financing activities		(179,030)	440,516
Net increase/(decrease) in cash and cash equivalents		606,959	(105,340)
Cash and cash equivalents at beginning of the year		1,172,202	1,277,542
Cash and cash equivalents at end of the year	40	1,779,161	1,172,202
Analysis of cash and cash equivalents at end of the year:			
Cash in hand		603,717	549,108
Balances with Bank of Tanzania		269,716	286,335
Gross Placements and balances with other banks		905,728	336,759
		1,779,161	1,172,202



NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

BANK'S STATEMENT OF CASH FLOWS

	Note	2024 TZS' Millions	2023 TZS' Millions
Cash (used in)/generated from operations	41(b)	1,009,727	(47,228)
Interest received	24(a-c)	219,816	212,093
Interest paid	29(d) & 36	(122,943)	(69,399)
Tax paid	18(d)	(301,736)	(251,031)
Net cash used in operating activities		804,864	(155,565)
Cash flows from investing activities			
Proceeds from government securities	24(a)	595,587	607,278
Investment in government securities	24(a)	(537,565)	(932,548)
Purchase of property and equipment	27(b)	(35,367)	(41,041)
Purchase of intangible assets	28	(37,788)	(22,903)
Proceeds on disposal of property and equipment		300	691
Equity investments	25	(1,313)	-
Lease acquisition	29(b) & (d)	(834)	-
Dividend received	14(b)	65	55
Net cash used in investing activities		(16,915)	(388,468)
Cash flows from financing activities			
Proceeds from borrowings	36	170,073	785,238
Principal paid on borrowings	36	(159,035)	(190,353)
Principal paid on lease liabilities	29(d)	(11,438)	(13,067)
Dividends paid	20	(180,590)	(143,125)
Net cash (used in)/generated from financing activities		(180,990)	438,693
Net increase/(decrease) in cash and cash equivalents		606,959	(105,340)
Cash and cash equivalents at the beginning of the year		1,172,202	1,277,542
Balances with mobile network operators			-
Cash and cash equivalents end of the year	40	1,779,161	1,172,202
Analysis of cash and cash equivalents at end of the year:			
Cash in hand		603,717	549,108
Balances with Bank of Tanzania		269,716	286,335
Gross Placements and balances with other banks		905,728	336,759
		1,779,161	1,172,202

NMB BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
NOTES TO FINANCIAL STATEMENTS

1. REPORTING ENTITY

NMB Bank Plc (the "Bank or "NMB") is a public limited liability company and is incorporated and domiciled in the United Republic of Tanzania. The address of its registered office is as disclosed under corporate information.

The Bank is listed on the Dar es Salaam Stock Exchange (DSE). The Bank has equity investments in Tanzania Mortgage Refinance Company Limited (TMRC) and a subsidiary company named Upanga Joint Venture Company (UJVC) Limited.

The Bank's financial statements and its subsidiary, UJVC (together, the "Group") consolidated financial statements for the year ended 31 December 2024 were approved for issue by Those Charged with Governance on 24th March 2025. Neither the entity's owners nor others have the power to amend the financial statements after issue.

2. BASIS OF PREPARATION

The consolidated and separate financial statements have been prepared on a historical cost basis, except for derivative financial instruments, other financial assets and liabilities held for trading and financial assets and liabilities designated at fair value through profit or loss (FVPL) and debt and equity instruments at fair value through other comprehensive income (FVOCI) all of which have been measured at fair value.

These consolidated and separate financial statements are directed at primary users, being investors who lend or provide equity capital to the reporting entity. These consolidated and separate financial statements assume that the primary users have a reasonable knowledge of business and economic activities and review and analyze the information diligently.

In the preparation of financial statements, the Bank has considered the impact of macro-economic and geopolitical uncertainty especially on areas which need significant estimates and judgements and considered materiality assessments.

The financial statements are presented in Tanzania shillings (TZS) which is the functional currency, and the amounts are rounded to the nearest Million, except where otherwise indicated.

The Bank has prepared its consolidated and separate financial statements on the basis that it will continue to operate as a going concern.

3. STATEMENT OF COMPLIANCE

The Group's consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and are prepared in the manner required by the Companies Act No.12 of 2002.

The Group's consolidated and separate financial statements, except for cashflow statement, have been prepared using the accrual basis of accounting.



3. STATEMENT OF COMPLIANCE (CONTINUED)

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in the process of applying the Group's accounting policies.

Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Directors believe that the underlying assumptions are appropriate and that the Group's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are critical to the financial statements are disclosed in Note 7.

4. PRESENTATION OF FINANCIAL STATEMENTS

These financial statements comprise the statements of financial position (also referred to as the balance sheet) as at 31 December 2024, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year ended; as well as the notes, which comprise a summary of accounting policies and other explanatory notes.

The Bank presents its statement of financial position in order of liquidity based on its intention and perceived ability to recover/settle most assets/liabilities of the corresponding financial statement line item. Financial assets and liabilities are generally reported gross in the consolidated statement of financial position except when IFRS netting criteria are met.

5. ADOPTION OF NEW AND REVISED STANDARDS

(a) Changes in material accounting policies

(i) *New standards and amendments to published standards effective for the year ended 31 December 2024*

The following were new and revised IFRSs that have been effective in the current year. The Group's and Bank's application of the new and revised standards did not have material impact on the disclosures or on the amounts reported to these financial statements.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).	The amendments relate to the sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to subsequently measure liabilities arising from the transaction and in a way that it does not recognize any gain or loss related to the right of use that it retained. This means deferral of such a gain even if the obligation is to make variable payments that do not depend on an index or a rate.
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5. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

(a) Changes in material accounting policies (Continued)

(i) *New standards and amendments to published standards effective for the year ended 31 December 2024 (Continued)*

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
Non-current Liabilities with Covenants (Amendments to IAS 1)	The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments: • Specifies that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period (the reporting date) for the purposes of classifying a liability as current or non-current; and • for non-current liabilities subject to conditions, an entity is required to disclose information about: i. The conditions (for example, the nature of and date by which the entity must comply with the condition); ii. Whether the entity would comply with the conditions based on its circumstances at the reporting date; and iii. Whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested.
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Entities will have to disclose the effects of supplier finance arrangements on their liabilities, cash flows and exposure to liquidity risk.



5. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

(a) Changes in material accounting policies (Continued)

(ii) *Impact of new amended standards and interpretations in issues but not yet effective standards and amendments for the year ended 31 December 2024*

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 or later, and which the Bank has not early adopted.

IFRS 18 - Presentation and Disclosures in Financial Statements	IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share. IFRS 18 introduces new requirements to: • present specified categories and defined subtotals in the statement of profit or loss • provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements • improve aggregation and disaggregation. An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions. The Bank is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.
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5. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

(a) Changes in material accounting policies (Continued)

(ii) *Impact of new amended standards and interpretations in issues but not yet effective standards and amendments for the year ended 31 December 2024 (Continued)*

Lack of Exchangeability (Amendments to IAS 21)	The amendments in Lack of Exchangeability (Amendments to IAS 21) amend IAS 21 to: • Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency. • Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. • Require the disclosure of additional information when a currency is not exchangeable — when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows. The amendments also extend to conforming amendments to IFRS 1 which previously referred to, but did not define, exchangeability. The amendments to IAS 21 are effective for accounting periods beginning on or after 1 January 2025 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.
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5. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

- (a) Changes in material accounting policies (Continued)
- (ii) Impact of new amended standards and interpretations in issues but not yet effective standards and amendments for the year ended 31 December 2024 (Continued)

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	The International Accounting Standards Board (IASB) issued 'Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)' to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments. • The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. • Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed. • Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments. • The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI). The amendments to IFRS 9 and IFRS 7 are effective for accounting periods beginning on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Bank is currently not intending to early adopt the Amendments.
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5. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

- (a) Changes in material accounting policies (Continued)
- (ii) Impact of new amended standards and interpretations in issues but not yet effective standards and amendments for the year ended 31 December 2024 (Continued)

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments(continued)	With respect to the amendments on the derecognition of financial liabilities that are settled through an electronic payment system, the Bank is currently performing an assessment of all material electronic payment systems utilised in the various jurisdictions it operates, in order to assess whether the amendments will result in a material change with respect to current practices and whether it meets the conditions to apply the accounting policy option to derecognise such financial liabilities before the settlement date. Moreover, the Bank is reviewing all its other payment systems (such as cheques, credit cards, debit cards) to ensure that the corresponding financial assets are derecognised when the right to cash flows are extinguished and that the corresponding financial liabilities are derecognised on settlement date. In addition, the Bank is assessing the impact of the Amendments on its financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features, as well as on non-recourse financing and contractually linked instruments. Based on the initial assessment performed, the amendments in these areas are not expected to have a material impact on the financial statements, however, the assessment is yet to be concluded
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Annual Improvements to IFRS Accounting Standards — Volume 11

The IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11

Standard	The amendment
IFRS 1 First-time Adoption of International Financial Reporting Standards	Hedge accounting by a first-time adopter. The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments.
IFRS 7 Financial Instruments: Disclosures	Gain or loss on derecognition. The amendment addresses a potential confusion in paragraph B38 of IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued.



5. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

- (a) Changes in material accounting policies (Continued)
- (ii) *Impact of new amended standards and interpretations in issues but not yet effective standards and amendments for the year ended 31 December 2024 (Continued)*

Annual Improvements to IFRS Accounting Standards — Volume 11

The IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11

Standard	The amendment
IFRS 7 Financial Instruments: Disclosures (implementation guidance only)	Disclosure of deferred difference between fair value and transaction price. The amendment addresses an inconsistency between paragraph 28 of IFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of IFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
IFRS 7 Financial Instruments: Disclosures (implementation guidance only)	Introduction and credit risk disclosures. The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 and by simplifying some explanations.
IFRS 9 Financial Instruments	Lessee derecognition of lease liabilities. The amendment addresses a potential lack of clarity in the application of the requirements in IFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of IFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of IFRS 9. Transaction price. The amendment addresses a potential confusion arising from a reference in Appendix A to IFRS 9 to the definition of 'transaction price' in IFRS 15 Revenue from Contracts with Customers while term 'transaction price' is used in particular paragraphs of IFRS 9 with a meaning that is not necessarily consistent with the definition of that term in IFRS 15.

5. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

- (a) Changes in material accounting policies (Continued)
- (ii) *Impact of new amended standards and interpretations in issues but not yet effective standards and amendments for the year ended 31 December 2024 (Continued)*

Annual Improvements to IFRS Accounting Standards — Volume 11

The IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11

Standard	The amendment
IFRS 10 Consolidated Financial Statements	Determination of a 'de facto agent'. The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of IFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.
IAS 7 Statement of Cash Flows	Cost method. The amendment addresses a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term 'cost method' that is no longer defined in IFRS Accounting Standards.

The annual improvement volume 11 are effective for accounting periods beginning on or after 1 January 2026 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.

New and amended standards and interpretations that are issued but not yet effective are being assessed by the Bank to determine the impact on the consolidated financial statements. As explained above, this would include standards and amendments that would already be effective based on the new standard or amendment, but the local endorsement is still in progress or has resulted in a later effective date.

(iii) Early adoption of standards

The Bank employed early adoption of the following standards.

IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information)	IFRS S1 - Sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. IFRS S1 was issued in June 2023 and applies to annual reporting periods beginning on or after 1 January 2024. The Bank has adopted the amendments to IFRS S1, published in for the first time in the current year.
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5. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

(a) Changes in material accounting policies (Continued)

(iii) Early adoption of standards (Continued)

IFRS S2- (Climate-related Disclosures) (Continued)	IFRS S2 - Sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity IFRS S2 was issued in June 2023 and applies to annual reporting periods beginning on or after 1 January 2024. The Bank has adopted the amendments to IFRS S1, published in for the first time in the current year.
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6. MATERIAL ACCOUNTING POLICIES

(a) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Bank’s Executive Committee, which is the chief operating decision maker. Information about segment operations is provided under Note 8.

(b) Principles of consolidation and equity accounting

The consolidated financial statements incorporate the financial statements of the Bank and an entity controlled by the Bank, Upanga Joint Venture Company (UJVC) Limited (its subsidiary). The financial statements of the Bank and its subsidiary are made up to 31 December 2024.

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Bank has control. The Bank controls an entity when the Bank is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Bank. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Bank. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Bank.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Principles of consolidation and equity accounting (Continued)

(ii) Changes in ownership interests in subsidiaries without change of control

The Bank treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Bank. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Bank.

(iii) Disposal of subsidiaries

When the Bank ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Bank had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(iii) Disposal of subsidiaries

When the Bank ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Bank had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(iv) Separate financial statements

In the separate financial statements, investment in the subsidiary is accounted for at cost less impairment.

(c) Interest income and expense

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- (i) Purchased or originated credit-impaired (POCI) financial assets, for which the original credit – adjusted effective interest rate is applied to the amortised cost of the financial asset.
- (ii) Financial assets that are not ‘POCI’ but have subsequently become credit-impaired (or stage 3), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

Interest income and expense for all interest-bearing financial instruments are recognized within ‘interest income’ or ‘interest expense’ in profit or loss using the effective interest method.



6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Interest income and expense (Continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(d) Fee and commission income and expense

Fees integral to the effective interest rate include origination fees received or paid by the entity relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents. Commitment fees received by the Bank to originate loans at market interest rates are integral to the effective interest rate if it is probable that the Bank will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination. The Bank does not designate loan commitments as financial liabilities at fair value through profit or loss. Commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognized as an adjustment to the effective interest rate on the loan.

Fees and commission on other services such as ATMs, MNO, Agency banking and bancassurance are recognized at an amount which reflects the consideration which the Bank expects to be entitled in exchange for providing the services. All fees and commissions are generally recognized on an accrual basis when the service has been provided. The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract.

Loan syndication fees are recognized as revenue when the syndication has been completed and the Bank has retained no part of the loan package for itself or has retained a part at the same effective interest rate as the other participants. Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party - such as the arrangement of the acquisition of shares or other securities, or the purchase or sale of businesses - are recognized on completion of the underlying transaction.

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of the Group and the Bank are measured using the currency of the primary economic environment in which the Group and the Bank operate (the "functional currency"). The financial statements are presented in Tanzania Shillings (TZS) rounded to the nearest Million, which is the Group and Bank's functional currency.

ii. Transactions and balances

Foreign currency transactions are translated into Tanzania Shillings using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss. All other foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income on a net basis within other income or other expenses.

(f) Financial assets and financial liabilities

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instruments. Regular way purchases and sales of financial assets are recognised on trade – date on which the Bank and Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus in the case of a financial asset or financial liability not a fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debts instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets and financial liabilities (continued)

Initial recognition and measurement (Continued)

Financial Assets

(i) *Classification and subsequent measurement*

The Group classifies its financial assets in the following measurement categories:

- Fair Value through profit or loss (FVPL);
- Fair Value through Other Comprehensive Income (FVOCI); and
- Amortised cost.

The classification requirements for debts and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

- (i) The Group's business model for managing the asset; and
- (ii) The cash flow characteristics of the asset.

Based on these factors, the Bank and Group classifies its debt instruments into one of the following three measurement categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 9. Interest income from these financial assets is included in 'Interest income' using effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principals and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit and loss. When the financial asset is derecognised, interest income from these financial assets is included in 'interest income' using the effective interest rate method.

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets and financial liabilities (continued)

Financial Assets (continued)

(i) *Classification and subsequent measurement (continued)*

Debt instruments (continued)

Based on these factors, the Bank and Group classifies its debt instruments into one of the following three measurement categories:

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Net trading income' in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Net investment income'. Interest income from these financial assets is included in interest income' using the effective interest rate method. The Bank started holding investment debt securities in this category in the year ended 31 December 2024.

Business model: the business model reflects how the Bank and Group manages the assets in order to generate cash flows. That is, whether the Bank's and Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of the assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Group in determining the business model for group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the Bank's and Group's business model for the mortgage loan book is to hold to collect contractual cash flows, with sales of loans only being made internally to a consolidated SPV for the purpose of collateralising notes issued, with no resulting derecognition by the Bank and Group. Another example is the liquidity portfolio of assets, which are held by the Bank and Group as part of liquidity management and is generally classified within the hold to collect and sell business model. Securities held for trading are held principally for the purposes of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. These securities are classified in the 'other' business model and measured at FVPL.



6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets and financial liabilities (continued)

Financial Assets (continued)

(i) Classification and subsequent measurement (continued)

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank and Group assesses whether the financial instruments' cash flows represent solely payments of principals and interest (the SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposures to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets are classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

The Bank and Group reclassifies debts investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Example of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in the 'Net trading income' line in the statement or profit or loss.

(ii) Impairment

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instruments assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets and financial liabilities (continued)

Financial Assets (continued)

(ii) Impairment (Continued)

- An unbiased and probability – weighted amount that is determined by evaluating a range of possible outcomes.
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or efforts at the reporting date about past events, current conditions and forecast of future economic conditions.

Details of the Group's impairment policy and disclosures are provided under Note 9.1.3 and 9.1.5.

(iii) Modifications of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantially new terms are introduced, such as a profit share/equity- based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant changes in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affects the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of the initial recognition for impairment calculation purposes, including for the purposes of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as gains or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).



6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets and financial liabilities (continued)

Financial Assets (continued)

(iii) Modifications of Loans (Continued)

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Bank monitors the subsequent performance of modified assets. The Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). The loan will remain in its original stage until it meets the criteria as described in Note 6 (f) (iv) on the next page.

Curing of non-performing financial assets including restructured facilities.

An instrument is considered to no longer have SICR or be in default (i.e. to have cured) when it has been established that the obligor is able to meet the requirements of the agreed terms and conditions.

IFRS 9 allows credit exposures to migrate from higher credit risk categories to lower credit risk categories, that is, from stage 3 to stage 2 and from stage 2 to stage 1.

Under migration from stage 3 to stage 2, the Bank shall consider criteria for upgrade of credit accommodations as follows:

- i. In the case of overdraft facilities, the account has satisfactorily performed for a minimum period of two consecutive quarters; and
- ii. In the case of term loans, the obligor has timely paid four consecutive installments.

On the other hand, credit exposures may migrate from stage 2 to stage 1 when there is a significant improvement of the credit exposure. In determining whether an exposure should shift backward from stage 2 to stage 1, The Bank shall consider the following;

- i. All outstanding payments on the credit facility are made on time and there are no payments in arrears.
- ii. There is improvement of the quantitative and qualitative factors that caused significant increase of the credit risk.

Upgrade from stage 2 to stage 1 shall be subject to a monitoring period of 90 days for conventional loans and 30 days for Microfinance loans to confirm if the risk of default has decreased sufficiently before upgrading such exposure.

(iv) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets and financial liabilities (Continued)

Financial Assets (Continued)

(iv) Derecognition other than on a modification (Continued)

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

- i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
- ii) Is prohibited from selling or pledging the assets; and
- iii) Has an obligation to remit any cash it collects from the assets without material delay

Collateral (shares and bonds) furnished by the Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognized because the Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitization transactions in which the Group retains a subordinated residual interest.

Financial liabilities

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortized cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives financial liabilities held for trading (e.g. short positions in the trading booking) and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to Changes in market conditions that give rise to market risk) and partially in profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments.

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets and financial liabilities (continued)

Financial Liabilities (Continued)

(ii) Derecognition

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specific payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debts instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdraft and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Group are measured as the amount of the loss allowance. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as provision.

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets and financial liabilities (Continued)

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Financial guarantees

Financial guarantees are initially recognized in the consolidated and Bank financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at the time of signature is zero because all guarantees are agreed on arm's length terms and the value of the premium agreed corresponds to the value of the guaranteed obligation.

Acceptances and letters of credit

Acceptances and letters of credit are accounted for as off-balance sheet transactions and disclosed as contingent liabilities.

Undrawn commitments

These are commitments the Bank has made to extend credit to customers and are accounted for as off-balance sheet transactions and disclosed as contingent liabilities.

(i) Derivatives

Derivatives are financial instruments that derive their value in response to changes in interest rates, financial instrument prices, commodity prices, foreign exchange rates, credit risk and indices. Derivatives are categorised as trading unless they are designated as hedging instruments.

Derivatives are initially recognised and subsequently measured at fair value, with revaluation gains recognised in profit or loss.

Fair values may be obtained from quoted market prices in active markets, recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. Where the initially recognised fair value of a derivative contract is based on a valuation model that uses inputs which are not observable in the market, it follows the same initial recognition accounting policy as for other financial assets and liabilities. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; the difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates. The valuation gain and losses on the borrowings are recognized as part of foreign exchange income in the statement of profit and loss.

(h) Current and deferred income taxes

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate in accordance with the Income Tax Act, 2004 adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in Tanzania where the Bank and its subsidiary operate and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with the Income Tax Act, 2004 interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Current and deferred income taxes (Continued)

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(i) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as an interest expense.

(j) Non-financial assets

i. Property and equipment

Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent expenditures are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is provided on the straight-line basis so as to write down the cost of assets to their residual values over their useful economic lives, at the following rates:

	%
Building	5
Leasehold improvements	5-50
Brand New Motor vehicles	20
Used Motor vehicles	33.3
Furniture, fittings and equipment	20
Computer equipment	33.3



6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Non-financial assets (Continued)

i. Property and equipment

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the assets fair value, less costs to sell and value in use. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in other operating income in the profit or loss.

ii. Right-of-use assets

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at amount of lease liability and subsequently adjusted with accumulated amortization and impairment losses, and any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are subject to impairment in line with the Bank's policy as described in Note 6(k).

iii. Intangible assets

The Bank's intangible assets have definite useful life and primarily include capitalized computer software. Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Development costs that are directly associated with identifiable and unique software controlled by the Bank are recorded as intangible assets if the inflow of incremental economic benefits exceeding costs is probable. Capitalized costs include staff costs of the software development team and an appropriate portion of relevant overheads. All other costs associated with computer software, e.g. its maintenance, are expensed when incurred.

(k) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably.

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Impairment of non-financial assets

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period. No indicators of impairment were identified therefore no non-financial assets were impaired in 2024 (2023: Nil).

(l) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less. For the Bank, cash and cash equivalents include cash and non-restricted balances with Bank of Tanzania, Investment securities and amounts due from other banks. Cash and cash equivalents exclude the cash reserve requirement held with the Bank of Tanzania. Cash and cash equivalents are carried at amortized cost.

(m) Employee benefits

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

ii. Other long-term employee benefit obligations

The liabilities for gratuity payments to employees on a contract employment basis are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

iii. Post-employment obligations

The Bank has a statutory requirement to contribute to the Public Service Social Security Fund (PSSSF) and National Social Security Fund (NSSF), which are defined contribution schemes.

The Bank contributes 15% of the required 20% of gross emoluments to the scheme and the contributions are recognized as an expense in the period to which they relate. The remaining 5% is deducted from employees. The subsidiary of the Bank does not have any employees.

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Employee benefits (Continued)

iii. Post-employment obligations (Continued)

The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(n) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity. Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

(o) Dividend

Dividend distribution to the Bank's shareholders is recognized as a liability in the consolidated and separate financial statements in the period in which the dividends are approved by the Bank's shareholders.

(p) Earnings per share

The Group presents basic and diluted earnings per share (EPS) in the consolidated and separate financial statements. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares.

(q) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The policy on recognition and measurement of right-of-use assets is presented on note 6(j(ii)).

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Leases (Continued)

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable). The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate.

(r) Contingencies and commitments

Transactions are classified as contingencies where the Bank and its subsidiary obligations depend on uncertain future events. Items are classified as commitments where the Bank and its subsidiary commit themselves to future transactions if the items result in the acquisition of assets.

(s) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

7. ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of consolidated and separate financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

I. Critical accounting judgement and estimates

Measurement of the expected credit loss allowance

The Group measurement of the expected credit loss allowance for financial assets measured at amortized cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). The Group uses several significant judgements in applying the accounting requirements for measuring ECL, such as:

- Determination criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Estimating Probability of default, Exposure at Default and Loss Given Default

Detailed information about the judgement and estimates made by the Group are explained under note 9.

7 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

II. Other accounting judgements and estimates

a) Property and equipment, leased premises refurbishments and intangible assets

Estimates are made by the Directors in determining the useful lives of property and equipment, leased premises refurbishment and intangible assets as well as their residual values.

b) Business model assessment

The business model reflects how the Group manages the financial assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

c) Assessment of whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profits margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

d) Taxes

The Group is subjected to several taxes and levies by various government and quasi- government regulatory bodies. As a rule of thumb, the Group recognizes liabilities for the anticipated tax/levies payable with utmost care and diligence. However, significant judgement is usually required in the interpretation and applicability of those taxes /levies. Should it come to the attention of management, in one way or the other, that the initially recorded liability was erroneous, such differences will impact on the income and liabilities in the period in which such differences are determined.

The recognition of deferred tax asset relies on an assessment of the probability and sufficiency of future taxable profit, future reversals of existing taxable temporary differences and ongoing tax planning and strategies. The judgment takes into consideration the effect of both positive and negative evidence, including historical financial performance, projections of future taxable income and future reversals of existing taxable temporary differences.

7. ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

II. Other accounting judgements and estimates (Continued)

e) Provisions

The Bank and Group have provided for the liabilities arising out of contractual obligations. Professional expert advice is taken on establishing litigation provisions. Provisions for legal proceedings and regulatory matters typically require a higher degree of judgements than other types of provisions. When cases are at an early stage, accounting judgements can be difficult because of the high degree of uncertainty associated with determining whether a present obligation exists because of past event, estimating the probability of outflows and making estimates of the amount of any outflows that may arise. As matters progress through various stages of the cases, Management together with legal advisers evaluate on an ongoing basis whether provisions should be recognised, and the estimated amounts of any such provisions, revising previous judgements and estimates as appropriate.

f) Fair valuation of financial instruments

The fair value of financial instruments traded in active markets at the financial reporting date is based on their quoted bid market price or dealer price quotations without any deductions for transaction costs. The fair value is determined using appropriate valuation techniques for all other financial assets not listed in an active market.

The Bank uses yields of similar instruments traded in Bank of Tanzania's auctions to determine the fair value of government securities designated as fair value through other comprehensive income. Changes in valuation assumptions could affect the reported fair value of financial instruments. For example, to the extent that the Directors increased the yield rate by 1 basis point, the fair values would be estimated at TZS 78,407 Million (2023: TZS 28,392 Million) as compared to their reported fair value of TZS 78,339 Million as at 31 December 2024 (2023: TZS 28,345 Million). If the yield rate had decreased by 1 basis point the fair value would be estimated at TZS 78,270 (2023: TZS 28,298 Million).

In determining the fair value of an unquoted equity investment in TMRC, the Bank used the price of the company's shares in recent Transactions. If the price of the shares had increased/decreased by 10%, the fair value of the investments would have increased/decreased by TZS 423 Million (2023: TZS 292 Million).

g) Leases - Estimating the incremental borrowing rate

Except for leases where the Group had sufficient information to identify the rate implicit in the lease, the Group utilizes Incremental Borrowing Rate (IBR) on nearly all of its leases. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group and Bank estimate the IBR using internal borrowing rates as a base rate or observable inputs (such as market interest rates) when available. Afterward, adjust that rate for relevant factors, which include Lessee-specific credit risk, the amount of the lease payments, the Collateralized nature of the lease, the Quality of the lessee's collateral, the lease term, and the economic environment of the lease.



7. ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

II. Other accounting judgements and estimates (Continued)

If the discount rate used had increased by 10%, the Group and Bank's lease liability would have decreased by TZS 1,734 Million (2023: TZS 1,786 Million). If the discount rate used had decreased by 10%, the lease liability would have decreased by TZS 1,370 Million (2023: TZS 1,451 Million).

h) Climate risk Impact

NMB acknowledges climate-related risk impact in asset impairment assessments, acknowledging their influence on long-term asset valuations. Scenario analyses indicate limited exposure to climate risks, attributed to a low concentration in high-risk sectors and the predominantly short-term nature of our credit facilities (mostly under five years), which serves as a mitigating factor.

Nevertheless, we remain vigilant in monitoring and managing potential climate-related risks, supporting clients in high-risk sectors as they transition toward sustainable practices to enhance portfolio resilience. While we believe our business model and products will remain viable in a low-carbon economy, climate-related uncertainties add complexity to financial estimates. NMB proactively integrates physical and transition risks into assumptions and remains attentive to evolving legislation and market demands.

The items that are most directly impacted by climate-related considerations include:

- Fair Value Measurement: In accordance with IFRS 13 Fair Value Measurement, NMB Bank incorporates climate change variables into the fair value measurement of financial assets and liabilities, as would be considered by market participants when pricing such items. Observable market prices are assumed to reflect market views on climate risk variables already. Refer to Note 9.5 for additional details on the application of these judgments.

8. SEGMENT REPORTING

The Group has the following business segments: Treasury, Retail banking, Wholesale banking, and UJVC (the Bank's subsidiary). The operating segments are reported in a manner consistent with the internal reporting provided to the Bank's Executive Committee (The Chief Operating Decision-Maker), which is responsible for allocating resources to the reportable segments and assessing their performance. All operating segments used by the Group meet the definition of a reportable segment under IFRS 8.

8. SEGMENT REPORTING (CONTINUED)

Operating segments

The Group comprises the following main operating segments:

- (i) **Wholesale Banking** - includes loans & advances to customers, customers deposits and borrowings from abroad that are used to finance lending to corporate customers in wholesale banking;
- (ii) **Retail Banking** - includes loans & advances to customers, customers deposits, public borrowings like sustainable bond, TMRC borrowings and borrowings from abroad used to facilitate lending in retail banking;
- (iii) **Treasury** - undertakes the Bank's funding and centralized risk management activities through borrowings, issues of debt securities, use of derivatives for risk management purposes and investing in liquid assets such as short-term placements and corporate and government debt securities. The segment includes cash and balances with Bank of Tanzania, placements and balances with other banks, investments in equity, government and debt securities and public bonds likes of Sukuk Bond and Shareholders fund.
- (iv) **UJVC** – includes operations of Upanga Joint Venture Company, a subsidiary of the Bank.

Assets and liabilities that don't fall under these categories are classified as unallocated balances.

Revenue and assets reported to the Bank's Executive Committee are measured in a manner consistent with that of the financial statements.

In arriving at segmented net interest income, an internal allocation of interest income and interest expenses between businesses has been done to recognize and measure how much each source of funding and each user of funding is contributing to overall profitability of the Bank. Operating expenses for the Bank have also been allocated to the business using an internally agreed allocation ratio.

All customers are based in Tanzania, except for interbank placements with corresponding banks. There was no income derived from transactions with a single external customer that amounted to 10% or more of the Bank's total income.

The segment information provided to the Bank's Executive Committee for the reportable segments for the year ended 31 December 2024 is as follows;



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8. SEGMENT REPORTING (CONTINUED))

The segment information provided to the Bank's Executive Committee for the reportable segments for the year ended 31 December 2024 is as follows; (all amounts in TZS Million):

GROUP						
2024	Treasury	Whole-sale banking	Retail banking	UJVC	(Elimina-tion)/Consolida-tion	Total
Interest income	237,191	212,127	916,688	1,075	(1,075)	1,366,006
Interest expense	(634)	(162,187)	(148,820)	-	4,042	(307,599)
Net Interest Income	236,557	49,940	767,868	1,075	2,967	1,058,406
Impairment charges-off and on balance sheet item	-	(8,715)	(78,756)	-	-	(87,471)
Net fees and commission, trading, foreign exchange and other income*	115,672	83,567	379,530	-	-	578,769
Employee benefits expense	(30,209)	(63,774)	(241,673)	-	-	(335,656)
General and administrative expenses	(20,603)	(43,497)	(162,430)	(191)	-	(226,721)
Depreciation and amortization	(5,123)	(10,815)	(40,986)	(2,031)	(2,918)	(56,037)
Profit /(loss) before tax	296,294	6,706	623,552	(1,147)	5,885	931,290
Income tax expense	(90,588)	(2,050)	(190,644)	(1,115)	-	(284,397)
Profit after tax	205,706	4,656	432,908	(2,262)	5,885	646,893

GROUP 2024	Treasury	Wholesale banking	Retail banking	UJVC	(Elimination)/Consolidation	Total
Segment assets, liabilities and equity						
Segment assets	4,651,167	2,077,140	7,049,402	45,767	(87,786)	13,367,053
Unallocated assets	-	-	-	-	-	368,637
Total assets	4,651,167	2,077,140	7,049,402	45,767	(87,786)	13,735,690
Segment liabilities	242,875	3,772,520	6,859,346	1,687	(42,473)	10,833,955
Unallocated liabilities	-	-	-	-	-	342,355
Equity	2,546,847	-	-	44,080	(44,080)	2,559,380
Total liabilities and equity	2,789,722	3,772,520	6,859,346	45,767	(86,553)	13,735,690

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8. SEGMENT REPORTING (CONTINUED)

The segment information provided to the Group's Executive Committee for the reportable segments for the year ended 31 December 2024 is as follows; (all amounts in TZS Million): (Continued)

GROUP (Continued)						
2023	Treasury	Wholesale banking	Retail banking	UJVC	(Elimina-tion)/Consolida-tion	Total
Interest income	219,395	126,006	834,191	-	-	1,179,592
Interest expense	(4,438)	(130,623)	(111,016)	-	3,723	(242,354)
Net Interest Income	214,957	(4,617)	723,175		3,723	937,238
Loan impairment charges	-	(17,546)	(66,889)	-	-	(84,435)
Net fees and commission, trading, foreign exchange and other income	73,025	67,328	328,027	-	-	468,380
Employee benefits expense	(26,813)	(56,605)	(214,505)	-	-	(297,923)
General and administrative expenses	(17,893)	(37,774)	(143,200)	(173)	24	(199,016)
Depreciation and amortization	(4,529)	(9,562)	(36,237)	(2,031)	2,916	(49,443)
Profit /(loss) before tax	238,747	(58,776)	590,371	(2,204)	6,663	774,801
Income tax expense	(70,845)	17,441	(175,194)	(996)	-	(229,594)
Profit after tax	167,902	(41,335)	415,177	(3,200)	6,663	545,207

Segment assets, liabilities and equity						
Segment assets	3,946,077	1,973,690	5,982,692	43,096	(84,412)	11,861,143
Unallocated assets	-	-	-	-	-	318,419
Total assets	3,946,077	1,973,690	5,982,692	43,096	(84,412)	12,179,562
Segment liabilities	194,439	4,288,393	5,418,959	1,658	(41,782)	9,861,666
Unallocated liabilities	-	-	-	-	-	225,319
Equity	2,092,577	-	-	41,439	(41,439)	2,092,577
Total liabilities and equity	2,287,016	4,288,393	5,418,959	43,097	(83,221)	12,179,562

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8. SEGMENT REPORTING (CONTINUED)

The segment information provided to the Bank's Executive Committee for the reportable segments for the year ended 31 December 2024 is as follows;

(All amounts in TZS Million):

BANK	Treasury	Wholesale banking	Retail banking	Total
2024				
Interest income	237,191	212,127	916,688	1,366,006
Interest expense	(634)	(162,187)	(148,820)	(311,641)
Net Interest Income	236,557	49,940	767,868	1,054,365
Loan impairment charges	-	(8,715)	(78,756)	(87,471)
Net fees and commission, trading, foreign exchange and other income*	115,672	83,567	379,531	578,770
Employee benefits expense	(30,209)	(63,774)	(241,673)	(335,656)
General and administrative expenses	(20,467)	(43,497)	(162,566)	(226,530)
Depreciation and amortization	(10,959)	(10,815)	(35,150)	(56,924)
Profit /(loss) before tax	290,594	6,706	629,254	926,554
Income tax provision	(90,643)	(2,050)	(190,590)	(283,283)
Profit after tax	199,951	4,656	438,664	643,271
Segment assets, liabilities and equity				
Segment assets	4,651,167	2,077,140	6,678,300	13,406,607
Unallocated assets	-	-	-	368,637
Total assets	4,651,167	2,077,140	6,678,300	13,775,244
Segment liabilities	242,875	3,772,520	6,859,347	10,886,042
Unallocated liabilities	-	-	-	342,355
Equity	2,546,847	-	-	2,546,847
Total liabilities and equity	2,789,722	3,772,520	6,870,647	13,775,244

*Included in net fees and commission, trading, foreign exchange and other income is:

Treasury – TZS 205 Million from fees and commission income, TZS 4,381 Million from trading income and TZS 110,758 Million from foreign exchange income.

Wholesale banking – TZS 8,715 Million from impairment charges off and on balance sheet items, TZS 84,230 Million from fees and commission income and TZS 663 from fees and commission expense.

Retail banking – TZS 78,756 Million from impairment charges off and on balance sheet items, TZS 490,327 Million from fees and commission income, TZS 134,733 Million from fees and commission expense and TZS 23,815 Million from other income.

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8. SEGMENT REPORTING (CONTINUED)

The segment information provided to the Bank's Executive Committee for the reportable segments for the year ended 31 December 2023 is as follows; (all amounts in TZS Million).

BANK (Continued)	Treasury	Wholesale banking	Retail banking	Total
2023				
Interest income	219,395	126,006	834,191	1,179,592
Interest expense	(4,438)	(130,623)	(111,016)	(246,077)
Net Interest Income	214,957	(4,617)	723,175	933,515
Loan impairment charges	-	(17,546)	(66,889)	(84,435)
Net fees and commission, trading, foreign exchange and other income*	73,025	67,328	328,052	468,405
Employee benefits expense	(26,813)	(56,605)	(214,505)	(297,923)
General and administrative expenses	(17,893)	(37,774)	(143,199)	(198,866)
Depreciation and amortization	(4,529)	(9,562)	(39,238)	(50,329)
Profit /(loss) before tax	238,747	(58,776)	590,396	770,367
Income tax expense	(70,845)	17,441	(175,195)	(228,599)
Profit after tax	167,902	(41,335)	415,201	541,768
Segment assets, liabilities and equity				
Segment assets	3,946,077	1,973,690	5,982,691	11,902,458
Unallocated assets	-	-	-	318,419
Total assets	3,946,077	1,973,690	5,982,691	12,220,877
Segment liabilities	194,653	4,273,203	5,402,023	9,869,879
Unallocated liabilities	-	-	-	267,330
Equity	2,083,668	-	-	2,083,668
Total liabilities and equity	2,278,321	4,273,203	5,402,023	12,220,877

*Included in net fees and commission, trading, foreign exchange and other income is:

Treasury – TZS 28 Million from fees and commission income, TZS (364) Million from fees and commission expense, TZS 7,527 Million from trading income and TZS 65,835 Million from foreign exchange income.

Wholesale banking – TZS 70,255 Million from fees and commission income and TZS (2,927) from fees and commission expense.

Retail banking – TZS 399,023 Million from fees and commission income, TZS (99,528) Million from fees and commission expense and TZS 28,531 Million (Bank: 28,556 Million) from other income.



9. FINANCIAL RISK MANAGEMENT

The Bank's subsidiary does not have significant operations (Note 25 (b)). The financial assets and liabilities of the Bank's subsidiary mainly consist of loans from related parties that are eliminated on consolidation and other assets and liabilities that are not material to the Group. Consequently, the financial risk management information presented below relates only to the Bank.

The Bank's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Bank's risk management are to identify all key risks for the Bank, measure these risks, manage the risk positions and determine capital allocations. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Bank's financial performance.

Risk management is carried out by the Risk Department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as credit risk, market risk (foreign exchange risk, interest risk and price risk) and liquidity risk. In addition, internal audit is responsible for the independent review of risk management and the control environment.

9.1 Credit risk

The Bank takes on exposure to credit risk, which is the risk that the counterparty will cause a financial loss to the Bank by failing to discharge an obligation. Credit risk is the most important risk for the Bank's business. Management, therefore, carefully manages its exposure to credit risk. Credit exposures arise principally in lending activities that lead to loans and advances and investment activities that bring debt securities and other bills into the Bank's asset portfolio. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. The credit risk management and control are centralised in the credit risk Executive Committee of the Bank and reported to the Board of Directors and heads of department regularly.

9.1.1 Credit risk measurement

Loans and advances

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This approach is similar to the one used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9. The loan book is split into term loans and overdrafts (secured & unsecured) and off-balance sheet items (these include letters of credit and guarantees, etc.).

The Bank considers term loans and advances to be in default if the repayment of the loan instalment (principal and accrued interest) is more than 90 days past due for all product types. A revolving facility is in default if the facility is drawn above the limit for more than 90 consecutive days during the lifetime of the facility or if the drawn amount is still outstanding 90 days after maturity of the facility or if a related term loan is in default.

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1.1 Credit risk measurement (Continued)

Loans and advances (Continued)

For regulatory purposes and for internal monitoring of the quality of the loan portfolio, all customers are segmented into five rating classes as shown below:

Bank's rating	Number of days past due	IFRS Staging
Current	0 - 30	Stage 1
Especially mentioned	31 - 90	Stage 2
Sub-standard	91 - 180	Stage 3
Doubtful	181 - 360	Stage 3
Loss	361 and more	Stage 3

For internal monitoring of balances with other banks, banks are rated into three categories based on their financial position. Additionally, qualitative characteristics are taken into consideration when scoring a counterparty. Counterparts with a history of default are usually rated as Medium to High risk and dealing limits are cancelled.

Bank's rating	Number of days past due	IFRS Staging
Defaulted	Above 3	Stage 3
High	2.51 - 3	Stage 2
Medium	1.51 – 2.5	Stage 1
Low	1 - 1.51	Stage 1

The Bank's balances with other banks as at 31 December 2024, are all low risk.



9 FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.2 Risk limit control and mitigation policies (Continued)

(b) Collateral (Continued)

Credit impaired assets

(Amounts in TZS Millions)	Gross exposure	Expected Credit Losses	Carrying amount	Market Value of Collateral
At 31 December 2024				
Secured	67,409	28,454	38,955	153,492
Unsecured	86,569	52,243	34,326	-
Overdraft	25,736	13,965	11,771	46,992
Agribusiness	67,444	33,713	33,731	64,540
Total	247,158	128,375	118,783	265,024
At 31 December 2023				
Secured	65,318	22,927	42,391	116,157
Unsecured	48,392	25,103	23,289	-
Overdraft	29,270	12,631	16,639	33,610
Agribusiness	96,906	41,620	55,286	218,291
Total	239,886	102,281	137,605	368,058

(c) Credit-related commitments

The main purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit hold the same credit risk as loans. Documentary and commercial letters of credit - which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions - are collateralized by the underlying shipments of goods to which they relate. Undrawn commitments represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on undrawn commitments, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most undrawn commitments are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (continued)

9.1.3 Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Bank.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Refer to note 9.1.3.1 for a description of how the Bank determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Please refer to note 9.1.3.2 for a description of how the Bank defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Please refer to note 9.1.3.3 for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note 9.1.3.4 includes an explanation of how the Bank has incorporated this in its ECL models.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Grouping of instruments for losses measured on a collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed based on shared risk characteristics, such that risk exposures within a group are homogeneous.

In performing this grouping, there must be sufficient information for the group to be statistically credible. Where sufficient information is not available internally, the Bank has considered benchmarking internal/ external supplementary data to use for modelling purposes. The characteristics and any supplementary data used to determine groupings are outlined below:

- Product type (e.g. Overdraft, Term loans, Letter of credit etc.)
- Repayment type (e.g. Repayment/Interest only)
- Loan to value ratio for retail mortgages
- Credit risk grading
- Industry – Agribusiness loans are assessed independently in their own model
- Collateral type – whether secured or unsecured

The following exposures are assessed individually:

- Stage 3 loans, secured loans and overdraft facilities
- Properties in repossession proceedings



9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (continued)

9.1.3: Expected credit loss measurement (continued)

Grouping of instruments for losses measured on a collective basis (Continued)

The appropriateness of groupings is monitored and reviewed on a periodic basis by the Credit Risk team.

The Bank groups its exposures based on product type and has specified the following default product segments under the 'product type' criteria where each product is identified by a specific product code.

Secured term loans - This group comprises all term loan products secured by collateral i.e. legal mortgage, guarantee or cash cover. Products in this group consist of Corporate, MSE, Special Asset Loan, Invoice Financing loans, Personal loans with cash cover, SME, Staff mortgage and Car loans.

Unsecured term loans - This comprises all unsecured facilities. Products in this group consist of Staff loans, Salaries Workers' Loans and salary advance.

Agribusiness loans – This group comprises all term loans and overdraft facility advances to customers engaged in agriculture operations. It comprises customers classified as SME and Corporates.

Overdrafts – This group comprises all overdraft advances to customers issued to SME and Corporate customers other than those included in Agribusiness.

Off balance sheet items – This group comprises all financial guarantees, letter of credit and unutilized loan commitments.

9.1.3.1 Significant increase in credit risk (SICR)

The Bank considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Qualitative criteria

Loans and advances to customers

A loan facility is assessed to have significant increase in credit risk if the borrower meets one or more of the following criteria:

- Direct debit cancellation;
- Extension to the terms granted;
- Previous arrears within the last 12 months;
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates;

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.3: Expected credit loss measurement (Continued)

9.3.3.1 Significant increase in credit risk (SICR) (Continued)

- Actual or expected forbearance or restructuring;
- Actual or expected significant adverse change in operating results of the borrower;
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default;
- Early signs of cash flow/liquidity problems such as delay in servicing of trade creditors/loans; and
- Identified fraudulent activities in issuing the loan

The assessment of SICR incorporates forward-looking information and is performed on an annual basis at a portfolio level. A watch list is used to monitor credit risk on a monthly basis through the Loan Portfolio Quality (LPQ) committee. This assessment is performed at the counterparty level. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

Loans and advances to banks

The following qualitative factors are considered as indicators of significant increase in credit risk

- Significant counterparty management restructuring or re-organisation due to prolonged poor performance of the entity;
- Significant change in regulatory, economic, or technological environment of the borrower that results in a significant change in ability to meet its debt obligations; and
- Significant reductions in financial support from a parent entity that resulted to significant adverse change of operating results of the counterparty.

9.1.3.2 Definition of default and credit impaired assets

Government securities

Government securities are considered to have experienced a significant increase in credit risk when at least one of the following factors have occurred:

- The Government has received a low credit rating ("C") by the international rating agencies; or
- The Government has initiated debt restructuring process.

Quantitative criteria:

A backstop is applied, and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.



9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.3 Expected credit loss measurement (Continued)

9.1.3.2 Definition of default and credit impaired assets (Continued)

Low credit risk

Government securities such as treasury bills and bonds measured at amortized cost and at fair value through other comprehensive income are classified as low credit risk financial instruments and impairment will be recorded only if there is evidence of expected default on Government securities. It is important to note that there is no history of default on the Tanzanian Government securities.

Loans and advances to customers

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative

The Bank considers a term loan to be in default if the repayments on the loan are more than 90 days past due for all product types. The Bank considers Agribusiness loans to be in default if the bullet repayment on the loan is more than 90 days past due and further considering a revolving facility in default if the facility is drawn above the loan limit for more than 90 consecutive days during the lifetime of the facility or if the drawn amount is still outstanding 90 days after maturity of the facility.

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where: -

- the borrower is in long-term forbearance;
- the borrower is deceased;
- the borrower is insolvent;
- the borrower is in breach of financial covenant(s);
- an active market for that financial asset has disappeared because of financial difficulties;
- concessions have been made by the lender relating to the borrower's financial difficulty;
- fraudulent activities were conducted in issuance of the loan;
- it is becoming probable that the borrower will enter bankruptcy; and
- financial assets are purchased or originated at a deep discount that reflects incurred credit losses.

The criteria above have been applied to all financial instruments held by the Bank and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Bank's expected loss calculations.

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.3 Expected credit loss measurement (Continued)

9.1.3.2 Definition of default and credit impaired assets (Continued)

Loans and advances to banks

For balances due from other banks, below events are considered as default when they occur

- When repayments of interest and principal are not done on time as per contractual schedules to the extent of 30 days delay;
- When counterpart is taken under management by Statutory Manager;
- When counterpart licence has been revoked by Central Banks; and
- When counterpart has been declared bankrupt by responsible bodies like Registration, Insolvency and Trusteeship Agency (RITA) and Court.

Government securities

For government securities, below events are considered as default when they occur: -

- When repayments of interest and principal are not made on time as per contractual schedules to the extent of 30 days delay;
- When the Government is downgraded to below "C" Status by International Rating Agency such as Moody's, S&P or Fitch; and
- When the Government is declared default/bankrupt by responsible agencies like World Bank or IMF.

9.1.3.3: Measuring ECL — Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.
- EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.



9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.3 Expected credit loss measurement (Continued)

9.1.3.3 Measuring ECL — Explanation of inputs, assumptions and estimation techniques (Continued)

- The Bank estimates the Loss Given Default for unsecured term loans based on recoveries on loans that defaulted and were written off and collections from loans that defaulted but were not written off. On secured term loans and overdraft facilities the Bank considers collateral value discounted using an effective interest rate. An average LGD obtained from NPL collections and recoveries of secured segment applied for few credit facilities under secured segment with no collaterals attachment following the agreed special arrangement on securities.
- The probability of default for off-balance sheets items has been estimated at 0.05% based on Basel due to limitation of historical default data and loss given default estimated using collateral value discounted using an effective interest rate.

9.1.3.4 Forward-looking information incorporated in the ECL models

The assessment of PDs and the calculation of ECL incorporate forward-looking information. The Bank has performed historical analysis and identified the key macro-economic variables affecting credit risk and expected credit losses for each portfolio. These macro-economic variables and their associated impact on the PD vary between secured and unsecured loans and off-balance sheet exposure. Expert judgment has also been applied in this process. Forecasts of these macro-economic variables (the “base scenario”) are provided by the Bank economists on an annual basis and provide the best estimate view of the economy over the next five years.

After three years, to project the economic variables out for the full remaining lifetime of each instrument, a mean reversion approach has been used, which means that economic variables tend to reflect either a long run average rate (e.g. unemployment) or long run average growth rate (e.g. GDP, private credit growth) over a period of the past three years. The impact of these economic variables on the PD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates.

In addition to the base economic scenario, the Bank economists also provide other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major segment type to ensure non-linearity is captured. The number of scenarios and their attributes are reassessed at each reporting date. The Bank concluded that three scenarios appropriately captured non-linearity.

The scenario weightings are determined by a combination of statistical analysis and expert economic judgement, taking account of the range of possible outcomes each chosen scenario is representative of. Following this assessment, the Bank measures ECL as either a probability weighted 12-month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.3: Expected credit loss measurement (Continued)

9.1.3.4 Forward-looking information incorporated in the ECL models (Continued)

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Bank considers these forecasts to represent its best estimate of the possible outcomes and has analyzed the non-linearities and asymmetries within the Bank’s different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Economic variable assumptions

The review of economic variables has been done on a regular basis whereby Gross National Expenditure (GNE) and Credit Growth in Private Sector were applied in 2024.

The most significant period-end assumptions used for the ECL estimate as at 31 December 2024 and 31 December 2023 are set out below

Economic variable assumptions

Credit growth in private sector	2022	2023	2024	2025	2026
Base	4.5%	5.2%	9.6%	6.0%	3.0%
Upside	5.2%	7.2%	12.0%	8.0%	4.5%
Downside	3.0%	4.5%	7.2%	5.2%	1.7%
Credit growth in private sector	2021	2022	2023	2024	2025
Base	4.9%	4.5%	5.2%	9.6%	6.0%
Upside	6.6%	5.2%	7.2%	12.0%	8.0%
Downside	3.3%	3.0%	4.5%	7.2%	5.2%

During the year the Bank’s model incorporated the new assumption of the Gross National Expenditure (GNE) as shown in the following table.

GNE as percentage of GDP	2022	2023	2024	2025	2026
Base	62%	59%	62%	59%	57%
Upside	64%	64%	67%	66%	58%
Downside	59%	57%	59%	58%	55%
GNE as percentage of GDP	2021	2022	2023	2024	2025
Base	65%	62%	59%	62%	59%
Upside	68%	64%	64%	67%	66%
Downside	64%	59%	57%	59%	58%

For the years 2023 and 2024, the weightings assigned to each economic scenario were 80%, 10% and 10% for “base”, “upside” and “downside” respectively.



9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.3 Expected credit loss measurement (Continued)

9.1.3.4 Forward-looking information incorporated in the ECL models (Continued)

Economic variable assumptions (Continued)

If the credit growth in private sector changed by 10% and the GNE changed by 10%, the changes in expected loss allowance would have been as follows:

Sensitivity Analysis (Amounts in TZS Millions)	2024		2023	
	Higher end	Lower end	Higher end	Lower end
Secured term loans	2,207	(3,640)	3,768	(3,515)
Unsecured term loans	2,633	(228)	3,372	(3,145)
Overdraft facilities	1,655	(1,150)	1,654	(1,542)
Agribusiness	7,765	(2,425)	1,017	(949)
Total expected credit loss	14,260	(7,443)	9,811	(9,151)

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.4 Credit risk exposure

9.1.4.1 Maximum exposure to credit risk – Financial instruments subject to impairment

The following tables contain an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognized. The gross carrying amount of financial assets below also represents the Bank’s maximum exposure to credit risk on these assets

Model Segment	Stage 1		Stage 2		Stage 3		Grand Total	
	Gross Carrying Amount	ECL Amount	Gross Carrying Amount	ECL Amount	Gross Carrying Amount	ECL Amount	Gross Carrying Amount	ECL Amount
2024								
Agribusiness	574,858	2,759	7,777	694	67,744	33,713	650,379	37,166
Overdraft	521,978	1,792	17,608	6771	25,736	13,965	565,322	22,528
Secured	2,061,656	5,262	136,442	93,449	67,409	28,454	2,265,507	127,165
Unsecured	5,133,861	1,203	37,583	239	86,569	52,243	5,258,013	53,685
Total	8,292,353	11,016	199,410	101,153	247,458	128,375	8,739,221	240,544
2023								
Agribusiness	574,297	9,844	30,962	823	96,906	41,620	702,165	52,287
Overdraft	288,136	3,940	16,917	136	29,270	12,631	334,323	16,707
Secured	2,010,730	9,947	131,265	100,005	65,318	22,927	2,207,313	132,879
Unsecured	4,640,873	15,527	16,560	199	48,392	25,103	4,705,825	40,828
Total	7,514,036	39,257	195,704	101,163	239,886	102,281	7,949,626	242,701



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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.4 Credit risk exposure (Continued)

9.1.4.1 Maximum exposure to credit risk – Financial instruments subject to impairment (Continued)

(a) Secured term loans

(a) Secured term loans	ECL Staging			
Amounts in TZS' Millions	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 31 December 2024				
Current	2,061,656	-	-	2,061,656
Especially mentioned	-	136,442	-	136,442
Sub-standard	-	-	16,578	16,578
Doubtful	-	-	29,813	29,813
Loss	-	-	21,018	21,018
Gross carrying amount	2,061,656	136,442	67,409	2,265,507
Loss allowance	(5,262)	(93,449)	(28,454)	(127,165)
Carrying amount	2,056,394	42,993	38,955	2,138,342

As at 31 December 2023

Current	2,010,730	-	-	2,010,730
Especially mentioned	-	131,265	-	131,265
Sub-standard	-	-	19,888	19,888
Doubtful	-	-	13,310	13,310
Loss	-	-	32,120	32,120
Gross Carrying amount	2,010,730	131,265	65,318	2,207,313
Loss allowance	(9,947)	(100,005)	(22,927)	(132,879)
Carrying amount	2,000,783	31,260	(42,391)	2,074,434

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.4 Credit risk exposure (Continued)

9.1.4.1 Maximum exposure to credit risk – Financial instruments subject to impairment (Continued)

(b) Unsecured term loans

(b) Unsecured term loans	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Amounts in TZS' Millions				
As at 31 December 2024				
Current	5,133,861	-	-	5,133,861
Especially mentioned	-	37,583	-	37,583
Sub-standard	-	-	24,169	24,169
Doubtful	-	-	22,705	22,705
Loss	-	-	39,695	39,695
Gross carrying amount	5,133,861	37,583	86,569	5,258,013
Loss allowance	(1,203)	(239)	(52,243)	(53,685)
Carrying amount	5,132,658	37,344	34,326	5,204,328

As at 31 December 2023

Current	4,640,873	-	-	4,640,873
Especially mentioned	-	16,560	-	16,560
Sub-standard	-	-	10,624	10,624
Doubtful	-	-	16,767	16,767
Loss	-	-	21,001	21,001
Gross Carrying amount	4,640,873	16,560	48,392	4,705,825
Loss allowance	(15,527)	(199)	(25,103)	(40,828)
Carrying amount	4,625,346	16,361	23,289	4,664,997



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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.4 Credit risk exposure (Continued)

9.1.4.1 Maximum exposure to credit risk – Financial instruments subject to impairment (Continued)

(c) Agribusiness

(c) Agribusiness	ECL Staging			
Amounts in TZS' Millions	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 31 December 2024				
Current	574,858	-	-	574,858
Especially mentioned	-	7,777	-	7,777
Sub-standard	-	-	5,875	5,875
Doubtful	-	-	9,651	9,651
Loss	-	-	52,218	52,218
Gross carrying amount	574,858	7,777	67,744	650,379
Loss allowance	(2,759)	(694)	(33,713)	(37,166)
Carrying amount	572,099	7,083	34,031	613,213
As at 31 December 2023				
Current	574,297	-	-	574,297
Especially mentioned	-	30,962	-	30,962
Sub-standard	-	-	3,107	3,107
Doubtful	-	-	52,545	52,545
Loss	-	-	41,254	41,254
Gross Carrying amount	574,297	30,962	96,906	702,165
Loss allowance	(9,844)	(823)	(41,620)	(52,287)
Carrying amount	564,453	30,139	55,286	649,878

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.4 Credit risk exposure (Continued)

9.1.4.1 Maximum exposure to credit risk – Financial instruments subject to impairment (Continued)

(d) Overdraft

(d) Overdraft	ECL Staging			
Amounts in TZS' Millions	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 31 December 2024				
Current	521,978	-	-	521,978
Especially mentioned	-	17,608	-	17,608
Sub-standard	-	-	3,701	3,701
Doubtful	-	-	3,036	3,036
Loss	-	-	18,999	18,999
Gross carrying amount	521,978	17,608	25,736	565,322
Loss allowance	(1,792)	(6,771)	(13,965)	(22,528)
Carrying amount	520,186	10,837	11,771	542,794
As at 31 December 2023				
Current	288,136	-	-	288,136
Especially mentioned	-	16,917	-	16,917
Sub-standard	-	-	3,997	3,997
Doubtful	-	-	1,638	1,638
Loss	-	-	23,635	23,635
Gross Carrying amount	288,136	16,917	29,270	334,323
Loss allowance	(3,940)	(136)	(12,631)	(16,707)
Carrying amount	284,196	16,781	16,639	317,616



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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.4 Credit risk exposure (Continued)

9.1.4.1 Maximum exposure to credit risk – Financial instruments subject to impairment (Continued)

	2024 TZS' Millions	2023 TZS' Millions
(e) Off balance sheet exposures		
Guarantees and Indemnities	1,536,424	1,028,592
Undrawn Commitments	225,042	319,530
Acceptances and letters of credit	707,859	1,067,864
Gross carrying amount	2,469,325	2,415,986
Loss allowance	(984)	(411)
Net carrying amount	2,468,341	2,415,575

Provision for loss allowance relating to off-balance sheet exposures is disclosed under other liabilities.

9.1.5: Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down”) between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as credit for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Discounts unwind within ECL due to the passage of time, as ECL is measured on a present value basis. This change is incorporated within maintenance stage and other adjustments category.
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements, this change is incorporated within maintaining stage and other adjustments category; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

All changes implemented in model assumptions particularly on forward looking information, incorporation of collaterals in estimation of Loss Given Default (LGD) and changes in model assumptions in estimation of Loss Given Default (LGD) has reasonably impacted the loss allowance as of 31 December 2024.

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.5 Loss allowance (Continued)

9.1.5.1 Changes in loss allowance

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

Total Loans and advances Amounts in TZS'	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	39,257	101,165	102,281	242,702
Segment Reallocation	6	22	(27)	1
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(379)	379	-	-
Transfer from stage 1 to stage 3	(39,315)	-	39,315	-
Transfer from stage 2 to stage 1	11	(11)	-	-
Transfer from stage 2 to stage 3	-	(15,112)	15,112	-
Transfer from stage 3 to stage 1	6	-	(6)	-
Transfer from stage 3 to stage 2	-	1	(1)	-
Maintained Stage and other movements	14,427	14,636	11,167	40,230
New Financial assets originated	7,916	722	22,346	30,984
Financial assets that have been de-recognized	(10,890)	(637)	(13,829)	(25,356)
Net profit or loss charge during the period	(28,218)	0	74,077	45,859
Other movements with no profit or loss impact				
Write-offs	(23)	(12)	(47,984)	(48,019)
As at 31 December 2024	11,016	101,153	128,375	240,544
As at 1 January 2023	27,909	98,516	101,648	228,073
Segment Reallocation	-	-	-	-
Movements				
Transfer from stage 1 to stage 2	(117)	117	-	-
Transfer from stage 1 to stage 3	(703)	-	703	-
Transfer from stage 2 to stage 1	546	(546)	-	-
Transfer from stage 2 to stage 3	-	149	(149)	-
Transfer from stage 3 to stage 1	559	-	(559)	-
Transfer from stage 3 to stage 2	-	2,912	(2,912)	-
Maintained Stage and other movements	22,326	95,572	98,367	216,265
New Financial assets originated	15,061	134	4,032	19,227
Financial assets that have been de-recognized	(26,314)	(95,673)	(54,545)	(176,532)
Net profit or loss charge during the period	11,358	2,665	44,937	58,960
Other movements with no profit or loss impact				
Write-offs	(10)	(18)	(44,304)	(44,332)
As at 31 December 2023	39,257	101,163	102,281	242,701



9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.5 Loss allowance (Continued)

9.1.5.1 Changes in loss allowance (Continued)

(a) Secured term loans

Amounts in TZS'	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	9,947	100,005	22,927	132,879
Segment Reallocation	319	(6,433)	(4,132)	(10,246)
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(25)	25	-	-
Transfer from stage 1 to stage 3	(8,829)	-	8,829	-
Transfer from stage 2 to stage 1	-	-	-	-
Transfer from stage 2 to stage 3	-	(925)	925	-
Transfer from stage 3 to stage 1	6	-	(6)	-
Transfer from stage 3 to stage 2	-	1	(1)	-
Maintained Stage and other movements	6,430	700	509	7,639
New Financial assets originated	4,627	133	9,433	14,193
Financial assets that have been de-recognized	(7,211)	(57)	(5,342)	(12,610)
Net profit or loss charge during the period	(4,683)	(6,556)	10,215	(1,024)
Other movements with no profit or loss impact				
Write-offs	(2)	-	(4,688)	(4,690)
As at 31 December 2024	5,262	93,449	28,454	127,165
As at 1 January 2023	6,862	89,469	28,039	124,370
Segment Reallocation	-	-	-	-
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(8)	8	-	-
Transfer from stage 1 to stage 3	(130)	-	130	-
Transfer from stage 2 to stage 1	29	(29)	-	-
Transfer from stage 2 to stage 3	-	62	(62)	-
Transfer from stage 3 to stage 1	175	-	(175)	-
Transfer from stage 3 to stage 2	-	327	(327)	-
Maintained Stage and other movements	9,589	99,609	23,195	132,393
New Financial assets originated	292	5	202	499
Financial assets that have been de-recognized	(6,861)	(89,444)	(16,711)	(113,016)
Net profit or loss charge during the period	3,086	10,538	6,251	19,875
Other movements with no profit or loss impact				
Write-offs	(1)	(2)	(11,363)	(11,366)
As at 31 December 2023	9,947	100,005	22,927	132,879

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.5 Loss allowance (Continued)

9.1.5.1 Changes in loss allowance (Continued)

(b) Unsecured term loans

Amounts in TZS'	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	15,527	199	25,103	40,829
Segment Reallocation	-	22	4,113	4,135
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(63)	63	-	-
Transfer from stage 1 to stage 3	(23,276)	-	23,276	-
Transfer from stage 2 to stage 1	1	(1)	-	-
Transfer from stage 2 to stage 3	-	(5,576)	5,576	-
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	-	-	-
Maintained Stage and other movements	9,700	5,402	806	15,908
New Financial assets originated	336	175	8,565	9,076
Financial assets that have been de-recognized	(1,003)	(33)	(6,097)	(7,133)
Net profit or loss charge during the period	(14,305)	52	36,239	21,986
Other movements with no profit or loss impact				
Write-offs	(19)	(12)	(9,099)	(9,130)
As at 31 December 2024	1,203	239	52,243	53,685
As at 1 January 2023	12,400	246	24,602	37,248
Segment Reallocation	-	-	-	-
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(65)	65	-	-
Transfer from stage 1 to stage 3	(499)	-	499	-
Transfer from stage 2 to stage 1	33	(33)	-	-
Transfer from stage 2 to stage 3	-	87	(87)	-
Transfer from stage 3 to stage 1	74	-	(74)	-
Transfer from stage 3 to stage 2	-	122	(122)	-
Maintained Stage and other movements	1,510	(168)	21,125	22,467
New Financial assets originated	14,474	126	3,791	18,391
Financial assets that have been de-recognized	(12,391)	(232)	(14,053)	(26,676)
Net profit or loss charge during the period	3,136	(33)	11,079	14,182
Other movements with no profit or loss impact				
Write-offs	(9)	(14)	(10,578)	(10,601)
As at 31 December 2023	15,527	199	25,103	40,829

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.5 Loss allowance (Continued)

9.1.5.1 Changes in loss allowance (Continued)

(c) Agribusiness loans

Amounts in TZS'	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	9,843	824	41,620	52,287
Segment Reallocation	(6,138)	(98)	(2,556)	(8,792)
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(265)	265	-	-
Transfer from stage 1 to stage 3	(6,171)	-	6,171	-
Transfer from stage 2 to stage 1	1	(1)	-	-
Transfer from stage 2 to stage 3	-	(2,154)	2,154	-
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	-	-	-
Maintained Stage and other movements	4,748	1,947	8,572	15,267
New Financial assets originated	2,569	408	1,873	4,850
Financial assets that have been de-recognized	(1,826)	(497)	(1,510)	(3,833)
Net profit or loss charge during the period	(7,082)	(130)	14,704	7,492
Other movements with no profit or loss impact				
Write-offs	(2)	-	(22,611)	(22,613)
As at 31 December 2024	2,759	694	33,713	37,166
As at 1 January 2023	4,354	2,831	36,075	43,260
Segment Reallocation	-	-	-	-
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(28)	28	-	-
Transfer from stage 1 to stage 3	(74)	-	74	-
Transfer from stage 2 to stage 1	379	(379)	-	-
Transfer from stage 2 to stage 3	-	-	-	-
Transfer from stage 3 to stage 1	287	-	(287)	-
Transfer from stage 3 to stage 2	-	2,462	(2,462)	-
Maintained Stage and other movements	7,400	(4,091)	41,393	44,702
New Financial assets originated	292	3	39	334
Financial assets that have been de-recognized	(2,766)	(31)	(16,629)	(19,426)
Net profit or loss charge during the period	5,490	(2,008)	22,128	25,610
Other movements with no profit or loss impact				
Write-offs	(13)	(2,744)	(1,867)	(4,624)
As at 31 December 2023	9,843	824	41,620	52,287

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.5 Loss allowance (Continued)

9.1.5.1 Changes in loss allowance (Continued)

(d) Overdraft

Amounts in TZS'	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	3,940	137	12,631	16,707
Segment Reallocation	5,825	6,531	2,548	14,904
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(26)	26	-	-
Transfer from stage 1 to stage 3	(1,039)	-	1,039	-
Transfer from stage 2 to stage 1	9	(9)	-	-
Transfer from stage 2 to stage 3	-	(6,457)	6,457	-
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	-	-	-
Maintained Stage and other movements	(6,451)	6,587	1,280	1,416
New Financial assets originated	384	6	2,475	2,865
Financial assets that have been de-recognized	(850)	(50)	(880)	(1,780)
Net profit or loss charge during the period	(2,148)	6,634	12,919	17,405
Other movements with no profit or loss impact				
Write-offs	-	-	(11,585)	(11,585)
As at 31 December 2024	1,792	6,771	13,965	22,528
As at 1 January 2023	4,294	5,968	12,932	23,194
Segment Reallocation	-	-	-	-
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(16)	16	-	-
Transfer from stage 1 to stage 3	-	-	-	-
Transfer from stage 2 to stage 1	105	(105)	-	-
Transfer from stage 2 to stage 3	-	-	-	-
Transfer from stage 3 to stage 1	23	-	(23)	-
Transfer from stage 3 to stage 2	-	1	(1)	-
Maintained Stage and other movements	3,827	223	12,654	16,704
New Financial assets originated	3	-	-	3
Financial assets that have been de-recognized	(4,296)	(5,966)	(7,152)	(17,414)
Net profit or loss charge during the period	(354)	(5,832)	5,479	(707)
Other movements with no profit or loss impact				
Write-offs	-	-	(5,780)	(5,780)
As at 31 December 2023	3,940	137	12,631	16,707

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.5 Loss allowance (Continued)

9.1.5.1 Changes in loss allowance (Continued)

(e) Off-balance sheet items

		2024	2023
		TZS' Millions	TZS' Millions
As at 1 January		411	276
Movements			
New financial guarantees		928	188
Matured financial guarantees		(355)	(53)
Net profit or loss charge during the period		573	135
As at 31 December		984	411
Allowance charged to profit or loss during the year			
Secured loans	9.1.5.1 (a)	(1,024)	19,875
Unsecured loans	9.1.5.1 (b)	21,986	14,182
Agribusiness loans	9.1.5.1 (c)	7,492	25,610
(Profit)/Loss - Overdraft facilities	9.1.5.1 (d)	17,405	(707)
Loss on derecognition of assets		38,636	25,390
Total on-balance sheet charge	12 (a)	84,495	84,350
Off-balance sheet exposures	12 (a)	573	135
As at 31 December		85,068	84,485

9.1.5.2 Changes in gross carrying amount

Significant changes in the gross carrying amount of financial assets that contributed to changes in the loss allowance were as follows:

- The growth of new Salaried Workers Loans and other consumers' loans originated during the period, aligned with the Bank's organic growth objective, increase the gross carrying amount of the unsecured book by 12% (2023: 14%) while secured book increased by 3% (2023: increased by 72%), with a corresponding TZS 12.9 increase in loss allowance for unsecured book (2023: TZS 3.6 Billion), and an decrease of TZS 5.7 (2023: increase of TZS 8.5 Billion) for secured book.

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.5 Loss allowance (Continued)

9.1.5.2 Changes in gross carrying amount (Continued)

The following table further explains changes in the gross carrying amount and explains their significance to the changes in the loss allowance for the same portfolio as discussed above.

Total Loans and advances	Stage 1	Stage 2	Stage 3	
Amounts in TZS'	12-month	Lifetime	Lifetime	Total
	ECL	ECL	ECL	
As at 1 January 2024	7,514,035	195,704	239,886	7,949,625
Segment Reallocation	(35)	1	34	-
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(63,652)	63,652	-	-
Transfer from stage 1 to stage 3	(81,219)	-	81,219	-
Transfer from stage 2 to stage 1	20,193	(20,193)	-	-
Transfer from stage 2 to stage 3	-	(24,681)	24,681	-
Transfer from stage 3 to stage 1	1,678	-	(1,678)	-
Transfer from stage 3 to stage 2	-	478	(478)	-
Maintained Stage and other movements	(38,316)	(6,262)	(9,006)	(53,584)
New Financial assets originated or purchased	3,208,250	29,891	46,167	3,284,308
Financial assets that have been de-recognized	(2,261,932)	(38,273)	(45,648)	(2,345,853)
Write-offs	(6,649)	(907)	(87,719)	(95,275)
As at 31 December 2024	8,292,353	199,410	247,458	8,739,221
As at 1 January 2023	5,855,242	192,340	195,094	6,242,676
Segment Reallocation	-	-	-	-
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(4,643)	4,643	-	-
Transfer from stage 1 to stage 3	(4,369)	-	4,369	-
Transfer from stage 2 to stage 1	30,187	(30,187)	-	-
Transfer from stage 2 to stage 3	-	(797)	797	-
Transfer from stage 3 to stage 1	67,005	-	(67,005)	-
Transfer from stage 3 to stage 2	-	58,937	(58,937)	-
Maintained Stage and other movements	6,238,300	107,057	353,061	6,698,418
New Financial assets originated or purchased	998,601	9,732	1,962	1,010,295
Financial assets that have been de-recognized	(5,666,289)	(146,020)	(115,224)	(5,927,533)
Write-offs	-	-	(74,230)	(74,230)
As at 31 December 2023	7,514,036	195,704	239,886	7,949,626



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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.5 Loss allowance (Continued)

9.1.5.2 Changes in gross carrying amount (Continued)

(i) Secured term loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Amounts in TZS'				
As at 1 January 2024	2,010,729	131,265	65,318	2,207,312
Segment Reallocation	62,927	7	23	62,957
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(22,711)	22,711	-	-
Transfer from stage 1 to stage 3	(21,246)	-	21,246	-
Transfer from stage 2 to stage 1	568	(568)	-	-
Transfer from stage 2 to stage 3	-	(2 935)	2,935	-
Transfer from stage 3 to stage 1	382	-	(382)	-
Transfer from stage 3 to stage 2	-	346	(346)	-
Maintained Stage and other movements	(107,061)	(3,615)	(4,322)	(114,998)
New Financial assets originated or purchased	1,757,246	18,541	25,572	1,801,359
Financial assets that have been de-recognized	(1,618,683)	(29,262)	(23,475)	(1,671,420)
Write offs	(495)	(48)	(19,160)	(19,703)
As at 31 December 2024	2,061,656	136,442	67,409	2,265,507
As at 1 January 2023	1,096,122	123,175	64,152	1,283,449
Segment Reallocation	-	-	-	-
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(655)	655	-	-
Transfer from stage 1 to stage 3	(2,790)	-	2,790	-
Transfer from stage 2 to stage 1	6,118	(6,118)	-	-
Transfer from stage 2 to stage 3	-	(625)	625	-
Transfer from stage 3 to stage 1	23,331	-	(23,331)	-
Transfer from stage 3 to stage 2	-	13,933	(13,933)	-
Maintained Stage and other movements	1,914,262	122,540	120,806	2,157,608
New Financial assets originated or purchased	69,746	717	-	70,463
Financial assets that have been de-recognized	(1,095,404)	(123,012)	(49,584)	(1,268,000)
Write offs	-	-	(36,207)	(36,207)
As at 31 December 2023	2,010,730	131,265	65,318	2,207,313

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.5 Loss allowance (Continued)

9.1.5.2 Changes in gross carrying amount (Continued)

(ii) Unsecured term loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Amounts in TZS'				
As at 1 January 2024	4,640,873	16,560	48,392	4,705,825
Segment Reallocation	(1,770)	(7)	5,766	3,989
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(29,892)	29,892	-	-
Transfer from stage 1 to stage 3	(41,858)	-	41,858	-
Transfer from stage 2 to stage 1	2,179	(2,179)	-	-
Transfer from stage 2 to stage 3	-	(9 353)	9 353	-
Transfer from stage 3 to stage 1	1,163	-	(1,163)	-
Transfer from stage 3 to stage 2	-	132	(132)	-
Maintained Stage and other movements	(10,252)	(1,965)	(2,100)	(14,317)
New Financial assets originated or purchased	895,615	6,759	12,748	915,122
Financial assets that have been de-recognised	(316,119)	(1,415)	(11,062)	(328,596)
Write-offs	(6,078)	(841)	(17,091)	(24,010)
As at 31 December 2024	5,133,861	37,583	86,569	5,258,013
As at 1 January 2023	4,059,865	10,555	43,313	4,113,733
Segment Reallocation	-	-	-	-
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(2,539)	2,539	-	-
Transfer from stage 1 to stage 3	(1,041)	-	1,041	-
Transfer from stage 2 to stage 1	10,463	(10,463)	-	-
Transfer from stage 2 to stage 3	-	(172)	172	-
Transfer from stage 3 to stage 1	22,311	-	(22,311)	-
Transfer from stage 3 to stage 2	-	4,856	(4,856)	-
Maintained Stage and other movements	3,751,490	12,475	77,023	3,840,988
New Financial assets originated or purchased	857,265	6,531	1,882	865,678
Financial assets that have been de-recognised	(4,056,941)	(9,760)	(26,905)	(4,093,606)
Write-offs	-	-	(20,968)	(20,968)
As at 31 December 2023	4,640,873	16,560	48,392	4,705,825



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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.5 Loss allowance (Continued)

9.1.5.2 Changes in gross carrying amount (Continued)

(iii) Agribusiness loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Amounts in TZS'				
As at 1 January 2024	574,297	30,962	96,906	702,165
Segment Reallocation	(253,793)	(21,637)	(15,246)	(290,676)
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(2,954)	2,954	-	-
Transfer from stage 1 to stage 3	(12,228)	-	12,228	-
Transfer from stage 2 to stage 1	320	(320)	-	-
Transfer from stage 2 to stage 3	-	(3,451)	3,451	-
Transfer from stage 3 to stage 1	33	-	(33)	-
Transfer from stage 3 to stage 2	-	-	-	-
Maintained Stage and other movements	(29,749)	(969)	(2,200)	(32,918)
New Financial assets originated or purchased	532,085	4,315	4,468	540,868
Financial assets that have been de-recognized	(233,077)	(4,059)	(3,027)	(240,163)
Write-offs	(76)	(18)	(28,803)	(28,897)
As at 31 December 2024	574,858	7,777	67,744	650,379
As at 1 January 2023	470,027	50,201	58,551	578,779
Segment Reallocation	-	-	-	-
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(1,073)	1,073	-	-
Transfer from stage 1 to stage 3	(538)	-	538	-
Transfer from stage 2 to stage 1	7,830	(7,830)	-	-
Transfer from stage 2 to stage 3	-	-	-	-
Transfer from stage 3 to stage 1	18,631	-	(18,631)	-
Transfer from stage 3 to stage 2	-	40,016	(40,016)	-
Maintained Stage and other movements	293,886	(50,161)	115,158	358,884
New Financial assets originated or purchased	69,716	2,467	80	72,262
Financial assets that have been de-recognized	(284,182)	(4,804)	(18,774)	(307,760)
Write-offs	-	-	-	-
As at 31 December 2023	574,297	30,962	96,906	702,165

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.5 Loss allowance (Continued)

9.1.5.2 Changes in gross carrying amount (Continued)

(iv) Overdraft	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Amounts in TZS'				
As at 1 January 2024	288,136	16,917	29,270	334,323
Segment Reallocation	192,601	21,638	9,491	223,730
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(8,095)	8,095	-	-
Transfer from stage 1 to stage 3	(5,887)	-	5,887	-
Transfer from stage 2 to stage 1	17,126	(17,126)	-	-
Transfer from stage 2 to stage 3	-	(8,942)	8,942	-
Transfer from stage 3 to stage 1	100	-	(100)	-
Transfer from stage 3 to stage 2	-	-	-	-
Maintained Stage and other movements	108,746	287	(384)	108,649
New Financial assets originated or purchased	23,304	276	3,379	26,959
Financial assets that have been de-recognized	(94,053)	(3,537)	(8,084)	(105,674)
Write-offs	-	-	(22,665)	(22,665)
As at 31 December 2024	521,978	17,608	25,736	565,322
As at 1 January 2023	229,762	8,443	26,571	264,776
Segment Reallocation	-	-	-	-
Movements	-	-	-	-
Transfer from stage 1 to stage 2	(376)	376	-	-
Transfer from stage 1 to stage 3	-	-	-	-
Transfer from stage 2 to stage 1	5,777	(5,777)	-	-
Transfer from stage 2 to stage 3	-	-	-	-
Transfer from stage 3 to stage 1	2,733	-	(2,733)	-
Transfer from stage 3 to stage 2	-	132	(132)	-
Maintained Stage and other movements	278,128	22,170	42,580	342,878
New Financial assets originated or purchased	1,874	17	-	1,891
Financial assets that have been de-recognized	(229,762)	(8,444)	(19,961)	(258,167)
Write-offs	-	-	(17,055)	(17,055)
As at 31 December 2023	288,136	16,917	29,270	334,323



9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.6 Write-off policy

At every quarter the Bank writes-off financial assets that have been past due for more than 720 days. Write-off can be done in whole or in part before the 720 days in arrears when it has consumed all practical recovery efforts and has concluded there is no reasonable expectation of recovering the remaining amount, this includes (i) ceasing enforcement activity and (ii) where the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Bank has written-off of TZS 95 Billion in 2024 (2023: TZS 74 Billion) while still working on recovering the written-off amount.

9.1.7 Modification of loans

The following table includes summary information for financial assets with lifetime ECL whose cash flows were modified during the period as part of the Bank's restructuring activities and their respective effect on the Bank's financial performance:

Loans and advance to customers	2024 TZS' Millions	2023 TZS' Millions
Gross amount before modification	287,180	91,377
Net modification gain	2,530	965

The net modification gain above represents the changes in the gross carrying amounts (i.e. before impairment allowance) of the financial assets from immediately before, to immediately after, modification. In the majority of cases, this gross gain had been anticipated and already materially reflected within the ECL allowance.

9.1.8 Amounts due from banks

Balances due from other banks are considered to have low credit risk and classified as stage 1. The Basel Minimum Risk parameters of Probability of Default (PD) and Loss Given Default (LGD) rates were used to calculate the impairment charge, which is TZS 41 Million as of December 31, 2024.

9.1.9 Debt securities, treasury bills and other eligible bills

The Bank holds investments in Treasury Bills and Treasury Bonds issued by the Government. These investments are considered to have low credit Risk, at the end of reporting period, these assets were categorized as Stage 1. The Basel Minimum Risk parameters were used to calculate ECL. Impairment charge as of December 31, 2024, is TZS 113 Million.

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.10 Balances with Bank of Tanzania and other assets

Other assets are categorized as Stage 1 and Stage 3, balances with Bank of Tanzania are categorized as Stage 1. The simplified model has been used for estimation of ECL. The impact has been determined to be insignificant.

9.1.11 Repossessed collateral

During the year, the Bank did not obtain assets by taking possession of collateral held as security. Repossessed properties are usually sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness.

9.1.12 Concentration of risks of financial assets with credit risk exposure

(a) Geographical sectors

The following table breaks down the Bank's main credit exposure at their carrying amounts, as categorized by geographical region as of 31 December 2024. For this table, the Bank has allocated exposures to regions based on the country of domicile of its counterparties.



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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.12 Concentration of risks of financial assets with credit risk exposure (Continued)

(b) Industry sectors

The following table breaks down the Bank's main credit exposure at their carrying amounts, as categorized by the industry sectors of its counterparties. (Amounts are in TZS' Millions):

31 December 2024	Financial institutions	Manu-fac-turing	Trading and com-mercial	Transport & communi-cation	Whole-sale & retail	Agricul-ture	Individu-als	Others	Total
Cash and balances with the Bank of Tanzania	1,450,070	-	-	-	-	-	-	-	1,450,070
Placement and balances with other banks	905,687	-	-	-	-	-	-	-	905,687
Investment in Government securities	-	-	-	-	-	-	-	-	-
- Amortised cost	2,180,270	-	-	-	-	-	-	-	2,180,270
Fair value through Profit or Loss	10,154	-	-	-	-	-	-	-	10,154
- Fair value through Other comprehensive income	78,339	-	-	-	-	-	-	-	78,339
Loans and advances to customers	-	321,112	100,295	178,941	689,538	969,512	5,237,432	1,001,847	8,498,677
Other assets (excluding non-financial assets)	124,636	-	-	-	-	-	-	-	124,636
As at 31 December 2024	4,749,156	321,112	100,295	178,941	689,538	969,512	5,237,432	1,001,847	13,247,833

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.1 Credit risk (Continued)

9.1.12 Concentration of risks of financial assets with credit risk exposure (Continued)

(b) Industry sectors (Continued)

Credit risk exposures relating to off-balance sheet assets are as follows:

31 December 2024	Financial institutions	Manu-fac-turing	Trading and commercial	Transport and communication	Wholesale and retail	Agricul-ture	Individu-als	Others	Total
Guarantees and indemnities - (Note 41(a))	-	706	40,416	41,007	271,953	10,394	146	1,171,802	1,536,424
Undrawn commitments (Note 41(a))	-	40,198	40,705	652	21,904	107,307	-	14,275	225,042
Acceptances & letters of credit (Note 41(a))	-	12,679	-	44,458	427,669	186,604	18,112	18,337	707,859
As at 31 December 2024	-	53,583	81,121	86,117	721,526	304,305	18,258	1,204,414	2,469,325



9.1 Credit risk (Continued)

9.1.12 Concentration of risks of financial assets with credit risk exposure (continued)

(c) Industry sectors (Continued)

The following table breaks down the Bank's main credit exposure at their carrying amounts, as categorized by the industry sectors of its counterparties. (Amounts are in TZS' Millions):

31 December 2023	Financial institutions	Manu-fac-turing	Trading and com-mercial	Transport & communi-cation	Whole-sale & retail	Agricul-ture	Individu-als	Others	Total
Cash and balances with the Bank of Tanzania	791,826	-	-	-	-	-	-	-	791,826
Placement and balances with other banks	336,759	-	-	-	-	-	-	-	336,759
Investment in Government securities									
- Amortised cost	2,245,260	-	-	-	-	-	-	-	2,245,260
- Fair value through Other comprehensive income	28,345	-	-	-	-	-	-	-	28,345
Loans and advances to customers	-	412,150	92,065	169,546	767,998	728,446	4,777,537	1,001,884	7,949,626
Other assets (excluding non-financial assets)	103,522	-	-	-	-	-	-	-	103,522
As at 31 December 2023	3,505,712	412,150	92,065	169,546	767,998	728,446	4,777,537	1,001,884	11,455,338

Credit risk exposures relating to off-balance sheet assets are as follows:

Guarantees and indemnities - (Note 43(a))	-	232,768	613,231	15,545	46,202	95,789	-	25,057	1,028,592
Undrawn commitments (Note 43(a))	-	24,349	127,969	372	32,812	116,666	-	17,362	319,530
Acceptances & letters of credit (Note 43(a))	-	504,596	355,621	47,381	117,118	19,298	-	23,850	1,067,864
As at 31 December 2023	-	761,713	1,096,821	63,298	196,132	231,753	-	66,269	2,415,986

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.2 Market risk

The Bank is exposed to market risks, representing the potential variation in the fair value or future cash flows of a financial instrument due to changes in market prices. These risks primarily arise from open positions in interest rates and currencies, all of which are exposed to general and specific market movements, including interest rates, credit spreads, and foreign exchange rates.

The Bank categorizes its market risk exposures into trading or non-trading portfolios.

Our trading portfolios comprise positions derived from market-making activities, where the Bank engages as a principal with clients or the market. On the other hand, non-trading portfolios are largely a result of managing the interest rates tied to the Bank's retail and corporate banking assets and liabilities.

The Bank's Treasury Department oversees and monitors risks arising from trading and non-trading activities.

The Bank's approach to market risk is strategic, operating within the boundaries of board-approved tolerances. The Asset-Liability Committee (ALCO) plays a central role in risk governance, ensuring market risk exposures remain within board-approved tolerances. ALCO convenes monthly to evaluate management's analytical insights, including interest rate impact assessments and model-based outcomes. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

9.2.1 Foreign exchange risk

The Bank actively manages its exposure to the potential effects of fluctuations in current foreign currency exchange rates, which can significantly impact its financial position and cash flows. This risk management is overseen by the ALCO, which establishes strict limits on the level of exposure to foreign exchange risk. These limits are meticulously set for each currency and in aggregate terms, covering both overnight and intra-day positions, and are subject to daily monitoring to ensure ongoing compliance and risk mitigation.

The Bank maintains a conservative stance towards its net open foreign currency positions. These limits are deliberately kept well below the maximum thresholds permitted by the Central Bank of Tanzania, reflecting the Bank's prudent approach to managing currency risk.

The table below summarises the Bank's exposure to foreign currency exchange rate risk at 31 December 2024 and 31 December 2023. Included in the table are the Bank's financial instruments at carrying amounts, categorised by currency.



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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.2. Market risk (Continued)

9.2.1 Foreign exchange risk (Continued)

Concentrations of currency risk - on - and off - balance sheet financial instruments:

31 December 2024	USD Millions	EURO Millions	GBP Millions	Others Millions	Total Millions
Assets					
Cash and balances with Bank of Tanzania	227,087	2,513	464	811	230,875
Placement and balances with other banks	688,671	109,971	2,954	14,436	816,032
Loans and advances to customers	1,010,943	-	-	-	1,010,943
Other assets (excluding non-financial assets)	3,212	-	1	-	3,213
Total financial assets	1,929,913	112,484	3,419	15,247	2,061,063
Liabilities					
Deposits from customers	1,071,801	36,468	2,995	10,082	1,121,346
Long term borrowing	697,033	-	-	-	697,033
Lease liabilities	2,622	-	-	-	2,622
Other liabilities (excluding non-financial other liabilities)	9,190	31	-	-	12,105
Total financial liabilities	1,780,646	36,499	2,995	10,082	1833,106
Net on-balance sheet financial position	149,267	75,985	424	5,165	227,957
Off balance sheet position					
Guarantee and indemnities	616,080	16,098	-	81,842	714,020
Undrawn commitments	59,179	-	-	-	59,179
Acceptance and letters of credit	594,177	47,979	-	17,305	659,461
	1,269,436	64,077	0	99,147	1,432,660

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.2 Market risk (Continued)

9.2.1 Foreign exchange risk (Continued)

Concentrations of currency risk - on - and off - balance sheet financial instruments:

As at 31 December 2023	USD Millions	EURO Millions	GBP Millions	Others Millions	Total Millions
Assets					
Cash and balances with Bank of Tanzania	321,282	6,885	989	5,271	334,427
Placement and balances with other banks	278,237	34,023	4,019	10,454	326,733
Loans and advances to customers	984,565	-	-	-	984,565
Other assets (excluding non-financial assets)	11,060	-	3	-	11,063
Total financial assets	1,595,144	40,908	5,011	15,725	1,656,788
Liabilities					
Deposits from customers	843,178	42,637	3,283	5,436	894,534
Long term borrowing	743,517	-	-	-	743,517
Lease liabilities	2,966	-	-	-	2,966
Other liabilities (excluding non-financial other liabilities)	16,492	297	-	-	16,789
Total financial liabilities	1,606,153	42,934	3,283	5,436	1,657,806
Net on-balance sheet financial position	(11,009)	(2,026)	1,728	10,289	(1,018)
Off balance sheet position					
Guarantee and indemnities	613,062	4,170	-	-	617,232
Undrawn commitments	48,333	-	-	-	48,333
Acceptance and letters of credit	987,190	33,037	27,552	-	1,047,778
	1,648,585	37,207	27,552	-	1,713,343



9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.2 Market risk (Continued)

9.2.1 Foreign exchange risk (Continued)

Foreign exchange sensitivity analysis

The Bank conducts a comprehensive analysis to evaluate the impact of foreign exchange rate fluctuations on its pre-tax profit for the year. This sensitivity analysis is premised on the assumption that all other variables remain constant. It specifically focuses on how changes in foreign exchange rates affect the translation of various foreign currency-denominated items. These items include cash and balances with the Bank of Tanzania, placements and balances with other banks, as well as loans and deposits from customers and other banks. Additionally, the analysis encompasses the impact on borrowings, lease liabilities, other assets, and other liabilities.

The results of this foreign exchange sensitivity analysis are presented in the table below:

	% change in exchange rate	2024 TZS' Millions	2023 TZS' Millions
USD	10%	15,189	(1,101)
EURO	10%	7,599	(202)
GBP	10%	42	21

The translation impact of placements and balances with other banks in various currencies, including Kenyan Shillings, Ugandan Shillings, Japanese Yen, Swiss Francs, Canadian Dollars, Indian Rupees, Rwandese Francs, Australian Dollars, Norwegian Krona, Swedish Krona, and South African Rand, is assessed to be minimal and not of significant concern.

9.2.2 Interest rate risk

The Bank is exposed to interest rate fluctuations through both fair value and cash flow risks. The Board has overall responsibility for establishing market risk limits, ensuring these limits are reviewed at least annually—or more frequently if market conditions change. Oversight of these limits is delegated to the Bank's Asset and Liability Committee (ALCO).

Currently, the Bank does not engage in proprietary trading activities, resulting in minimal exposure to market risk. The most significant risk in the Bank's non-trading portfolio arises from potential losses due to changes in future cash flows or the fair values of financial instruments, driven by movements in market interest rates.

To manage this risk, the Bank closely monitors how shifts in prevailing interest rates impact both fair value and cash flow. This monitoring includes assessing the effect of a 200 basis point (i.e., 2%) interest rate shock over a 12-month period on the static balances shown in the statement of financial position. Any items with variable interest rates would be affected immediately by such a shock.

The table below sets out the Bank's Interest Gap position for the non-trading portfolio. It is important to note that the Bank does not bear interest rate risk on off-balance-sheet items. The Bank's assets and liabilities are presented at their carrying amounts and categorized according to their earliest contractual repricing or maturity dates

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.2 Market risk (Continued)

9.2.2 Interest rate risk (Continued)

As at 31 December 2024	Up to 1 month TZS' Millions	1-3 months TZS' Millions	3-12 months TZS' Millions	1-5 Years TZS' Millions	Over 5 years TZS' Millions	Non-interest bearing TZS' Millions	Total TZS' Millions
Assets							
Cash and balances with Bank of Tanzania	-	-	-	-	-	1,450,070	1,450,070
Investment in Government securities							
- Amortised cost	80,783	128,733	424,913	650,177	895,664	-	2,180,270
- Fair value through Other comprehensive income	78,339	-	-	-	-	-	78,339
- Debt securities mandatorily measured at FVTPL	10,154	-	-	-	-	-	10,154
Placement and balances with other banks	853,474	36,883	4,330	11,000	-	-	905,687
Loans and advances to customers	722,003	456,415	5,951,724	680,353	688,182	-	8,498,677
Equity Investments	-	-	-	-	-	43,872	43,872
Other assets (excluding non-financial assets)	124,636	-	-	-	-	-	124,636
Total financial assets	1,869,389	622,031	6,380,967	1,341,530	1,583,846	1,493,942	13,291,705
Liabilities							
Deposits from customers	1,832,474	401,126	749,592	320,669	129,584	6,143,671	9,577,116
Deposit from banks	-	73	-	-	-	-	73
Borrowing	45,000	289,191	335,154	644,483	55,676	-	1,369,504
Lease liabilities	-	-	2,929	15,574	40,190	-	58,693
Other liabilities (excluding non-financial other liabilities)	165,751	-	-	-	-	-	165,751
Total financial liabilities	2,043,225	690,390	1,087,675	980,726	225,450	6,143,671	11,171,137
Total interest gap	(173,836)	(68,359)	5,293,292	360,804	1,358,396		



9.2 Market risk (Continued)

9.2.2 Interest rate risk (Continued)

As at 31 December 2023

Assets	Up to 1 month TZS' Millions	1 - 3 months TZS' Millions	3 - 12 months TZS' Millions	1- 5 Years TZS' Millions	Over 5 years TZS' Millions	Non-inter-est bearing TZS' Millions	Total TZS' Millions
Cash and balances with Bank of Tanzania	-	-	-	-	-	1,340,934	1,340,934
Investment in Government securities							
- Amortised cost	89,999	198,052	286,868	746,974	923,368	-	2,245,260
- Fair value through Other comprehensive income	28,345	-	-	-	-	-	28,345
Placement and balances with other banks	110,602	-	-	-	-	226,157	336,759
Loans and advances to customers	839,620	416,151	4,905,766	797,700	747,687	-	7,706,925
Equity Investments						42,559	42,559
Other assets (excluding non-financial assets)	-	97,022	1,000	5,500	-	-	103,522
Financial Assets	1,068,566	711,225	5,193,634	1,550,174	1,671,055	1,609,650	11,804,304
Liabilities							
Deposits from customers	768,806	872,939	1,217,580	1,117,632	88,058	4,409,663	8,474,678
Deposit from banks	15,008	-	-	-	-	-	15,008
Borrowing	-	174,922	158,574	-	-	-	1,380,193
Lease liabilities	-	-	-	-	-	65,193	65,193
Other liabilities (excluding non-financial other liabilities)	-	-	-	-	-	147,606	147,606
Total financial liabilities	783,814	1,047,861	1,376,154	2,164,329	88,058	4,622,462	10,082,678
Total interest gap	284,752	(336,636)	3,817,480	(614,155)	1,582,997		

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.2 Market risk (Continued)

9.2.2 Interest rate risk (Continued)

Interest rate risk sensitivity

The Bank carried out a comprehensive analysis to determine how a 2% (200 basis points) parallel shift in market interest rates might affect its profit or loss. This analysis assumes the Bank's statement of financial position remains unchanged throughout and that the yield curve shifts uniformly (i.e., a parallel shift across all maturities). Under these conditions, the table below presents the projected effects on the Bank's profit or loss, expressed in Millions of Tanzanian Shillings (TZS).

As at 31 December 2024

TZS Millions

Sensitivity Period	Weighted Average	Net Interest-Bearing Funding	Net Position	Impact
Less than 30 days	(3,458)	(345,831)	342,372	(6,847)
30days to 1 Year	175,822	4,886,629	(4,710,807)	94,216

As at 31 December 2023

Sensitivity Period	Weighted Average	Net Interest-Bearing Funding	Net Position	Impact
Less than 30 days	2,647	264,617	(261,970)	5,239
30days to 1 Year	137,050	3,798,404	(3,661,354)	73,227

9.2.3 Price risk

Both the Group and the Bank are exposed to price risk, primarily from their investments in Tanzania Mortgage Refinance Company (TMRC) shares, government securities, and private securities. These investments are measured at fair value either through Other Comprehensive Income (FVOCI) or through profit or loss (FVTPL). To mitigate price volatility in debt securities, the Group follows a diversification strategy, distributing exposure across different asset classes in its investment portfolio.

Price sensitivity

To illustrate the potential impact of market fluctuations, the Bank considered a scenario where the yield rate increases by 200 basis point, assuming all other variables remain constant. Under this scenario, the directors estimate that the fair values of the relevant assets would total TZS 78,407 Million (2023: TZS 28,392 Million), compared to the reported fair value of TZS 78,399 Million as of 31 December 2024 (2023: TZS 28,345 Million). Conversely, if the yield rate were to decrease by 1 basis point, the fair value is projected to be TZS 78,270 Million (2023: TZS 28,298 Million).



9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.2 Market risk (Continued)

9.2.3 Price risk (Continued)

Price sensitivity (Continued)

In determining the fair value of the unquoted equity investment in TMRC, the Bank relied on the pricing from the most recent share transactions of the Company. A 10% increase or decrease in TMRC's share price would result in a corresponding increase or decrease in the fair value of these investments by TZS 423 Million (2023: TZS 292 Million).

9.2.4 Interest rate benchmark reform

During the financial year, the Group used the Term Secured Overnight Financing Rate (SOFR) provided by the Chicago Mercantile Exchange (CME). This aligns with industry best practices and regulatory guidance aimed at ensuring a smooth and transparent migration to alternative benchmark rates

9.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities, as they come due or in obtaining funds to replace those that have been withdrawn. This risk can manifest in the inability to return funds to depositors promptly or to fulfill lending commitments. The Bank faces daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw-downs, guarantees, and other cash-settled derivative instruments. However, it does not hold sufficient cash resources to meet all potential demands simultaneously, as past experience shows that a certain level of reinvestment of maturing funds can be anticipated with a high degree of certainty.

9.3.1 Liquidity risk management process

The Bank ensures its liquidity is maintained at optimal levels through a comprehensive risk management process, overseen by the Asset and Liability Committee (ALCO). This process encompasses:

- *Daily Funding Management:* This involves continuous monitoring of upcoming cash flow requirements to ensure the Bank can meet its daily obligations. It includes replenishing funds as they mature or are borrowed by customers. The Bank actively participates in money markets to facilitate this process.
- *Portfolio of Liquid Assets:* The Bank maintains a portfolio of highly liquid and marketable securities, that can easily be liquidated as protection against any unforeseen interruption to cash flows;
- *Liquidity Ratios:* The Bank closely monitors key balance sheet liquidity ratios, including the Liquid Asset Ratio (LAR), Loan to Deposit Ratio (LDR), and Long-term Funding Ratio (LTFR), to comply with both internal standards and regulatory requirements.
- *Debt Maturity Management:* Attention is given to managing the maturity profiles and concentrations of debts to avoid significant maturity clusters that could strain liquidity.

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.3 Liquidity risk (Continued)

9.3.1 Liquidity risk management process (Continued)

- *Depositor Base Diversification:* The Bank strives to diversify its depositor base, reducing reliance on any single depositor or group, thereby spreading its liquidity risk.
- *Liquidity Stress Testing:* Regular liquidity stress tests and scenario analyses are conducted to prepare for potential liquidity challenges.
- *Contingency Funding Plan:* The Bank maintains a comprehensive and actionable contingency funding plan, ready to be activated should a severe liquidity event occur

The effectiveness of the liquidity management is continuously assessed through the measurement and projection of cash flows on a daily, weekly, and monthly basis, critical periods for liquidity monitoring. These projections are informed by a detailed analysis of the contractual maturity dates of financial liabilities and the anticipated collection dates of financial assets, as outlined in Notes 9.3.4

9.3.2 Funding approach

The Group maintains a prudent liquidity management strategy, reflecting minimal tolerance for liquidity risk. Guided by an approved Asset-Liability Management (ALM) policy and overseen by the Asset and Liability Committee (ALCO), the Group ensures a conservative maturity profile. Its strategic funding aligns the maturities of assets and liabilities, financing a substantial portion of long-term assets with long-term funding sources to reduce dependence on core call deposit funding.

To safeguard robust liquidity levels, the Bank's ALCO regularly evaluates existing and potential funding sources. This includes a thorough diversification review across currency, geographic region, provider, financial product, and maturity term, ensuring a stable and balanced funding base.

9.3.3 Non-derivative cash flows

The table provided below presents a detailed analysis of the Bank's assets and liabilities, classified according to their maturity groupings. This classification is based on the remaining duration from the date of the financial position statement to their respective contractual maturity dates.



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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.4 Liquidity risk (Continued)

9.3.4 Assets held for managing liquidity risk

As at 31 December 2024	Up to1 month	1 - 3 months	3 - 12 months	Over 1 Years	Total
	TZS' Millions	TZS' Millions	TZS' Millions	TZS' Millions	TZS' Millions
Liabilities					
Deposits from customers	838,534	2,839,534	2,916,961	3,171,602	9,766,631
Deposits from banks	73	-	-	-	73
Long term borrowing*	45,000	297,538	381,213	743,391	1,467,142
Lease liabilities	-	-	12,719	65,931	78,650
Other liabilities (excluding non-financial liabilities)	165,751	-	-	-	165,751
Total liabilities	1,049,358	3,137,072	3,310,893	3,980,924	11,478,247
Assets held for managing liquidity	1,764,134	241,176	425,568	2,212,811	4,643,689
As at 31 December 2023					
Liabilities					
Deposits from customers	1,690,326	1,530,433	2,535,734	2,718,186	8,474,678
Deposits from banks	15,008	-	-	-	15,008
Long term borrowing*	-	174,922	158,574	1,046,697	1,380,193
Lease liabilities	-	-	4	65,188	65,193
Other liabilities (excluding non-financial liabilities)	-	-	-	147,606	147,606
Total liabilities	1,705,334	1,705,355	2,694,312	3,977,677	10,082,678
Assets held for managing liquidity	1,258,475	198,103	285,985	2,208,736	3,951,299

9.3.4 Assets held for managing liquidity risk

The Bank strategically holds certain assets to effectively manage and mitigate liquidity risk. These assets include:

- Cash and balances with the Bank of Tanzania (excluding SMR);
- Investment in government securities; and
- Placements and balances with other banks:

In routine operations, a segment of customer loans that are contractually due within one year is often extended.

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.3 Liquidity risk (Continued)

9.3.4 Assets held for managing liquidity risk (Continued)

Furthermore, the Bank is equipped to manage unforeseen net cash outflows by liquidating securities and tapping into alternate funding avenues, such as asset-backed markets.

9.4 Off-balance sheet items

(a) Undrawn commitments, outstanding letters of credit, guarantees and indemnities

The table provided below summarizes the contractual dates and amounts related to the Bank's off-balance sheet financial instruments. These instruments include commitments to extend credit to customers, as well as outstanding letters of credit, guarantees, and indemnities (Note 43).

(b) Financial guarantees and other financial facilities

Included in the following section are the Bank's financial guarantees, as detailed in Note 43. These are presented according to their earliest contractual maturity dates

	No later then 1 year	1 - 5 years	Total
	TZS' Millions	TZS' Millions	TZS' Millions
As at 31 December 2024			
Guarantee and indemnities	1,536,424	-	1,536,424
Undrawn commitments	225,042	-	225,042
Acceptance and letter of credit	707,859	-	707,859
Total	2,469,325	-	2,469,325
As at 31 December 2023			
Guarantee and indemnities	824,388	204,204	1,028,592
Undrawn commitments	319,530	-	319,530
Acceptance and letter of credit	1,067,864	-	1,067,864
Total	2,211,782	204,204	2,415,986

9.5 Fair value of financial assets and liabilities

9.5.1 Fair value estimation

In compliance with IFRS 13, the Bank is required to categorize its fair value measurements within a structured hierarchy. This hierarchy is fundamentally based on the nature and significance of the inputs used in making the measurements.



9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.5 Fair value of financial assets and liabilities (Continued)

9.5.1 Fair value estimation (Continued)

To align with these requirements, the Bank has established a hierarchy for valuation techniques that is differentiated by the observability of the inputs. Observable inputs are those that are based on market data sourced from independent and reliable entities, while unobservable inputs are derived from the Bank's own market assessments and assumptions. This distinction between observable and unobservable inputs forms the basis of the Bank's fair value hierarchy as follows:

- *Level 1* fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2* fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3* fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

This hierarchy requires the use of observable market data when available. The Bank considers relevant and observable market prices in its valuations where possible.

There were no transfers between the levels during the year.

i) Fair value of the Group financial assets and financial liabilities that are measured at fair value on recurring basis

The following table gives information about how the fair value of these financial assets and liabilities are determined:

Type	Fair value at		Hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable input to fair value
	2024	2023				
	TZS Millions	TZS Millions				
Investment in government securities	88,493	28,345	Level 2	Market observable inputs	N/A	N/A
Equity instruments	4,233	2,920	Level 2	Market observable inputs	Latest transaction offers the equity instrument by TMRC	N/A

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.5 Fair value of financial assets and liabilities (Continued)

9.5.1 Fair value estimation (Continued)

ii) Fair value of financial assets and liabilities that are not measured at fair value

The Bank assesses the fair value of all financial assets and liabilities.

For cash and cash equivalents, loans and advances, customer deposits and borrowed funds, are evaluated by the Bank based on parameters that takes into account various factors such as prevailing interest rates and the specific creditworthiness of each customer. The determination of fair value for these assets and liabilities is conducted using a discounted cash flow method.

Investment in government securities

Investment in government securities include treasury bonds and treasury bills. The fair value of government securities held at amortized cost are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities, as traded in the primary market by the Bank of Tanzania.

Loans and advances to banks

Loans and advances to banks include inter-bank placements and items in the course of collection. The carrying amount of floating rate placements and overnight advances is a reasonable approximation of fair value. The estimated fair value of fixed interest-bearing advances is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity.

Loans and advances to customers

Loans and advances to customers are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at the original effective interest rate to determine fair value.

Deposits from banks and customers

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

Borrowings

Significant portion of borrowing is benchmarked to CME SOFR and therefore reprices at balance sheet date. Management has considered the impact of borrowings with fixed interest rate as insignificant to the total fair value of borrowings. The fair value of borrowings therefore approximates its carrying value.



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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.5 Fair value of financial assets and liabilities (Continued)

9.5.1 Fair value estimation (Continued)

ii) Fair value of financial assets and liabilities that are not measured at fair value (Continued)

BANK	Hierarchy level	Carrying amount		Fair value	
		2024 TZS' Millions	2023 TZS' Millions	2024 TZS' Millions	2023 TZS' Millions
Financial assets					
Government securities at amortized cost (Treasury bonds)	Level 2	1,752,420	1,868,106	1,555,989	1,781,477
Government securities at amortized cost (Treasury bills)	Level 2	415,281	377,154	415,648	374,701
Loans and advances to customers	Level 3	8,498,677	7,706,924	8,498,677	7,706,925
Other assets (excluding non-financial assets) *	Level 3	116,475	103,521	116,475	298,780
		10,782,853	10,055,706	10,586,789	10,161,883
Financial liabilities					
Deposits from customers	Level 3	9,564,222	8,474,683	9,572,319	8,451,959
Deposits from banks	Level 2	73	15,008	73	15,158
Borrowings	Level 3	1,369,504	1,380,193	1,369,504	1,380,193
Other liabilities (Excluding non-financial other liabilities)**	Level 3	154,665	147,606	154,665	155,576
		11,088,464	10,017,490	11,096,561	10,002,886

* Prepayments, inventory, provision for other assets and stationery are excluded from other assets' balance, as this analysis is for financial instruments only.

** Non-financial liabilities such as provision and statutory liabilities are excluded from other liabilities balance, as this analysis is for financial instruments only.

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.6 Capital management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial positions, are:

- To comply with the capital requirements set by the Bank of Tanzania (BoT);
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee, as implemented by the Bank of Tanzania (BoT), for supervisory purposes. The required information is filed with the BoT on a quarterly basis.

The Bank of Tanzania requires each bank or banking group to:

- Hold a minimum level of core capital of TZS 15 Billion;
- Maintain a ratio of core capital to the risk-weighted assets plus risk-weighted off-balance sheet assets of above the required minimum of 10%; and
- Maintain total capital of not less than 12% of risk-weighted assets plus risk-weighted off-balance sheet items.
- Maintain a capital conservation buffer of 2.5% of risk-weighted assets and off-balance sheet exposures. The capital conservation buffer is made up of items that qualify as Tier 1 capital.

When a bank is holding capital conservation buffer of less than 2.5% of risk-weighted assets and off-balance sheet exposures but is meeting its minimum capital requirements, that bank:

- Shall not distribute dividends to shareholders or bonuses to senior management and other staff members until the buffer is restored to at least 2.5%;
- Shall submit a capital restoration plan to the Bank of Tanzania within a period specified by BOT, indicating how the Bank is going to raise capital to meet its minimum requirement, including capital conservation buffer within a specified period of time; and
- In the event that BOT does not approve the capital restoration plan, it may direct the Bank to raise additional capital within a specified time period in order to restore its capital conservation buffer.



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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.6 Capital management (continued)

The Bank's regulatory capital as managed by its Treasury Department is divided into two tiers:

- **Tier 1 capital:** means permanent shareholders' equity in the form of issued and fully paid ordinary shares, and perpetual non-cumulative preference shares, capital grants and disclosed reserves less year to date losses, goodwill organization, pre-operating expenses, prepaid expenses, deferred charges, leasehold rights and any other intangible assets.
- **Tier 2 capital:** means general provisions which are held against future, presently unidentified losses and are freely available to meet losses which subsequently materialize, subordinated debts, cumulative redeemable preferred stocks and any other form of capital as may be determined and announced from time to time by the Bank of Tanzania.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

The table below summarizes the composition of regulatory capital and the ratios of the Bank for the year ended 31 December 2024 and year ended 31 December 2023. During those two periods, the Bank complied with all the externally imposed capital requirements to which it is subject.

	Note	2024 TZS' Millions	2023 TZS' Millions
Tier 1 capital			
Share capital		20,000	20,000
Retained earnings		2,524,797	2,062,118
Less: Prepaid expenses	26(b)	(33,193)	(31,807)
Less: Deferred tax assets	30(a)	(139,320)	(118,324)
Total qualifying Tier 1 capital (A)		2,372,284	1,931,987
Tier 2 capital			
Subordinated debt		-	-
Fair valuation reserve		2,050	1,550
Total qualifying Tier 2 capital (B)		2,050	1,550
Maximum Tier 2 capital allowed (2% of Risk weighted assets) – (C) ^(a)		174,364	166,382
Total regulatory capital (D) = [(A) + Lower of (B) or (C)]		2,374,334	1,933,537

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

9.6 Capital management (continued)

	2024 TZS' Millions	2023 TZS' Millions
Risk-weighted assets		
On-balance sheet	6,181,418	5,844,312
Off-balance sheet	1,587,372	1,715,637
Market risk	95,241	46,136
Operational risk ^(b)	854,193	705,050
Total risk-weighted assets (E)	8,718,224	8,311,135

	Required ratio (%)	2024 Bank's ratio (%)	2023 Bank's ratio (%)
Tier 1 capital	12.5	27.21	23.25
Tier 1 + Tier 2 capital	14.5	27.23	23.26

The increase in the total regulatory capital in the 2024 is mainly due to the increase of the current-year profit despite the increase of the off-balance sheet exposure and operational risk capital charge during the year.

- (a) As per Bank of Tanzania requirement, Tier 2 Capital should not exceed 2% of the total risk weighted assets and off-balance sheet exposure.
- (b) Capital charge for operational risk is calculated using Basic Indicator approach (BIA) prescribed under Basel II by capping net interest income to 3.5% of interest earning assets.

	2024 TZS' Millions	2023 TZS' Millions
10. INTEREST INCOME (GROUP AND BANK)		
Loans and advances to customers	1,128,817	958,827
Government securities at amortized cost (Note 24(a))	207,197	205,678
Corporate bonds at amortized cost (Note 24(a))	1,090	414
Government securities at fair value through OCI (Note 24(b))	3,799	2,705
Government securities at fair value through P and L (Note 24(c))	302	-
Placements and balances with other banks	24,801	11,968
	1,366,006	1,179,592



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11. INTEREST EXPENSE

(a) GROUP

	2024 TZS' Millions	2023 TZS' Millions
Deposits from customers		
- Time deposits	120,378	101,841
- Current accounts	53,510	48,500
- Saving deposits	14,552	12,904
Deposits due to other banks	554	3,194
Borrowings from financial institutions	74,926	63,281
Debt securities in issue	41,668	10,416
Lease liabilities	2,011	2,218
	307,599	242,354

(b) BANK

Deposits from customers		
- Time deposits	120,378	102,441
- Current accounts	54,585	48,500
- Saving deposits	14,552	12,904
Deposits due to other banks	554	3,194
Borrowings from financial institutions	74,926	63,281
Debt securities in issue	41,668	10,416
Lease liabilities	4,978	5,341
	311,641	246,077

12. IMPAIRMENT CHARGE (GROUP AND BANK)

(a) Loans and advances to customers (Note 23)
Off-balance sheet items (Note 43)

	84,495	84,350
	573	135
	85,068	84,485

(b) Others:

Placements and balances with other banks (Note 22)	41	17
Investment securities (Note 24)	113	114
Other assets (Note 26)	2,249	(181)
	2,403	(50)
	87,471	84,435

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13. NET FEES AND COMMISSION INCOME
(GROUP AND BANK)

Fees and commission income

	2024 TZS' Millions	2023 TZS' Millions
Credit related fees and commissions	142,345	108,387
Other fees	58,698	44,841
Card fees	32,329	33,270
Agency banking fees	121,956	93,211
MNO collaboration fees	95,164	73,280
ATM fees and card issuing	50,023	50,215
Maintenance fees	32,066	28,702
Teller withdrawal fees	26,046	21,453
Commission - mobile banking	15,247	15,478
Government service fees	888	469
Total fee and commission income	574,762	469,306
Fee and commission expense*	(135,396)	(102,819)
Net Fee and commission income	439,366	366,487

* This balance comprises amounts related to agents' commission expenses and other related fees and commission costs.

14. OTHER INCOME

a) GROUP

Bad debts recovery	23,140	27,659
Miscellaneous income	335	517
Profit on disposal of property and equipment	240	294
Rental income	6	6
Dividend on TMRC equity investments	65	55
	23,786	28,531

(b) BANK

Bad debts recovery	23,140	27,659
Miscellaneous income	364	542
Profit on disposal of property and equipment	240	294
Rental income	6	6
Dividend on TMRC equity investments	65	55
	23,815	28,556



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	2024	2023
	TZS' Millions	TZS' Millions
15. EMPLOYEE BENEFITS EXPENSE (GROUP AND BANK)		
Salaries and allowances	160,599	143,082
Other staff cost	27,250	22,038
Other emoluments*	123,745	111,353
Pension costs - defined contribution plan	24,062	21,450
	335,656	297,923

* The balance is composed of staff bonuses and staff allowances.

	2024	2023
	TZS' Millions	TZS' Millions
16. OTHER OPERATING EXPENSES		
(a) GROUP		
Administrative expenses*	64,828	55,304
Cash trip expenses	5,523	7,028
Depositor's protection fund insurance	11,697	10,121
Short term leases expense	118	561
Utilities	22,577	19,177
Security expenses	13,886	12,841
Marketing and advertising expenses	12,526	12,015
Repairs and maintenance	58,441	52,083
Travelling expenses	23,906	20,490
Management contract expenses	1,593	2,142
Other expenses	9,119	5,020
Auditors' remuneration**	770	742
Directors' remuneration:		
- Fees	517	360
- Others	1,193	1,131
	226,694	199,015

* Administrative expenses include expenses such as VAT, insurance costs, CSI and office expenses

(b) BANK		
Administrative expenses*	64,676	55,169
Cash trip expenses	5,523	7,028
Depositor's protection fund insurance	11,697	10,121
Short term leases expense	118	561
Utilities	22,577	19,177
Security expenses	13,886	12,841
Marketing and advertising expenses	12,526	12,015
Repairs and maintenance	58,441	52,083
Travelling expenses	23,906	20,490

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	2024	2023
	TZS' Millions	TZS' Millions
16. OTHER OPERATING EXPENSES (CONTINUED)		
Management contract expenses	1,593	2,142
Other expenses	9,119	5,020
Auditors' remuneration**	758	728
Directors' remuneration:		
- Fees	517	360
- Others	1,193	1,131
	226,530	198,866

	Group		Bank	
	2024	2023	2024	2023
	TZS' Millions	TZS' Millions	TZS' Millions	TZS' Millions
** Auditors' remuneration				
Statutory audit fees	546	542	534	530
Regulatory related services	104	101	104	101
Other assurance and related services performed under the standards issued by IAASB	15	15	15	15
Other fees and costs	105	84	105	82
	770	742	758	728

	2024	2023
	TZS' Millions	TZS' Millions
17. DEPRECIATION AND AMORTISATION		
(a) GROUP		
Depreciation of property and equipment (Note 27(a))	36,712	34,935
Amortization of right-of-use assets (Note 29(a))	10,079	10,663
Amortization of intangible assets (Note 28)	9,246	3,846
	56,037	49,444
(b) BANK		
Depreciation of property and equipment (Note 27(b))	34,681	32,904
Amortization of right of use assets (Note 29(b))	12,997	13,579
Amortization of intangible assets (Note 28)	9,246	3,846
	56,924	50,329



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18. CURRENT INCOME TAX

(a) GROUP

Income tax expense for the year is arrived at as follows:

Current tax:

In respect of current year	280,506	232,257
Over provision in prior period	25,101	6,384
	305,607	238,641

Deferred tax:

In respect of current year (Note 31(a))	16,596	(4,038)
In respect of prior year (Note 31(a))	(37,806)	(5,010)
	(21,210)	(9,047)
Income tax expense	284,397	229,594

The tax on the Group's profit differs from the theoretical amount that would arise using the statutory income tax rate as follows:

Reconciliation of accounting profit to income tax expense:	2024 TZS' Millions	2023 TZS' Millions
Profit before income tax	931,290	774,801
Tax calculated at the statutory income tax rate of 30% (2023: 30%)	279,387	232,440
<i>Tax effect of:</i>		
Depreciation on non-qualifying assets	549	272
Net under provision of deferred tax and current tax in prior year	(37,825)	(5,010)
Under provision of current tax in prior year	25,101	6,384
Expenses not deductible for tax purposes	5,439	5,476
Non-taxable commission income	(10,190)	(9,617)
Dividend on equity instrument	(20)	(16)
Recognition of UJVC deferred tax from previous year	(288)	(335)
Utilization of non-allowable Provisions	22,244	-
Income tax expense	284,397	229,594

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18. CURRENT INCOME TAX (CONTINUED)

b) BANK

Income tax expense for the year is arrived at as follows:

Current tax:

In respect of current year	279,392	231,262
In respect of prior year	25,101	6,384
	304,493	237,646

Deferred tax:

In respect of current year (Note 31(a))	16,596	(4,038)
In respect of prior year (Note 31(a))	(37,806)	(5,010)
	(21,210)	(9,047)
Income tax expense	283,283	228,599

The tax on the Bank's profit differs from the theoretical amount that would arise using the statutory income tax rate as follows:

Reconciliation of accounting profit to income tax expense:	2024 TZS' Millions	2023 TZS' Millions
Profit before income tax	926,552	770,367
Tax calculated at the statutory income tax rate of 30% (2023: 30%)	277,966	231,110
<i>Tax effect of:</i>		
Depreciation on non-qualifying assets	549	272
Expenses not deductible for tax purposes	5,439	5,476
Under provision of current tax in prior year	25,101	6,384
Under provision of deferred tax in prior year	(37,807)	(5,010)
Non-taxable commission income	(10,190)	(9,617)
Dividend on equity instrument	(20)	(16)
Utilization of non-allowable Provisions	22,245	-
Income tax expense	283,283	228,599



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18. CURRENT INCOME TAX (CONTINUED)

c) CURRENT TAX ASSETS /(LIABILITIES) – GROUP

	2024 TZS' Millions	2023 TZS' Millions
At start of the year	10,969	(1,720)
Current tax expense (Note 18(a))	(305,607)	(238,641)
Prior year adjustment	584	-
Tax paid	303,562	251,330
Tax receivable	9,508	10,969

d) CURRENT TAX ASSETS /(LIABILITIES) – BANK

	2024 TZS' Millions	2023 TZS' Millions
At start of the year	7,783	(5,602)
Current tax expense (Note 18(b))	(304,493)	(237,646)
Prior year adjustment	584	-
Tax paid	301,736	251,031
Tax receivable	5,610	7,783

19. EARNINGS PER SHARE

There being no dilutive or dilutive potential share options, the basic and diluted earnings per share are the same.

The calculation of the basic earnings per share was based on the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the year, calculated as follows:

(a) GROUP

	2024	2023
Net profit attributable to shareholders (in Millions)	647,892	544,890
Weighted average number of shares in issue (in Millions)	500	500
Basic and diluted earnings per share	1,293.79	1,089.78

(b) BANK

Net profit attributable to shareholders (TZS Millions)	643,271	541,768
Weighted average number of shares in issue (Millions)	500	500
Basic and diluted earnings per share	1,286.54	1,083.54

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20 DIVIDEND PER SHARE

Dividends are not recognised as a liability until they have been ratified at the Annual General Meeting. The Directors propose payment of a dividend of TZS 428.85 per share, amounting to TZS 214,423 Million out of 2024 profit. In 2024, dividend of TZS 361.18 per share, amounting to TZS 180,590 Million was approved and paid in respect of the year ended 31 December 2023.

21. CASH AND BALANCES WITH BANK OF TANZANIA (GROUP AND BANK)

	2024 TZS' Millions	2023 TZS' Millions
Cash in hand	603,717	549,108
- Local currency	500,147	439,034
- Foreign currency	103,570	110,074
Balances with Bank of Tanzania	269,716	286,335
- Local currency	142,411	61,982
- Foreign currency	127,305	224,353
Statutory Minimum Reserves (SMR)*	577,137	505,491
	1,450,570	1,340,934
Current	1,450,570	1,340,934

*The SMR deposit is not available to finance the Bank's day-to-day operations and hence excluded from cash and cash equivalents for the purpose of the cash flow statement (Note 41). Cash in hand and balances with Bank of Tanzania are non-interest bearing.



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22. PLACEMENTS AND BALANCES WITH OTHER BANKS (GROUP AND BANK)

	2024 TZS' Millions	2023 TZS' Millions
Balances with banks abroad	171,173	220,936
Placement with local banks	89,697	
Placements with banks abroad	628,639	100,520
Letter of credit discounting arrangements	16,219	5,221
Gross Placements and balances with other banks	905,728	336,759
Less: Expected Credit Losses	(41)	-
Net placements and balances with other banks (current)	905,687	336,759

23. LOANS AND ADVANCES TO CUSTOMERS (GROUP AND BANK)

	2024 TZS' Millions	2023 TZS' Millions
Salaried Workers Loans (SWL)	4,823,911	3,867,746
Staff loans at fair value* ¹	384,535	257,617
Prepaid staff benefit * ²	25,810	42,954
MSE loans	352,698	369,846
Other consumer loans	184,950	609,225
Large corporate entities	1,625,315	1,957,924
SME loans	401,500	415,606
Agribusiness loans	940,502	428,708
Gross loans and advances to customers*	8,739,221	7,949,626
Less: Expected Credit Losses (Note 9.1.1)	(240,544)	(242,701)
Net loans and advances to customers	8,498,677	7,706,925

*¹ Using prevailing market interest rate for staff loans with a carrying amount of TZS 384,535 Million (2023: TZS 257,617 Million), the fair value is estimated to be TZS 410,345 Million (2023: TZS 300,571 Million).

*² Prepaid staff benefit is the difference between the gross carrying amount and the fair value of staff loans issued below market rate. It is deferred and amortized to profit and loss on a straight-line basis over the tenure of the facility. The unwinding of the benefit is the difference between cumulative interest income using market rate and staff rate.

*³ The gross loans and advances to customers consists of outstanding principal and interest receivable and it is net of interest in suspense amounting to TZS 15,191 Million (2023: TZS 21,248 Million).

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23. LOANS AND ADVANCES TO CUSTOMERS (GROUP AND BANK) (CONTINUED)

Analysis of loans and advances to customers by maturity

Maturity analysis is based on the remaining period to contractual maturity from year-end

	2024 TZS' Millions	2023 TZS' Millions
Maturing:		
Within 1 year	2,156,784	2,045,003
Between 1 year and 5 years	2,229,899	2,227,578
Over 5 years	4,111,994	3,434,344
	8,498,677	7,706,925

The following table shows the movement in expected credit losses that has been recognized for loans and advances to customers

	2024 TZS' Millions	2023 TZS' Millions
At 1 January	242,701	228,073
Increase in ECL recognised in the year (Note 12(a))	84,495	84,350
Decrease in ECL from derecognition of financial assets in the year	(86,652)	(69,722)
At 31 December	240,544	242,701

Analysis of the Gross exposure based on ECL segmentation as disclosed under note 9.1.4.1

2024	Agribusiness TZS' Millions	Overdraft TZS' Millions	Secured TZS' Millions	Unsecured TZS' Millions	Total TZS' Millions
Salaried Workers Loans	-	-	19,649	5,214,607	5,234,256
MSE loans	-	-	352,698	-	352,698
Other consumer loans	-	-	141,546	43,404	184,950
Large corporate entities	-	213,271	1,412,044	-	1,625,315
SME loans	-	61,929	339,571	-	401,500
Agribusiness loans	650,379	290,123	-	-	940,502
Grand Total	650,379	565,323	2,265,508	5,258,011	8,739,221



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23. LOANS AND ADVANCES TO CUSTOMERS (GROUP AND BANK) (CONTINUED)

2023	Agribusiness TZS' Millions	Overdraft TZS' Millions	Secured TZS' Millions	Unsecured TZS' Millions	Total TZS' Millions
Salaried workers loans	-	-	2,335	4,165,982	4,168,317
MSE loans	-	-	369,846	-	369,846
Other consumer loans	-	-	72,215	537,010	609,225
Large corporate entities	-	435,818	1,520,211	1,895	1,957,924
SME loans	-	67,100	346,991	1,515	415,606
Agribusiness loans	371,193	55,134	-	2,381	428,708
Grand Total	371,193	558,052	2,311,598	4,708,783	7,949,626

24(a) INVESTMENT SECURITIES AT AMORTISED COST (GROUP AND BANK)

	2024 TZS' Millions	2023 TZS' Millions
Treasury bills	415,281	377,154
Treasury bonds	1,752,420	1,861,520
Corporate bonds	12,682	6,586
Gross investment securities	2,180,383	2,245,260
Less: Expected Credit Loss	(113)	-
Net in investment securities	2,180,270	2,245,260
Current	633,042	573,000
Non-current	1,547,228	1,672,260
	2,180,270	2,245,260

Treasury bills and bonds are debt securities issued by the Government of the United Republic of Tanzania. In the current year, the effective interest rate stood at 9.5% (2023: 9.2%). As at 31 December 2024, there were no treasury bills which were pledged as collateral. However, treasury bonds with a face value of TZS 243,656 Million (2023: TZS 158,655 Million) were pledged as security for borrowings from Bank of Tanzania under the Agribusiness special loan program. Corporate bonds include Sukuk bonds which are sharia-compliant bonds.

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24(a) INVESTMENT SECURITIES AT AMORTISED COST (GROUP AND BANK)

The movement in investment securities is summarized as follows:

	2024 TZS' Millions	2023 TZS' Millions
At 1 January	2,245,260	1,915,254
Interest income (Note 10)	208,287	206,092
Additions	537,565	932,548
Interest received	(216,723)	(203,103)
Proceeds from disposal	(20,000)	(37,999)
Matured securities	(575,587)	(569,279)
Realized gain on disposal credited to profit or loss	1,581	1,747
Gross investment securities	2,180,383	2,245,260
Matured securities	(113)	-
Net investment insecurities	2,180,270	2,245,260

24(b) INVESTMENT SECURITIES AT FVOCI (GROUP AND BANK)

The Group has invested in various treasury bonds, which have been assessed and determined to meet the criteria for classification at fair value through other comprehensive income (FVTOCI). The movement in these securities is as follows:

	2024 TZS' Millions	2023 TZS' Millions
At 1 January	28,345	28,778
Interest income (Note 10)	3,799	2,705
Realized gain on disposal of securities credited to profit	2,544	5,780
Unrealized fair valuation gain to OCI (Note 39 (iii))	714	663
Additions	231,566	568,500
Interest received	(2,455)	(8,990)
Proceeds from disposal	(186,174)	(569,090)
At 31 December (Non-current)	78,339	28,345



24(c) INVESTMENT SECURITIES AT FVTPL (GROUP AND BANK)

	2024 TZS' Millions	2023 TZS' Millions
At 1 January	-	-
Interest income (Note 10)	302	-
Realized gain on fair valuation credited to profit or loss	706	-
Additions	30,202	-
Interest received	(638)	-
Proceeds from disposal	(20,418)	-
At 31 December (Current)	10,154	-

* Included in the separate and consolidated statement of profit or loss is the total of realized gains on investment securities from all three categories which totals TZS 4,831 Million (2023: TZS 7,527 Million)

25. EQUITY INVESTMENTS

(a) GROUP

Investment at FVOCI

Company name

	2024 TZS' Millions	% share	2023 TZS' Millions	% share
Tanzania Mortgage Refinance Company Limited (TMRC)	4,233	9.51	2,920	7.81

TMRC is a private company and its shares are not listed in any stock exchange market. On adoption of IFRS 9, the investment was re-measured at fair value through other comprehensive income. Fair value was determined by observing a recent transaction in the market. The Bank acquired additional 900,000 shares at a 10% discount price of TZS 1,459.80 which is equivalent to TZS 1,313 Million. As at 31 December 2024, the Bank had 2,700,000 shares (2023: 1,800,000) in TMRC. The dividend that was declared during the year amounted to TZS 65 Million (2023: TZS 55 Million).

25. EQUITY INVESTMENTS (CONTINUED)

(b) Bank

The Bank has equity investments in TMRC, and a subsidiary named Upanga Joint Venture Company Limited (UJVC).

(I) Investment in a subsidiary

Company name

Upanga Joint Venture Company Limited

	2024 TZS' Millions	% Share- holding	2023 TZS' Millions	% Share- holding
Upanga Joint Venture Company Limited	39,639	88	39,639	88

There are no contingent liabilities relating to the Bank's interest in the subsidiary. There are no restrictions to the Bank in gaining access or use of assets of the subsidiary and settling liabilities of the Group. The subsidiary (UJCV) listed above has share capital consisting solely of ordinary shares. The country of incorporation; the United Republic of Tanzania is also their principal place of business. There were no significant judgements and assumptions made in determining the Bank's interest in the subsidiary.

Set out below is the summarized financial information of Upanga Joint Venture Company Limited (UJVC).

Summarized statement of financial position

Current

	2024 TZS' Millions	2023 TZS' Millions
Assets	20,007	15,305
Liabilities	(1,687)	(1,658)
Total net current assets	18,320	13,647

Non-current

	2024 TZS' Millions	2023 TZS' Millions
Assets	25,760	27,790
Total non-current net assets	25,760	27,790
Total net assets	44,080	41,437



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25. EQUITY INVESTMENTS (CONTINUED)

b) Bank (Continued)

(i) Investment in a subsidiary (Continued)

	2024 TZS' Millions	2023 TZS' Millions
Summarized statement of comprehensive income		
Revenue	4,922	4,922
Cost of sales	(118)	(118)
Finance costs	1,075	600
Administrative expenses	(2,106)	(2,087)
Tax charge	(1,132)	(995)
Profit after tax	2,641	2,322
Allocated to non- controlling interest	361	318

	2024 TZS' Millions	2023 TZS' Millions
Summarized cash flows		
Net cash generated from operations	728	3,753
Net cash used in investing activities	-	(9,000)
Net cash used in financing activities	-	-
Net decrease in cash and cash equivalents	728	(5,247)
Cash and cash equivalents at start of the year	69	5,316
Cash and cash equivalents at end of the year	797	69

(ii) Investment at fair value through other comprehensive income

	2024		2023	
Company name	TZS' Millions	% Share-holding	TZS' Millions	% Share-holding
Tanzania Mortgage Refinance Company Ltd	4,233	9.51	2,920	7.81

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26. OTHER ASSETS

(a) GROUP

	2024 TZS' Millions	2023 TZS' Millions
Service fees receivable	3,034	6,377
Prepayments	33,271	31,886
Other receivables*	80,651	80,700
Staff imprests	174	111
Stationery stock	3,488	1,859
Bank card inventory	7,171	6,208
Wakala POS inventory	3,972	-
Balances due to related parties	1,520	1,534
Cheques and items for clearance	2,009	(1,432)
Balances with Mobile Network Operators (MNO's)	39,774	18,593
Less: Credit impairment charge of other receivables	(1,786)	(135)
	173,278	145,701
Current	109,544	134,471
Non-current	63,734	11,230
	173,278	145,701

The movement in credit/(charges) of other assets is as follows:

	2024 TZS' Millions	2023 TZS' Millions
At start of the year	(135)	(2,597)
Write off	598	2,281
(Charge)/Credit for the year (Note 12(b))	(2,249)	181
At end of year	(1,786)	(135)

(b) BANK

	2024 TZS' Millions	2023 TZS' Millions
Service fees receivable	3,034	6,377
Prepayments	33,193	31,807
Other receivables	78,125	78,339
Staff imprest	174	111
Stationery Stock	3,488	1,859
Bank card Inventory	7,171	6,207
Balances due to related parties	1,520	1,534
Wakala POS Inventory	3,972	-
Cheques and items for clearance	2,009	(1,432)
Balances with Mobile Network Operators	39,775	18,593
Less: Credit impairment charge of other receivables	(1,786)	(135)
	170,675	143,260



26. OTHER ASSETS (CONTINUED)

(b) BANK (Continued)	2024 TZS' Millions	2023 TZS' Millions
Current	106,940	132,030
Non-current	63,735	11,230
At end of the year	170,675	143,260

The movement in expected credit losses of other receivables is as follows:

At start of the year	(135)	(2,597)
Write off	598	2,281
(Charge)/Credit for the year (Note 12(b))	(2,249)	181
At end of year	(1,786)	(135)

Other assets have not been pledged as security for liabilities.

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27. PROPERTY AND EQUIPMENT

(a) GROUP

	Own building TZS' Millions	Leasehold improvement TZS' Millions	Motor vehicles TZS' Millions	Computers, furniture and equipment TZS' Millions	Capital work in progress* TZS' Millions	Total TZS' Millions
Year ended 31 December 2024						
COST						
At 1 January 2024	136,810	108,233	27,858	254,833	4,821	532,555
Additions	68	111	967	12,474	21,747	35,367
Transfers from WIP	843	2,126	-	4,231	(7,200)	-
Transfer from prepayments	-	-	-	2,516	705	3,221
Disposal	-	-	(1,750)	(6,624)	-	(8,374)
At 31 December 2024	137,721	110,470	27,075	267,430	20,073	562,769
DEPRECIATION						
At 1 January 2024	59,097	67,895	20,030	204,687	-	351,709
Charge for the year	6,268	7,499	2,188	20,757	-	36,712
Disposal	-	-	(1,750)	(6,564)	-	(8,314)
At 31 December 2024	65,365	75,394	20,468	218,880	-	380,107
NET BOOK VALUE						
At 31 December 2024	72,356	35,076	6,607	48,550	20,073	182,662

*The capital work in progress relates to the ongoing projects of branch renovations, network equipment and security system projects. No property and equipment of the Group and Bank has been pledged as security for liabilities.



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27. PROPERTY AND EQUIPMENT (CONTINUED)

(a) GROUP (CONTINUED)						
Year ended 31 December 2023	Own building TZS' Millions	Leasehold improvement TZS' Millions	Motor vehicles TZS' Millions	Computers, furniture and equipment TZS' Millions	Capital work in progress* TZS' Millions	Total TZS' Millions
COST						
At 1 January 2023	134,139	102,161	21,392	257,815	4,107	519,614
Additions	71	357	4,627	18,055	10,524	33,634
Transfers from WIP	2,600	5,914	76	1,100	(9,722)	(32)
Transfer from prepayments	-	-	2,035	5,492	(88)	7,439
Disposal	-	(199)	(272)	(27,629)	-	(28,100)
At 31 December 2023	136,810	108,233	27,858	254,833	4,821	532,555
DEPRECIATION						
At 1 January 2023	52,893	60,272	18,596	212,716	-	344,477
Charge for the year	6,204	7,785	1,538	19,408	-	34,935
Disposal	-	(162)	(104)	(27,437)	-	(27,703)
At 31 December 2023	59,097	67,895	20,030	204,687	-	351,709
NET BOOK VALUE						
At 31 December 2023	77,713	40,338	7,828	50,146	4,821	180,846

* The capital work in progress relates to the ongoing projects of branch remodelling. No property and equipment of the Group and Bank has been pledged as security for liabilities.

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27. PROPERTY AND EQUIPMENT (CONTINUED)

(b) BANK						
Year ended 31 December 2024	Own building TZS' Millions	Leasehold improvement TZS' Millions	Motor vehicles TZS' Millions	Computers, furniture and equipment TZS' Millions	Capital work in progress* TZS' Millions	Total TZS' Millions
COST						
At 1 January 2024	93,790	108,233	27,858	254,834	4,821	489,536
Additions	68	111	967	12,474	21,747	35,367
Transfers	842	2,125	-	4,232	(7,199)	-
Transfer from prepayments	-	-	-	2,516	705	3,221
Disposal	-	-	(1,750)	(6,624)	-	(8,374)
At 31 December 2024	94,700	110,469	27,075	267,432	20,074	519,750
DEPRECIATION						
At 1 January 2024	43,867	67,895	20,030	204,687	-	336,479
Charge for the year	4,236	7,498	2,188	20,758	-	34,681
Disposal	-	-	(1,750)	(6,564)	-	(8,314)
At 31 December 2024	48,103	75,393	20,468	218,881	-	362,847
NET BOOK VALUE						
At 31 December 2024	46,597	35,076	6,607	48,551	20,074	156,903

* The capital work in progress relates to the ongoing projects of branch renovations, network equipment and security system projects. No property and equipment of the Group and Bank has been pledged as security for liabilities.



27. PROPERTY AND EQUIPMENT (CONTINUED)

(b) BANK (CONTINUED)		Own building	Leasehold	Motor	Computers,	Capital work in	Total
	Year ended 31 December 2023	improvement	vehicles	furniture and	progress*	Millions	Millions
	At 1 January 2023	TZS' Millions	TZS' Millions	TZS' Millions	TZS' Millions	Millions	Millions
Additions	91,119	102,161	21,392	257,815	4,107	476,594	476,594
Transfers	71	357	4,627	18,056	10,524	33,635	33,635
Transfer from prepayments	2,600	5,914	76	1,100	(9,722)	(32)	(32)
Disposal	-	-	2,035	5,491	(88)	7,438	7,438
	-	(199)	(272)	(27,629)	-	(28,100)	(28,100)
At 31 December 2023	93,790	108,233	27,858	254,833	4,821	489,535	489,535
DEPRECIATION							
At 1 January 2023	39,694	60,272	18,596	212,716	-	331,278	331,278
Charge for the year	4,173	7,785	1,538	19,408	-	32,904	32,904
Disposal	-	(162)	(104)	(27,437)	-	(27,703)	(27,703)
At 31 December 2023	43,867	67,895	20,030	204,687	-	336,479	336,479
NET BOOK VALUE							
At 31 December 2023	49,923	40,338	7,828	50,146	4,821	153,056	153,056

* The capital work in progress relates to the ongoing projects of branch re-modelling. No property and equipment of the Group and Bank has been pledged as security for liabilities.

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28. INTANGIBLE ASSETS (GROUP AND BANK)

	Computer	Work in	Total
2024	Software	progress	TZS'
	TZS'	TZS'	Millions
	Millions	Millions	Millions
Cost:			
At 1 January	101,783	17,013	118,796
Additions	4,705	33,083	37,788
Transfers	8,664	(8,664)	-
At 31 December	115,152	41,432	156,584
Amortization			
At 1 January	81,449	-	81,449
Charge for the year	9,246	-	9,246
At 31 December	90,695	-	90,695
Net book value	24,457	41,432	65,889
2023			
Cost:			
At 1 January	80,553	15,340	95,893
Additions	2,179	20,686	22,865
Transfers	19,051	(19,013)	38
At 31 December	101,783	17,013	118,796
Amortization			
At 1 January	77,603	-	77,603
Charge for the year	3,846	-	3,846
At 31 December	81,449	-	81,449
Net book value	20,334	17,013	37,347

The software work in progress relates to costs towards development of new agency banking system, internet banking, Mkononi revamp, Micro lending and other small systems.



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29. LEASES

	2024 TZS' Millions	2023 TZS' Millions
(a) RIGHT TO USE ASSETS GROUP		
At 1 January	25,232	27,063
Additions	2,382	939
Modification	4,847	7,893
Amortisation charge	(10,079)	(10,663)
At 31 December	22,382	25,232
(b) RIGHT TO USE ASSETS BANK		
At 1 January	60,325	65,072
Additions	2,382	939
Lease remeasurement	4,847	7,893
Amortisation charge	(12,997)	(13,579)
At 31 December	54,557	60,325
(c) LEASE LIABILITIES GROUP		
At 1 January	28,844	30,586
Additions	1,548	939
Termination	(10)	-
Interest expense	2,011	2,218
Revaluation losses	-	152
Lease remeasurement	3,394	8,177
Interest paid	(2,011)	(1,984)
Principal payment	(9,478)	(11,244)
At 31 December	24,298	28,844
Current	5,384	9,133
Non-current	18,914	19,711
	24,298	28,844

The maturity analysis for the Group lease liability is as follows

Year 1	7,797	9,787
Year 2	6,342	7,707
Year 3	3,906	6,131
Year 4	2,225	3,469
Year 5	446	2,220
Onwards	3,799	4,237
Total undiscounted lease liability	24,515	33,531

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29. LEASES (CONTINUED)

	2024 TZS' Millions	2023 TZS' Millions
(d) LEASE LIABILITIES BANK		
At 1 January	65,193	68,733
Additions	1,548	939
Termination	(9)	-
Lease remeasurement	3,393	8,177
Interest expense	4,978	5,341
Interest paid	(4,971)	(918)
Principal payment	(11,439)	(17,231)
At 31 December	58,693	65,041
Current	6,004	12,057
Non-current	52,689	53,136
	58,693	65,193

The maturity analysis for the Group lease liability is as follows

Year 1	12,719	14,709
Year 2	11,263	12,629
Year 3	8,827	11,052
Year 4	7,146	8,390
Year 5	5,367	7,122
Onwards	33,328	33,766
Total undiscounted lease liability	78,650	87,668

Amounts recognized in profit and loss

(e) GROUP		
Amortisation of right-of-use assets - Note 17 (a)	10,079	10,663
Finance cost – included as interest expense - Note 11(a)	2,011	2,218
Expense relating to short-term leases - Note 16 (a)	118	561
Foreign exchange gain on leases liability – Note 29 (c)	-	152
	12,208	13,594
(f) BANK		
Amortisation of right-of-use assets - Note 17 (b)	12,997	13,579
Finance cost – included as interest expense - Note 11(b)	4,978	5,341
Expense relating to short-term leases - Note 16 (b)	118	561
Gain on modification – Note 29(b), Note 29(d)	1,463	284
Foreign exchange gain on leases liability – Note 29 (d)	-	152
	19,556	19,917

All leases relate to properties used as office, branch or ATM outlets. Total cash out flow for leases in 2024 for Group and Bank amounted to TZS 16,410 Million (2023: TZS 13,228 Million) and TZS 16,410 Million (2023: TZS 18,149 Million) respectively. During the year there was an addition of TZS 2,382 Million for both Group and Bank.



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30. DERIVATIVES FINANCIAL INSTRUMENTS (GROUP/BANK)

The fair values and notional amounts of derivative instruments held for trading are set out in the following table:

	2024	
	Fair value	
	Notional Amount TZS' Millions	Assets TZS' Millions
		Liabilities TZS' Millions
Forward foreign exchange contracts	228,108	14,721
		2,956

The Bank holds derivatives as part of the provision of risk management products to the Bank customers. The Bank currently does not hold any derivatives other than for trading purpose.

31. DEFERRED TAX

(a) DEFERRED INCOME TAX ASSETS (GROUP AND BANK)

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 30%. The movement on the deferred income tax account is as follows:

	2024 TZS' Millions	2023 TZS' Millions
At start of year	118,324	109,475
<i>Credit to profit or loss:</i>		
In respect to current year (Note 18(a))	(16,596)	4,038
In respect of prior year: over provision (Note 18(a))	37,806	5,010
<i>Debit to OCI:</i>		
In respect of current year	(214)	(199)
At the end of year	139,320	118,324

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31. DEFERRED TAX (CONTINUED)

(a) DEFERRED INCOME TAX ASSETS (GROUP AND BANK) (CONTINUED)

Deferred income tax asset and deferred income tax credit to the profit or loss are attributed to the following items:

Year ended 31 December 2024	(Charged)/credited to profit or loss in respect				
	1 January TZS' Millions	Current year TZS' Millions	Prior years TZS' Millions	Charged to OCI TZS' Millions	31 December TZS' Millions
Deferred income tax asset					
Impact to profit and loss					
Property and equipment	10,713	(2,319)	-	-	8,394
Provisions for credit impairment	77,862	6,129	37,806	-	121,797
Other provisions	25,475	(21,535)	-	-	3,940
Other temporary differences	4,938	1,129	-	-	6,067
Impact to reserve					
Fair valuation gain – equity	(354)	-	-	-	(354)
Fair valuation gain – debt	(310)	-	-	(214)	(524)
	118,324	(16,596)	37,806	(214)	139,320

Year ended 31 December 2023	(Charged)/credited to profit or loss in respect of				
	1 January TZS' Millions	Current year TZS' Millions	Prior years TZS' Millions	Charged to OCI TZS' Millions	31 December TZS' Millions
Deferred income tax asset					
Impact to profit and loss					
Property and equipment	14,137	(3,424)	-	-	10,713
Provisions for credit impairment	68,381	9,481	-	-	77,862
Other provisions	22,484	(2,019)	5,010	-	25,475
Other temporary differences	4,938				4,938
Impact to reserve					
Fair valuation gain – equity	(354)	-	-	-	(354)
Fair valuation gain – debt	(111)	-	-	(199)	(310)
	109,475	4,038	5,010	(199)	118,324



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31. DEFERRED TAX (CONTINUED)

(b) DEFERRED TAX LIABILITY (GROUP)

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 30%. The movement on the deferred income tax account is as follows:

	As 1 January	(Charged) / credited to profit or loss	At 31 December
Year ended 31 December 2024	857	(18)	839
Investment property			
Total	857	(18)	839
Year ended 31 December 2023			
Investment property	1,418	(561)	857
Total	1,418	(561)	857

Deferred income tax liability and deferred income tax charge/credit to the profit or loss are attributed to the following items:

	2024 TZS' Millions	2023 TZS' Millions
Deferred tax liability recognized (Investment property)	839	857

32 DEPOSITS FROM CUSTOMERS

(a) GROUP

Deposits due to customers are composed of the following;

Current accounts	3,637,439	3,257,509
Personal accounts	4,533,432	3,921,712
Time deposit accounts	1,393,351	1,286,387
	9,564,222	8,465,608
Current	6,242,203	5,756,965
Non-current	3,322,019	2,708,643
	9,564,222	8,465,608

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32. DEPOSITS FROM CUSTOMERS (CONTINUED)

(b) BANK

	2024 TZS' Millions	2023 TZS' Millions
Current accounts	3,650,332	3,266,549
Personal accounts	4,533,433	3,921,712
Time deposit accounts	1,393,351	1,286,417
	9,577,116	8,474,678
Current	6,242,203	5,766,035
Non-current	3,334,913	2,708,643
	9,577,116	8,474,678

33. DEPOSITS DUE TO OTHER BANKS (GROUP AND BANK)

Deposits from other banks (Current)	73	15,008
-------------------------------------	-----------	---------------

34. OTHER LIABILITIES

(a) GROUP

Accrued expenses	18,719	15,666
Bonus payable	15,372	18,242
Deferred processing fees	67,184	59,273
Bills payable	1,879	1,983
Statutory liabilities	29,569	36,296
Provisions for TRA assessments	11,147	13,693
Insurance premium payable	12,472	11,616
Commission payable to NMB agents	5,836	4,902
Cheques and items for clearance	-	7,381
Provisions	9,822	45
Commission received in advance; LCs and Guarantees	1,778	1,715
Sundry liabilities	36,877	22,821
Expected credit losses for off-balance sheet items (Note 9.1.4.1 e)	984	411
Total	211,639	194,044
Current	95,975	49,580
Non-current	115,664	144,464
	211,639	194,044



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34. OTHER LIABILITIES (CONTINUED)

	2024 TZS' Millions	2023 TZS' Millions
(b) BANK		
Accrued expenses	18,720	15,666
Bonus payable	15,372	18,242
Deferred processing fees	67,184	59,273
Bills payable	1,879	1,983
Statutory liabilities	29,569	36,296
Provisions for TRA assessments	11,147	13,693
Insurance premium payable	12,472	11,616
Commission payable to NMB agents	5,836	4,902
Cheques and items for clearance	8,529	7,380
Provisions	9,822	45
Commission received in advance; LCs and Guarantees	1,778	1,715
Sundry liabilities	33,982	28,484
Expected credit losses on off-balance sheet items (Note 9.1.4.1 e)	984	411
Total	217,274	199,706
Current	104,072	112,734
Non-current	113,202	41,035
	217,274	153,769

34. PROVISIONS (GROUP AND BANK)

Provision for losses from legal cases	2,779	2,431
Movement in provision		
At the start of year	2,431	2,079
Charged during the year	348	352
At end of year	2,779	2,431

The amounts represent provisions for certain legal claims brought against the Group and Bank by third parties in the course of business. In the Directors' opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as at 31 December 2024.

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36. BORROWINGS (GROUP AND BANK)

	2024 TZS' Millions	2023 TZS' Millions
Borrowings:		
EIB Loan (i)	117,571	32,498
FMO Loan (ii)	245,900	314,125
Debt securities in issue (iii)	466,718	470,659
TMRC (iv)	16,700	16,700
IFC (v)	271,490	374,180
BOT (vi)	242,874	157,875
Accrued interest	8,251	14,156
	1,369,504	1,380,193
Current	669,345	333,496
Non-current	700,159	1,046,697
	1,369,504	1,380,193

As at 31 December 2024, the Group had no borrowing at default and was in compliance with all covenants.

(i) European Investment Bank (EIB) loan

As at 31 December 2024, the Bank had outstanding balance of TZS 118 Billion (2023: TZS 32 Billion). During the financial year, the Bank received two USD drawdowns. The first, amounting to TZS 44 Billion, was disbursed on July 11, 2024, and the second, amounting to TZS 41 Billion, was disbursed on December 19, 2024. The TZS loan is payable semi-annually for five years in equal installments starting in April 2025 at an effective rate of 14.19% (2023: 9.31%) and the USD loans are payable semi-annually for 10 years in equal installments starting April 2027 at a rate of 6 Months Term SOFR + 2.25% (2023: 0%)

The loan is part of EUR 100 Million Gender and Blue Economy financing that can be drawn down in either EUR, USD, or TZS.

(ii) Financierings-Maatschappij voor Ontwikkelingslanden N.V (FMO) loan

As at 31 December 2024, the Bank had unsecured loan of USD 100 Million repayable semi-annually within six years and carries a floating rate based on six months Term SOFR plus a margin of 2.85%. The first installment of this loan is due for repayment was June 2024 while the last installment is due for repayment in December 2028. The outstanding balance as at 31 December 2024 was USD 100 Million equivalent to TZS 245,900 Million (2023: USD 125 Million equivalent to TZS 314,375 Million)



36. BORROWINGS (GROUP AND BANK) (CONTINUED)

(iii) Debt securities in issue

Jamii Bond

In November 2023 the Bank issued the first tranche of NMB Multicurrency Medium Term Note (MTN) Programme dubbed Jamii "Sustainability" Bond worth approximately Tanzanian Shillings Four Hundred Billion (TZS 400,000,000,000). The Bank issued two series of notes denominated in TZS and USD.

- TZS: The Bank issued a TZS 75 Billion 3-year bond targeted towards the retail and institutional investor segment; offering a gross coupon rate of 9.5% and issued at par. The coupon on the bond is paid quarterly. The offer period closed on 27 October 2023 with market demand exceeding expectations. The bond subscription rate was 284% with the Bank receiving applications from investors amounting to TZS 212.94 Billion.
- USD: The Bank issued a USD 10 Million 3-year bond targeted towards the off shore institutional investor segment; offering a gross coupon rate of 6-month term SOFR +2.50% and issued at par. The coupon on the bond is paid semi-annually. The offer period closed on 8 December 2023 with market demand exceeding expectations. The bond subscription rate was 730% with the Bank receiving applications from investors amounting to USD 73 Million.
- The bond is unsecured and the two notes series are tradable on the Dar es Salaam Stock Exchange (DSE).
- Jamii Bond is a Sustainability Bond issued under the Bank Sustainable Financing Framework that is in alignment with International Capital Markets Association (ICMA) and Multilateral Development Bank (MDB) principles. The framework secured Second Party Opinion (SPO) from Sustainalytics.
- Use of Proceeds: The Bank has allocated an amount of funding equivalent to the net proceeds of this tranche of Notes to finance new eligible loans/assets and/or refinance existing eligible loans/assets, in whole or in part, that meet the eligibility criteria detailed in the green and social categories as defined in the NMB Sustainable Finance Framework.

36. BORROWINGS (GROUP AND BANK) (CONTINUED)

(iii) Debt securities in issue (Continued)

Jasiri Bond (Sustainable Bond)

Sustainable Bond

On 7 February 2022, the Bank issued the fourth and final tranche of the 2016 MTN program dubbed Jasiri Bond. The Bank issued a TZS 25 Billion 3-year bond targeted towards the retail and institutional investor segment; offering a gross coupon rate of 8.5% and issued at par. The coupon on the bond is paid quarterly. The offer period closed on 21 March 2022 with market demand exceeding expectations. The bond was oversubscribed by 197% with the Bank receiving applications from investors amounting to TZS 74.3 Billion.

Jasiri Bond is the Bank's first Gender Bond in the whole of Sub-Saharan Africa (SSA) whose framework aligns with Social Bond Principles administered by the International Capital Market Association. The debut issuance under the Bank Social Bond Framework focuses exclusively on gender equality and economic empowerment of women (SDG-5 specifically) by channelling its proceeds to women-owned or led businesses and those businesses whose products and services directly benefit a woman. The Bond will also have impact on other broad-based SDGs impacted through financing of economic activities under SMEs.

The bond is unsecured and is tradable on the Dar es Salaam Stock Exchange (DSE).

As at 31 December 2023, the NMB 2016 MTN program was fully exhausted after the issuance of fourth tranche.

The issuance of the bonds is part of the Bank's strategy to diversify its funding sources.

(iv) Tanzania Mortgage Refinance Company Limited

As at 31 December 2024 the balance was TZS 16.7 Billion (2023: TZS 16.7 Billion). The balance was made up of 4 tranches which were taken to finance the portfolio of mortgage loans and all tranches were renewable.

At the end of 2017, the Bank had borrowed from Tanzania Mortgage Refinance Company Limited (TMRC) a renewable loan of TZS 1.7 Billion maturing in 48 months and carrying a fixed rate of 11.5% p.a. The loan is secured by specific debenture over the portfolio of mortgage loans covering at least 125% of the loan amount. The loan was renewed in 2020 at a fixed price of 7.5%.

In 2018, the Bank secured an additional TZS 5 Billion loan with a 3-year tenor at a fixed interest rate of 11.5%. The loan is secured by a portfolio of treasury bonds with a coverage ratio of at least 105.3% and minimum remaining tenor of 3 years from the date of disbursement. The loan was renewed in 2021 at a fixed price of 7.5%.

In 2019 the Bank secured additional TZS 5 Billion loan with a 3-year tenor at a fixed interest rate of 9%. The loan is secured by a portfolio of treasury bonds with a coverage ratio of at least 105.3%. The loan was renewed in 2022 at a fixed price of 7.5%.



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36. BORROWINGS (GROUP AND BANK) (CONTINUED)

(iv) Tanzania Mortgage Refinance Company Limited (Continued)

In 2020 the Bank secured an additional TZS 5 Billion loan with a 3-year tenor at a fixed interest rate of 7.5%. The loan is secured by specific debenture over the portfolio of mortgage loans covering at least 125% of the loan amount. The loan was renewed in 2023 at a fixed price of 8.95%.

(v) International Finance Corporation (IFC)

In 2020, the Bank obtained an unsecured loan of TZS 50 Billion repayable semi-annually within five to six years and carries a fixed rate of 10.50%. The outstanding balance as at 31 December 2024 was TZS 7,143 Million (2023: TZS 21,428 Million).

During the year 2022, the Bank converted the subordinate loan of TZS 68.19 Billion to a senior loan which carried a reduced interest rate. As at 31 December 2024 the balance was TZS 17,048 Million (2023: TZS 51,142 Million). The effective interest rate was 11.93%. The loan is unsecured.

During the year 2023, the Bank obtained an unsecured loan of USD 100 Million being a COVID- 19 Working Capital Solution Facility. The loan is repayable in 2 years as a bullet and was drawn down in both USD and TZS. The USD portion is based on six months Term SOFR plus a margin of 1.95% while the TZS portion carries a fixed interest rate of 13.70%. As at 31 December 2023, the Bank had outstanding amounts of USD 75 Million and TZS 62,875 Million of this loan

(vi) Bank of Tanzania (BOT)

In September 2022, the Bank borrowed from BOT an amount of TZS 57.9 Billion repayable in 3 months carrying a fixed rate with an option to renew. In 2023, the Bank borrowed from BOT two more loans with amounts of TZS 70 Billion and TZS 30 Billion repayable in 3 months with an option for renewal. During the current year the Bank borrowed two more loans amounting to TZS 40 Billion and TZS 45 Billion repayable in 3 months with an option for renewal. The effective interest rate for all these loans is 3%. The loans were taken for the purpose of promoting credit to private sector particularly small-scale farmers. These loans are secured by treasury bonds.

Movement of borrowings during the year was as follows:

	2024 TZS' Millions	2023 TZS' Millions
At 1 January	1,380,193	749,354
Interest expense	116,594	73,697
Loans received	170,073	785,238
Interest paid	(117,971)	(64,317)
Principal payment	(159,035)	(190,353)
Foreign exchange (loss)/gain	(20,350)	26,574
At 31 December	1,369,504	1,380,193

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37. NET DEBT ANALYSIS

	Group		Bank	
	2024 TZS' Millions	2023 TZS' Millions	2024 TZS' Millions	2023 TZS' Millions
Cash and cash equivalents	1,779,161	1,172,202	1,779,161	1,172,202
Borrowings repayable:				
- One year	(669,344)	(333,496)	(669,344)	(333,496)
- After one year	(700,159)	(1,046,697)	(700,159)	(1,046,697)
Lease liabilities due				
- After 1 year	(14,658)	(21,138)	(63,872)	(53,136)
- Within 1 year	(7,271)	(8,734)	(12,192)	(13,656)
Net debt	387,729	(237,863)	333,594	(273,184)
Cash and cash equivalents	1,779,161	1,172,202	1,779,161	1,172,202
Gross debt – fixed interest rate	(696,769)	(701,869)	(731,164)	(701,869)
Gross debt – variable interest rate	(697,033)	(743,517)	(697,033)	(743,517)
Net debt	385,359	(273,184)	350,964	(273,184)

The movement of the individual components is available in Note 29, Note 36 and the statement of cash flows.

38. NON CONTROLLING INTEREST (NCI)

Non-controlling interest balance relates to the value of the interest held by the non-controlling shareholders in Upanga Joint Venture Company (UJVC) Limited. UJVC was incorporated and started its operations during the year 2002. The Bank owns 86.22% shares in UJVC.

Set out below is summarised financial information for the subsidiary without non-controlling interests that are material to the group. The amounts disclosed are before inter-company eliminations.

Upanga Joint Venture Company (UJVC) Limited	2024 TZS' Millions	2023 TZS' Millions
At 1 January	4,441	4,124
Share of profit for the year	363	317
At 31 December	4,804	4,441



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37. CAPITAL AND RESERVES (CONTINUED)

(i) Share capital

Authorized

625,000,000 ordinary shares of TZS 40 each

Called up and fully paid

500,000,000 ordinary shares of TZS 40 each

	2024 TZS' Millions	2023 TZS' Millions
	25,000	25,000
	20,000	20,000

(ii) Retained earnings

Retained earnings consist of undistributed profits from previous years.

(iii) Fair valuation reserve

The reserve is made up of fair valuation of financial assets and liabilities. This reserve is not available for distribution to shareholders.

Movement in fair valuation reserve is as follows:

At 1 January

Fair valuation gain (Note 24(b))

Deferred tax on fair valuation gain (Note 31(a))

At 31 December

	2024 TZS' Millions	2023 TZS' Millions
	1,550	1,086
	714	663
	(214)	(199)
	2,050	1,550

40. CASH AND CASH EQUIVALENTS (GROUP AND BANK)

Cash and balances with Bank of Tanzania (Note 21)

Less: Statutory Minimum Reserves (Note 21)

Placement and balances with other banks (Note 22)

	2024 TZS' Millions	2023 TZS' Millions
	1,450,570	1,340,934
	(577,137)	(505,491)
	905,728	336,759
	1,779,161	1,172,202

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 91 days maturity from the date of acquisition including: cash and balances with Bank of Tanzania and Placement with other banks. Cash and cash equivalents exclude the cash reserve requirement (SMR) held with the Bank of Tanzania.

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41. NOTES TO THE STATEMENT OF CASH FLOWS

(a) GROUP

Operating activities

Profit before tax

Adjustment for:

Depreciation and amortization

Gain on modification of lease

Profit on disposal of property and equipment

Realised gain on government security - FVOCI

Realised gain on government security - FVPL

Realised gain on disposal of government securities at amortized cost

Interest income from government security - FVOCI

Interest income from government security amortised at cost

Interest income on government securities - FVPL

Interest expense on lease

Interest expense on borrowings

Foreign exchange loss on borrowings

Foreign exchange loss on lease liability

Impairment charge

Dividend income

Provision

Note

Movement in working capital:

Statutory Minimum Reserve

Net investment in securities at FVOCI

Net investment in securities at FVPL

Loans and advances to customers

Derivative financial instrument assets

Derivative financial instrument liabilities

Other assets

Deposits from customers

Deposits due to other banks

Other liabilities

Cash generated/(used in) from operations

2024
TZS'
Millions

2023
TZS'
Millions

931,290

774,801

56,037

49,444

(1,463)

284

(240)

(294)

(2,544)

(5,780)

(706)

-

(1,581)

(1,747)

(3,799)

(2,705)

(208,287)

(206,092)

(302)

-

2,011

2,218

116,594

73,697

(20,350)

26,574

-

152

87,471

84,435

(65)

(55)

348

352

954,414

795,284

(71,646)

(44,751)

(45,392)

591

(9,784)

-

(876,820)

(1,776,672)

(14,721)

-

2,956

-

(33,051)

55,167

1,098,613

870,776

(14,935)

2,563

16,998

45,192

1,006,632

(51,850)



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	Note	2024 TZS' Millions	2023 TZS' Millions
(b) BANK			
Operating activities			
Profit before tax		926,554	770,367
<i>Adjustment for:</i>			
Depreciation and amortization	17(b)	56,924	50,329
Gain on modification of lease contract	29(f)	(1,463)	284
Profit on disposal of property and equipment	14	(240)	(294)
Realized gain on government security - FVOCI	24(b)	(2,544)	(5,780)
Realised gain on government security - FVPL	24(c)	(706)	-
Realized gain on disposal of government securities at amortized cost	24(a)	(1,581)	(1,747)
Interest income from government security - FVOCI	24(b)	(3,799)	(2,705)
Interest income from government security amortized at cost	24(a)	(208,287)	(206,092)
Interest income on government securities - FVPL	24(c)	(302)	-
Interest expense on lease	11(b)	4,978	5,341
Interest expense on borrowings	36(vi)	116,594	73,697
Foreign exchange (gain)/loss on borrowings	36(vi)	(20,350)	26,574
Foreign exchange loss on leases liability		-	152
Impairment charge	12(b)	87,471	84,435
Dividend income	14(b)	(65)	(55)
Provision	35	348	352
		953,532	794,858
<i>Movement in working capital:</i>			
Statutory Minimum Reserve		(71,646)	(44,751)
Net investments in securities at FVOCI		(45,392)	591
Net investments in securities at FVPL		(9,784)	-
Loans and advances to customers		(876,820)	(1,776,672)
Derivative financial instrument assets		(14,721)	-
Derivative financial instrument liabilities		2,956	-
Other assets		(32,886)	55,801
Deposits from customers		1,102,438	874,531
Deposits due to other banks		(14,935)	2,563
Other liabilities		16,985	45,851
Cash generated/(used in) from operations		1,009,727	(47,228)

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

42. (a) FINANCIAL INSTRUMENTS BY CATEGORY (GROUP & BANK)

	As at 31 December 2024	Amortised Cost TZS' Millions	Fair Value through OCI TZS' Millions	Fair Value through FVTPL TZS' Millions	Total TZS' Millions
Financial assets					
Cash and balances with Bank of Tanzania		1,450,570	-	-	1,450,570
Investment securities – at amortised cost		2,180,270	-	-	2,180,270
Investment securities – FVOCI		-	78,339	-	78,339
Investment securities – FVPL		-	-	10,154	10,154
Placement and balances with other banks		905,728	-	-	905,728
Loans and advances to customers		8,498,677	-	-	8,498,677
Equity investments		-	4,233	-	4,233
Other assets (excluding non-financial assets)		116,475	-	-	116,475
		13,151,833	82,572	10,154	13,244,559
As at 31 December 2023					
Financial assets					
Cash and balances with Bank of Tanzania		1,340,934	-	-	1,340,934
Investment securities – at amortised cost		2,245,260	-	-	2,245,260
Investment securities – FVOCI		-	28,345	-	28,345
Placement and balances with other banks		336,759	-	-	336,759
Loans and advances to customers		7,706,925	-	-	7,706,925
Equity investments		-	2,920	-	2,920
Other assets (excluding non-financial assets)		103,971	-	-	105,971
		11,733,849	31,265	-	11,765,114



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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

42. (a) FINANCIAL INSTRUMENTS BY CATEGORY (GROUP & BANK) (CONTINUED)

	2024 TZS' Millions	2023 TZS' Millions
Financial liabilities at amortised cost (Group)		
Deposits from customers	9,564,222	8,465,608
Deposits due to other banks	73	15,008
Borrowings	1,369,504	1,380,193
Lease liabilities	24,298	28,844
Other liabilities (excluding non-financial liabilities) **	154,665	143,599
	11,112,762	10,033,252

	2024 TZS' Millions	2023 TZS' Millions
Financial liabilities at amortised cost (Bank)		
Deposits from customers	9,577,116	8,474,678
Deposits due to other banks	73	15,008
Borrowings	1,369,504	1,380,193
Lease liabilities	58,693	65,193
Other liabilities (excluding non-financial liabilities) **	154,665	143,606
	11,160,051	10,082,678

* Prepayments, inventory, provision for other assets and stationery are excluded from other assets balance, as this analysis is for financial instruments only.

** Non-financial liabilities such as provision and statutory liabilities are excluded from other liabilities balance, as this analysis is for financial instruments only

43. CONTINGENT LIABILITIES AND COMMITMENTS (GROUP AND BANK)

(a) Loan commitments guarantee and other financial facilities

In common with other banks, the Bank conducts business involving acceptances, letters of credit, guarantees, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties.

As at 31 December 2024, the Bank had the contractual amounts of off-balance sheet financial instruments that commit it to extend credit to customers, guarantee and other facilities, as follows: -

NMB BANK PLC
FINANCIAL STATEMENTS
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

43. CONTINGENT LIABILITIES AND COMMITMENTS (GROUP AND BANK) (CONTINUED)

	2024 TZS' Millions	2023 TZS' Millions
<i>Commitments</i>		
Guarantees and indemnities	1,536,424	1,028,592
Undrawn commitments	225,042	319,530
Acceptances and letters of credit	707,859	1,067,864
	2,469,325	2,415,986

Acceptances and letters of credit

An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer. The Bank expects most acceptances to be presented, and reimbursement by the customer is normally immediate. Letters of credit commit the Bank to make payments to third parties, on production of documents, which are subsequently reimbursed by customers.

(b) Legal claims

Some previous loan customers and ex-employees are suing the Bank for various reasons. With the exception of amounts disclosed in Note 35, the amounts claimed in both situations are not material and professional advice indicates that it is unlikely that any significant loss will arise.

(c) Capital commitments

As at 31 December 2024, the Bank had capital commitments of TZS 148,148 Million (2023: TZS 111,721Million) The expenditure contracted as at the end of reporting period but not yet incurred is as follows:

	2024 TZS' Millions	2023 TZS' Millions
(c) Capital commitments (Continued)		
Information technology	46,042	40,647
Branch and business centers remodeling	23,231	14,700
Others including equipment, vehicles and furniture	78,875	56,374
	148,148	111,721

The Bank's management is confident that future net revenues and funding will be sufficient to cover these commitments.

(d) Lease commitments

As of 31 December 2024, the Group and Bank had short term lease commitments of TZS 160 Million (2023: TZS 291 Million).



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FINANCIAL STATEMENTS
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

44. EFFECTIVE INTEREST RATES OF FINANCIAL ASSETS AND LIABILITIES (GROUP AND BANK)

The effective interest rates for the principal financial assets and liabilities at 31 December 2024 were as follows:

	2024 %	2023 %
Investment securities	9.64	9.28
Placements and balances with other banks	4.15	3.55
Loans and advances to customers	13.78	12.44
Deposits from customers	1.87	1.93
Deposits due to other banks	7.47	21.28
Borrowings	7.20	5.34

45. RELATED PARTY TRANSACTIONS AND BALANCES

A number of banking transactions are entered into with related parties in the normal course of business. These include loans, deposits and foreign currency transactions.

The volumes of related party transactions, outstanding balances at year-end, and related expense and income for the year are as follows:

(a) Loans and advances to related parties

At 31 December 2024 there were no loans issued to companies controlled by the Directors or their families. Advances to customers as of 31 December 2024 include loans to key management personnel and Directors as follows:

GROUP AND BANK	2024 TZS' Millions	2023 TZS' Millions
<i>Key management personnel and Directors</i>		
At start of year	8,668	5,140
Advanced during the year	4,447	4,883
Repaid during the year	(1,142)	(1,355)
At end of year	11,973	8,668
Interest income earned	313	237

Provision recognized in respect of loans given by the Group and Bank to key management personnel amounted to TZS 66 Million (2023: TZS 46 Million) in line with IFRS 9 requirements. Mortgage loans issued to key management were secured and the rest were unsecured. These loans carry off-market interest rates ranging between 5% and 9%. As of 31 December 2024, the Group and Bank held collateral valued at TZS 23,633 Million (2023: TZS 2,892 Million) with respect to loans and advances to senior management and Directors.

The Lending to key management personnel and Directors includes lending to the Directors amounting to TZS 269 Million as at 31 December 2024 (2023: TZS 269 Million), which were charged at market (commercial) interest rate.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

45. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Deposits from related parties

	Directors and key Management personnel	
GROUP	2024 TZS' Millions	2023 TZS' Millions
Deposits at the beginning of the year	(1,056)	3,944
Deposits received during the year	7,681	17,412
Deposits repaid during the year	(10,143)	(22,412)
Deposits as at the end of the year	(3,518)	(1,056)
Interest expense	17	7

BANK	Directors and key Management personnel		Related companies	
	2024 TZS' Millions	2023 TZS' Millions	2024 TZS' Millions	2023 TZS' Millions
Deposits at the beginning of the year	250	2	9,060	5,309
Deposits received during the year	7,681	12,096	15,125	5,315
Deposits repaid during the year	(10,143)	(11,848)	(2,299)	(1,564)
Deposits as at the end of the year	(2,212)	250	21,886	9,060
Interest expense	17	7	-	600

The above deposits are unsecured, carry variable interest rate and are repayable on demand. Related companies included in this disclosure is Upanga Joint Venture Company Limited.

(c) Transactions and balances with Rabobank (GROUP AND BANK)

Based on the management service contract approved by the Board, a total of TZS 14 Million (2023: TZS 450 Million) was paid to Rabobank during the year as management and technical assistance expenses. Management fees payable as at year-end was TZS 267 Million (2023: TZS 344 Million).

Nostro balances with Rabobank at year-end was Nil (2023: TZS 31,818 Million). There was no inter-bank balance due to Rabobank as at year-end. The Bank did not incur any expenses which were refundable from Rabobank (2023: Nil).



45. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(d) Transactions and balances with Upanga Joint Venture (BANK)

During the year, the Bank made lease payments of TZS 5 Billion to Upanga Joint Venture Limited (2023: TZS 5 Billion). The Bank charged UJVC management fee in the sum of TZS 27.65 Million (2023: 27.65 Million). As at 31 December the balance payable to the Bank for the management fee amounted to TZS 193.5 Million (2023: TZS 165.9 Million).

The Bank occasionally settles expenses on behalf of UJVC. As of December 31, 2024, the Bank's receivables from UJVC was TZS 1.53 Billion (2023: TZS 1.53 Billion), whereas ECL was TZS 157 Million (2023: TZS 157 Million).

(e) Key management compensation

(GROUP AND BANK)	2024 TZS' Millions	2023 TZS' Millions
Salaries and other short-term benefits	10,211	7,351
Post-employment benefits - defined contribution plan	1,008	823
	11,219	8,174

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly. The compensation made to expatriates from Rabobank is included in the management service contract highlighted in part (c) above and therefore excluded in the above benefits.

(f) Transactions and balances with Government of Tanzania (GROUP AND BANK)

The Government of Tanzania owns 31.8% (2023: 31.8%) of the equity of the Bank. The Bank invested in government securities during the year and at the year-end the amount receivable from the Government of Tanzania in the form of treasury bills and bonds amounted to TZS 2,268,877 Million (2023: TZS 2,273,605 Million). Interest earned from investment in government securities during the year was TZS 211,298 Million (2023: TZS 208,383 Million), Service fee earned from the government due to transactional services performed amounted to TZS 1,377 Million (2023: TZS 469 Million). For balances outstanding as at 31 December 2024 stands at TZS 2,840 Million (2023: TZS 6,377 Million) expected credit loss provided stood at TZS 698 Million (2023: TZS 114Million). The Bank also accepts deposits from various government institutions and agencies which do not attract interest.

(g) Directors' remuneration (GROUP AND BANK)

Fees and other emoluments paid to Directors of the Bank during the period amounted to TZS 1,826 Million (2023: TZS 1,447 Million). Details of payment to individual Directors will be tabled at the Annual General Meeting.

46. BANCASSURANCE

The revenue generated from bancassurance services for the year ended 31 December 2024 amounted to TZS 29,849 Million (2023: TZS 14,070 Million) while costs incurred amounted to TZS 3,099 Million (2023: TZS 1,789 Million) resulting to the net income of TZS 26,750 Million (2023: TZS 12,227 Million). The income from of bancassurance for the Group and Bank has been disclosed as part of net fees and commission income in note 13.

47. EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period, not otherwise dealt with in these financial statements, that had material impact to the consolidated and Bank financial statements.





Company Information



NOTICE OF THE 25TH ANNUAL GENERAL MEETING OF THE MEMBERS OF NMB BANK PLC

Notice is hereby given that the 25th Annual General Meeting of NMB Bank PLC shareholders will be held online (virtually) on Thursday 5th June 2025 at 10.00 a.m.

The agenda will be as follows:

- 25.1 NOTICE AND QUORUM
- 25.2 ADOPTION OF THE AGENDA
- 25.3 CONFIRMATION OF MINUTES OF THE 24TH ANNUAL GENERAL MEETING HELD ON 7TH JUNE 2024
- 25.4 MATTERS ARISING FROM THE PREVIOUS MEETING
- 25.5 TO RECEIVE, CONSIDER AND ADOPT THE DIRECTORS’ REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024
- 25.6 DIVIDEND DECLARATION FOR THE FINANCIAL YEAR 2024
- 25.7 TO RECEIVE AND APPROVE THE PROPOSAL FOR DIRECTORS’ REMUNERATION
- 25.8 RESIGNATION AND APPOINTMENT OF DIRECTORS
- 25.9 TO RECEIVE AND APPROVE APPOINTMENT OF EXTERNAL AUDITORS FOR THE FINANCIAL YEAR 2025
- 25.10 TO RECEIVE AND APPROVE AMENDMENTS IN THE MEMORANDUM AND ARTICLES OF ASSOCIATION
- 25.11 ANY OTHER BUSINESS

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While outside Tanzania: 0808 002 022
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Network Distribution

DSM Zone				
Branch Name	Region	District	Street/ Road	Telephone
Mbezi Louis	Dar es Salaam	Ubungo	Mbezi Louis area opp. Old Morogoro road	022-232-4212
Kurasini	Dar es Salaam	Temeke	Engaruka	022-232-4166
Mbagala	Dar es Salaam	Temeke	Kilwa road	022-232-4135
Tandika	Dar es Salaam	Temeke	Bus stand, Ugweno Street	022-232-4194
Temeke	Dar es Salaam	Temeke	Temeke street/Mbagala road	022-232-4100
TPA Bandari	Dar es Salaam	Temeke	TPA, Mandela Rd	022-232-4126
Bunju	Dar es Salaam	Kinondoni	Bunju mwisho along Bagamoyo road	022-232-4539
Magomeni	Dar es Salaam	Kinondoni	Morogoro road	022-232-4108
Mbezi	Dar es Salaam	Kinondoni	Bagamoyo Road	022-232-4163
Mlimani City	Dar es Salaam	Kinondoni	Sam Nujoma road	022-232-4120
Msasani	Dar es Salaam	Kinondoni	Kimweri Avenue	022-232-4190
Mwenge	Dar es Salaam	Kinondoni	Afrikasana road	022-232-4184
Oysterbay	Dar es Salaam	Kinondoni	Haile Selassie/Ali bin Said road	022-232-4147
Sinza	Dar es Salaam	Kinondoni	Shekilango Road/Sinza Mori	022-232-4187
Tegeta	Dar es Salaam	Kinondoni	Bagamoyo Road	022-232-4132
Ubungo	Dar es Salaam	Kinondoni	Morogoro road	022-232-4203
University	Dar es Salaam	Kinondoni	University road	022-232-4168
Kibada	Dar es Salaam	Kigamboni	Kibada along Mji mwema and Kongowe road	022-232-4041
Kigamboni	Dar es Salaam	Kigamboni	Ferry street	022-232-4174
Airport	Dar es Salaam	Ilala	Nyerere road	022-232-4200
Bank House	Dar es Salaam	Ilala	Samora ave/Pamba road	022-232-4128
Chanika	Dar es Salaam	Ilala	Chanika	022-232-4976
Congo Street	Dar es Salaam	Ilala	Congo street	022-232-4154
Gongo la Mboto	Dar es Salaam	Ilala	Nyerere Rd	022-232-4160
Ilala	Dar es Salaam	Ilala	Uhuru road	022-232-4116
Kariakoo	Dar es Salaam	Ilala	Livingstone St	022-232-4112
Kariakoo Business Center	Dar es Salaam	Ilala	Mafia/Swahili street	022-232-4205
Kinyerezi	Dar es Salaam	Ilala	Kinyerezi road	022-232-4978
Mandela Road	Dar es Salaam	Ilala	Mandela Rd, TOT Tabata area	022-232-4157
Morogoro Road	Dar es Salaam	Ilala	Morogoro road/ Mshihiri	022-232-4104
Muhimbili	Dar es Salaam	Ilala	Kalenga	022-232-4141
Ohio	Dar es Salaam	Ilala	Ohio/Ali Hassan Mwinyi	022-232-2726
Kibiti	Pwani	Rufiji	Lindi-kibiti rd	022-232-4273
Mkuranga	Pwani	Mkuranga	Bank street	022-232-4270
Mafia	Pwani	Mafia	Kilindoni	022-232-4197
Kisarawe	Pwani	kisarawe	Sokoni	022-232-4264
Kibaha	Pwani	Kibaha	Maili moja- mkoani	022-232-4261
Mlandizi	Pwani	Kibaha	Morogoro road, Mlandizi stand	022-232-4276
Bagamoyo	Pwani	Bagamoyo	Bank street	022-232-4267
Chalinze	Pwani	Bagamoyo	Chalinze-Dar RD, Chalinze area	022-232-4227

Zanzibar Cluster				
Branch Name	Region	District	Street/ Road	Telephone
Chakechake	Kusini Pemba	Chakechake	Msingini	022-232-4144
Mwanakwerekwe	Mjini Magharibi	Magharibi	Mwanakwerekwe street	022-232-4181
Paje	Kusini Unguja	Kusini	Paje Town round about	022-232-4859
Zanzibar	Mjini Magharibi	Mjini	Darajani	022-232-4207
Central Zone				
Branch Name	Region	District	Street/ Road	Telephone
Bahi	Dodoma	Bahi	Mission street/Bahi Distr. Building	022-232-4054
Bunge	Dodoma	Dodoma	Parliament Grounds, Uzunguni	022-232-4009
Chamwino	Dodoma	Chamwino	Chamwino Ikulu/Chamwino Distr. Building	022-232-4051
Dodoma	Dodoma	Dodoma	One Way / Kuu Street	022-232-4060
Kambarage	Dodoma	Dodoma	PSPF building, 18 Jakaya Kikwete rd, adjacent to BOT	022-232-4072
Kibaigwa	Dodoma	Kongwa	Dodoma Highway	022-232-4018
Kondoa	Dodoma	Kondoa	Chem Chem	022-232-4024
Kongwa	Dodoma	Kongwa	Dodoma Road	022-232-4012
Makole Business Center	Dodoma	Dodoma	Kuu Street / Nyerere rd	022-232-4066
Mazengo	Dodoma	Dodoma	Kuu Street	022-232-4063
Mpwapwa	Dodoma	Mpwapwa	Post Office Area	022-232-4015
UDOM	Dodoma	Dodoma	Nyerere	022-232-4006
Dumila	Morogoro	Kilosa	Dumila	022-232-4255
Gairo	Morogoro	Gairo	Morogoro Road Gairo area	022-232-4279
Ifakara	Morogoro	Kilombero	Nduna street	022-232-4243
Kilombero	Morogoro	Kilosa	Kidodi	022-232-4240
Kilosa	Morogoro	Kilosa	Jamhuri	022-232-4252
Mahenge	Morogoro	Ulanga	Kilosa Rd	022-232-4246
Malinyi	Morogoro	Malinyi	Madaraka Rd - Misegese area near Malinyi DC offices	022-232-4519
Mlimba	Morogoro	Kilombero/ Mlimba	Mlimba A, Kituo cha afya road	022-232-4294
Morogoro Business Center	Morogoro	Morogoro MC	Madaraka street Opp. Morogoro MC building	022-232-4282
Mount Uluguru	Morogoro	Morogoro MC	Masika area	022-232-4237
Msamvu	Morogoro	Morogoro MC	LAPF Building /Msamvu Bus Terminal	022-232-4257
Mzumbe	Morogoro	Mvomero	Mzumbe Main Campus	022-232-4984
SUA	Morogoro	Morogoro MC	SUA Main Campus - Administrative area	022-232-4231
Turiani	Morogoro	Mvomero	Madizini	022-232-4249
Wami	Morogoro	Morogoro MC	Uhuru street	022-232-4231



Branch Name	Region	District	Street/ Road	Telephone
Ikungi	Singida	Ikungi	Opp. Ikungi District council's building	022-232-4057
Itigi	Singida	Manyoni	Majengo	022-232-4027
Kiomboi	Singida	Iramba	Karume/Thomas Mussa	022-232-4048
Manyoni	Singida	Manyoni	Kipondoa Dodoma - Singida Rd	022-232-4045
Mitundu	Singida	Manyoni - Itigi	Mitundu bus stand	022-232-4029
Mkalama	Singida	Mkalama	Nduguti	022-232-4069
Shelui	Singida	Iramba	Shelui - Singida/Tabora rd	022 232 -4586
Singida	Singida	Singida MC	Majengo/Karume Road	022-232-4042
Babati	Manyara	Babati TC	Police Line	022-232-4003
Haydom	Manyara	Mbulu	Hydom Old bus stand street	022-232-4033
Katesh	Manyara	Hanang	Machakos	022-232-4039
Kibaya	Manyara	Kiteto	Bomani	022-232-4021
Mbulu	Manyara	Mbulu	Karatu Road	022-232-4030
Mirerani	Manyara	Simanjiro	Kisimani opp police station	022-232-4751
Simanjiro	Manyara	Simanjiro	Boma	022-232-4036

Northern Zone

Branch Name	Region	District	Street/ Road	Telephone
Arusha Business Center	Arusha	Arusha	Makongoro Road	022-232-4942
Arusha Market	Arusha	Arusha	Martin Road	022-232-4945
Clock Tower	Arusha	Arusha	Sokoine road/Joel Maeda Street	022-232-4948
Karatu	Arusha	Karatu	Ngorongoro Road	022-232-4724
Kwa Mrombo	Arusha	Arusha	Kwa Mrombo market - mwisho wa Lami	022 232 2997
Loliondo	Arusha	Ngorongoro	Wasso	022-232-4721
Monduli	Arusha	Monduli	Boma Road	022-232-4718
Mto wa Mbu	Arusha	Monduli	Along ngorongoro road/mto wa mbu	022-232-4790
Namanga	Arusha	Longido	Eworendeke	022-232-4784
Ngaramtoni	Arusha	Meru	Ngaramtoni town - along Namanga/Nairobi rd	022-232-4987
Ngarenaro	Arusha	Arusha	Sokoine Road	022-232-4990
Usa River	Arusha	Meru	Arusha/Himo Road	022-232-4939
Hai	Kilimanjaro	Hai	Moshi/Arusha Road	022-232-4742
Hedaru	Kilimanjaro	Same	Hedaru A	022-232-4762
Himo	Kilimanjaro	Moshi DC	Himo/Marangu Road	022-232-4720
Holili	Kilimanjaro	Rombo	Holili border post - Tanzania&Kenya	022-232-4720
Mawenzi	Kilimanjaro	Moshi MC	Rengua	022-232-4963
Mbuyuni	Kilimanjaro	Moshi MC	Mbuyuni	022-232-4966
Mwanga	Kilimanjaro	Mwanga	C.D Msuya	022-232-4727
Nelson Mandela	Kilimanjaro	Moshi MC	Market	022-232-4776

Rombo	Kilimanjaro	Rombo	Rombo Mkuu	022-232-4994
Rombo	Kilimanjaro	Rombo	Rombo Mkuu	022-232-4994
Same	Kilimanjaro	Same	Bank/Posta	022-232-4996
Siha	Kilimanjaro	Siha	Sanya Juu area	022-232-4748
Tarakea	Kilimanjaro	Rombo	Moshi/Arusha Road	022-232-4745
Bumbuli	Tanga	Lushoto	Kwemuae, Bumbuli	022-232-4757
Handeni	Tanga	Handeni	Kondoa Road	022-232-4951
Kilindi	Tanga	Kilindi	Songe	022-232-4954
Korogwe	Tanga	Korogwe TC	DSM-Arusha Road	022-232-4957
Lushoto	Tanga	Lushoto	Main Road	022-232-4903
Madaraka	Tanga	Tanga	Market/Clock Tower Street	022-232-4960
Mkata	Tanga	Handeni	Mkata kwavunde - along highway of Dsm - Tanga	022-232-4763
Mkinga	Tanga	Mkinga	Mkinga District Council offices	022-232-4716
Mombo	Tanga	Korogwe	Lushoto Road	022-232-4900
Muheza	Tanga	Muheza	Posta	022-232-4981
Ngamiani	Tanga	Tanga	Ngamiani	022 232 -4953
Pangani	Tanga	Pangani	Usalama Street	022-232-4736

Highland Zone

Branch Name	Region	District	Street/ Road	Telephone
Busokelo	Mbeya	Busokelo	Busokelo district council	022-232-4414
Chunya	Mbeya	Chunya	Mbeya - Tabora	022-232-4325
Kasumulu	Mbeya	Kyela	Highway road to Malawi/Ngisi str.	022-232-4374
Kyela	Mbeya	Kyela	Mbondeni A	022-232-4344
Makongorosi	Mbeya	Chunya	Mkwajuni road	022-232-4050
Mbalizi Road	Mbeya	Mbeya City Council	Mbalizi Road	022-232-4334
Mbarali	Mbeya	Mbarali	Ihanga	022-232-4322
Mwanjelwa	Mbeya	Mbeya CC	Tunduma Road	022-232-4341
Tukuyu	Mbeya	Rungwe	Bomani	022-232-4395
Usongwe	Mbeya	Mbeya DC	Tunduma road	022-232-4347
Uyole	Mbeya	Mbeya DC	Uyole Industrial / Uyole stand	022-232-4359
Ilula	Iringa	Kilolo	Mtua	022-232-4362
Kilolo	Iringa	Kilolo	Luganga	022-232-4304
Mafinga	Iringa	Mafinga TC	Mbeya/Songea Road	022-232-4307
Mkwawa	Iringa	Iringa	Uhuru /Dodoma road	022-232-4300
Ruaha	Iringa	Iringa town	Miomboni	022-232-4389
Mlele	Katavi	Mlele	Inyonga / Mlele DC	022-232-4353
Mpanda	Katavi	Mpanda TC	Madukani Road	022-232-4350
Majimoto	Katavi	Mpimbwe	Majimoto ward, Migunga str. Kibaoni/Inyonga rd	022-232-4841



Branch Name	Region	District	Street/ Road	Telephone
Ludewa	Njombe	Ludewa	Kanisa	022-232-4316
Makambako	Njombe	Makambako	Songea Rd	022-232-4310
Makete	Njombe	Makete	Makete Rd	022-232-4319
Njombe	Njombe	Njombe TC	Songea Road	022-232-4313
Wanging'ombe	Njombe	Wanging'ombe	Igwachanya	022-232-4378
Kalambo	Rukwa	Kalambo	Kalambo District council	022-232-4356
Laela	Rukwa	Sumbawanga	Nkusa - sumbawanga to mbeya road	022-232-4380
Nkasi	Rukwa	Nkasi	Soko Kuu	022-232-4368
Sumbawanga	Rukwa	Sumbawanga	Mbeya Road	022-232-4392
Ileje	Songwe	Ileje	Rungwa 'A'	022-232-4371
Mbozi	Songwe	Mbozi	Independence	022-232-4383
Mkwajuni	Songwe	Songwe	Mwambani road - Kona ya mbeya	022-232-4386
Mlowo	Songwe	Mbozi	Tunduma Rd, Mlowo centre	022-232-4365
Tunduma	Songwe	Tunduma	Zambia Road	022-232-4398

Lake Zone

Branch Name	Region	District	Street/ Road	Telephone
Buchosa	Mwanza	Buchosa	Nyehunge	022-232-4562
Buhongwa	Mwanza	Nyamagana	Buhongwa	022-232-4573
Buzuruga	Mwanza	Mwanza Nyamagana	Musoma rd	022-232-4440
Igoma	Mwanza	Nyamagana	Musoma rd / Kwa Gachuma	022-232-4555
Ilemela	Mwanza	Ilemela	Ardhi street at Ilemela DC offices	022-232-4552
Kenyatta Road	Mwanza	Nyamagana	Kenyatta Road	022-232-4513
Magu	Mwanza	Magu	Bank Street	022-232-4523
Misungwi	Mwanza	Misungwi	Shinyanga Road	022-232-4526
Mwanza Business Center	Mwanza	Nyamagana	Kenyatta Road	022-232-4455
Nansio	Mwanza	Ukerewe	Boma Road	022-232-4529
Ngudu	Mwanza	Kwimba	Kakola	022-232-4532
Pamba	Mwanza	Nyamagana	Pamba road	022-232-4466
Rock City	Mwanza	Ilemela	Ghana street/Airport road	022-232-4469
Sengerema	Mwanza	Sengerema	Bank Street	022-232-4540
Chato	Geita	Chato	Bukoba road	022-232-4443
Geita	Geita	Geita	Street Bank	022-232-4510
Katoro	Geita	Geita	Stamico street	022-232-4480
Nyang'hwale	Geita	Nyang'hwale	Kharumwa Msalala -Butalanda str.	022-232-4431

Branch Name	Region	District	Street/ Road	Telephone
Biharamulo	Kagera	Biharamulo	Mankorongo	022-232-4543
Kabanga	Kagera	Ngara	Nzaza, TRA Burundi border	022-232-4558
Kaitaba	Kagera	Bukoba	Junction of Uganda/Jamhuri road	022-232-4546
Kayanga	Kagera	Karagwe	Bomani	022-232-4445
Kyerwa	Kagera	Kyerwa	Kyerwa District council	022-232-4433
Misenyi	Kagera	Misenyi	Kyaka	022-232-4498
Mtukula	Kagera	Misenyi	Mtukula TRA building / border	022-232-4434
Muleba	Kagera	Muleba	Nyerere	022-232-4451
Ngara	Kagera	Ngara	Nyerere Road	022-232-4549
Nkwenda	Kagera	Kyerwa	Nkwenda/ kaisho road	022-232-4492
Rulenge	Kagera	Ngara	Rulenge Town Center	022-232- 4549
Rusumo	Kagera	Ngara	Kagera / Rwanda border	022-232-4483
Bunda	Mara	Bunda	Bank St	022-232-4501
Butiama	Mara	Butiama	Muhunda Street	022-232-4437
Mugumu	Mara	Serengeti	Bomani	022-232-4448
Musoma	Mara	Musoma MC	Nyerere Road	022-232-4463
Nyamongo	Mara	Tarime	Bom gate	022-232-4460
Nyamwaga	Mara	Tarime DC	Nyamwaga	022-232-4852
Rorya	Mara	Rorya	Shirati	022-232-4495
Rorya District Council	Mara	Rorya	Ingri juu	022-232-4477
Sirari	Mara	Tarime	Forodhani, border of Tanzania -Kenya	022-232-4489
Tarime	Mara	Tarime	Bank Street	022-232-4507
Rorya District Council	Mara	Rorya	Ingri juu	022-232-4477

Western Zone

Branch Name	Region	District	Street/ Road	Telephone
Igunga	Tabora	Igunga	Bank	022-232-4618
Kaliua	Tabora	Kaliua	Ushokora, Kigoma highway	022-232-4609
Mihayo	Tabora	Tabora	Jamhuri	022-232-4651
Nkinga	Tabora	Igunga	Nkinga bus stand	022-232-4666
Nzega	Tabora	Nzega	Bank st	022-232-4645
Sikonge	Tabora	Sikonge	Police Line Mbeya -Tabora Rd	022-232-4654
Urambo	Tabora	Urambo	Boma Village	022-232-4657
Buhigwe	Kigoma	Buhigwe	Buhigwe	022-232-4219
Kakonko	Kigoma	Kakonko	Kanyomvi Road	022-232-4621
Kasulu	Kigoma	Kasulu TC	Kigoma Road	022-232-4606
Kibondo	Kigoma	Kibondo	Boma	022-232-4624
Kigoma	Kigoma	Kigoma-Ujiji MC	Kigoma	022-232-4612
Uvinza	Kigoma	Uvinza	Lugufu - at Uvinza DC buildings	022-232-4648



Southern Zone				
Branch Name	Region	District	Street/ Road	Telephone
Masasi	Mtwara	Masasi TC	Masasi Road	022-232-4809
Mtwara	Mtwara	Mtwara MC	Vigaeni / Sinani - PPF Plaza	022-232-4800
Mtwara Business Center	Mtwara	Mtwara MC	Tanu road	022-232-4851
Nanyumbu	Mtwara	Nanyumbu	Kilimani Hewa	022-232-4812
Newala	Mtwara	Newala	Nangwala	022-232-4803
Tandahimba	Mtwara	Tandahimba	Mji Mpya	022-232-4806
Kilwa Masoko	Lindi	Kilwa	Kilwa Road	022-232-4821
Lindi	Lindi	Lindi	Bima Street	022-232-4818
Liwale	Lindi	Liwale	Nachingwea Road	022-232-4824
Nachingwea	Lindi	Nachingwea	Government Road	022-232-4830
Ndanda	Lindi	Masasi DC	Masasi Road	022-232-4815
Ruangwa	Lindi	Ruangwa	Bomani	022-232-4827
Liteambo	Ruvuma	Mbinga	RC Mission	022-232-4843
Madaba	Ruvuma	Songea DC	Mkwera- Mtepa	022-232-4854
Mbinga	Ruvuma	Mbinga	Nyerere road	022-232-4845
Namtumbo	Ruvuma	Namtumbo	Tunduru Rd	022-232-4839
Nyasa	Ruvuma	Nyasa	Likwilu str. near DC office	022-232-4848
Songea	Ruvuma	Songea MC	Sokoine/Market	022-232-4833
Tunduru	Ruvuma	Tunduru	Masasi - Songea Road	022-232-4836







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